

FY2023 Preliminary Results

22 March 2024



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AGENDA

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Key highlights

Christian Hadjiminias, Chief Executive Officer

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Market environment and business update

Philippe Mennicken, Business Development Director

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FY2023 preliminary results and outlook

Dimitris Parthenis, Chief Financial Officer

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Q&A

IPO: A KEY MILESTONE IN THEON INTERNATIONAL'S HISTORY



Amsterdam, 7 February 2024

FT FINANCIAL
TIMES
statista

1000 EUROPE'S
FASTEST GROWING
COMPANIES 2024

ANOTHER YEAR OF EXCELLENT PERFORMANCE



€506.0 m Soft order intake

2.3x book-to-bill ratio



€540.2 m Soft order backlog

2.5x revenue



€218.7 m Revenue

53.1% growth y-o-y



€56.8 m Adj. EBIT

26.0% margin



€13.9 m Net cash

(0.2)x leverage



40% Dividend payout

Proposal to AGM

MOMENTUM IN TERMS OF BUSINESS AWARDS LAYING THE FOUNDATION FOR THE FUTURE

29 November 2023: Elbit America wins USMC contract with Theon as subcontractor



- **Elbit Systems of America** is awarded a **five-year \$500 m IDIQ contract** for the supply of the Squad Binocular Night Vision Goggle systems (SBNVG) to the **US Marine Corps (USMC)**
- **Theon Sensors**, partnering with Elbit since 2018, will provide as **exclusive subcontractor** its dedicated night vision binocular in a Semi Knock Down Kit format



1 December 2023: Invitation for signature of OCCAR contract amendment



- The **company in consortium with its partner Hensoldt** has been invited to the **signature ceremony of the NVGs Contract Amendment No. 2.1**
- The contract signature ceremony concerns an **additional tranche of the existing contract**, details of which shall be announced after the ceremony¹
- After the Belgian parliament approval, the German parliament has already ratified the contract

18 December 2023: Theon signs new contracts before the end of 2023



- **Two framework agreements** with duration of **up to 7 and up to 5 years** were signed with the **NATO Support and Procurement Agency (NSPA)** for the supply of **thermal weapon sights and thermal monoculars**
- Another contract award was received by a **European NATO member state** for its Extra Long Range **THERMIS** systems



16 January 2024: Theon signed 2 more contracts just before the end of 2023



- The first contract concerns the supply of the night vision binocular **NYX to a central European Armed Forces** at a value of **€23 m with an option for an additional €70 m**. Deliveries shall start at the end of 2024 with the bulk to be delivered in 2025
- The second contract award was received by a **European NATO member state** and first-time customer and concerns the supply of Theon's Night Vision monocular **ARGUS** at a value of **€8 m with immediate delivery**

Geopolitical situation

- Continued war in Ukraine with uncertain future
- Gaza conflict leading to Houthi attacks and risk of further spreading in the region
- Recent elections in Taiwan may increase tensions in the region
- Upcoming US elections

Defence budgets

- The US Congress approved a staggering defense budget of \$886 bn for 2024
- In 2024, NATO Allies in Europe are expected to invest a combined total of \$380 bn in defense, which would amount to 2% of their combined expected GDP for the first time ¹
- EU Commission President Von der Leyen: “Europe must spend more, spend better, spend European”
- Asian countries boosted their defense budgets by 4.7% in 2023 to hit an average 1.8% of GDP¹

Night vision & thermal imaging markets growth

- Importance of Night Fighting Capability now seems to be globally understood with a continued trend towards fully equipped troops including reserves
- Night fighting equipment (Thermal/ NV sights and FCS) procurement cycle expected to pick up speed in 2024
- Increased demand for advanced interconnected systems

Product development

- ARMED Ecosystem being successfully demonstrated to various end users around the world and first orders being received
- Participation in first tender for platform based multi-sensor systems under preparation

Europe

- North and Eastern European countries expected to increase their defense spending even faster than rest of Europe
- With Sweden's accession to NATO, increased cooperation between Scandinavian and Baltic countries expected
- Ukraine Aid may need to be increased

