



# Q1 2024 Update

30<sup>th</sup> of April 2024

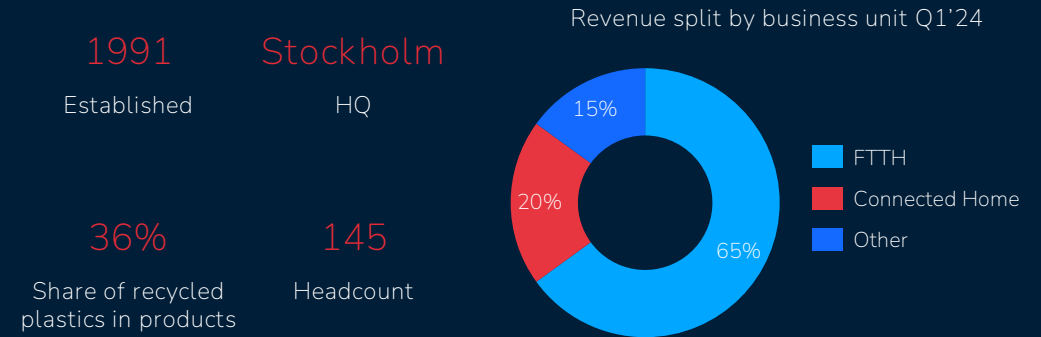
# About Genexis Group



## Background

- Developer and provider of high-speed fiber CPE products, powered by leading open-source software platform for CPE, RGW and IoT devices
- Operational through two business units:
  - Fiber-to-the-home (FTTH): fiber termination
  - Connected Home: Residential gateway, in-home Wi-Fi products and software solutions
- The market leading developer and provider of high-speed fiber CPE products

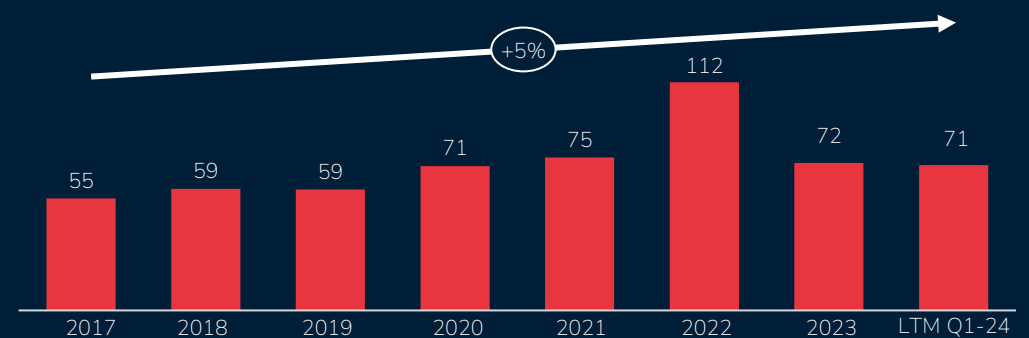
## Corporate overview



## Longstanding relationships with major operators



## Revenue development (EURm)





# Q1 2024 overview

Solid Q1 results; outlook 2024 positive

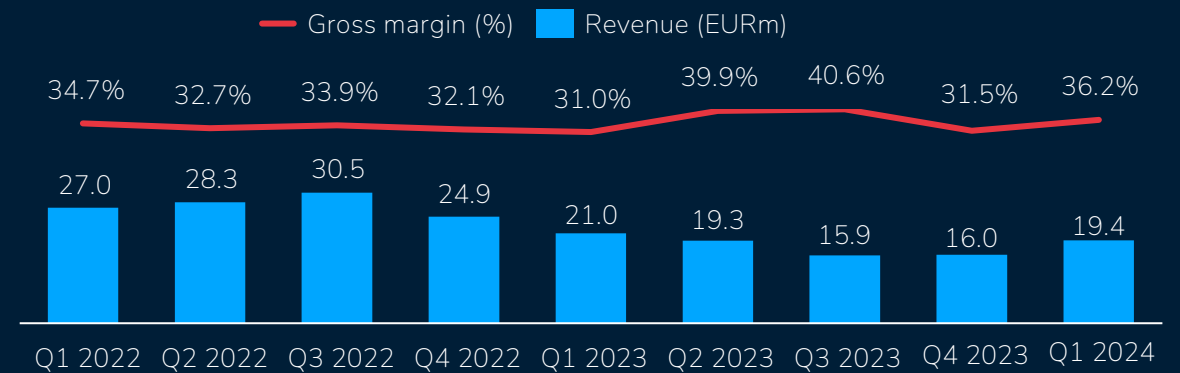
- Positive revenue development and healthy margins
  - Gross margins reverting back to good levels
  - Cost savings initiatives realized in line with plan
  - Overall EBITDA margin strong at 14.7%
  
