

FULL-YEAR 2021 FINANCIAL RESULTS

- **156% surge in revenue reflecting a post-pandemic rebound in business**
- **Huge improvement in adjusted EBITDA¹, up €3.3m**
- **€5.4m improvement in net result, almost at break-even**
- **Free cash flow of €3.2m as of December 31, 2021, strengthened by the €3.5m capital increase in February 2022**
- **Excellent revenue visibility: target for further robust growth in 2022**

MUNIC (Euronext Growth® Paris - FR0013462231 - ALMUN), specialist in embedded and artificial intelligence technologies for automotive data valorisation, reports FY 2021 results at December 31, 2021, closed by the Board of Directors at the meeting of March 31, 2022. Audit procedures for MUNIC's consolidated financial statements have been undertaken. The certification report will be issued once the required procedures for publication of the annual report are finalised. The 2021 annual report will be issued by April 30, 2022 in the Investors section of MUNIC's website.

€K -French standards	2020	2021	Variation
REVENUE	7,529	19,264	+156%
GROSS MARGIN	790	3,568	+352%
<i>% of revenue</i>	<i>10.5%</i>	<i>18.5%</i>	
Adjusted EBITDA¹	-2,911	427	+€3.3m
Net of depreciation, amortisation and provisions	-803	-819	
ADJUSTED OPERATING INCOME/LOSS²	-3,714	-392	+€3.3m
Operating income/loss	-4,395	-1,433	
Net financial income/expense	-1,660	-23	
Exceptional items	-371	44	
NET INCOME/LOSS	-5,652	-229	+€5.4m

¹Adjusted EBITDA = adjusted operating income² + net depreciation, amortisation and provisions

² Adjusted operating income/loss = operating income/loss + research tax credit net of provisions

ROBUST SALES GROWTH: +156% IN REVENUE IN 2021

After 2020 was clearly penalised by the pandemic, MUNIC restored strong growth momentum in 2021, generating revenue of €19.3m, a surge of 156% relative to the previous year. Revenue was also 12% higher than the 2019 level prior to the pandemic.

Geographically, full-year sales stemmed for 73% from North America, 25% from Europe, and 2% from the rest of the world. MUNIC was able to demonstrate its ability to bounce back after an unprecedented 2020 that took a harsh toll on automotive industry players and many related sectors. The turnaround in MUNIC's growth trajectory in 2021 testifies to

intense commercial efforts undertaken in recent months, illustrated by numerous contract wins and major partnerships set up by the group (ALD, Vjumi - subsidiary of Select AG, Jack – subsidiary of AGC Automotive, etc.).

This considerable recovery in revenue was accompanied by a huge improvement in gross margin to stand at €3.6m vs. €0.8m a year earlier, representing growth of 356%. 2021 gross margin therefore stood at 18.5% vs. 10.5% in 2020. In a context of rising costs, the wider gross margin was achieved through (i) the launch of the V8 Smart Dongles range since April 2021, (ii) good management of the components crisis, in terms of both prices and availability of parts, and (iii) the first benefits of services marketing from the Munic.io AI cloud platform.

IMPROVEMENT OF €3.3M IN ADJUSTED EBITDA AND €5.4M IN NET RESULT OVER THE YEAR

The rise in operating expenses (purchases and external costs, payroll) was contained in 2021 (+9%), especially since MUNIC benefited from part-time activity measures during the health crisis in 2020. Headcount was virtually unchanged over the year, with 58 employees on December 31, 2021, vs. 54 a year earlier.

As of December 31, 2021, adjusted operating income/loss³ amounted to -€0.4m, reflecting a substantial improvement of +€3.3m compared to 2020. This adjusted operating result included net amortisation and depreciation of €0.8m and the research tax credit (CIR) net of provisions of €1.0m. After deducting these expenses, adjusted EBITDA⁴ was positive at €427K vs. -€2.9m a year earlier, representing a substantial improvement of €3.3m.

Financial expenses stood at €23K vs. €1.7m in 2020, which included exceptional expenses of €1.4m.

2021 exceptional income was insignificant at €44K, vs. €0.4m in 2020.

For FY 2021, attributable net income/loss was therefore close to breakeven at -€0.2m, up a significant €5.4m relative to 2020 (-€5.7m).