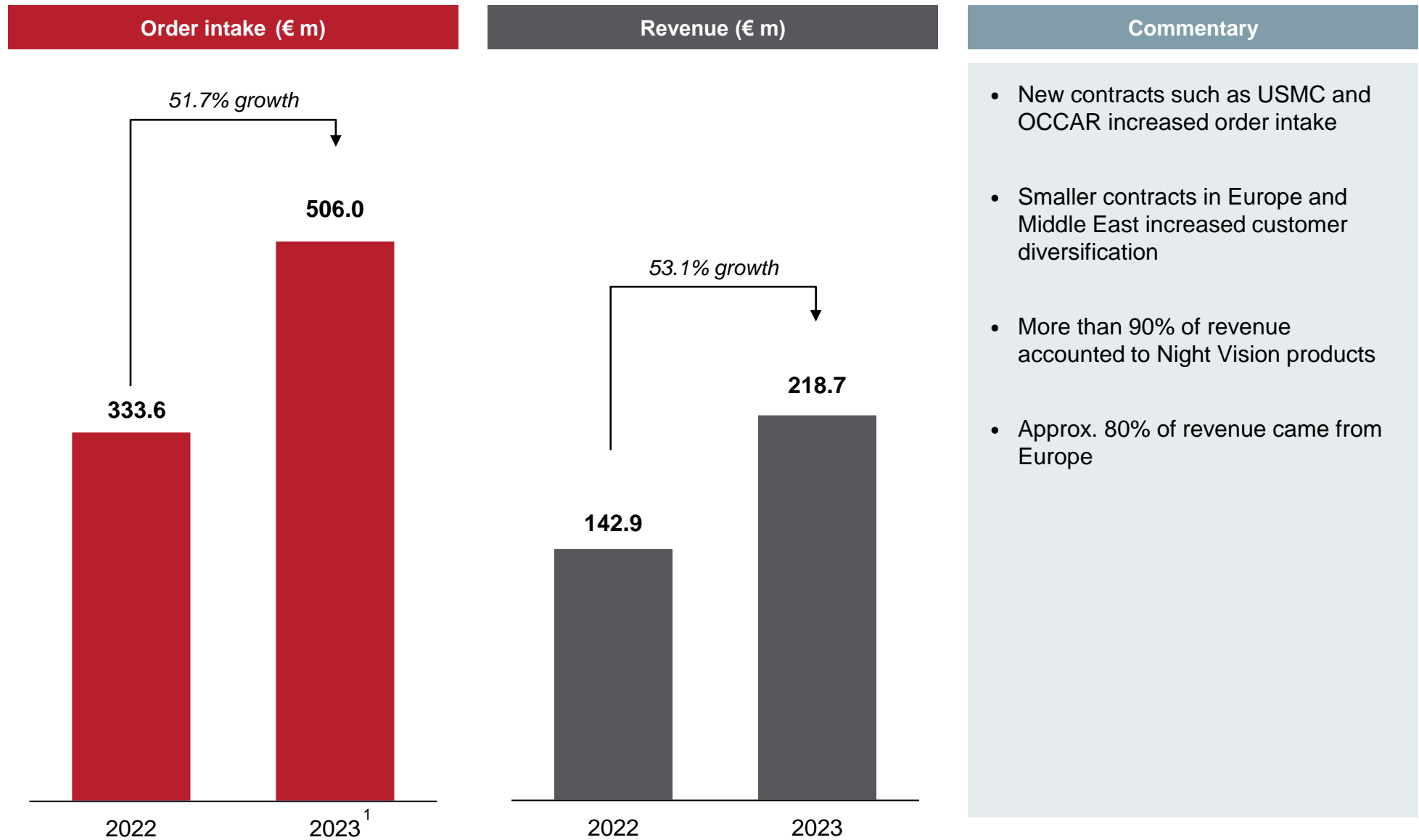
Americas

- Several large procurement programs for dismounted NV systems continuing in the US and picking up speed such as NVD-Next and FCS programs