- Continued underlying market recovery
  - Order intake for Q1 at EUR 15.8 million. Lower than very strong Q4 2023 of EUR 23.0 million, but positive development compared to beginning of last year
  - LTM order intake currently close to EUR 60 million and increasing
  - We see continued positive signs from primarily DACH+ region
  - Strong development in Benelux expected to level out due to ordering pattern of large customer
  
- Liquidity better than anticipated
  - Continued strong NWC management contributed to a better-than-expected cash position at end of March
  - NWC increase despite revenue growth of 21% over Q4 2023
  - Unutilized credit facility amounts to EUR 3.3 million as per March 31

# Q1 2024 update

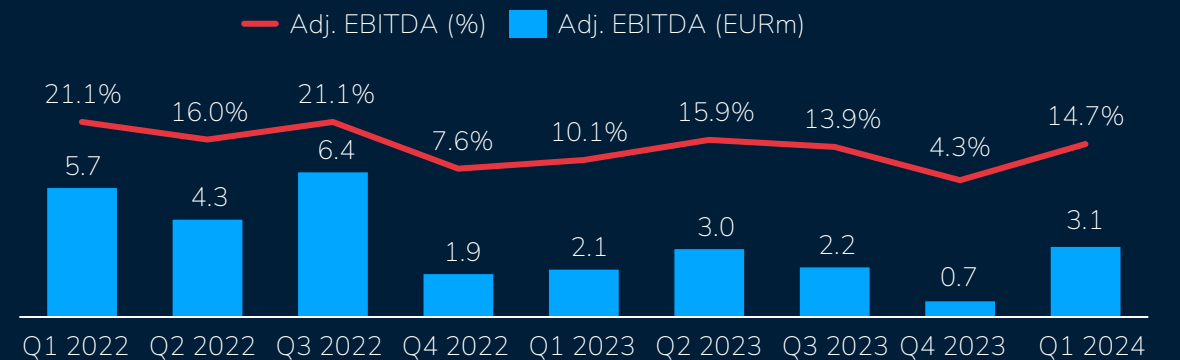


- Q1 2024 presents a positive trend with a clear increase in revenue compared to last quarter and a strong EBITDA result. We do note a continuous increase of our sales funnel for the year and see a large base of our smaller customers forecasting larger volumes and placing orders.
- The ramifications of the chip shortage and related high inventories of our customers are ebbing away, but the roll-out and demand for fiber broadband products remains at a lower level compared to two years ago.
- FTTH** - Solid revenue in Q1 2024 based on both large customers and a stronger base of mid-sized and smaller customers with increased demand. Further work is being done to prepare products for the North American market.
- Connected Home** - Our new Aura E650 Wi-Fi gateway is gaining traction and we have won a medium-sized project customer. Revenue continues to be lower compared to FTTH, but with upcoming product introductions and ongoing tender processes, we aim to grow.

