



HALF-YEAR RESULTS 2023

27 September 2023

Key figures H1 2023: confirming the change in dimension of the group



Summary

1. Activity of the first half 2023

2. Financial results H1 2023

3. Outlook & guidance

4. Q&A

1. ACTIVITY OF THE FIRST HALF 2023



139 M€ of orders in the first half 2023 +6% vs H1 2022



Navigation & Maritime robotics 108 M€ of orders / +€14 m vs H1 2022

Increase in order intake despite calendar delays in ongoing tenders, especially in the Middle-East

Extension of existing programs in maritime robotics

New orders for autonomous drones

Strong demand for navigation & positioning systems



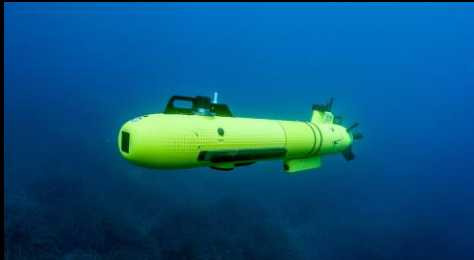
Advanced technologies 31 M€ of orders / -€6 m vs H1 2022

Strong demand for **high-end optical components**

Prioritizing internal needs from Navigation & Maritime robotics segment, impacting external order intake

Decrease in orders for **on-board equipment for aeronautics**, pending the new version of our distress beacons