Asia

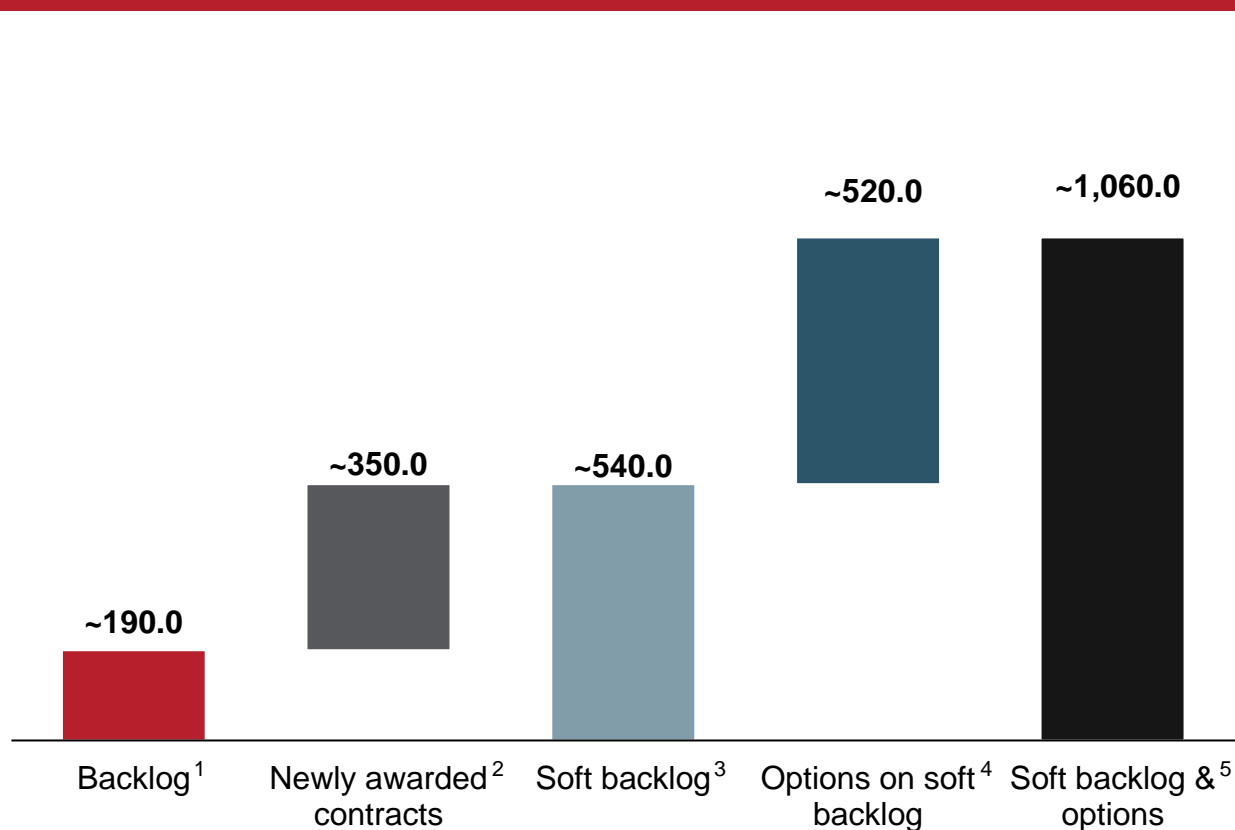
- Various tenders/ procurements for night vision equipment expected in 2024 across Asia

REMARKABLE NEW ORDERS INCREASE AND 50%+ REVENUE GROWTH



RECORD SOFT ORDER BACKLOG

Soft order backlog and options (€ m)



Commentary

- Approx. 60% of the Soft order backlog is expected to be invoiced in 2024, 30% in 2025 and 10% from 2026 onwards
- The new OCCAR contract amendment for 16k MIKRON has been passed by the German parliament and signature is scheduled in April

Notes:

