

Investors Presentation

October 2022

ALNTG
EURONEXT
GROWTH



Agenda

01. WHO WE ARE

02. FINANCIAL REVIEW

03. OUTLOOK

**Mathias
Hautefort, CEO**



What makes us unique

Our **technology has been established** in the digital entertainment market **for 25 years**

a **CSR approach** at each stage of operations

A **team of video experts** comprising more than **70 people**

Our **“Content-as-a-Service”** business model, flexible and recurring, as B2B or B2B2C

The **European dimension** of our operator customers **Content partners** that are local or global

471,000 subscribers

thanks to our operator and content partners (at the end of September 2022)



Netgem, end-to-end service operator



Our partnership model

Flexible for operators and recurring for Netgem

Providing innovative and quality entertainment solutions

One Mission

Simplifying the lives of our customers by allowing them to focus on their core business: very high-speed broadband

One goal

"Content-as-a-Service"

One Business

RECOGNISED KNOW-HOW AND EXPERTISE

30 operator partners

Operators who trust us

UK 




















FRANCE 


















NORDICS  








ROW  



100 publisher partners

Publishers who trust us

Local partners



Logos of local partners including beIN SPORTS, TFI, BT SPORT ultimate, NOW, Rakuten TV, britbox, PREMIER SPORTS, FreeviewPlay, OCS, arte.tv, france.tv, and M6.

VOD partners



Logos of VOD partners including WarnerMedia, UNIVERSAL, Disney, STUDIOCANAL, Paramount, Gaumont, SONY PICTURES, PATHE!, and UNIVERS CINÉ.

International partners



Logos of international partners including prime video, YouTube, NETFLIX, and TikTok.

Proven governance

Executive Committee

5
membres
40 %
femmes



Mathias Hautefort
Group CEO



Sandrine Alexandre
CFO



Caroline Gauthier
Legal and HR Director



Jean-Francois Galtier
CTO



Sylvain Thevenot
C3O



Marc Tessier
Non-voting member

Board of Directors

7
membres
43 %
indépendance
43 %
femmes



Joseph Haddad
Chairman of the Board
of Directors



Christophe Aulnette
Director



Virginie Banet
Independent Director



Isabelle Bordy
Independent Director



Olivier Guillaumin
Permanent
representative
of Fast Forward Director



Vincent Grivet
Independent Director



Catherine Haddad
Permanent representative
of J.2.H.
Director

Shareholder structure

A shareholder base that supports our strategy



Financial Review



2022: our strategy is bearing fruit

Positive impact from the change in the Group's business model

+11% H1 2022 vs. H1 2021

80% recurring margin

Continued growth in gross margin **+7% H1 2022** vs. H1 2021

Improvement in half-year EBITDA: **+60% H1 2022** vs. H1 2021

Strong cash position + **€5.1m at the end of June 2022**

Including the payment of a **dividend** in H1 2022

Highlights of 2022 H1

28% annual growth in the number of subscribers

- **411,000 subscribers** at the end of June 2022 (**471,000** at end of September 2022) - a result of the rollout of NetgemTV offers to telecom operator customers and OTT service providers.
- In the United Kingdom, the commercial launch of the **TalkTalk TV+ offer** powered by NetgemTV, with the first integration of the TikTok social network.
- In France, **the launch of the Gaumont CLASSIQUE service** and signature of a partnership agreement with the Océind Group to exploit the entire “TV and content” component of its **ZeopTV** offer powered by Netgem (implemented over Q3 2022).
- This level of activity is reflected in the **growth in revenue, gross margin and EBITDA** compared to 2021.
- The acceleration expected in the second half of the year allows us to confirm the annual objectives announced, reaching **half a million subscribers by the end of 2022.**

Highlights of 2022 H1

Profitability looking strong

Relevant positioning of the “Content-as-a-service” offer

- an offer adapted for telecom operators, under development and market share gains
- a new dynamic seeking out platform publishers
- a virtuous business model

Confirmed by acceleration from one half-year to the next

- Revenue: **+19%** vs. H2 2021, **+11%** vs. H1 2021
- Gross margin: **+12%** vs. H2 2021, **+7%** vs. H1 2021

... and continued improvement in profitability

- EBITDA H1 2022: **+39%** vs. H2 2021, **+60%** vs. H1 2021
- Good level of cash flow: **€5.1m**