Significant orders in established and new applications



MINE-HUNTING DEVELOPMENTS

Order for new functionalities



RAMP-UP OF DRIX SALES

4 orders to date (incl. 2 in Q3 2023)
for survey missions



SATELLITE NAVIGATION

First order for new INS Astrix-NS



CIVIL ENGINEERING PROJECT

Navigation & positioning products
for a tunnelling project



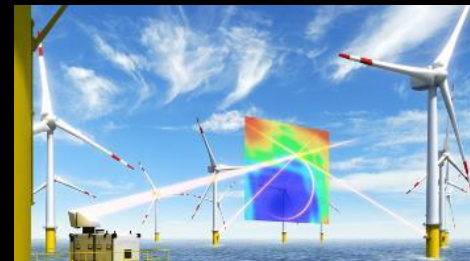
SERVICE & MAINTENANCE

Recurring revenues servicing
drones in operation worldwide



NAVIGATION FOR US COAST GUARDS

Modernization of USCG fleet



HIGH-TECH LASER SENSORS

Optic components for marine
renewable energies



QUANTUM SENSORS

Providing PASQAL with quantum
computer components

Ramping-up hydrographic survey with autonomous drones

>400

hydrography vessels worldwide that could be equipped with autonomous drones

Multi-drone operations

deployed from one ship are starting

Exail is becoming a reference

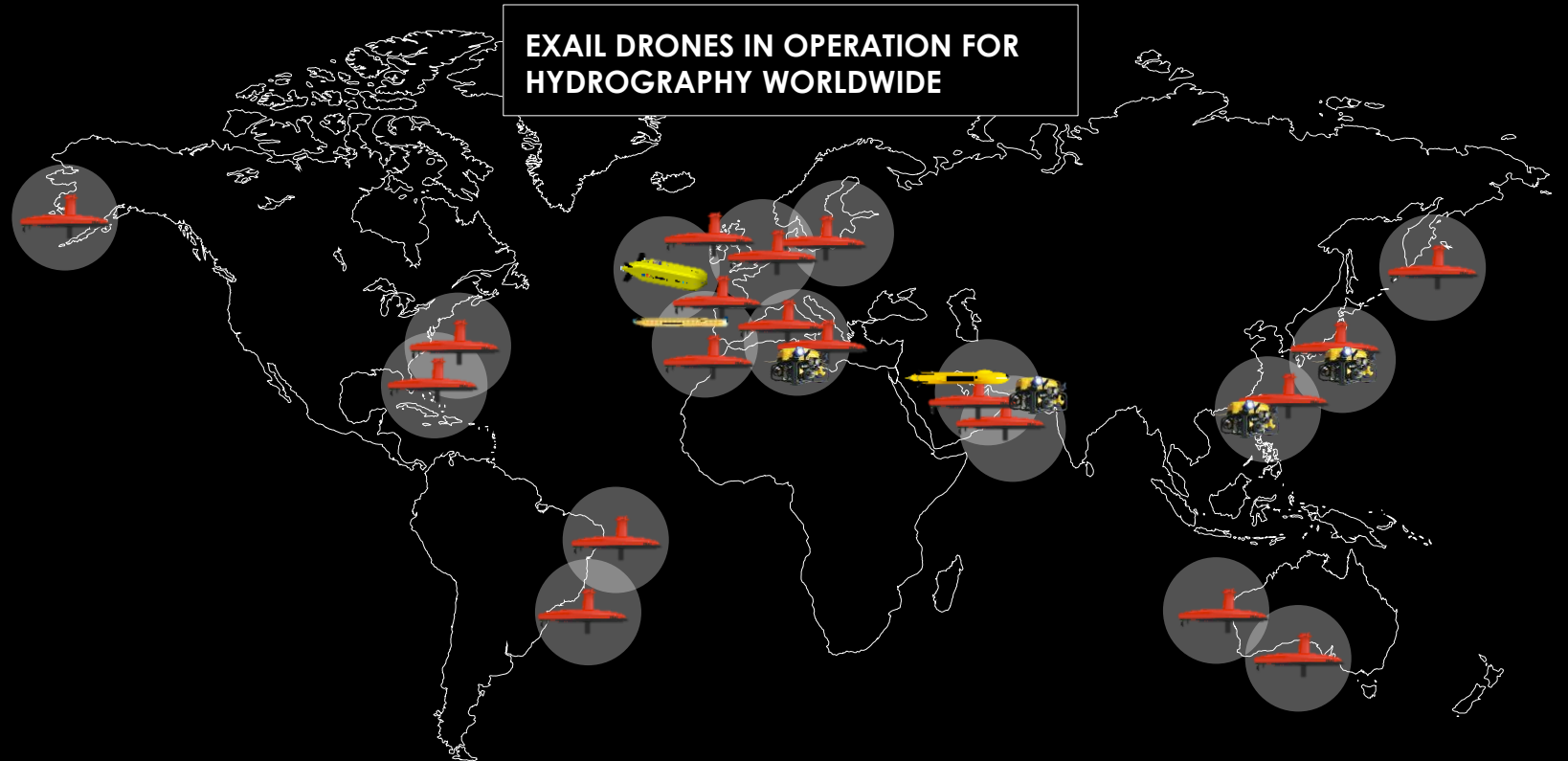
setting performance standards with flagship clients



Unique Group



EXAIL DRONES IN OPERATION FOR HYDROGRAPHY WORLDWIDE



DriX surface drone



A18 / A9 underwater drone



UlyX, deep-sea AUV



Remotely Operated drone

Case study:

equipping the UK Navy with best-in-class navigation systems



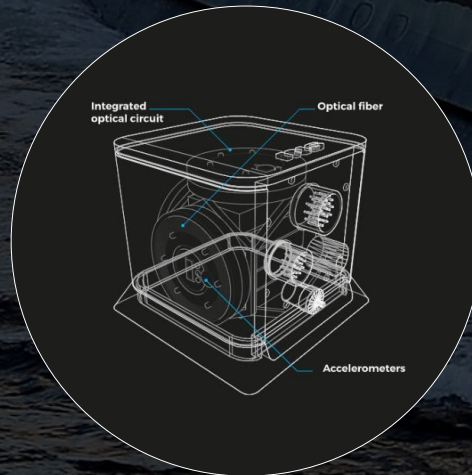
Royal Navy chose Exail to upgrade part of their submarine fleet




Several ships equipped with Inertial Navigation System Marins M7, one of the best performing products of Exail



Exail comforts its position as world leader for navigation systems in naval defense, thanks to its fiber optics technology and vertical intergration



