



Q2 2024 Update

14th of August 2024

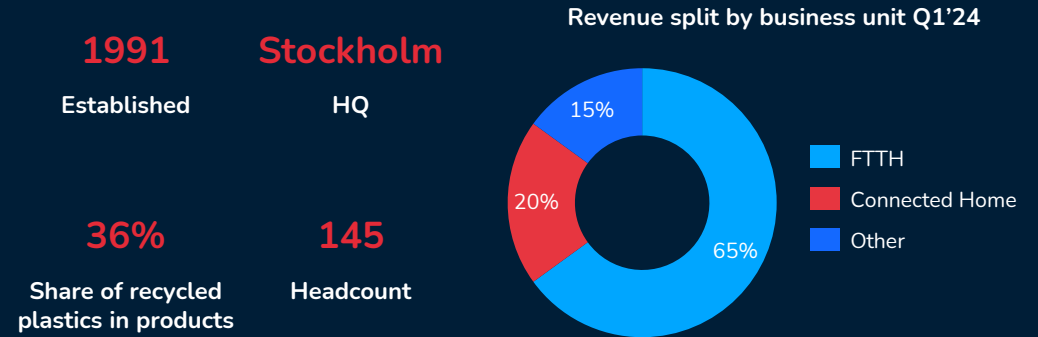
About Genexis Group



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

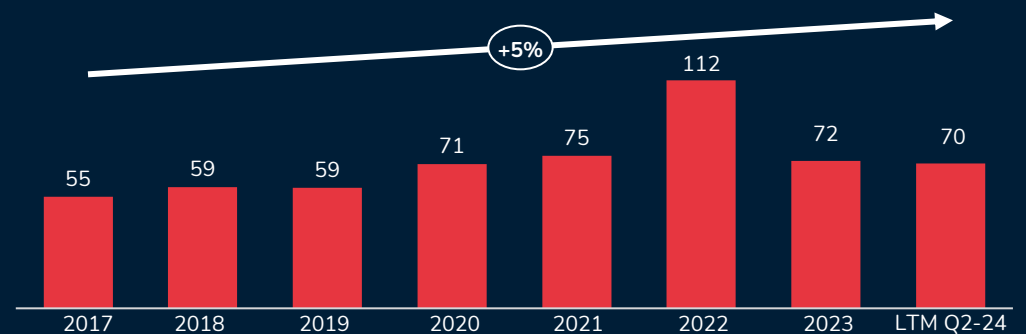
Corporate overview



Longstanding relationships with major operators



Revenue development (EURm)





Q2 2024 overview

Disappointing revenue development in Q2; continued market recovery – but slow

- Revenue lower than expected, but solid margins
 - Sales lower than expected EUR 17.9 million as customers postpone deliveries into later in the year
 - Strong gross margin development with Q2 at 36.7%
 - Cost savings resulting in decreasing cost levels
 - Overall EBITDA margin 11.4%, negatively impacted by lower level of capitalized R&D

- Continued underlying market recovery, but at slower pace than anticipated
 - Order intake for Q2 at EUR 16,1 million continues the positive trend on order intake, starting after summer 2023.
 - LTM order intake now at EUR 64 million and increasing
 - We see continued positive signs from primarily DACH+ region
 - US entity establish and good interest and high activity from potential customers