## Revenue\* & Gross margin development



## EBITDA development

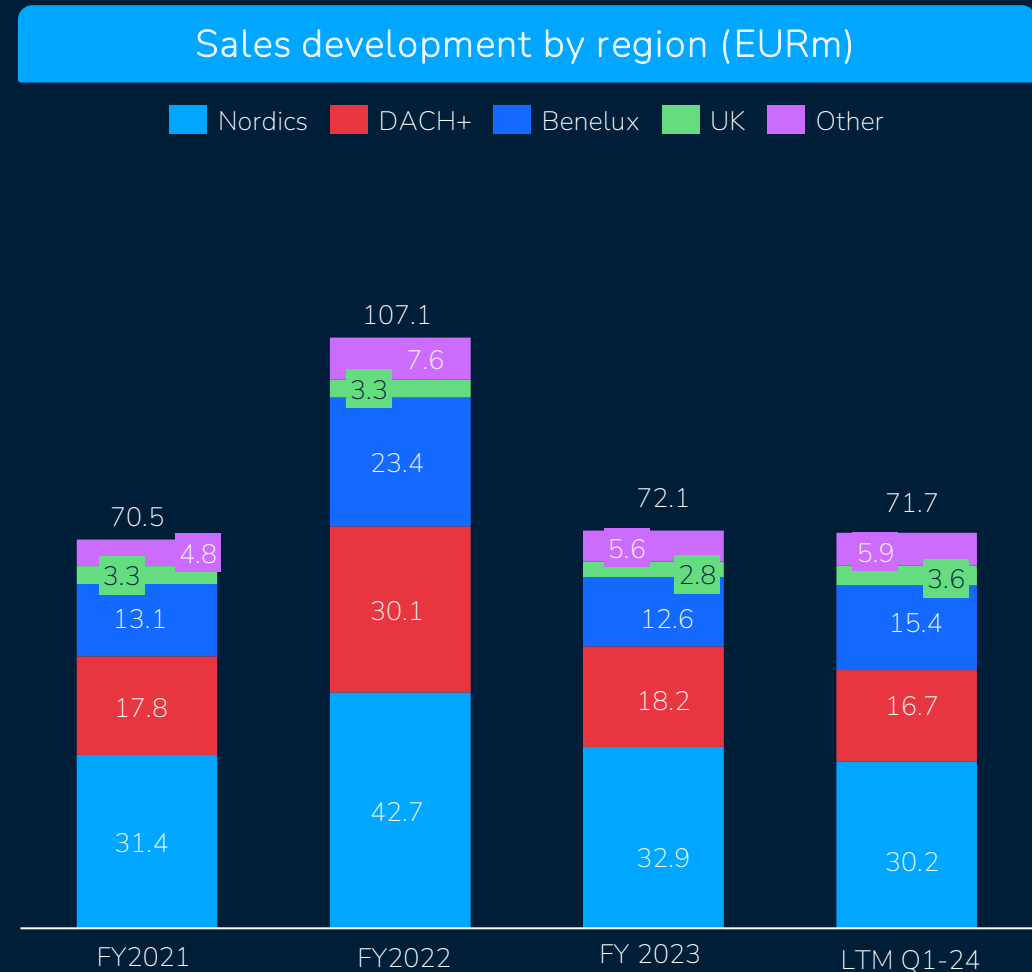


\* Net Sales and Other Income



# Sales\* development by region from 2021 to LTM Q1-24

- Nordics
  - LTM sales in Nordics are still below 2022 levels with Sweden and Norway in particular showing stable but lower sales than in 2022
  - Finnish market is continuing to do well, and we see growth potential
  - While Denmark had a slow start in 2024, we are positive that we will match or even exceed 2022 revenue based on already secured projects
- DACH+
  - While not yet visible in the LTM revenue, we see our large base of small and mid-size operators ordering more
  - Expectation is that revenue will increase in increments for this market
  - Long-term growth plan to come from broadening our offering
- Benelux
  - Market is picking up now
  - Customers are projecting again and providing good forecasts
- UK, North America & Other
  - Expansion in UK and other regions underway
  - Secured additional distribution partners for North America and a few customers have already placed orders
  - Lead pipeline filling up

