

## Acceleration in Q4 2023: +18% revenue and +20% order intake

Exail Technologies generated €104 million in revenue in the 4<sup>th</sup> quarter 2023, an increase of +18% compared to the 4<sup>th</sup> quarter 2022. This quarter was marked by the good acceleration of production, enabling the group to achieve the annual target with +16% growth over the whole of 2023. Driven by the good momentum of the Group's markets, the commercial activity delivered a solid performance with €124 million in new orders in the 4<sup>th</sup> quarter, including a new contract for underwater mine countermeasures in the United Arab Emirates for €28 million.

As a reminder, Exail Technologies presents its revenue divided into two complementary and vertically integrated business segments:

- **The Navigation & Maritime Robotics segment** comprises the group's two main vertically integrated activities: the sale of navigation systems, positioning systems, sonar; the marketing of drones and autonomous drone systems for maritime applications, integrating the group's navigation systems and other equipment in order to offer the most efficient robotic solutions.

This segment accounts for around 75% of the group's revenue and 90% of its order book.

- **The Advanced Technologies segment** consists of developing and marketing the most efficient photonic and quantum components (special optical fibers, optical modulators, quantum measurement instruments) and products using the most advanced technologies (embedded communication equipment, simulators, decision-making autonomy). These components and products are sold directly to third parties or integrated into systems in the Maritime Navigation & Robotics segment.

This segment represents around 25% of the group's revenue and 10% of its order book.

Revenue by segment in 2023 and 2022 at equivalent scope

(€ million)	Q4 2023	Q4 2022 <sup>1</sup>	Var. %	FY 2023	FY 2022 at equivalent scope <sup>2</sup>	Var. %
<b>Consolidated revenue</b>	<b>104</b>	<b>89</b>	<b>+18%</b>	<b>323</b>	<b>278</b>	<b>+16%</b>
Navigation & Maritime Robotics Segment	79	66	+21%	245	211	+16%
Advanced Technologies Segment	26	24	+8%	85	71	+19%
<i>Structure &amp; Intra-Group eliminations</i>	<i>-1</i>	<i>-1</i>	<i>-</i>	<i>-7</i>	<i>-4</i>	<i>-</i>
<b>Backlog at the end of the period</b>	<b>630</b>	<b>628</b>	<b>-</b>	<b>630</b>	<b>628</b>	<b>-</b>

2023 and 2022 revenue published<sup>3</sup>

(€ million)	FY 2023	FY 2022 published	Var. %
<b>Consolidated revenue</b>	<b>323</b>	<b>180</b>	<b>+80%</b>

<sup>1</sup> 2022 revenue was adjusted to €88.5 million (€88.3 million reported last year) as part of the application of IFRS 3R – *Business Combinations*, with adjustments made to iXblue's opening balance sheet when entering the perimeter.

<sup>2</sup> 2022 revenue at equivalent scope includes the contribution of the iXblue group for the full year 2022, as if the acquisition had taken place on January 1, 2022 instead of September 29, 2022. 2022 revenue at equivalent scope was adjusted to €278 million (compared to €279 million reported last year) in line with the adjustments made in accordance with IFRS 3R. The order book has also been adjusted to standardize methods. As of December 31, 2022, it stood at €628 million (vs. €634 million reported).

<sup>3</sup> The 2022 consolidated revenue includes the iXblue Group for only one quarter. This revenue was adjusted (+€0.2 million) in connection with the application of IFRS 3R.

## Order intake in the 4<sup>th</sup> quarter 2023: €124 million, up +20%

Orders were strong this quarter, driven in particular by continued commercial success for navigation systems and a major new contract for a robotic underwater mine countermeasures system. For the full year 2023, orders amounted to €324 million, up +14%.

## Maritime Navigation and Robotics segment: €101 million in orders, up +50%

### Nearly €55 million in orders for navigation and positioning systems



In the field of **naval defense**, Exail was again selected for strategic programs in the last quarter of 2023. They concern several of the world's major navies and each represent several million euros for the group. One of the notable successes of the quarter was the equipping of the Dutch Navy's future anti-submarine frigates with high-end inertial measurement units.

Overall, in 2023, the group, already a leader in these applications, gained market share thanks to the quality of its solutions.

Exail has also made inroads into several markets for **civilian applications**. Notable year-end contracts include:

- An order worth nearly €10 million in maritime transport from a world leader in the sector,
- A new order in New Space with the Astrix-NS power plant. This signature confirms the good positioning of this new product, which began marketing in 2023.

### A major new contract for a robotic system in the Middle East



Following an international call for tenders for a defense application, Exail Technologies signed a €28 million contract at the very end of 2023 to supply a drone system to the United Arab Emirates Navy. The program is expected to begin in February and generate revenue in 2024. It will be spread over 3 years. More details on this program may be revealed at a later date with the client's agreement.

