

Toulouse, October 30th, 2023, 6:00pm

INTERIM RESULTS AT 30 JUNE 2023

- **Revenues up 14%**
- **Foodtech: substantial advances with key accounts**
- **Medtech: promising results from 2nd clinical study**

Alpha MOS (FR0013421286 ALNEO), world leader in odor, taste and visual analyzers for the industry, publishes its interim results at 30 June 2023, as approved by the Board of Directors on 27 October 2023.

<i>(€'000, IFRS, audited data)</i>	H1 2023	H1 2022	Change
Revenues	2,744	2,397	347
EBITDA	(1,561)	(955)	(606)
Operating income	(1,531)	(1,244)	(287)
Consolidated net income	(2,010)	(1,295)	(715)

Alpha MOS ended the first half of the year with revenues up 14% at €2.7m and net profit of €(2.0)m, €0.7m lower than in H1 2022, due to the impact of inflation and the mobilisation of significant resources for the development of key accounts. These advances have had a favourable impact on the order book, enabling Alpha MOS to confirm its objective of achieving growth over the full year. In June, the Medtech subsidiary BOYDSense successfully concluded its 2nd clinical study with Toulouse University Hospital. The results, which will shortly be the subject of scientific publications, confirm BOYDSense's commitment to developing its breath glucose monitoring device for diabetics. Faced with the anticipated increase in losses, the support of the shareholders will enable the Group to continue as a going concern.

14% of revenue growth in H1

Revenues for the first half of the year came to €2,744k, up 14% compared with the first half of 2022 (€2,397k).

Staff costs rose from €2,117k to €2,462k (+16%), reflecting both inflation and the mobilisation of resources to win new key account customers. The average number of employees rose from 47 to 51 between H1 2022 and H1 2023.

After a slight increase in external expenses (€1,011k vs. €951k), mainly in the Medtech division, EBITDA came to €(1,561)k, compared with €(955)k in the first half of 2022.

R&D efforts are continuing, and the corresponding personnel costs and external expenses rose by 15% over the first half, to €1,311k, split roughly between Foodtech (40%) and Medtech (60%).

Operating income for the first half was €(1,531)k, compared with €(1,244)k, with stable depreciation charges and other operating income linked to the partial capitalisation of the European subsidy obtained in 2022 for the Medtech segment.

As net financial expenses were higher than last year, given the increase in financial debt, net profit came to €(2,010)k, compared with €(1,295)k in the first half of 2022.

Foodtech: substantial advances with key accounts

The Foodtech business supplies the food, beverage and packaging industries with solutions for measuring smell, taste and vision.

In the first half of 2023, substantial advances were made in this business, notably:

- A **return to growth**, after a 2022 slowdown caused by a lacklustre economic environment and the components crisis.
- **Breakthroughs with new key accounts**, in particular the Chinese dairy products leader Mengniu, which this year validated the performance of Alpha MOS electronic noses for controlling the milk supplied to its production sites.
- The activation of a **partnership with a specialist in human sensory panels**. This enables Alpha MOS to offer manufacturers in the sector a combined range of equipment, associated services and team support, and to meet the need for technological developments in equipment, processes and staff.
- Continued **growth in recurring revenues**, based on a very broad mix of offerings: TAAS (Testing as a Service), support contracts, consumables linked to large-scale rollouts, and research. Recurring revenues accounted for 30% of sales in the first half, compared with 26% for the full year 2022 and 21% in 2021.

Foodtech (€'000)	H1 2023	H1 2022
Revenues	2,744	2,397
Other income from ordinary activities	241	160
Changes in inventories and finished goods	12	129
Purchases	-1,176	-736
Staff costs	-2,089	-1,765
External expenses	-752	-743
Tax and duties	-28	-25
Other current operating expenses	4	-49
EBITDA	-1,044	-632

Geographically, the USA's share of sales remains stable compared with 2022, at 24%. The EMEA region is slightly down, at 29% compared with 31% in 2022, to the benefit of the Asia region.

Despite the 14% rise in sales, the gross margin for the business did not increase, coming in at €1,821k, giving a margin rate of 66%, compared with €1,950k a year earlier. This temporary fall in the margin rate was due to unfavourable effects on exchange rate and inventories of finished products from one year to the next.

After higher staff costs (see above) and stable external costs, EBITDA came to €(1,044)k, compared with €(632)k in the first half of 2022.

Medtech: conclusion of the 2nd clinical study

During the first half of this year, BOYDSense completed the 2nd clinical trial of its non-invasive breath glucose monitoring device on schedule. The study, promoted by Toulouse University Hospital (CHU) and launched in late 2021 by the Diabetology, Metabolic Diseases and Nutrition research team, involved 130 patients with type 2 diabetes. The results will be the subject of scientific publications by the CHU and BOYDSense researchers in the coming months.

Pending publication of more detailed results, BOYDSense can already announce that the clinical study has met its objectives, namely to:

- Establish successful system with functional testing;
- Confirm patients' interest in this new device, as illustrated by the number and enthusiasm of study participants;
- Validate previous developments;
- Gather new data that has helped improve the algorithms since the beginning of the test phase.

BOYDSense has also been selected to present its work at the Advanced Technologies & Treatments for Diabetes conference in Berlin in February 2023.