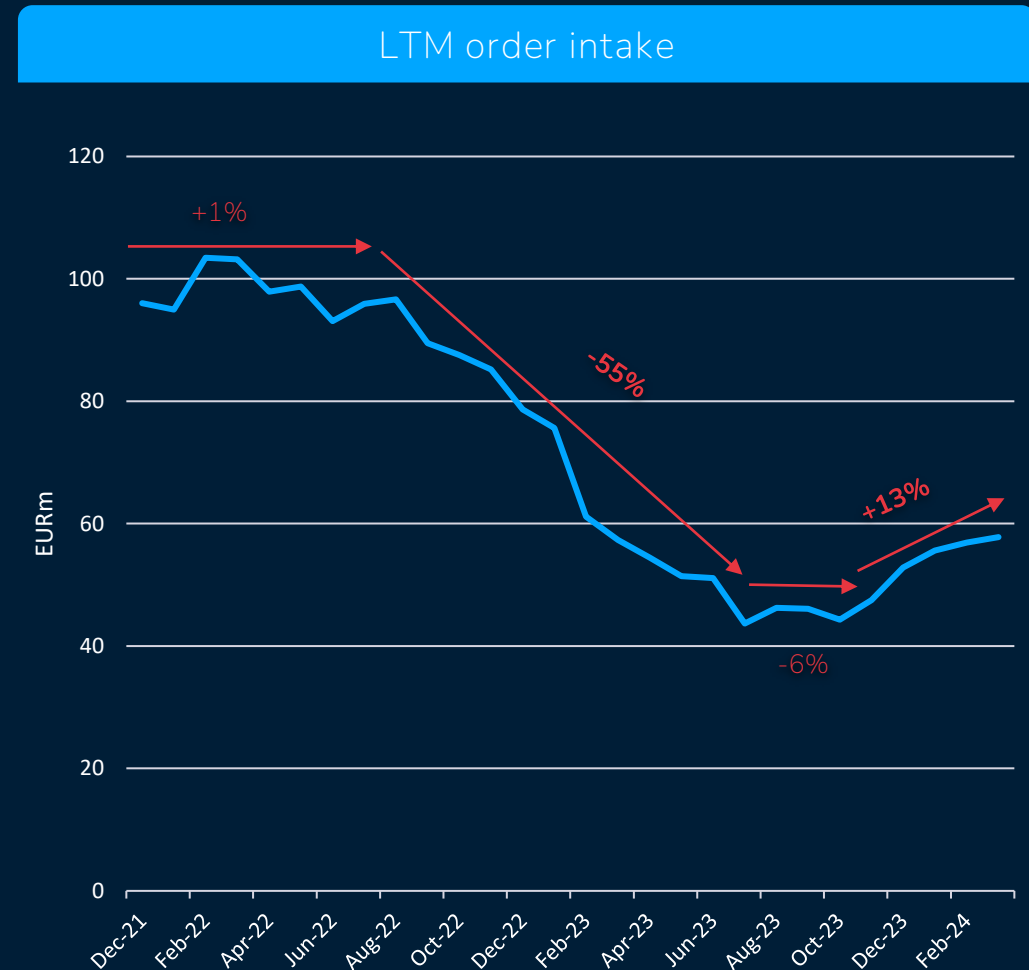


\*Sales numbers based upon sales statistics, not fully matching Reported numbers



# LTM\* order intake continues to increase

- LTM order intake is increasing, we are clearly through signaling the end of the 'dip'.
- The first quarter of 2024 reached EUR 15.8 million.
- Q1 order intake lower than the very strong Q4 2023, but 46% higher than Q1 2023
- Q4 order intake included a few customers placing large orders covering the majority of 2024
- Underlying trend of smaller customers increasing their orders continue through Q1