¹ Backlog is defined as the value of the order book at the respective reporting date by keeping record of customer orders starting from the opening stock and taking into account revenue and adjustments for the respective

reporting period, and ending with the final stock

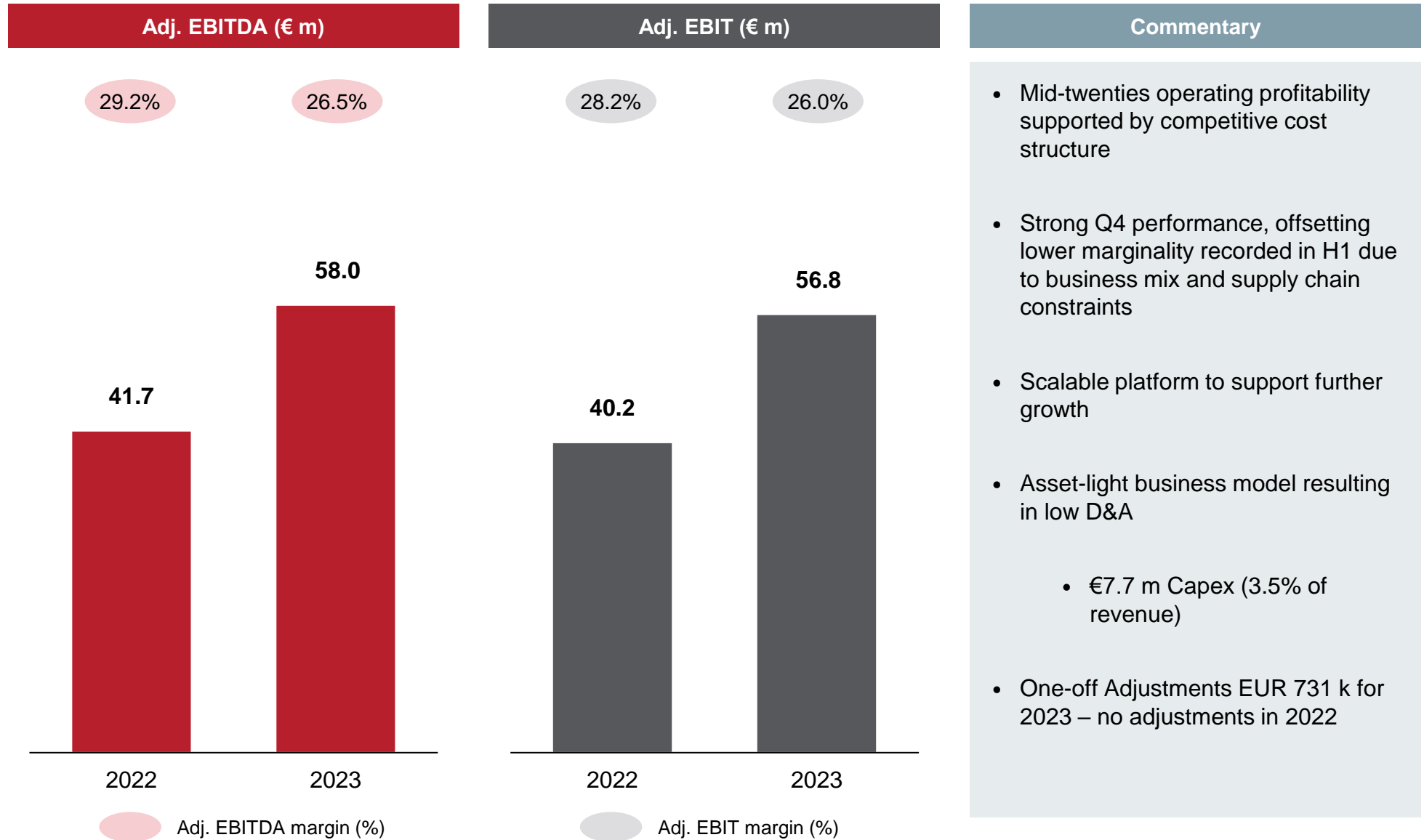
² Awarded contracts during the period October to December 2023 resulting in expected incoming order intake volume, subject to contract finalization and ratification by national parliaments in certain cases