2. FINANCIAL RESULTS H1 2023



H1 2023 P&L: +€26 m net result

In €million	H1 2023	H1 2022 equivalent scope ¹	H1 2022 former scope ²	Var M€ (vs equivalent scope)	Variation %
Revenues	153,6	134,9	63,3	+18,7	+14%
Current EBITDA³	31,8	32,4	11,4	-0,6	-2%
Current EBITDA margin (%)	20,7%	24%	18,1%	-3,3 pts	-
Income from ordinary activities³	17,4	18,5	4,9	-1,1	-6%
Operating income	8,0	17,7	3,5	-9,7	-55%
Financial result	-11,8	-10,6	-1,0	-1,2	11%
Tax	-1,1	-0,8	-5,6	-0,3	34%
Net income from discontinued activities	31,4	-2,5	-2,5	+33,9	n.a
Net income	26,5	3,8	-5,6	+22,7	n.a
Net income in group share	25,7	1,0	-5,8	+24,7	n.a

Good level of revenues in the first half 2023

EBITDA margin in line with expectations in the first year of integration of the new group Exail
Some negative impacts with products in development

€14 m of D&A, a stable level
€9 m of other elements, incl. half non-cash item of value decrease of Prodways share distributed in June, LTIP costs, and last acquisitions costs

Increase of financial costs with **higher leverage**, half of which with **no cash impact**

Value gain on **Engineering & Protection System** disposal in March 2023

Strong net income of +€26 m

Navigation and maritime robotics: steady revenue growth



€116 m
OF REVENUES

+11% vs H1 2022¹
and accelerating
in Q2 2023 with +20%

€25 m
CURRENT EBITDA

21%
margin

Advanced Technologies: strong demand driving revenues

€41 m
OF REVENUES

+28%
vs H1 2022¹

€7.4 m
CURRENT EBITDA

18% margin

Impacted by activities and products in development (autonomous drones for Logistics, quantum sensors, new version of distress beacon)

Net debt at end-June 2023

Cash
available

€70 m

at end-June 2023

vs €59 m at end-December

Net debt¹

€269 m

at end-June 2023

Incl. €86 m of ICG
bonds with no cash
impact

vs €265 m at end-2022

Cash generation is a key priority

€28 m

Cash-flow from
operations¹

-€31 m

Change in WCR

€14 m

CAPEX

+€30 m

proceeds
from disposals of EPS
division

Healthy level relative to
revenues and current
EBITDA in H1 2023

**Unfavourable seasonality
of BENL program**
in H1 2023
and late payment of €7m
cashed-in on July 4th

Incl. €10 m
in R&D

of which €24,5 m
invested in July 2023 to
acquires 5% in subsidiary
Exail Holding

Capital of Exail Holding : Exail technologies increases its stake and opens the capital to managers

July 2023

Exail Technologies buys a 5% stake in Exail Holding from iXblue founder for €24,5 m on the basis of the same enterprise value as that negotiated early 2022