This contract confirms Exail Technologies' leadership in the field of robotic systems for defense. It also strengthens the group's visibility in international markets and its ability to meet the complex and demanding needs of its customers. This success paves the way for new business opportunities for current and upcoming tenders, both in the Middle East and elsewhere in the world.

In addition, Exail has secured more than €10 million worth of orders under existing contracts, for complementary services or operational maintenance.

### **Advanced Technologies segment: a good level of commercial activity**

The Advanced Technologies segment continued its good momentum, with €22 million in orders in the 4<sup>th</sup> quarter 2023. Half of these orders are generated by sales of state-of-the-art optical and quantum components to a very diverse customer base. The other half includes critical equipment for civil aeronautics (such as emergency beacons).

Compared to the same quarter last year, the level of order intake was €13 million lower due to an exceptionally large contract for this segment (around €20 million), which was signed in December 2022.

Among the sectors driving the performance, applications in the space sector have grown strongly, as well as telecommunications and physical laser measurement applications. Notable orders for the quarter include:

- A complementary order of integrated optical systems for a world leader in high-precision topographic measurements. After a first order at the beginning of the year, this customer entrusted Exail with an order twice as large at the end of the year.
- A first order for quantum instruments for a new player in the sector, WeLinq, which has selected Exail as the supplier for its industrial-standard quantum memory project.
- Several orders for optical components for state-of-the-art research laboratories in applied physics, such as the Johns Hopkins laboratory, the largest in the USA.

## Revenue up +18% in the last quarter of 2023

Exail Technologies recorded revenue of €104 million in the last quarter. This high level compared to previous quarters is linked to the seasonality of the last quarter (the most important of the year). Revenue growth was driven primarily by navigation systems.

For the full year 2023, the group's revenue amounted to €323 million, an increase of +16% compared to 2022 at equivalent scope.

### **Navigation & Maritime Robotics: €79 million, +21% growth**

Growth in the quarter was mainly driven by sales of inertial measurement units and acoustic positioning systems. The group's teams managed to increase deliveries of these products by +43% this quarter. The Naval Defence sector was the largest, followed by applications for civil maritime operations.

Underwater mine-hunting programs have also made a positive contribution, notably the BENL programme, which concerns the supply of underwater drone systems to the Belgian and Dutch navies. For the year 2023, the revenue generated on this program is around €55 million (+€10 million compared to 2022, in line with the backlog delivery plan). On the other hand, the contribution of new contracts for robotic systems was lower than expected due to the postponements over time.

### **Advanced technologies: a weaker last quarter (+8%) in the midst of an excellent year (+19%)**

Revenues in this segment were at a satisfactory level in the last quarter. The growth, lower than that of the 1<sup>st</sup> segment, reflects the different seasonality in 2023 due to the business mix. Over the year 2023, revenues are up sharply by +19%. The activity realized by this segment for the Maritime Navigation & Robotics segment increased significantly in 2023 due to the uptake in the production of navigation systems, using fibers and optical modulators produced in-house.

## Prospects

Exail Technologies should benefit from the good momentum of its markets, both in the defense sector and for civil applications, and from its high backlog. 2024 is expected to be a very active year in terms of tenders, with several major programs that could be decided. Exail Technologies will continue to invest significantly and mobilize its resources in commercial actions (responses to calls for tenders, spontaneous offers, demonstrations, etc.) with the objective of securing a very large backlog in the medium term. These efforts have been rewarded in 2023 in the Middle East.

The execution of the programme for the Belgian and Dutch navies suggests that the activity should remain stable in 2024. The growth of the Maritime Navigation & Robotics division will therefore be driven by Navigation systems, which are expected to grow by more than 15%. The Advanced Technologies division is also expected to grow by more than 15%.

For the full year 2024, Exail Technologies is targeting a double-digit increase in revenue.

In the medium term, the group is particularly confident about the underlying trends driving its activities.

- The technological developments in its markets are pushing for the wider adoption of robotics, photonics, quantum, sonar and next-generation navigation technologies mastered by the group, at the expense of older technologies,
- The geopolitical context, which initially benefited short-cycle defence investments, should now also benefit the major programmes targeted by Exail Technologies.h



### **About Exail Technologies**

Exail Technologies is the new name of the Gorgé Group, adopted after the transformation of the group at the end of 2022, now focused on the activities of its subsidiary Exail. Exail Technologies is an industrial company specialized in high technologies in navigation systems and autonomous robotics with a vertical integration of the professions. The group offers complex drone systems, navigation, as well as products for aerospace and photonics. Exail Technologies ensures performance, reliability and safety for its civil and military customers operating in harsh environments. The company generates its revenue in nearly 80 countries.

Exail Technologies is listed on Euronext Paris Compartment B (EXA).  
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