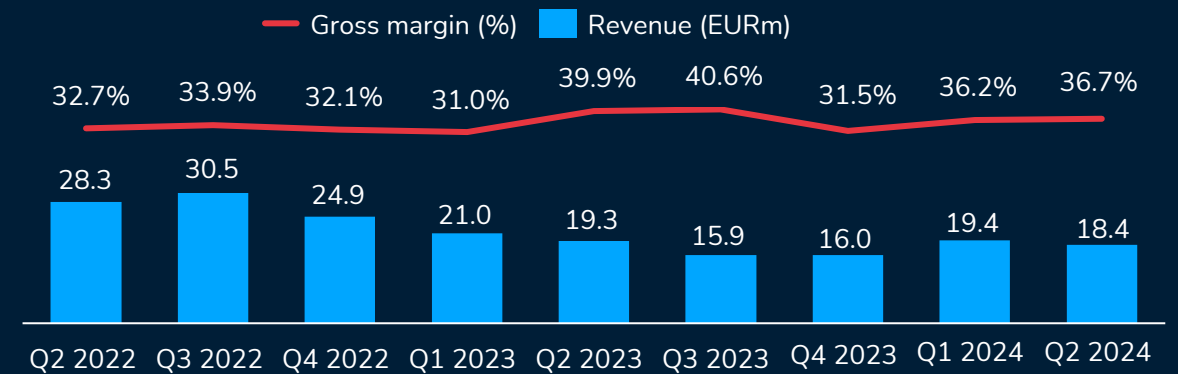
- Cash flow remains low
 - Low EBITDA causes negative cash-flow
 - Slight decrease in NWC with further decrease expected during summer
 - Net cash position of minus EUR 3.6 million as per June 30

Q2 2024 update

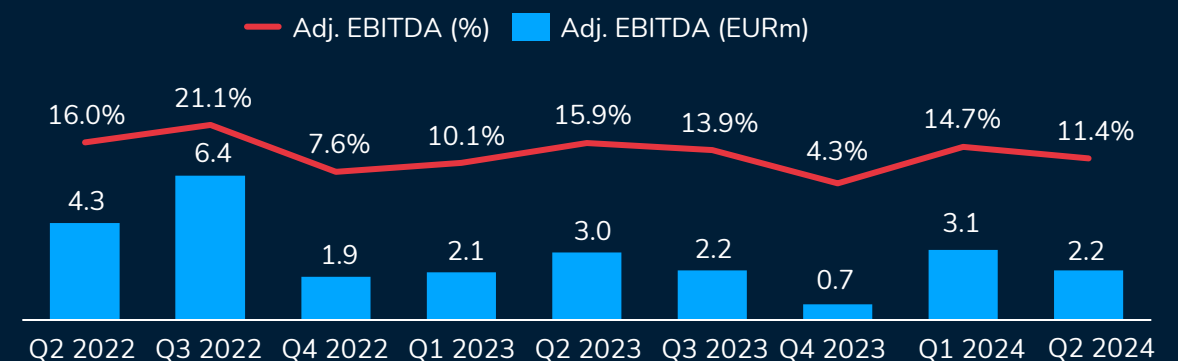


- The Q2 2024 revenue broke the positive revenue increase trend. The lower sales are a consequence of orders being pushed later in the year, confirming that the market is picking up slower than anticipated.
- Gross margin is on a high level mainly due to good work by our procurement. Stand-alone software revenue was lower than anticipated.
- EBITDA negatively impacted by lower share of activated R&D expenses. Impact close to EUR 0.5 million during Q2.
- **FTTH** – The revenue decreased in Q2 compared to Q1, as planned deployments by some larger customers was delayed. General high cost of funding for the investments in the fiber area makes the fiber roll out in Europe slower than forecasted. We expect this to improve once interest rates start to decrease. Further work is being done to prepare for the North American market.
- **Connected Home** – Several opportunities are being realized and the business unit Connected Home increased its product revenue over the quarters, while stand-alone software sales was a disappointment.