Improving profitability indicators

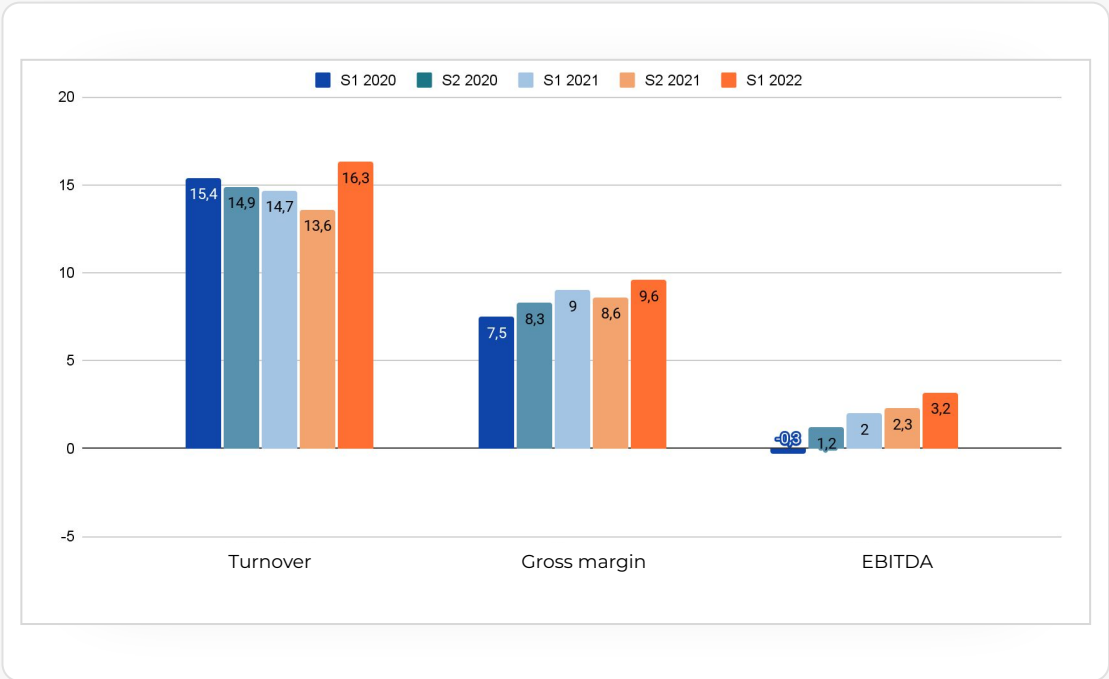
From revenue to current operating profit

IFRS DATA in million euros	H1 2022	H1 2021	CHANGE
Revenue	16.3	14.7	+11%
Gross margin	9.6	9.0	+7%
Opex	(6.5)	(7.0)	-7%
EBITDA	3.2	2.0	+60%
Current operating profit	(1.3) *	(2.2) *	+41%

* includes €1m in depreciation of assets identified as part of the integration of Vitis into the consolidated scope in January 2020.