BALANCE SHEET AT END-2021: €3.2M IN AVAILABLE CASH

€K -French standards	2020	2021
FIXED ASSETS	7,291	10,684
o/w Intangible assets	6,957	10,311
CURRENT ASSETS	6,829	12,814
o/w Stocks	3,269	2,341
o/w Trade receivables	1 854	8,106
o/w Other receivables	1,707	2,368
CASH AND EQUIVALENTS	5,247	3,151
TOTAL ASSETS	19,605	26,634

€K -French standards	2020	2021
SHAREHOLDERS' EQUITY	11,039	10,974
PROVISIONS	1,097	1,126
FINANCIAL DEBT	3,923	6,972
o/w Bond issues	1,900	1,900
o/w Bank borrowings	1,940	2,940
o/w Misc. financial debts	83	2,132
OTHER DEBTS	3,529	7,546
TOTAL LIABILITIES	19,605	26,635

As of December 31, 2021, MUNIC had shareholders' equity of €11.0m.

The Group's financial debt totalled €7.0m in 2021, including the €2.9m state-guaranteed loan (PGE) MUNIC benefited from during 2020 and 2021, and the €2.0m innovation loan by Bpifrance received in early 2021.

Free cash flow amounted to €3.2m on December 31, 2021, vs. €5.3m at end-2020.

Since the closing of FY 2021, MUNIC has successfully undertaken a €3.5m capital increase by private placement, in order to finance further robust growth in business and underpin R&D efforts concerning the Munic.io technology (see further on).

³ Adjusted operating profit/loss = operating profit/loss + research tax credit net of provisions

⁴ Adjusted EBITDA = adjusted operating profit/loss² + net depreciation, amortisation and provisions

OUTLOOK

On the commercial front, the effects of the pandemic have been caught up with very buoyant order intake reaching a record level in 2021. The order backlog stood at €17.8m on December 31, 2021, 4.7x higher than the previous year, representing 92% of revenue in the past year compared with a level usually at around 15-25% at the end of the year.

In 2022, MUNIC aims to deliver robust revenue growth, driven by the launch of its V8+ Smart Dongles at the start of the year. Faced with supply chain disruption, in 2021, MUNIC proved its ability to face the ongoing crisis in components and raw materials by using alternative components sources to make up for the shortfall and signing solid and long-term partnerships with the main components manufacturers and distributors. Tension nevertheless remains high in 2022.

After strengthening its financial means, MUNIC is also set to continue its R&D efforts in the Munic.io technology associating Smart Dongles with the Edge Computing artificial intelligence platform. Current innovations concern high value added technological services that are prompting significant market interest in terms of access to vehicle data, such as comprehensive remote vehicle diagnosis and wear of electric vehicle batteries. The extension of the Smart Dongles range is set to continue in 2022 with the development of three new devices over the year.

Concerning the EKKO solution providing access to vehicles in DaaS (data-as-a-service) mode via a mutualised subscription model, discussions with a European leader in motorist services led to a contract end of 2021. Since then, EKKO rollout started on several thousands of drivers with this new client's fleet of motorists. This deployment will enable the solution to be finalised and validated before the wide-scale commercial launch planned for mid-2022. MUNIC is therefore set to address a wide range of motorists and continue to extend the circle of data consumer companies, thereby consolidating its positioning as the supplier of an unrivalled solution on the market.

Further out, MUNIC confirms its aim to deliver **€100m in revenue by 2025**, of which €25m generated by the EKKO platform, and **a gross margin rate of more than 40%** of revenue.

FINANCIAL CALENDAR 2022

July 26, 2022	H1 2022 revenue
September 27, 2022	H1 2022 results
January 31, 2023	FY 2022 revenue
March 29, 2023	FY 2022 results

All press releases are published after Euronext Paris market close.

About MUNIC

Founded in 2002, MUNIC designs and develops technological solutions combining Smart Dongles, able to collect and decode thousands of data items generated by car sensors with an Edge Computing & artificial intelligence platform, Munic.io, capable of analyzing and processing this data.

The result of 20 years of R&D, MUNIC's patented technology combines (i) cutting-edge electronic expertise (design and industrialization of small-scale on-board equipment, high energy and radio performance, high reliability in an automotive environment, at very competitive costs), (ii) car data decoding capacity and (iii) an Edge Computing artificial intelligence (Munic.io) for data processing.

Based in Villejuif, France, with offices in the United States and China, MUNIC has 60 employees, 77% of whom are engineers. The company achieved revenues of €19.3 million in 2021, up +156%, mainly in the United States and Europe. The company is labeled an Innovative Company by Bpifrance.

MUNIC is listed on Euronext Growth® Paris market (ISIN code: FR0013462231).

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