

## 2022 first-half earnings Third-quarter revenues

- Consolidated revenues of €2.1m for the first half of 2022 and a €6.9m operating loss, in a challenging macroeconomic context, leading the Group to adapt its development strategy.
- Revenues of €1m for the third quarter, down -18% versus Q3 2021. Orders up +10% in September 2022.
- The major savings plan rolled out by the Group and its financial capabilities enable it to look ahead to 2023 with confidence, in a context in which the digital transition is essential for the green transition and aligned with the growing expectations of businesses.

AMA CORPORATION PLC (“AMA”) (ISIN GB00BNKGC5 – ticker ALAMA), a pioneer for assisted reality solutions and a publisher and integrator of B2B software solutions for smart workplaces, is releasing its consolidated half-year earnings at June 30, 2022, approved by the Board of Directors during its meeting on October 26, 2022.

Unaudited consolidated earnings - IFRS (€'000)	First half of 2022	First half of 2021	Change
<b>Revenues</b>	<b>2,125</b>	<b>3,935</b>	<b>-46%</b>
Adjusted gross margin <sup>1</sup>	1,473	2,350	-37%
% of revenues	69.3%	59.7%	+9.6 pts
Staff costs	(6,045)	(4,622)	+31%
Adjusted EBITDA <sup>2</sup>	(4,351)	(2,276)	-91%
<b>EBIT</b>	<b>(6,883)</b>	<b>(3,700)</b>	<b>-86%</b>
Non-current operating losses	(1,013)	0	
Financial income (expense)	(18)	(230)	
Income from ordinary operations before tax	(7,914)	(3,930)	-101%
Consolidated net income	(8,558)	(3,202)	-161%

### 2022 first-half earnings: slowdown in business has led the Group to adapt its development strategy

For the first half of 2022, the AMA Group recorded €2.1m of revenues, compared with €3.9m for the first half of 2021. In a challenging macroeconomic environment, with market disruption, supply chain issues, inflation and geopolitical risks, clients and prospects are taking more time with their investment decisions. This situation is reflected in a number of players on the assisted reality market. AMA is continuing to move forward with its international commercial efforts, while further strengthening its strategic partnerships, to ensure that it is in a good position when its market accelerates again.

The Group’s gross margin came to €1.5m for the first half of 2022, with a margin rate of 69.3%, a 9.6-point improvement thanks to strong growth in software sales (+19%), which represent 65% of the Group’s

<sup>1</sup> The adjusted gross margin corresponds to the margin on purchases consumed excluding the depreciation of inventory.

<sup>2</sup> Adjusted EBITDA corresponds to EBIT + depreciation of property, plant and equipment and intangible assets + share-based payments in accordance with IFRS 2.

revenues for the period. This improvement in the product mix has been achieved at the expense of equipment sales, which characterize the first phases when contracts are put in place.

Adjusted EBITDA contracted -€2m to -€4.4m due to the significant increase in payroll (+31%) over the first half of 2022 in line with the recruitments launched at the end of 2021.

At the start of June, the Group decided to launch a global savings plan that will include reducing its workforce by 53%. The cost of this plan was recognized with €1,013k of provisions under non-current items in the 2022 first-half accounts.

The Group will start 2023 with 87 staff (41 in Sales & Marketing, 21 in R&D, 18 in Operations and 7 in Administration/CSR), compared with 184 staff at the start of this year. This will enable the Group to reduce its payroll by around €4.7m for 2023 versus the level of expenditure that would have been reached based on a constant level of headcount compared with end-June 2022.

After €(18)k of financial income and expenses and a €(644)k tax expense, corresponding to the reversal of deferred tax assets, the AMA Group's consolidated income came to €(8.6)m.

## **2022 third-quarter business: orders up 10% in September and XpertEye version 6.8 released**

Although third-quarter revenues contracted -18% to €1m (at constant exchange rates) compared with the third quarter of 2021, AMA recorded a 10% increase in orders in September.

AMA continues to benefit from a strong client portfolio, with 473 clients at end-September, including major global groups.

AMA is continuing to innovate and, in September, released its fourth update in 2022 with version 6.8 of XpertEye. It includes the first On & Live remote assistance solution on the market. Users can simply press a button on their moziware or RealWear connected glasses to immediately launch collaboration with XpertEye. It also optimizes the management of multi-user conferences and compatibility with third-party systems.