³ Soft backlog is defined as the sum of the backlog as of 31 December 2023 (as set forth in footnote ¹) plus the newly awarded contracts during the period October to December 2023 (as set forth in footnote ²)

⁴ Company estimates for ~€520m of potential options on newly awarded contracts as described in footnote ²; Options to be exercised at further discretion of the customer

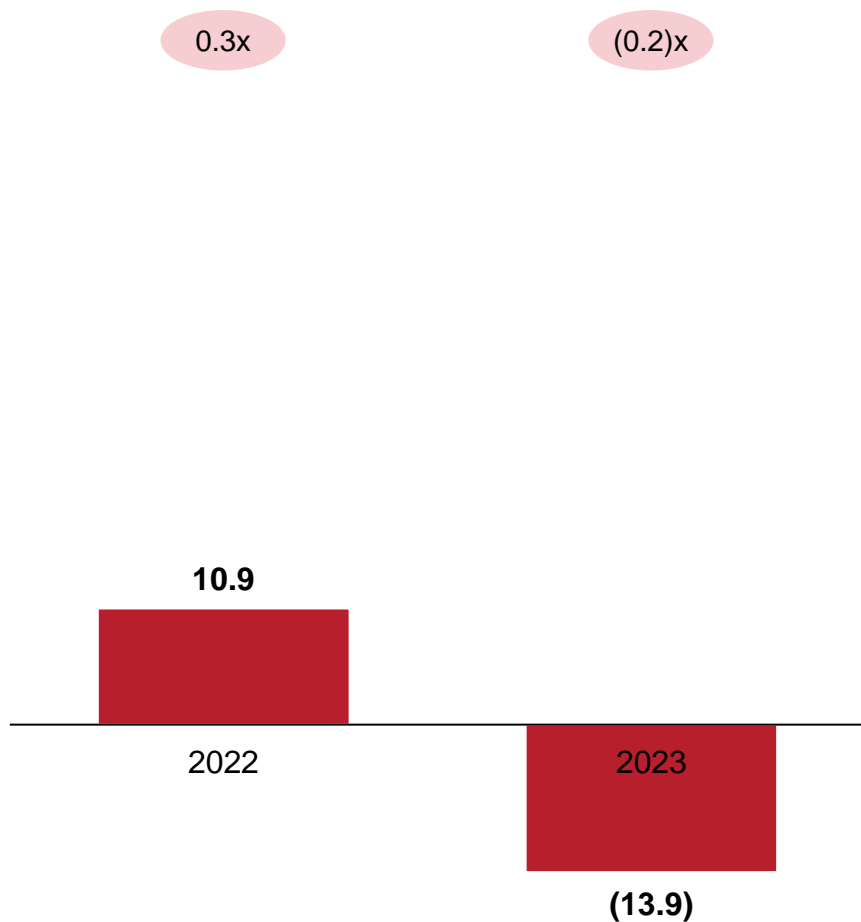
⁵ Total of backlog (as set forth in footnote ¹) plus newly awarded contracts (as set forth in footnote ²) plus potential options on newly awarded contracts (as set forth in footnote ⁴)


SOLID PROFITABILITY



NET CASH POSITION

Net debt / (cash) (€ m)



 Leverage (x Adj. EBITDA)

Commentary

- Self-funded business with conservative capital structure
- Reduced working capital absorption vs 2022
- Gross Debt of €51.7 m (incl. leases)
 - 50% of which is L-T Debt
- 2023 figure excluding gross proceeds of ~€100 m from IPO

OUTLOOK

| | 2024 target | Medium term target |
|-----------------|---------------------------|--|
| Revenue | €330-350 m | Growth in line with addressable market |
| EBIT margin | Mid-twenties | Mid-twenties |
| Capex | €10-12 m | Capex as % of revenue in line with historical levels excluding Athens facility expansion |
| Dividend payout | 40% to be proposed to AGM | 30-40% |



Q&A