

2023 half-year earnings Third quarter revenue

- **Efficiency of business adaptation strategy in a persistently slow market environment: revenues down by -22% in the 1st half and net income up by +52% compared with the 1st half of 2022.**
- **Revenues of €0.7m in Q3 2023, compared with €1.0m in Q3 2022, with a stable customer base.**
- **Net cash position of €9.5m, enabling AMA to maintain its investments in innovation and, in particular integrating Artificial Intelligence into AMA's solutions.**

AMA CORPORATION PLC ("AMA") (ISIN GB00BNKGC5 - mnemonic ALAMA), publisher and integrator of secure productivity applications designed for connected mobile workers, announces its consolidated half-year earnings at June 30, 2023, approved by the Board of Directors at its meeting on October 30, 2023.

Unaudited consolidated earnings - IFRS (€'000)	First half of 2023	First half of 2022	Change
Revenues	1 664	2 125	-22%
Adjusted gross margin ¹	1 020	1 473	-30%
% of revenues	61,3%	69,3%	-8 pts
Staff costs	(3 407)	(6 045)	-44%
Adjusted EBITDA ²	(3 320)	(4 351)	+24%
EBIT	(4 061)	(6 883)	+41%
Non-current operating losses	0	(1 013)	
Financial income (expense)	(40)	(18)	
Income from ordinary operations before tax	(4 101)	(7 914)	+48%
Consolidated net income	(4 114)	(8 558)	+52%

Results for the 1st half of 2023: effective adaptation plan in a market context that remains slow

At the end of the 1st half of 2023, the AMA Group recorded revenues (IFRS, at current exchange rates) of €1.7m, compared with €2.1m in the 1st half of 2022. In the current economic context, customers are showing caution in their digital transformation investments.

The decrease in the adjusted gross margin rate is temporary, as it is linked to actions to clear inventories (sale of obsolete hardware to brokers), while the product mix between software and hardware remains similar to the previous year.

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

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

AMA reacted proactively to market slowdown by initiating a vast cost-cutting plan over the 2nd half of 2022. This resulted in a €2.6m (-44%) reduction in personnel costs between the 2nd half of 2022 and the 1st half of 2023.

This significantly reduced the current operating loss from €(6.9)m in the 1st half 2022 to €(4.1)m in the 1st half 2023.

After taking into account the financial result of €(40)k and a tax charge of €(13)k, the AMA Group's consolidated net income is €(4.1)m for the 1st half 2023 compared with €(8.6)m for the same period last year.

3rd quarter 2023 revenues: a loyal customer base

AMA posted revenues of €0.7m in Q3 2023, compared with €1.0m in Q3 2022. Despite this decline, AMA has retained its customer base of over 425 accounts at the end of September, including some of the world's largest groups (Air Liquide, Alstom, Boehringer, Enedis, KPMG, Millipore Sigma), with the churn rate remaining limited to 7% of 2022 revenues.

AMA's Sales & Marketing strategy continues to prioritize the broader adoption of its solutions. Specifically, in the 1st half of 2023, AMA introduced a new commercial offer called the "Enterprise Model" to accelerate the deployment and usage of XpertEye. This includes offering license packages and volume discounts. Each month, more customers and prospects are adopting this new offer, enabling them to progressively implement XpertEye across their organizations.

In the rapidly advancing healthcare sector, where digital transformation is gaining momentum, AMA continues to roll out its XpertEye solution within SAMU (*French Medical Emergency Services*) and SDIS (*French Firefighters Departments*). An increasing number of them are using AMA's solution to enhance their ability to evaluate and respond more efficiently to emergency situations. The SAMU 75 (Paris) has just joined the 3 other SAMUs (92, 93, 94) of the APHP (*Paris public health and hospital system*) in adopting AMA's visio-regulation solution. This adoption aims to streamline care coordination and optimize the allocation of response resources.

Technological advances: Interoperability and Artificial Intelligence

AMA continues to innovate, with four major new versions of XpertEye deployed each year. The autumn release of XpertEye will be released in November.

AMA is working closely with ARIANN, a sister company of the Guillemot Group, to integrate new AI-powered features designed to boost the productivity of XpertEye users. This involves leveraging the data generated during calls or work sessions with XpertEye, including audio, video, images, and text within a highly secure environment.

AMA also plans to develop connectors to its customers' Artificial Intelligence tools or other third-party applications. This will enable them to securely exploit the data generated when using XpertEye.

Cash position

On June 28, 2023, AMA Corporation Plc carried out a capital increase of €7.99m, giving it a solid financial position, with increased equity and cash.

On June 30, 2023, the Group's cash position stood at €12.6m (€(9.5)m net debt), compared with €8.6 m (€(5.1)m net debt) on December 31, 2022, ensuring a cash horizon in excess of 12 months. The financing lines already granted, amounting to €12m at the date of this release, have not been activated.

This solid financial situation, together with the support of its majority shareholder and banking partners, will enable AMA to uphold its R&D investments to continuously improve the interoperability of its solution and seamlessly integrate artificial intelligence.

Outlook

The release of new functionalities brought by V8 to customers in Q4 2023 and the integration of AI will enable AMA to expect significant growth in the use of its solutions in 2024.

Availability of the Half-Yearly Financial Report: AMA Corporation PLC's financial report for the 1st half of 2023 will be made available on the morning of October 31, 2023. It will be available on the www.amaxperteye.com website, under "Investors", "Documentation" section.