September 2023

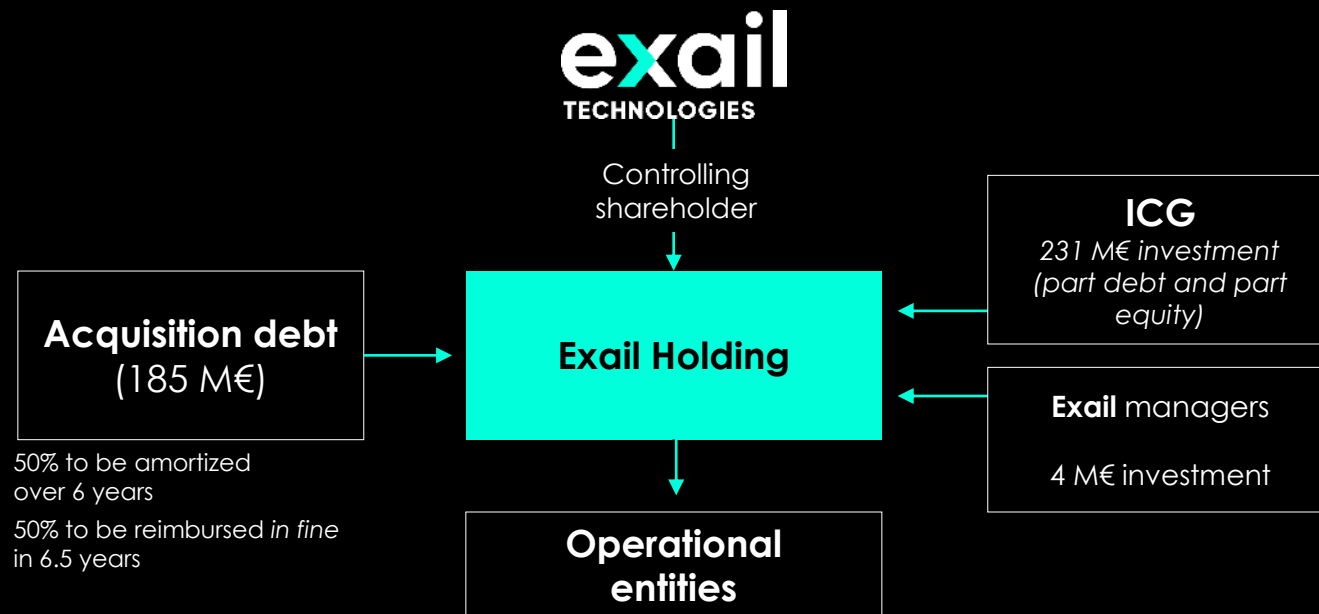
Around 50 managers of the group invest in Exail Holding for a total of around €2 million.

Exail Technologies enables management to be associated with the company's performance over the long term

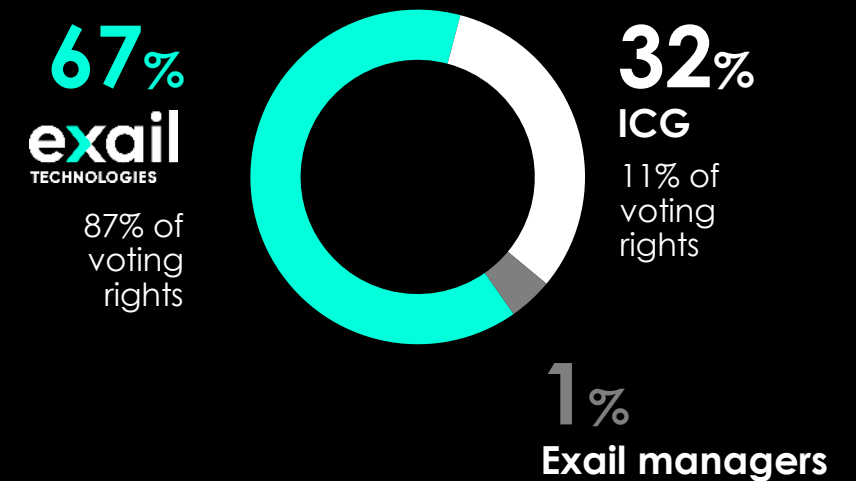


Financial structure in September 2023

Financial structure



Capital structure of Exail Holding in September 2023



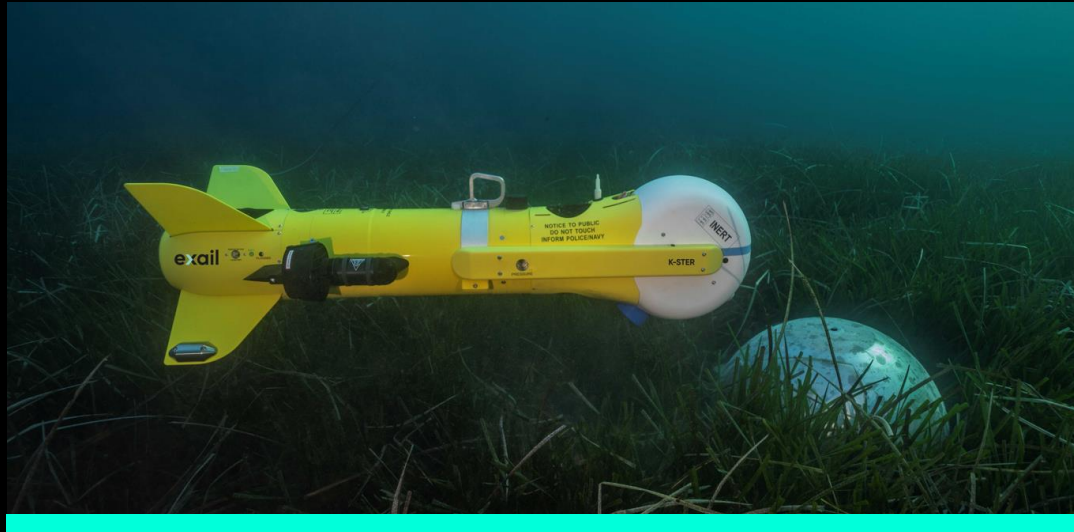
The details of the financial structure are available in the URD 2022