Revenue* & Gross margin development



EBITDA development

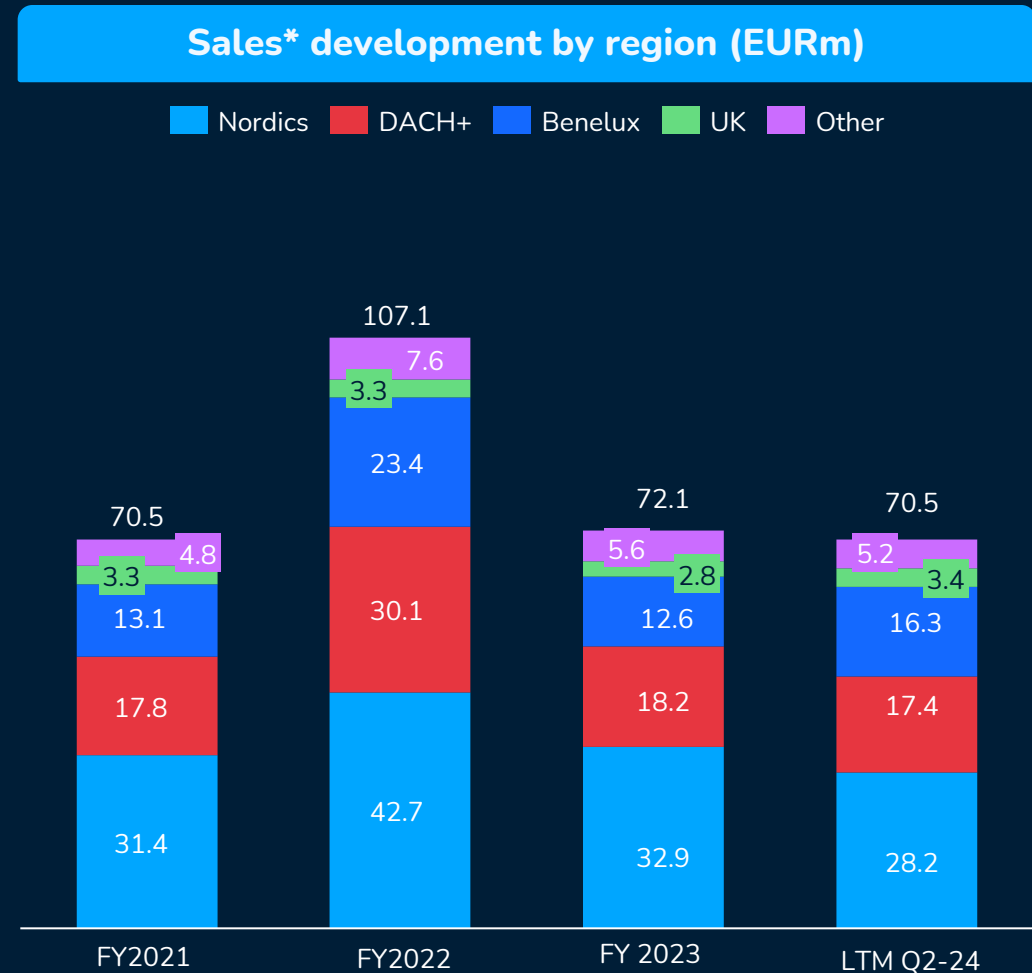


* Net Sales and Other Income



Sales development by region from 2021 to LTM Q2-24

- Nordics
 - LTM sales in Nordics are still below 2022 and 2023 levels with Sweden and Denmark in particular showing lower sales
 - Finnish market is continuing to do well, and we see growth potential
 - Norway is picking up sales with several customers ordering
- DACH+
 - While not yet making a large impact 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
- Benelux
 - Market is picking up now and the area stands for the largest growth in LTM compared to 2023 (+29%)
 - Customers are projecting again and providing promising forecasts
- UK, North America & Other
 - Expansion in UK and other regions underway
 - Genexis established in the US and first employees contracted
 - Secured additional distribution partners for North America and a few customers have started to place orders
 - Lead pipe-line is developing nicely