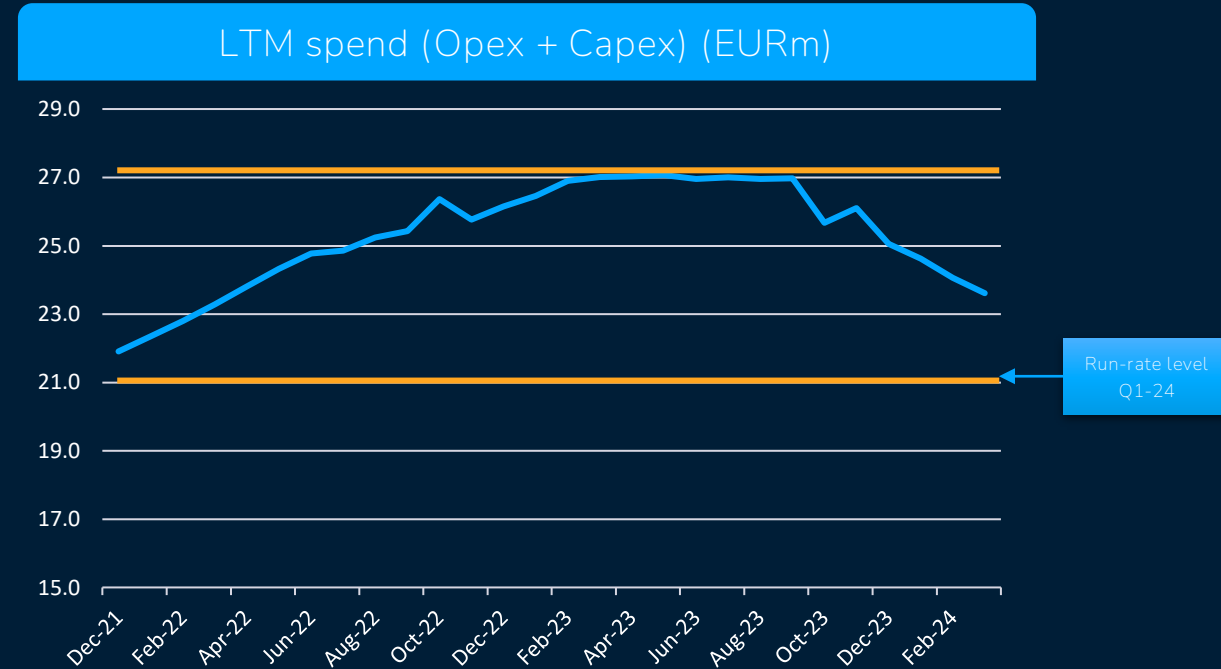


\* LTM = Last Twelve Months



# Cost savings initiatives in effect

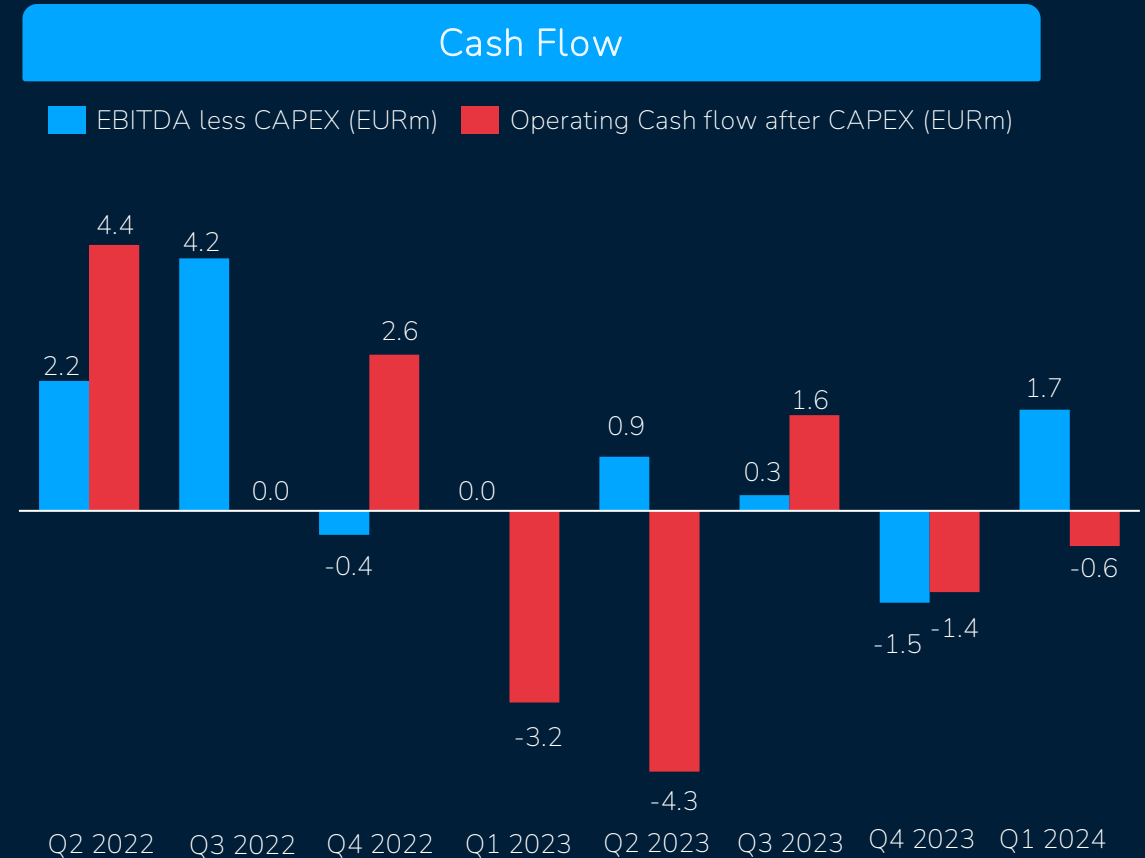
- Cost savings program fully implemented
- LTM spending keep decreasing and has now reduced to the same level as March 2022
- Cost savings in full effect as of March 2024 with a full year run-rate of EUR ~21 million