3. OUTLOOK & GUIDANCE



Large and well-oriented addressable markets

Defense applications ~€3.5 bn per year



KEY DRIVERS

Increase in the Global Defense Budget: **+\$130 bn** in 2022

Growing use of autonomous drones in operations

Mine-hunting systems: ~20 tenders of various size coming worldwide by 2030

Civil applications ~€4.5 bn per year



KEY DRIVERS

Development in **Maritime renewable energies**

Growing demand in harsh environments, like **space and deep sea**

Development of cutting-edge technologies, like **quantum instruments**

Focus on the market for Navigation & Positioning equipment

Global Market

Opportunities for Exail

Key strengths

€3,7 bn

both
Defence & Civil



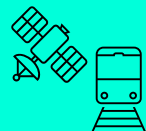
Strong & growing **Naval defense** market

World leader with best performing inertial navigation systems



Gaining market share on established applications where Exail's presence is limited

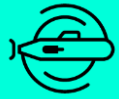
Attractive price/performance positioning on land Defence and civil maritime



New applications for INS with large potential: space, railway, civil engineering

R&D and new products improving efficiency of client's operations

Research & development with our clients: an engine for future growth



Constantly
**improving our
drones & navigation
systems**

- Longer autonomy & precision
- Resistance to harsh environments
- Compactness



18 patents
published
since January
2023

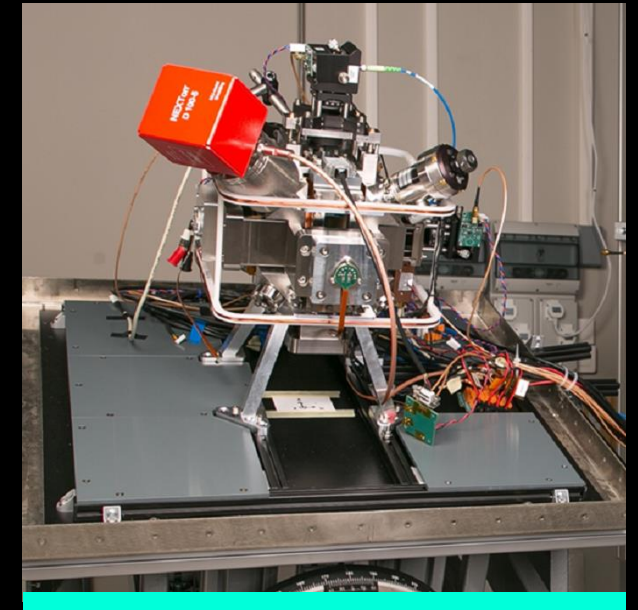
- Several patents covering underwater drones and their recovery system
- Several patents in sensor measurement for maritime navigation
- Calculation process in railway speed
- And many more ongoing



**Partnering
with clients** during
development phases
to offer the
best solutions

- A busy summer 2023
- Drone survey in the Mediterranean for an offshore windfarm
- Remote mission realized through Starlink network in Alaska for fish stock assessment

Ongoing R&D project
to combine quantum sensors
and Inertial Navigation systems



First experiments shows an accuracy
50 times better than current
technologies

Guidance

REVENUE
GROWTH



> +15% in 2023
vs 2022
equivalent scope
revenues

PROFITABILITY



Objective to reach 25%
current EBITDA margin
in 2025-2026



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