## **Group financial capabilities**

At June 30, 2022, the Group's cash position totaled €13.7m, compared with €20.6m at December 31, 2021. The Group has launched a restructuring plan that will enable it to reduce its cash consumption by around €400k per month from January 1, 2023 compared with the trend for the first half of 2022.

## **Outlook**

Following a contraction phase, the market has shown positive signs in the past few weeks, with a good rate of renewals for client contracts.

Based on the renewed interest at trade fairs, which provide a large number of qualified prospects, the market is expected to perform well in 2023, further strengthened by growing awareness of the productivity and environmental stakes addressed with the digital transformation.

## **Publication of the Half-Year Financial Report**

AMA Corporation PLC's financial report for the first half of 2022 will be published on October 31, 2022 in the morning. It will notably be available online at [www.amaxperteye.com](http://www.amaxperteye.com), under "Investors" and "Documents".

**Next date: 2022 fourth-quarter and full-year revenues: January 31, 2022 (before start of trading)**

## Disclaimer

This press release contains certain non-factual elements, including but not restricted to certain statements concerning its future results and other future events. These statements are based on the current vision and assumptions of AMA Corporation PLC's leadership team. They include various known and unknown uncertainties and risks that could result in material differences in relation to the expected results, profitability and events. In addition, AMA Corporation PLC, its shareholders and its respective affiliates, directors, executives, advisors and employees have not checked the accuracy of and make no representations or warranties concerning the statistical or forward-looking information contained in this press release that is taken from or derived from third-party sources or industry publications. These statistical data and forward-looking information are used in this press release exclusively for information.

## About AMA

Whereas most collaborative working tools quickly reach their limits once outside the office space, AMA enables experts to work remotely with frontline workers using a secure software platform combined with video tools that are perfectly tailored to each business.

With nearly seven years' experience in remote assistance solutions, AMA helps industry and service providers of all sizes, as well as medical establishments, to accelerate their digital transformation. Deployed in more than 100 countries, AMA's assisted reality platform, XpertEye, addresses a wide range of use cases, from remote diagnostics to inspection, planning and workflow management. Its unique solutions for remote interactive collaboration enable businesses and institutions to increase productivity, speed up resolution times and maximise uptime.

AMA is a sustainable digital company committed to improving the lives of professionals while preserving the planet. As we connect experts and frontline workers via a secure remote collaboration solution, we make business travel less necessary, reducing the company's carbon footprint by 1 teCO2 per month for each solution used.

With offices in France, Germany, Spain, the United States, China (including Hong Kong) and Japan, AMA has a global presence and works across all time zones to forge close relationships with its clients wherever they are. AMA is listed on Euronext Growth Paris (GB00BNKGZC51 – ALAMA). Learn more at [www.amaxperteye.com](http://www.amaxperteye.com).

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# APPENDICES

Unaudited first-half earnings, approved by the Board of Directors on October 26, 2022.

## Condensed half-year income statement

IFRS (€'000)	H1 2022	H1 2021
<b>Revenues</b>	<b>2,125</b>	<b>3,935</b>
Purchases consumed	(452)	(1,418)
Other Income	2,433	<b>1,997</b>
Other purchases and external expenses	(2,403)	(1,950)
Staff costs	(6,045)	(4,622)
Depreciation of property, plant and equipment and intangible assets	(2,251)	(1,423)
Other expenses	(290)	(219)
<b>EBIT</b>	<b>(6,883)</b>	<b>(3,700)</b>
<b>Non-current operating income</b>	<b>(1013)</b>	<b>0</b>
Financial income	58	33
Financial expenses	(76)	(263)
<b>Net financial income (expense)</b>	<b>(18)</b>	<b>(230)</b>
<b>Pre-tax income</b>	<b>(7,914)</b>	<b>(3,930)</b>
Corporate income tax income	(644)	728
<b>Net income for the period</b>	<b>(8,558)</b>	<b>(3,202)</b>
<b>Earnings for the period attributable to owners of the parent</b>	<b>(8,463)</b>	<b>(2,847)</b>
Non-controlling interests	(95)	(355)

## Quarterly revenues

Quarterly revenues - IFRS (€m) (at constant exchange rates)	2022	2021	Change
First quarter	1.1	2.2	-52%
Second quarter	1.0	1.8	-44%
<b>First half</b>	<b>2.1</b>	<b>4.0</b>	<b>-48%</b>
Third quarter	1.0	1.3	-18%