Strong improvement in operating performance

Steady improvement in EBITDA



Growth in revenue and gross margin



Cost control



Steady improvement in EBITDA each half-year

€3.2m in H1 2022 vs. €2.0m in H1 2021

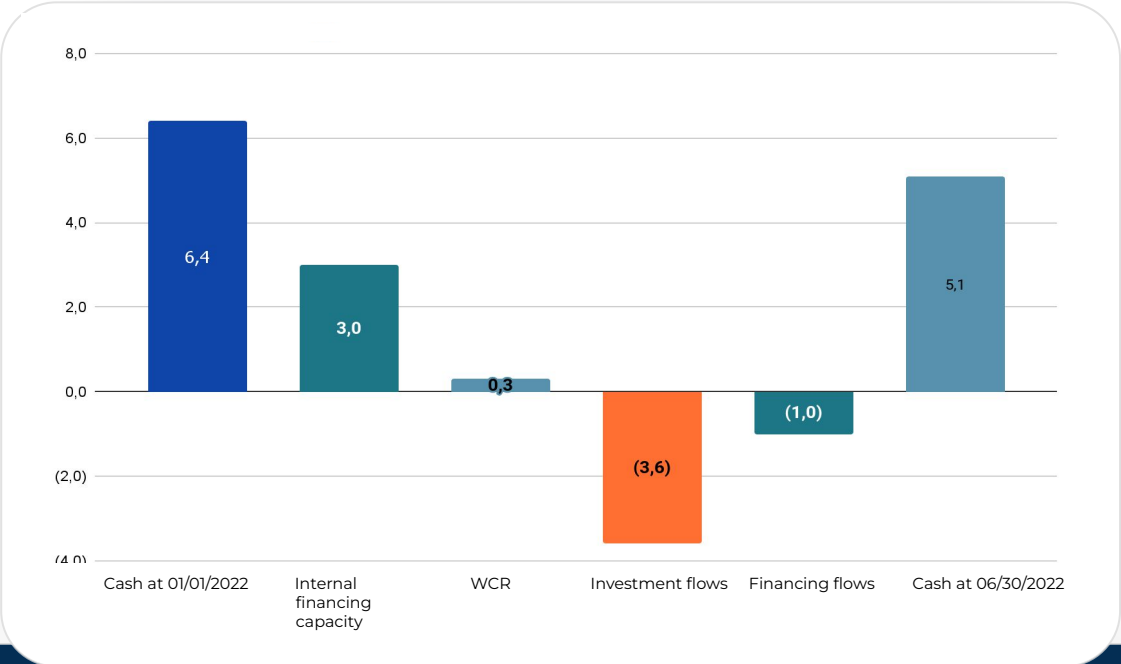
Group net income

IFRS in million euros	H1 2022	H1 2021
Operating income	(1.3)	(2.1)
Financial result	(0.1)	(0.0)
Taxes	0.0	0.0
Net income (Group share)	(0.5)	(1.0)

Net income (Group share) improved and amounted to €(0.5)m vs. €(1)m in the first half of 2021.

Solid gross cash position

Gross cash of €5.1m and net cash of €3.2m at the end of June 2022



The flows for the first half of 2022 include the €1m cash advance for the payment of components to secure deliveries in the third quarter of 2022.



Outlook

Our brands: assets serving our strategy

NETGEMgroup

THE CORPORATE BRAND

CO-BRANDING

TalkTalk
by Netgem

 Community Fibre
by Netgem

zeopTV by Netgem

TV SERVICES BRAND UK

Our own TV service brand
in the UK

Netgem TV

**VOD BRAND
FRENCH-SPEAKING
MARKETS
VIDEOFUTUR**



net+

PREMIERE MAX



France

The graphic features four vertical bars of varying heights and colors (shades of purple and pink). From left to right, the bars are labeled: 500Mb/s, 1Gb/s, 500Mb/s, and 200Mb/s. Below the bars is the 'zeop' logo in a stylized font. At the bottom of the graphic, the text 'UNE VITESSE INSOLENT' is written in large, bold, purple and pink capital letters.

- Global agreement for ZeopTV powered by Netgem services
- Viva by VIDEOFUTUR, Netgem's showcase technology for OTT
- New development for editors and content platforms such as Gaumont Classique

United Kingdom



- Commercial launch of the **Talk Talk 4K by NetgemTV** product in March 2022

=> one of the most comprehensive products on the UK market, including Sky NowTV, Amazon Prime Video, TikTok, Netflix, Britbox, Freeview Play
- 15 local alternative operators launched, such as Community Fiber, and three new operators in H1 2022
- Launch of a new generation service with GibTEI

Finland



- Continued development with our long-term partner Elisa, leading Tier 1 operator in Finland
- Momentum of the Elisa Viihde Premium product maintained for two years with a customer satisfaction rate at a benchmark level in Europe (NPS +27!).

Netgem sees little impact from the geopolitical context

No direct impact has been identified from the Russian-Ukrainian conflict

Actions taken concerning potential indirect risks:

- ◆ Security audit by an expert firm concerning the risk of cyber-attacks;
- ◆ Increase in component inventories in light of tensions and shortages in component markets and disruption of supply chains;
- ◆ Customer price readjustments due to the global inflationary context.

Corporate social responsibility



A TEAM OF LOYAL EMPLOYEES

39 years old
average age

8 years
average length of service

90% permanent contracts
based between Paris, Montpellier and London
Currently recruiting



ACTIONS TO PROMOTE GENDER EQUALITY

30%
proportion of women in the workforce

33%
2022 target

40%
proportion of women on the Executive Committee



SHARING THE FRUITS OF GROWTH

Macron bonuses paid in France and similarly in the UK

Free share allocation plan

100% of employees benefit from one of these measures
Average salary increase 3%



Environmental responsibility

Bandwidth optimisation



- possibility of voluntarily limiting bandwidth
- Choice of DTT hybrid solution in the United Kingdom
- Encoding optimised using the latest technologies to reduce storage and bandwidth.



Boxes

- Systematic recycling
- Maritime transport preferred to air transport
- Search for a transport solution with an improved carbon footprint

Our 2022 goals



More than half a million subscribers to our services



Acceleration of growth in revenue and gross margin



Positive momentum for EBITDA and cash generation



Growth outlook

**Development of our 3
reference markets in Europe
with Telecom Operators of
our model**

**Development of a new
commercial focus with
publishers**

**Ready to seize new organic
or external growth
development opportunities**

"Content-as-a-Service" rollout



Q&A

Thank you!

