

2024 half-year earnings 2024 third-quarter revenues

- Implementation of a strategic plan and evolution to a new technological and commercial offering
- Net cash position of 6.8 million €, enabling continued investment in innovation, in particular the integration of artificial intelligence (AI) into AMA's solutions

AMA CORPORATION PLC (« AMA ») (ISIN GB00BNKGC5 – ticker ALAMA), a publisher and integrator of secure productivity applications designed for connected mobile workers, is announcing its consolidated earnings for the half-year period ended June 30, 2024, approved by the Board of Directors during its meeting on October 28, 2024.

Unaudited consolidated results, IFRS, in €'000	HY 2023	HY 2024	Change
Revenues	1,664	1,288	-23%
Adjusted gross margin ¹ % of revenue	1,020 61.3%	908 70.5%	-11%
Staff costs	(3,407)	(2,840)	-17%
Adjusted EBITDA²	(3,320)	(3,570)	+8%
Current operating income	(4,061)	(4,149)	+2%
Non current operating income	0	(647)	-
EBIT	(4,061)	(4,796)	+18%
Financial income (expense)	(40)	37	-
Pre-tax income	(4,101)	(4,759)	+16%
Consolidated net income	(4,114)	(4,770)	+16%

Activity: implementation of the strategic plan and evolution to the new technological and commercial offering

In May 2024, AMA implemented its strategic action plan to seize new opportunities in the assisted reality market and relaunch its growth. This plan is based on the company's solid fundamentals, its expertise in artificial intelligence (AI) and an updated commercial offering to be as close as possible to a diverse range of customers, from SMEs to major corporations.

The XpertEye platform is now built on 3 complementary pillars: (i) secure remote collaboration in mobile situations, (ii) automatic collection of relevant data, and (iii) intelligent use of knowledge to facilitate decision-making. With its new competitive and scalable pricing offer, it adapts to the evolving needs of various sectors, including audit and inspection, maintenance and engineering, as well as customer support. It provides field workers with actionable and easily accessible information. The solutions also ensures optimum efficiency by improving productivity, simplifying reporting and developing field worker skills.

To instill this new dynamism, AMA has made changes to its management team and strengthened cross-functionality between its teams. Etienne Guillemot, Director of Strategy, has been appointed Chief Executive Officer (CEO). He is supported by a renewed Management Committee, with Guillaume Champion, who joined the Group in 2008, now in charge of sales strategy. He was previously Director of R&D and has extensive product and market knowledge.

¹ The adjusted gross margin corresponds to the margin on purchases excluding inventory write-downs

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

Half-year earnings and third-quarter 2024 revenues

The new global strategy gradually rolled out since the end of the third quarter, has not yet had any effect on sales. As a result, sales for the first half of 2024 came to €1.3 million, compared with €1.7 million for the first half of 2023. Sales for the third quarter came to €0.6 million, compared with €0.7 million for the same period last year. Sales activity is currently strengthening, in support of the newly launched offer.

At June 30, 2024, AMA had a portfolio of 374 customers (vs. 450 at the end of 2023), which it intends to capitalize on to develop its new offering. The churn rate is 10% of sales (vs. 9% at end 2023). The low churn rate reflects the loyalty of major customers in a variety of sectors, such as Alstom, Millipore Sigma, Boehringer Ingelheim, KPMG, Michelin, AkzoNobel, Konica Minolta, Sodexo, and numerous medical institutions, who are collectively expressing their interest in integrating AI into the business tools they use daily.

In the first half of 2024, the rise in the gross margin rate to 70.5%, compared with 61% in the first half of 2023, is due partly to the non-recurring inventory management measures taken in 2023, and partly to the shift in the product mix in favor of Software, at 72% of sales compared with 65% in the first half of 2023, vs. Hardware, at 22% of sales compared with 27% in the first half of 2023.