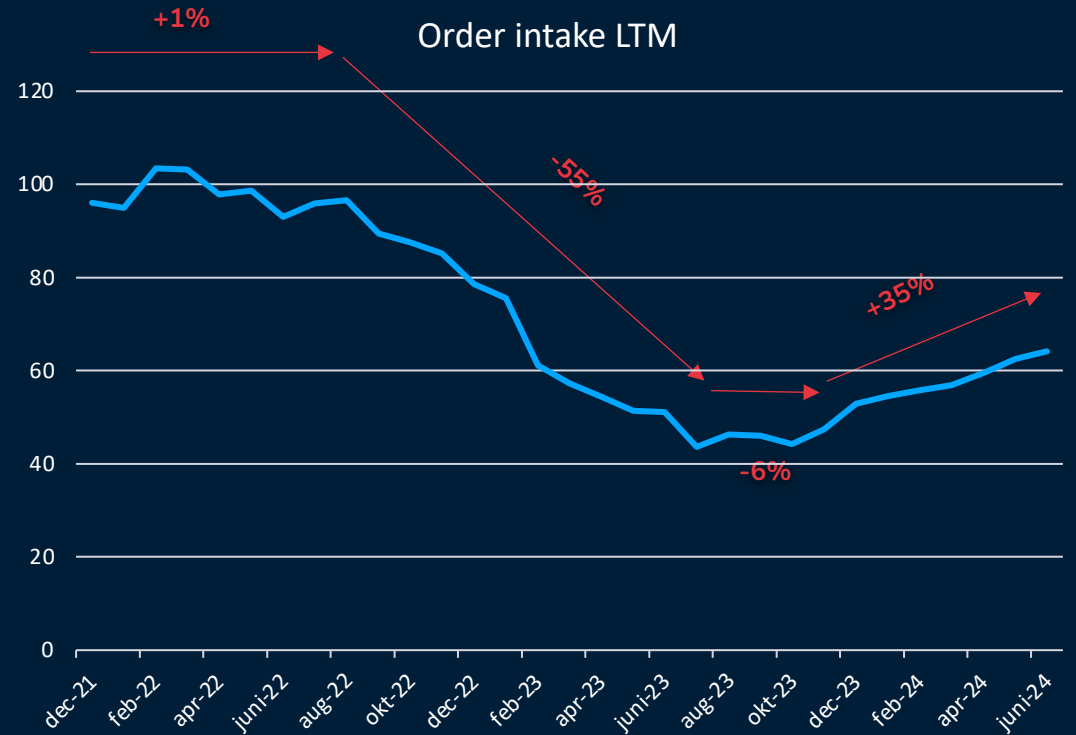
*Sales numbers based upon sales statistics, not fully matching Reported numbers



LTM order intake continues to increase

- LTM order intake is increasing, we are clearly through the end of the 'dip'
- H1 2024 reached EUR 30.9 million, significantly stronger than H1 2023 which reached EUR 19,4 million
- Q4 2023 order intake included a few customers placing large orders covering the majority of 2024
- Trend of smaller customers increasing their orders continues