# Liquidity position under control

- Net utilization of credit facility of EUR 2.7m as of March 31, 2024
  - ...leaving EUR 3.3m unutilized
  - Change in NWC limited to EUR -0.2m during Q1 2024, despite increasing sales
- Q2 2024 is expected to be cash flow neutral
  - Sales keep increasing while inventory levels, as a consequence, expected to increase as well
- On-going dialogue with Sellers of Inteno Group around remaining Earn-out payment
  - Earn-out payment to be done when incurrence test is met, and liquidity allows





# Appendix



# Income Statement



EUR thousands	Q1 2024 01.01-31.03	Q1 2023 01.01-31.03	FY 2023 01.01-31.12
<b>Net Sales</b>	<b>18 967</b>	<b>20 383</b>	<b>69 688</b>
Other Operating Income	412	642	2 494
Capitalized R&D	1 337	1 962	6 851
<b>Total Income</b>	<b>20 717</b>	<b>22 987</b>	<b>79 033</b>
Raw materials and goods for resale	-12 099	-14 061	-44 870
Other Direct Costs	-370	-395	-2 096
Cost of Goods Sold	-12 469	-14 456	-46 966
Other External Costs	-1 930	-2 524	-9 386
Personnel Costs	-3 268	-3 954	-14 962
Depreciation, Amortization and Impairment	-2 988	-2 527	-12 425
<b>Total Operating Expenses</b>	<b>-20 654</b>	<b>-23 462</b>	<b>-83 739</b>
<b>Operating Profit/Loss</b>	<b>63</b>	<b>-475</b>	<b>-4 706</b>
Financial Income	26	-48	225
Financial Expenses	-1 969	-1 885	-7 481
<b>Net Financial Items</b>	<b>-1 943</b>	<b>-1 933</b>	<b>-7 256</b>
<b>Profit/Loss Before Tax</b>	<b>-1 880</b>	<b>-2 408</b>	<b>-11 963</b>
Income Tax Expense	86	59	355
<b>Profit for the Year</b>	<b>-1 794</b>	<b>-2 349</b>	<b>-11 607</b>
Number of shares	109 282	109 282	109 282
Profit per share (EUR)	-16,4	-21,5	-106,2
Average number of employees	145	170	162

# Balance Sheet



EUR thousands	31.03.2024	31.03.2023	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized Expenditure for Software	19 855	16 272	20 626
Customer Contracts	17 314	12 378	18 146
Trademarks	6 403	1 759	6 673
Goodwill	52 248	63 260	53 324
User rights	425	550	453
Machines & Inventory	1 888	2 493	2 187
Financial Assets	12	1 191	34
<b>Total Fixed Assets</b>	<b>98 145</b>	<b>97 903</b>	<b>101 442</b>
<b>Current assets</b>			
Stock & Work In Progress	7 825	12 123	8 551
Accounts Receivable	12 922	9 190	6 975
Prepayments & Accrued Income	2 533	2 249	1 587
Cash & Bank Balances	0	14 367	0
<b>Total current assets</b>	<b>23 281</b>	<b>37 928</b>	<b>17 114</b>
<b>TOTAL ASSETS</b>	<b>121 426</b>	<b>135 831</b>	<b>118 556</b>