The reduction in staff costs to €2.8 million in the first half of 2024, compared with €3.4 million in the first half of 2023, in line with the change in headcount from 83 to 76, does not yet take into account the savings made possible by the May 2024 strategic plan. On the other hand, non-recurring costs incurred to implement the plan amounted to €0.6 million in the first half of 2024. On a full-year basis, savings are expected to be at least €2 million per year. In this context, adjusted EBITDA for the first half of 2024 came to €(3.6) million, compared with €(3.3) million for the same period in 2023. After taking into account an insignificant financial income, the Group's net income for the first half of 2024 amounted to €(4.8) million, compared with €(4.1) million for the first half of 2023. This change is mainly due to the non-recurring costs incurred to implement the action plan.

Cash position

On June 30, 2024, the Group's cash position stood at €9.2 million, compared with €9.4 million on December 31, 2023, ensuring a cash horizon of over 12 months while maintaining the same level of debt. This takes into account the €4 million current account allocated by AMA's main shareholder, Guillemot Brothers SAS, at the beginning of June 2024. This amount was waived on June 30, 2024, and maintained the Group's shareholders' equity, which stood at €5.1 million at the end of June 2024, compared with €5.8 million on June 30, 2023. The financing lines already granted, amounting to €11.5 million at the date of this press release, have not been activated. The cash position net of debt, which takes into account outstanding loans contracted before 2021, stands at €6.8 million.

This sound financial position, together with the support of its majority shareholder and banking partners, enables AMA to maintain its R&D investments to constantly improve the interoperability of its solution and integrate artificial intelligence.

2024 Outlook

AMA continues to adapt to the changes in its market, capitalizing on a solid capacity for innovation and its vigilant approach to expense management:

- **Development of computer vision:** a revolutionary feature currently being finalized to enable the detection and anonymization of individuals in recorded video streams.
- **Continued technological collaboration in AI:** The partnership with Advanced Research In Artificial Neural Networks Inc. (ARIANN) focuses on the integration of artificial intelligence to improve assisted reality solutions, aiming to significantly increase user productivity, in the field and in offices.
- **Strategic partnerships:** AMA is continuing to develop key partnerships to capitalize on the high value-added data generated by the XpertEye app, through AI, in particular with Orange Business, or with remote surgical assistance platforms such as ROFIM. To encourage cross-selling, AMA is also strengthening its partnerships with hardware manufacturers.

Next financial press release: Fourth-quarter and FY 2024 revenues: January 31, 2025 (before trading)

Availability of the Half-Year Financial Report

AMA Corporation PLC's financial report for the first half of 2024 will be made available after close of trading on October 31, 2024. It will be available on the www.amaxperteye.com website, under “Investors”, “Documentation” section.

About AMA

AMA is a global provider of powerful productivity applications, designed for the connected frontline workforce. We use cutting-edge technologies such as assisted Reality (aR) and artificial intelligence (AI) to enable remote support and digitized work instructions and inspections, transforming how organizations operate. Our XpertEye suite of secure applications empowers customers to improve productivity, speed up resolution time, retain knowledge, and reduce their carbon footprint.

We are B Corp certified, affirming our dedication to meeting the highest standards of social and environmental performance, transparency, and accountability.

We have a global presence with offices in Europe, APAC, and the USA, enabling us to reach customers across all time zones and geographic locations.

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

Disclaimer: This press release contains statements that are not historical facts, including, but not limited to, statements regarding future results and other future events. These statements are based on the current vision and assumptions of AMA Corporation PLC's management. They involve known and unknown risks and uncertainties that could cause actual results, profitability or events to differ materially from those anticipated. In addition, AMA Corporation PLC, its shareholders and its respective affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representations or warranties regarding, any statistical information or forward-looking information contained in this release that originates or is derived from third-party sources or industry publications. Such statistical data and forward-looking information are used in this press release for information purposes only.

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APPENDICES

Unaudited first-half earnings, approved by the Board of Directors on October 28, 2024.