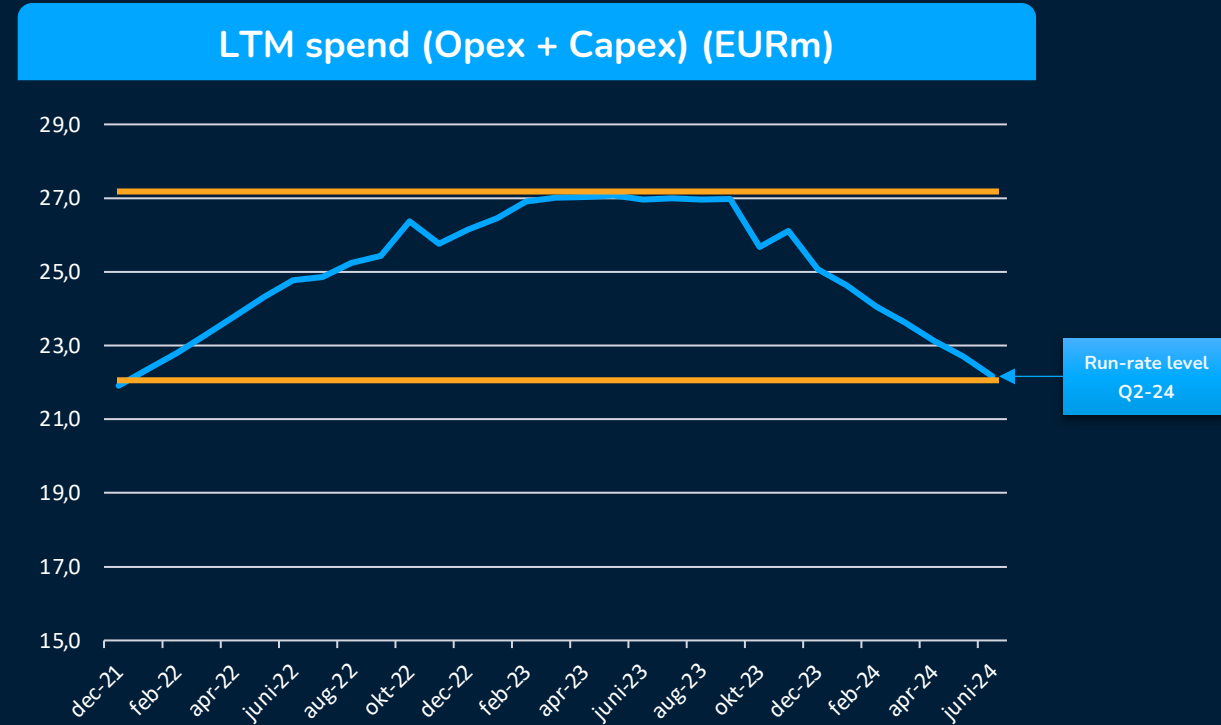
LTM order intake





Cost savings initiatives in effect

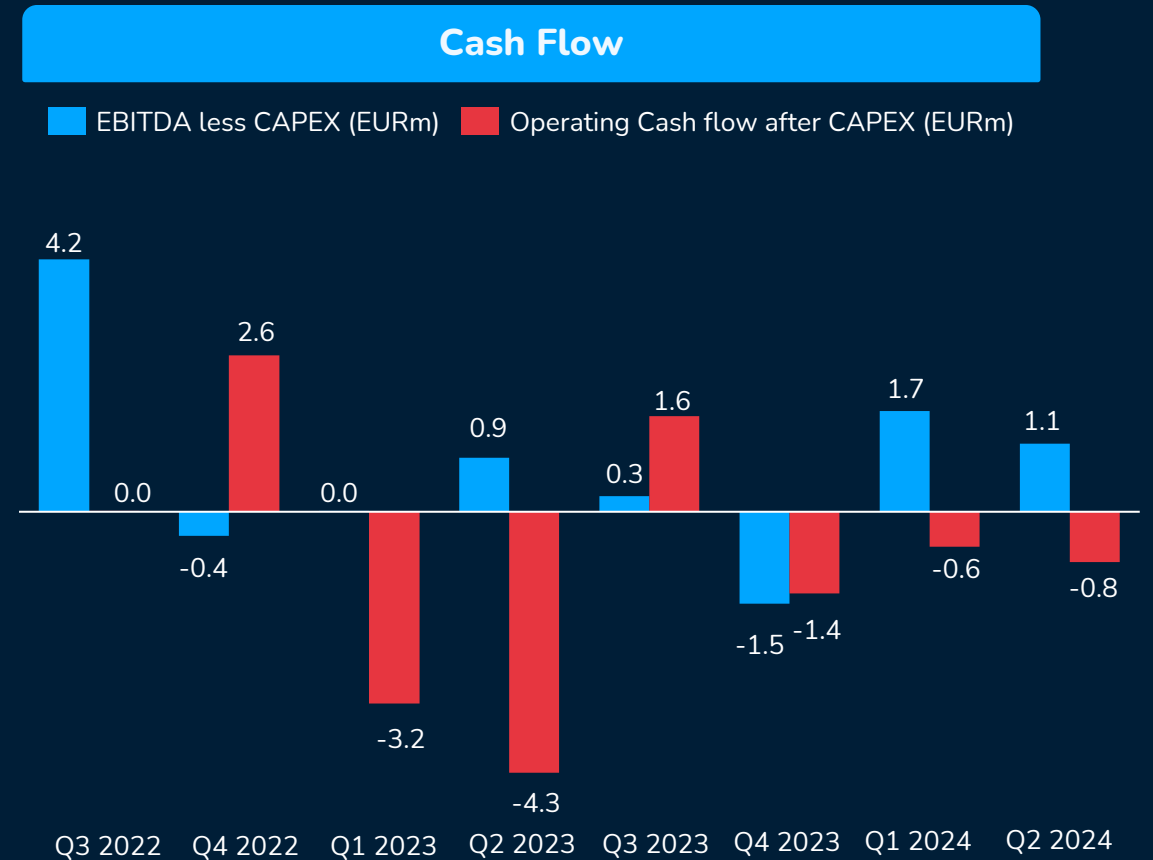
- Cost savings program fully implemented
- LTM spending keep decreasing and has now reduced to the same level as January 2022
- Cost savings in full effect as of March 2024 with a full year run-rate of EUR ~21 million





