2022 Investor conference

“OneESI 2024 – Focus to Grow” plan update

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Welcome

Florence Barré
Chief of Staff to the CEO
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Introduction

Cristel de Rouvray
Chief Executive Officer
The ESI Leadership Team

Cristel de Rouvray
CEO

Francis Griffiths
EVP of Sales

Emmanuel Leroy
EVP Product, Innovation & Industry Solutions

Olfa Zorgati
EVP Operations & CFO

Corinne Romefort-Régnier
SVP General Secretary & Governance

Dominique Lefebvre
SVP Product Development Planning

Florence Barré
Chief of Staff

Yannick Charron
VP Human Resources
A CORE strategic vision to inspire and focus

To be a leading software partner in selected virtual test markets, by leveraging our predictive physics IP and platform for chaining.
2022 Investor conference headlines

1. Strong market & customer base

2. A strong foundation

3. Inspiring progress on 3-year plan

4. Many efforts ahead

5. Commitment to improving our growth and profitability year after year
Very exciting MARKET and GREAT PROGRESS on strategic FOCUS to deliver A SCALABLE OFFERING

Emmanuel Leroy
EVP Product, Innovation & Industry Solutions
A vibrant Simulation & Analysis Market
Toward CLEAN, SAFE and PRODUCTIVE industries

$13 billion in 2026

10.2% CAGR

Based on 2022 « Simulation & Analysis » report of CIMdata
Progress of the last 12 months

1. FOCUS R&D ON THE CORE

2. SIMPLIFIED PACKAGING & PRICING

3. INVEST TO WIN – NEW PRODUCTS and INNOVATION
Focus on the core

R&D Alignment on CORE
R&D refocused on core solutions

Democratization
UX improvement to bring more value and address a broader class of users

Partnerships
Integration with the ecosystem of our customers, digital thread
Focus on the CORE products – Our Business Lines

- Product Performance
- Smart Manufacturing
- Human Centric
Progress of the last 12 months

1. FOCUS R&D ON THE CORE
2. SIMPLIFIED PACKAGING & PRICING
3. INVEST TO WIN – NEW PRODUCTS and INNOVATION
Levers of Growth: benefits of today's decisions staggered over time

**2022 - 2024**
- Packaging Solutions & Pricing
- Global Sales Channel

**2024 - 2027**
- Offer Adjacencies & Innovation
- Partnerships & Ecosystem

![Revenue Over Time](image-url)
Steady progress ON DELIVERING GROWTH

Francis Griffiths
EVP of Sales

External Use
Helping Our Customers Achieve Their Business Objectives

CUSTOMERS OBJECTIVES

- Accelerate Time to Market
- Reduce risk & improve quality – less recalls

ESI VALUE PROPOSITION

1. More Virtual testing
2. Democratization
3. Continuity with the digital thread

Reduce your operational costs
Reduce environmental footprint
Steady progress ON DELIVERING GROWTH

CUSTOMER SUCCESS

PRICING & PACKAGING

EXECUTION
Steady progress ON DELIVERING PROFIT

Olfa Zorgati
EVP Operations & CFO
Driving a SOFTWARE Company strategy
Decreasing our non-core services business

* Services rate is our Services revenue (consulting+others) divided by our total revenues
A Long-term & strategic partner for our customers

Steadily increasing our recurring business*

* Recurring business rate as our total licenses booking number excluding our perpetual license revenue divided by our total licenses booking number.
A leaner organization (-244 employees since June 20, -19%)*

* Reduction linked to divestitures about 20 employees
A global & leaner organization

- Leverage historical centers of Excellence & shared services in low-cost geographies
- Invest in R&D with focused software development
- Best-in-class cloud tools
- Multiyear migration to a leaner facilities structure
“OneESI 2024 – Focus to Grow” financials

Olfa Zorgati
EVP Operations & CFO
## FY22 Proforma reviewed guidelines

Driven by a faster shift in recurring revenue versus perpetual licenses and accelerated decrease in non-profitable, non-core services

<table>
<thead>
<tr>
<th>Proforma</th>
<th>FY22</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Constant exchange rate</td>
<td>Current exchange rate</td>
</tr>
<tr>
<td>Growth²</td>
<td>0% - 2%</td>
<td>2% - 4%</td>
</tr>
<tr>
<td>Adjusted EBIT³</td>
<td>9% – 11%</td>
<td>9% - 11%</td>
</tr>
</tbody>
</table>

¹ Pro-forma estimates exclude the CFD activity that was divested in July (~ €4.6m in FY 21) & the Russia Business (~ €1.6m in FY 21)

² Revenue Excluding Special projects (FY20 = €4m)

³ Adjusted EBIT is a non-GAAP indicator based on EBIT (IFRS). Adjusted EBIT corresponds to EBIT before stock-based compensation expenses, restructuring charges, impairment and amortization of intangibles related to acquisitions, IFRS 16 standard on leases, and other non-recurring items
## FY23 – FY25 Goals

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td>5% - 7%</td>
<td>6% - 9%</td>
<td>7% - 10%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>13% – 15%</td>
<td>17% - 20%</td>
<td>&gt; 20%</td>
</tr>
</tbody>
</table>

1. Pro-forma estimates exclude the CFD activity that was divested in July (~ €4.6m in FY 21) & the Russia Business (~ €1.6m in FY 21)
2. Revenue Excluding Special projects (FY20 = €4m)
3. Adjusted EBIT is a non-GAAP indicator based on EBIT (IFRS). Adjusted EBIT corresponds to EBIT before stock-based compensation expenses, restructuring charges, impairment and amortization of intangibles related to acquisitions, IFRS 16 standard on leases, and other non-recurring items
Healthy GOVERNANCE

Olfa Zorgati
EVP Operations & CFO

Cristel de Rouvray
Chief Executive Officer

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A solid financial situation before cash proceeds from divestitures in July 2022 (~ €21m)

Cash & Cash equivalents

[Graph showing cash and cash equivalents over time]

Net financial debt

[Graph showing net financial debt over time]

Gearing

[Graph showing gearing ratio over time]

Net financial debt/Equity

[Graph showing net financial debt to equity ratio over time]
Conclusion

Cristel de Rouvray
Chief Executive Officer
The magnitude of our transformation

- Sales execution
- Simplified pricing & packaging
- Streamlined organization
- Facilities optimization
- A dozen of divested / stopped activities
- R&D investments on core
- Stronger balance sheet
- Accelerated recurring revenue
- Increased profit
- Decreased non-core services
Thank you!

Any Questions?

Florence Barré
Chief of Staff to the CEO

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