Condensed consolidated P&L

IFRS, in €'000	HY 2024	HY 2023
Revenues	1,288	1,664
Purchased consumed	-310	-535
Other Income	78	232
Other purchases and external expenses	-1,815	-1,319
Staff costs	-2,840	-3,407
Depreciation of property, plant and equipment and intangible assets	-468	-581
Other expenses	-83	-114
EBIT	-4,149	-4,061
Non current operating expenses / income	-647	0
Financial income	128	52
Financial expenses	-91	-92
Net financial income (expense)	37	-40
Pre-tax income	-4,759	-4,101
Corporate income tax income	-11	-14
Net income for the period	-4,770	-4,115
Earnings for the period attributable to owners of the parent	-4,728	-4,079
Non-controlling interests	-42	-36

Quarterly revenues

IFRS, in €m (at constant exchange rates)	2023	2024	Change
1 st quarter	0.8	0.7	-14%
2 nd quarter	0.9	0.6	-31%
1st half	1.7	1.3	-22%
3 rd quarter	0.7	0.6	-16%

Condensed balance sheet

IFRS, in €'000	June 30, 2024	December 31, 2023
Property, plant and equipment	6	16
Intangible assets	201	302
Rights of use	1113	1093
Financial assets	169	164
Deferred tax assets	52	51
Non-current assets	1,541	1,626
Inventories	452	495
Current tax receivables	173	129
Trade and other receivables	547	676
Other current assets	393	437
Cash and cash equivalents	9237	9390
Current assets	10,802	11,126
Total assets	12,342	12,753
Share capital	7,680	7,680
Issue premiums	37,505	37,505
Translation reserves	53	47
Retained earnings	-40,136	-39,524
Equity attributable to owners of the parent	5,103	5,708
Non-controlling interests	35	76
Total shareholders' equity	5,138	5,784
Borrowings and financial debt	1,893	2,152
Lease liabilities	707	574
Defined benefit plan liabilities	100	132
Deferred tax liabilities	1	2
Non-current liabilities	2,701	2,859
Bank overdrafts	0	0
Current tax liabilities	2	1
Borrowings and financial debt	577	700
Lease liabilities	424	529
Trade and other payables	1,015	807
Client contract liabilities (deferred income)	1,223	1,308
Provisions	483	11
Other liabilities	779	754
Current liabilities	4,504	4,110
Total liabilities	7,205	6,968
Total shareholders' equity and liabilities	12,342	12,753

Cash flow statement

IFRS, in €'000	June 30, 2024	December 31, 2023
Net income for the period	-4,770	-4,115
Adjustments for:		
Depreciation of property, plant and equipment	459	562
Depreciation of intangible assets	9	25
Net financial income (expense)	-37	40
Income from disposal of property, plant and equipment	-2	17
Cost of share-based payments	112	160
Corporate income tax income	11	14
Restructuring provision	481	0
Other items	0	-65
Total adjustments	1,031	751
Total operating cash flow	-3,739	-3,363
Change in:		
Inventories	44	175
Trade and other receivables	117	285
Contract liabilities	-92	-55
Advances and deposits	10	28
Trade and other payables	219	41
Employee benefits and provisions	-29	6
Other current receivables / payables	61	-88
Other working capital requirement items	0	0
Total changes	330	391
Cash flow from operating activities	-3,409	-2,972
Tax paid	-57	-79
Net cash from operating activities	-3,466	-3,051
Acquisition of property, plant & equipment & intangible assets	-32	-30
Income from disposal of property, plant & equipment & intangible assets	1	-3
Capitalized development costs	0	0
Investment subsidies (incl. research tax credit offsetting capitalized costs)	0	0
Increase in financial assets	-4	-14
Decrease in financial assets	0	54
Interest received	120	11
Net cash from investment activities	85	19
Capital increase	0	7,824
Waiver of shareholder current account	4,000	0
Receipts from new borrowings and financial debt	0	0
Repayment of borrowings and financial debt	-382	-368
Payment of lease liabilities	-327	-294
Acquisition of non-controlling interests	0	-6
Interest paid on borrowings and current accounts	-36	-45
Interest paid on lease liabilities	-24	-12
Net cash from financing activities	3,231	7,099
Net change in cash and cash equivalents	-150	4,066
Cash and cash equivalents at January 1	9,390	8,603
Impact of the change in exchange rates on cash held	-2	-28
Cash and cash equivalents at June 30	9,237	12,641