Liquidity position challenging but under control

- Net utilization of credit facility of EUR 3,6m as of June 30, 2024
 - ...leaving EUR 2.4m unutilized
 - Decrease in NWC of EUR 0,4m during Q2 2024 and expected to decrease further during the summer
 - Operating cash flow for the quarter of EUR -0.8 million
- H2 2024 is expected to be cash flow neutral
 - Continued growth in sales will drive NWC and offset positive effects from increasing EBITDA
- Sellers of Inteno Group agreed upon delaying remaining Earn-out payment
 - The remaining Earn-out payment will be paid on June 30, 2025, provided that covenants are met



Appendix



Income Statement



EUR thousands	Q2 2024 01.04-30.06	Q2 2023 01.04-30.06	YTD 2024 01.01-30.06	YTD 2023 01.01-30.06	FY 2023 01.01-31.12
Net Sales	17 858	18 680	36 826	39 064	69 688
Other Operating Income	535	604	947	1 246	2 494
Capitalized R&D	847	2 016	2 184	3 977	6 851
Total Income	19 239	21 300	39 956	44 288	79 033
Raw materials and goods for resale	-11 297	-11 227	-23 396	-25 288	-44 870
Other Direct Costs	-716	-597	-1 086	-992	-2 096
Cost of Goods Sold	-12 013	-11 824	-24 482	-26 280	-46 966
Other External Costs	-1 922	-2 378	-3 852	-5 044	-9 386
Personnel Costs	-3 120	-4 131	-6 388	-8 086	-14 962
Depreciation, Amortization and Impairment	-2 817	-2 578	-5 804	-5 105	-12 425
Total Operating Expenses	-19 872	-20 911	-40 526	-44 515	-83 739
Operating Profit/Loss	-633	390	-570	-227	-4 706
Financial Income	-43	282	-17	233	225
Financial Expenses	-1 898	-1 617	-3 866	-3 502	-7 481
Net Financial Items	-1 940	-1 335	-3 883	-3 269	-7 256
Profit/Loss Before Tax	-2 573	-946	-4 453	-3 496	-11 963
Income Tax Expense	103	336	189	396	355
Profit for the Year	-2 470	-610	-4 264	-3 100	-11 607
Number of shares	109 282	109 282	109 282	109 282	109 282
Profit per share (EUR)	-22,6	-5,6	-39,0	-28,4	-106,2

Balance Sheet



EUR thousands	30.06.2024	30.06.2023	31.12.2023
ASSETS			
Non-current assets			
Capitalized Expenditure for Software	19 414	16 782	20 626
Customer Contracts	16 636	10 482	18 146
Trademarks	6 316	1 704	6 673
Goodwill	52 591	60 570	53 324
User rights	398	518	453
Machines & Inventory	1 685	2 557	2 187
Financial Assets	12	1 856	34
Total Fixed Assets	97 052	94 470	101 442
Current assets			
Stock & Work In Progress	7 226	10 314	8 551
Accounts Receivable	9 771	10 750	6 975
Prepayments & Accrued Income	1 667	2 926	1 587
Cash & Bank Balances	0	10 018	0
Total current assets	18 664	34 008	17 114
TOTAL ASSETS	115 716	128 478	118 556