Medtech (€'000)	H1 2023	H1 2022
Revenues		
Other income from ordinary activities	234	389
Changes in inventories and finished goods		
Purchases	-25	-150
Staff costs	-373	-352
External expenses	-259	-208
Tax and duties	-2	-2
Other current operating expenses	-92	
EBITDA	-517	-323

EBITDA for the Medtech business was slightly down in the first half of 2023, at €(517) k compared with €(323) k a year earlier, due to the increase in external expenses and other current expenses associated with the clinical study.

Financial position

With net profit of €(2,010)k for the first half, shareholders' equity stood at €(5,678)k at the end of June.

The change in cash and cash equivalents over the period was €(2,396)k, due to the impact of the net profit and a €0.8m increase in working capital requirements, mainly relating to trade receivables, which has since been cleared. Financial debt net of cash was €5,190k at 30 June, comprising €5,974k in financial debt (excluding lease obligations, €752k) and €784k in cash.

This level of cash is not sufficient to finance the Company's operational development plan over the next twelve months, and in particular the needs associated with the continued development of the MedTech project. The Company is considering various options to strengthen its financial structure, with particular emphasis on obtaining external financing to fund this plan.

The Company has drawn up a scenario in the event that these operations do not materialise. Management has examined the cash flow forecasts arising from this scenario, taking into account the support, limited in amount, to which the Jolt Targeted Opportunities FPCI managed by Jolt Capital and Ambrosia Investments AM have committed, as well as their undertaking not to request the repayment of outstanding current-accounts.

On this basis, management has adopted the going concern assumption for the financial statements to 30 June 2023.

Outlook

Alpha MOS confirms the success of discussions with a number of major accounts in China, North America and Europe. This could enable the Company to roll out its solutions more rapidly over the coming years.

The product mix continues to evolve favourably, with the ongoing development of the range of services and consumables, which amount to recurring sales, and the launch of new offerings. The agreement with Australia's Agrigate, for the creation of new sensory sensors for long-distance milk transport, illustrates the Group's capacity for innovation and increased visibility in various growth sectors of the agri-food industry.

The objective of organic sales growth has therefore been reaffirmed for the current year.

As regards the Medtech division and the BOYDSense subsidiary, the conclusion this year of the clinical study and the nature of the preliminary results should make it easier to obtain the funding needed to continue work on marketing the glucose monitoring device for people with diabetes.

Availability of the Interim Financial Report

The Interim Financial Report is being made available to the public today and has been filed with the Autorité des Marchés Financiers (AMF). It can be consulted on the Company's website.

About Alpha MOS

Alpha MOS (Euronext Paris, ISIN: FR0013421286 ALM, Code mnémonique: ALNEO) specialist in sensory analysis solutions, is the world leader in the development of electronic nose, tongue and eye for industrial use. Created in 1993, Alpha MOS is an international Company with offices in France, China and the United States. It has installed more than 1300 instruments throughout the world, mainly in the food, beverage and packaging industries. Alpha MOS continuously invests in research and development to meet the needs of the markets and innovates to develop the consumer sensory analysis markets.

More information : www.alpha-mos.com

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Appendix

Consolidated income statement

<i>€'000, IFRS, audited data</i>	H1 2023	H1 2022
Revenues	2,744	2,397
Other income from ordinary activities	475	549
Changes in inventories and finished goods	12	129
Purchases	-1,201	-886
Staff costs	-2,462	-2,117
External expenses	-1,011	-951
Tax and duties	-30	-27
Other current operating expenses	-87	-49
EBITDA	-1,561	-955
Depreciation and amortisation	-317	-299
Current operating income	-1,878	-1,254
Other expenses	-9	-1
Other income	355	11
Operating income	-1,531	-1,244
Financial expenses	-496	-274
Financial income	17	223
Financial result	-479	-51
Other	5	
Consolidated net income	-2,010	-1,295

Consolidated balance sheet
€'000, IFRS, audited data
30/06/2023 **31/12/2022**
Non current assets

Intangible fixed assets	2 404	2,109
Goodwill		
Tangible fixed assets	327	306
Financial assets	320	416
Right of use under leases	668	798
Other non-current assets	-2	
TOTAL I	3 719	3,629

Current assets

Inventories and WIP	701	714
Trade receivables and related accounts	1 579	678
Other current assets	736	620
Cash and cash equivalent	784	3,180
TOTAL II	3 800	5,192

TOTAL ASSETS
7 519 **8,821**
Shareholders' equity

Capital	2 036	2,036
Additional paid-in capital	5 846	5,846
Reserves	-11 407	-8,907
Net income for the year	-2 005	-2,681
Total shareholders' equity Group share	-5 530	-3,706
Minority interests	-148	-143
TOTAL I	-5 678	-3,849

Non-current liabilities

Provisions for liabilities and charges	167	114
Non-current lease debt	592	716
Long-term financial liabilities	4 434	3,959
Derivative financial liabilities	497	
Other non-current liabilities	501	1,665
TOTAL II	6 191	6,454

Current liabilities

Current provisions	1	8
Current financial debts	1 043	1,057
Current lease debt	160	170
Trade payables	1 095	929
Other debts and accruals	4 077	4,052
TOTAL III	7 006	6,216

TOTAL LIABILITIES
7 519 **8,821**

This press release and the information it contains do not constitute a solicitation of an order to purchase or subscribe for securities in France or in countries other than France.