EUR thousands	31.03.2024	31.03.2023	31.12.2023
<b>EQUITY</b>			
Equity	23 270	36 895	25 390
<b>Total Equity</b>	<b>23 270</b>	<b>36 895</b>	<b>25 390</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Provisions For Guarantees	170	83	182
Provisions For Deferred Taxes	8 054	1 653	8 481
Other Long-Term Liabilities	59 672	59 056	59 551
<b>Total non-current Liabilities</b>	<b>67 896</b>	<b>60 792</b>	<b>68 214</b>
<b>Current Liabilities</b>			
Bank Overdrafts	2 658	0	2 132
Other Short-Term Financial Liabilities	7 460	19 857	7 651
Current Liabilities To Customers & Suppliers	14 503	11 918	9 013
Tax Liabilities	293	771	817
Vat & Special Excise Duties	3 082	2 292	1 556
Personnel Taxes, Fees & Salary Deductions	-4	32	17
Accrued Expenses & Deferred Income	2 267	3 274	3 767
<b>Total Current Liabilities</b>	<b>30 261</b>	<b>38 144</b>	<b>24 952</b>
<b>Total Liabilities</b>	<b>98 157</b>	<b>98 936</b>	<b>93 166</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>121 426</b>	<b>135 831</b>	<b>118 556</b>

# Cash-flow



EUR thousands	Q1 01.01- 31.03.2024	Q4 01.01- 31.03.2023	FY 01.01- 31.12.2023
<b>Cash flows from operating activities</b>			
EBITDA adjusted	3 053	2 053	7 959
Interest payments and adjustments FX	-1 947	-1 864	-6 625
Non-cash Result	0	0	0
Income Taxes Paid	-90	-488	-1 757
<b>Cashflow Before Change In Net Working Capital</b>	<b>1 017</b>	<b>-299</b>	<b>-422</b>
Change in working capital			
Change in Inventory	645	-1 853	3 940
Change in Accounts receivables	-6 081	-449	1 777
Change in Other ST Operating receivables / Accruals	-1 474	-311	446
Change in Accounts payables	5 572	1 864	-3 226
Change in Other ST Operating payables / Accruals	1 129	-54	-1 411
<b>Change in Net Working Capital</b>	<b>-210</b>	<b>-803</b>	<b>1 527</b>
<b>Net cash flow from Operating Activities</b>	<b>806</b>	<b>-1 102</b>	<b>1 105</b>
Cash flows from Investing Activities			
Capex Intangible Assets	-1 381	-1 962	-8 272
Capex Plant & Equipment	-31	-127	-120
Other investing activities	21	0	146
<b>Net cash flow from Investing Activities</b>	<b>-1 391</b>	<b>-2 089</b>	<b>-8 245</b>

EUR thousands	Q1 01.01- 31.03.2024	Q4 01.01- 31.03.2023	FY 01.01- 31.12.2023
<b>Cash Flows from Financing Activities</b>			
Acquisitions <sup>2)</sup>	0	0	-12 093
Equity issuance	0	-46	-112
Net Other Financial Items	-49	438	1 022
Change in overdraft	0	-63	-39
<b>Net Cash Flow from Financing Activities</b>	<b>-49</b>	<b>329</b>	<b>-11 222</b>
Non-recurring Items in EBITDA			
Non-recurring Items in EBITDA	0	0	-241
Sum Non-recurring Items	0	0	-241
<b>Net Increase/Decrease in Cash</b>	<b>-634</b>	<b>-2 861</b>	<b>-18 604</b>
<b>Cash &amp; Cash equivalents by beginning of period</b>	<b>-2 132</b>	<b>17 437</b>	<b>17 437</b>
Exchange rate differences on cash	107	-209	-965
<b>Cash &amp; Cash equivalents by March 31</b>	<b>-2 658</b>	<b>14 367</b>	<b>-2 132</b>



Thank you