EUR thousands	30.06.2024	30.06.2023	31.12.2023
EQUITY			
Equity	21 362	31 636	25 390
Total Equity	21 362	31 636	25 390
Liabilities			
Non-current Liabilities			
Provisions For Guarantees	0	188	182
Provisions For Deferred Taxes	7 830	1 561	8 481
Other Long-Term Liabilities	59 806	59 339	59 551
Total non-current Liabilities	67 637	61 087	68 214
Current Liabilities			
Bank Overdrafts	3 557	0	2 132
Other Short-Term Financial Liabilities	7 326	19 829	7 651
Current Liabilities To Customers & Suppliers	10 928	8 271	9 013
Tax Liabilities	347	1 156	817
Vat & Special Excise Duties	2 291	1 716	1 556
Personnel Taxes, Fees & Salary Deductions	19	-10	17
Accrued Expenses & Deferred Income	2 250	4 792	3 767
Total Current Liabilities	26 718	35 755	24 952
Total Liabilities	94 355	96 842	93 166
TOTAL EQUITY AND LIABILITIES	115 716	128 478	118 556

Cash-flow



EUR thousands	Q2 01.04- 30.06.2024	Q2 01.04- 30.06.2023	YTD 01.01- 30.06.2024	YTD 01.01- 30.06.2023	FY 01.01- 31.12.2023
Cash flows from operating activities					
EBITDA adjusted	2 157	2 967	5 210	5 020	7 959
Interest payments and adjustments FX	-2 089	-1 243	-4 036	-3 107	-6 625
Non-cash Result	0	0	0	0	0
Income Taxes Paid	-275	-110	-365	-597	-1 757
Cashflow Before Change In Net Working Capital	-208	1 614	809	1 315	-422
Change in working capital					
Change in Inventory	630	3 896	1 275	2 043	3 940
Change in Accounts receivables	3 210	-1 824	-2 872	-2 273	1 777
Change in Other ST Operating receivables / Accruals	1 177	-1 554	-297	-1 864	446
Change in Accounts payables	-3 627	-5 668	1 945	-3 804	-3 226
Change in Other ST Operating payables / Accruals	-946	1 291	183	1 238	-1 411
Change in Net Working Capital	444	-3 859	234	-4 661	1 527
Net cash flow from Operating Activities	236	-2 244	1 042	-3 346	1 105
Cash flows from Investing Activities					
Capex Intangible Assets	-1 026	-2 016	-2 407	-3 977	-8 272
Capex Plant & Equipment	-45	-91	-76	-218	-120
Other investing activities	0	0	21	0	146
Net cash flow from Investing Activities	-1 071	-2 106	-2 462	-4 195	-8 245

EUR thousands	Q2 01.04- 30.06.2024	Q2 01.04- 30.06.2023	YTD 01.01- 30.06.2024	YTD 01.01- 30.06.2023	FY 01.01- 31.12.2023
Cash Flows from Financing Activities					
Acquisitions ²⁾	0	0	0	0	-12 093
Equity issuance	0	-20	0	-65	-112
Net Other Financial Items	-33	512	-82	950	1 022
Change in overdraft	0	11	0	-52	-39
Net Cash Flow from Financing Activities	-33	504	-82	833	-11 222
Non-recurring Items in EBITDA					
	0	-142	0	-142	-241
Net Increase/Decrease in Cash	-868	-3 989	-1 502	-6 850	-18 604
Cash & Cash equivalents by beginning of period	-2 658	14 367	-2 132	17 437	17 437
Exchange rate differences on cash	-31	-360	77	-569	-965
Cash & Cash equivalents by end of period	-3 557	10 018	-3 557	10 018	-2 132



Thank you