## Condensed half-year balance sheet

IFRS (€'000)	2022.06	2021.12
Property, plant and equipment	1,264	2,221
Intangible assets	7,649	6867
Rights of use	1,775	2,050
Financial assets	166	168
Deferred tax assets	0	598
<b>Non-current assets</b>	<b>10,853</b>	<b>11,903</b>
Inventories	1,771	1,683
Current tax receivables	449	266
Trade and other receivables	1,082	1,996
Other current assets	3,433	1733
Cash and cash equivalents	13,682	20,641
<b>Current assets</b>	<b>20,416</b>	<b>26,320</b>
<b>Total assets</b>	<b>31,270</b>	<b>38,223</b>
Share capital	3,207	3,207
Issue premiums	34,161	34,161
Translation reserves	85	67
Retained earnings	(18,956)	(10,143)
<b>Equity attributable to owners of the parent</b>	<b>18,498</b>	<b>27,293</b>
<b>Non-controlling interests</b>	<b>40</b>	<b>(392)</b>
<b>Total shareholders' equity</b>	<b>18,538</b>	<b>26,901</b>
Borrowings and financial debt	2,485	852
Lease liabilities	951	1,119
Defined benefit plan liabilities	116	185
Provisions		
Other liabilities		
Deferred tax liabilities	3	3
<b>Non-current liabilities</b>	<b>3,557</b>	<b>2,160</b>
Bank overdrafts	1	0
Current tax liabilities	54	49
Borrowings and financial debt	1,429	1,772
Lease liabilities	845	958
Trade and other payables	1,375	1,943
Client contract liabilities (deferred income)	1,732	2,130
Provisions	1,112	381
Other liabilities	2,628	1,929
<b>Current liabilities</b>	<b>9,176</b>	<b>9162</b>
<b>Total liabilities</b>	<b>12,732</b>	<b>11,322</b>
<b>Total shareholders' equity and liabilities</b>	<b>31,270</b>	<b>28,223</b>

## Half-year cash-flow statement

IFRS (€'000)	H1 2022	H1 2021
<b>Net income for the period</b>	<b>(8,558)</b>	<b>(3,202)</b>
Adjustments for:		
Depreciation of property, plant and equipment	1,103	665
Depreciation of intangible assets	1,152	758
Net financial income (expense)	18	230
Income from disposal of property, plant and equipment	91	41
Cost of share-based payments	130	1
Corporate income tax income	644	(728)
Other items	728	6
Total adjustments	3,866	972
<b>Total operating cash flow</b>	<b>(4,692)</b>	<b>(2,330)</b>
Change in:		
Inventories	(231)	(115)
Trade and other receivables	967	902
Contract liabilities	(442)	(300)
Advances and deposits	83	54
Trade and other payables	(564)	1,725
Employee benefits and provisions	4	26
Other current receivables / payables	(274)	(1,666)
Other working capital requirement items		740
<b>Total changes</b>	<b>(456)</b>	<b>625</b>
<b>Cash flow from operating activities</b>	<b>(5,148)</b>	<b>(1,604)</b>
Tax paid	(241)	(89)
<b>Net cash from operating activities</b>	<b>(5,390)</b>	<b>(1,693)</b>
Acquisition of property, plant and equipment and intangible assets	(21)	(691)
Income from disposal of property, plant and equipment and intangible assets	(1)	7
Capitalized development costs	(2,195)	(1,861)
Investment subsidies (incl. research tax credit offsetting capitalized costs)		121
Increase in financial assets	(18)	(35)
Decrease in financial assets	21	14
Interest received	0	-
<b>Net cash from investment activities</b>	<b>(2,215)</b>	<b>(2,566)</b>
Capital increase		-
Receipts from new borrowings and financial debt	2,607	982
Repayment of borrowings and financial debt	(1,316)	(1,421)
Payment of lease liabilities	(626)	(369)
Interest paid on borrowings and current accounts	(27)	(70)
Interest paid on lease liabilities	(11)	(7)
<b>Net cash from financing activities</b>	<b>615</b>	<b>(885)</b>
<b>Net change in cash and cash equivalents</b>	<b>(6,989)</b>	<b>(5,144)</b>
Cash and cash equivalents at January 1	20,641	1,240
Impact of the change in exchange rates on cash held	30	28
<b>Cash and cash equivalents at June 30</b>	<b>13,681</b>	<b>(3,876)</b>