Next press release: 4th quarter and full-year 2023 revenues: January 31, 2024 (before market opening).

About AMA

AMA, a publisher and integrator of secure productivity applications, is helping medical institutions and industrial organizations of all sizes accelerate their digital transformation. AMA's market leading XpertEye suite of applications has been deployed in more than 100 countries, addressing a wide range of use cases like remote diagnostics, inspection, planning, and workflow management. These unequalled remote interactive collaboration solutions empower customers to improve productivity, speed up resolution time, and maximize uptime while reducing their carbon footprint.

With offices in Europe, APAC, and the USA AMA works in every time zone and can reach its customers wherever they are.

AMA is B Corp certified, demonstrating its ongoing commitment to sustainability, social responsibility, and business ethics.

AMA is listed on Euronext Growth Paris (GB00BNKGZC51 - ALAMA). More information on www.amaxperteye.com   

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APPENDICES

Unaudited first-half earnings, approved by the Board of Directors on October 30, 2023.

Condensed half-year income statement

	IFRS (€'000)	H1 2023	H1 2022
Revenues		1,664	2,125
Purchases consumed		-535	-452
Other Income		232	2,433
Other purchases and external expenses		-1,319	-2,403
Staff costs		-3,407	-6,045
Depreciation of property, plant and equipment and intangible assets		-581	-2,251
Other expenses		-114	-290
EBIT		-4,061	-6,883
Non-current operating income		0	-1,013
Financial income		52	58
Financial expenses		-92	-76
Net financial income (expense)		-40	-18
Pre-tax income		-4,101	-7,914
Corporate income tax income		-13	-644
Net income for the period		-4,114	-8,558
Earnings for the period attributable to owners of the parent		-4,079	-8,464
Non-controlling interests		-35	-95

Quarterly revenues

Quarterly revenues - IFRS (€m) (at constant exchange rates)	2023	2022	Change
First quarter	0.8	1.1	-24%
Second quarter	0.9	1.0	-16%
First half	1.7	2.1	-21%
Third quarter	0.7	1.0	-36%

Condensed half-year balance sheet

IFRS (€'000)	2023.06	2022.12
Property, plant and equipment	3	27
Intangible assets	484	731
Rights of use	754	1,024
Financial assets	170	218
Deferred tax assets	58	56
Non-current assets	1,468	2,056
Inventories	746	927
Current tax receivables	462	398
Trade and other receivables	763	1,054
Other current assets	714	611
Cash and cash equivalents	12,641	8,603
Current assets	15,325	11,592
Total assets	16,793	13,648
Share capital	7,680	3,207
Issue premiums	37,513	34,161
Translation reserves	51	69
Retained earnings	-35,684	-31,759
Equity attributable to owners of the parent	9,560	5,679
Non-controlling interests	79	117
Total shareholders' equity	9,640	5,796
Borrowings and financial debt	2,443	2,813
Lease liabilities	201	444
Defined benefit plan liabilities	119	106
Deferred tax liabilities	1	1
Non-current liabilities	2,763	3,368
Bank overdrafts	0	0
Current tax liabilities	1	2
Borrowings and financial debt	690	691
Lease liabilities	562	583
Trade and other payables	796	752
Client contract liabilities (deferred income)	1,386	1,453
Provisions	60	134
Other liabilities	895	867
Current liabilities	4,390	4,484
Total liabilities	7,154	7,852
Total shareholders' equity and liabilities	16,793	13,648

Half-year cash-flow statement

IFRS (€'000)	H1 2023	H1 2022
Net income for the period	-4,115	-8,558
Adjustments for:		
Depreciation of property, plant and equipment	562	1,103
Depreciation of intangible assets	25	1,152
Net financial income (expense)	40	18
Income from disposal of property, plant and equipment	17	91
Cost of share-based payments	160	130
Corporate income tax income	14	644
Other items	-65	728
Total adjustments	751	3,866
Total operating cash flow	-3,363	-4,692
Change in:		
Inventories	175	-231
Trade and other receivables	285	967
Contract liabilities	-55	-442
Advances and deposits	28	83
Trade and other payables	41	-564
Employee benefits and provisions	6	4
Other current receivables / payables	-88	-274
Other working capital requirement items		
Total changes	391	-458
Cash flow from operating activities	-2,972	-5,148
Tax paid	-79	-241
Net cash from operating activities	-3,051	-5,390
Acquisition of property, plant & equipment & intangible assets	-30	-21
Income from disposal of property, plant & equipment & intangible assets	-3	-1
Capitalized development costs	0	-2,195
Investment subsidies (incl. research tax credit offsetting capitalized costs)		
Increase in financial assets	-14	-18
Decrease in financial assets	54	21
Interest received	11	0
Net cash from investment activities	19	-2,215
Capital increase	7,824	0
Receipts from new borrowings and financial debt	0	2,607
Repayment of borrowings and financial debt	-368	-1,316
Payment of lease liabilities	-294	-626
Acquisition of non-controlling interests	-6	-12
Interest paid on borrowings and current accounts	-45	-27
Interest paid on lease liabilities	-12	-11
Net cash from financing activities	7,099	615
Net change in cash and cash equivalents	4,066	-6,989
Cash and cash equivalents at January 1	8,603	20,641
Impact of the change in exchange rates on cash held	-28	30
Cash and cash equivalents at June 30	12,641	13,681