

H1 2022 results

All indicators are positive!



Agenda

01. OPERATING REVIEW

02. FINANCIAL RESULTS H1 2022

03. OUTLOOK FOR 2022



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**

411,000 subscribers

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

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





Strong growth momentum

Mathias
Hautefort, CEO



Highlights of the half-year

28% annual growth in the number of subscribers

- **411,000 subscribers** at the end of June 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.
- 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 the half-year

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**

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

Netgem, end-to-end service operator



PRODUCT AND SERVICE ROADMAP

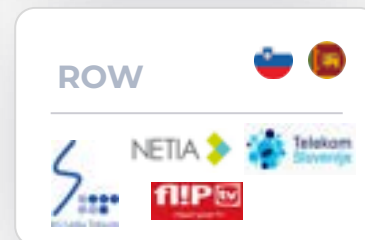
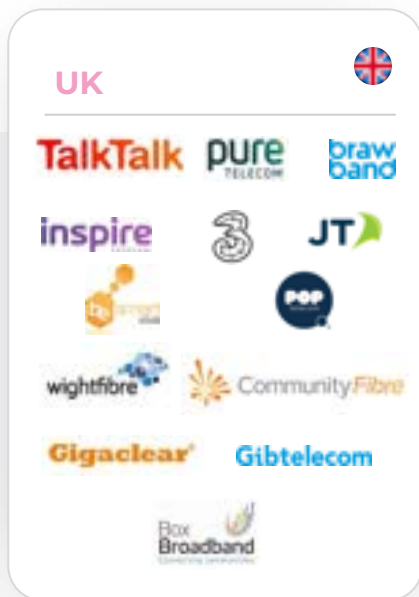
OPERATIONS AND MAINTENANCE

EDITORIAL CONTENT

SALES & MARKETING SUPPORT

30 operator partners

Operators who trust us



100 publisher partners

Publishers who trust us

Local partners



VOD partners



International partners



Proven governance

Executive Committee



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



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

45%

Significant free float

35%

Several thousand individual shareholders strengthening the stock's liquidity

10%

Increasing share of funds specialising in small-caps



55%

Solid base

25%

Joseph Haddad & family

09%

Olivier Guillaumin & family

09%

Mousse Partners

06%

Managers, employees and employee fund (increasing)

06%

Treasury shares and liquidity contract

Positive share price change in a difficult context



Over the last 12 months

- Share price **+11%**
- Outperformance vs. CAC S **+23 pts**

Half-year financial results

(unaudited)





Results on target

**Sandrine
Alexandre,**
CFO



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

Improving profitability indicators

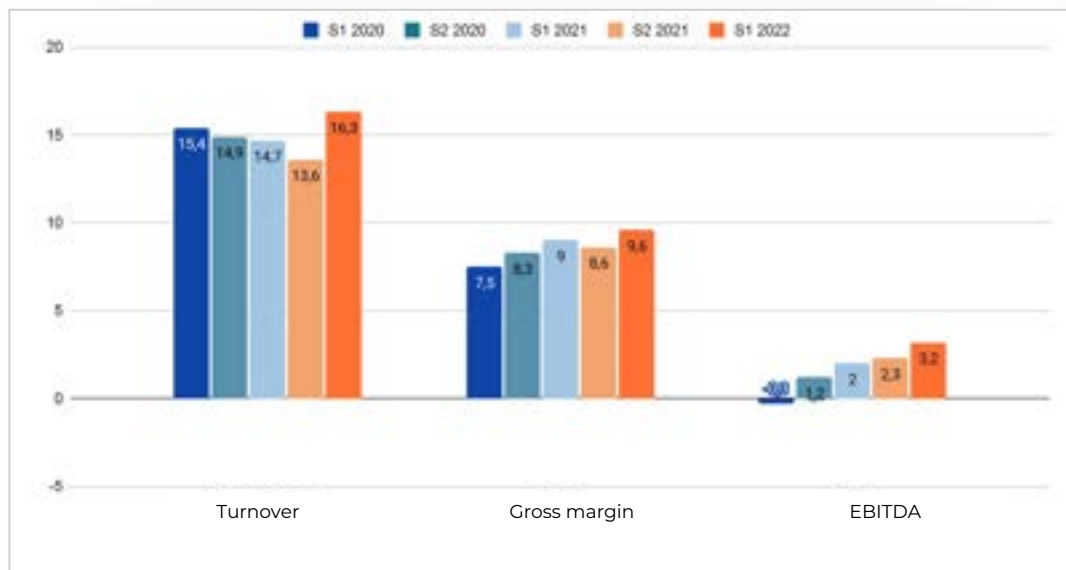
From revenue to current operating profit

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 for 2022

Mathias
Hautefort, CEO



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

VIVA
by VIDEOFUTUR



France



**UNE VITESSE
INSOLENTE**

- 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
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!



Financial appendices



Cash Flow for half-year 2022

IFRS DATA in million of euros (unaudited)	2022 S1	2021 S1
Cash Flow from operating activities (A) (*)	3,3	3,3
Of which:		
Cash flow before tax payment	3,0	1,7
Paid Tax	-	-
Reduction (increase) in WCR	0,3	1,6
Cash Flow from investments (B)	(3,6)	(3,6)
Operating Cash Flow (A+B) (*)	(0,3)	(0,2)
Cash Flow from financing (C) (*)	(1,0)	(2,3)
Of which:		
Dividends	(0,9)	-
Net purchase of treasury shares	0,2	-
Issuance/Redemption of borrowings and financial debt	(0,3)	(2,4)
Net change in cash (A+B+C)	(1,3)	(2,6)

The Group's activity generated €3.3 million in cash in the first half of 2022 as in 2021 over the same period, despite the impact of a €1 million cash advance made for the payment of components in order to secure deliveries in the 3rd quarter of 2022. Cash flow from investments amounting to €3.6 million mainly include capitalized equipment due to the growth in the subscriber base. Cash flow from financing mainly reflects the payment of the annual dividend in June 2022.

Equity and debt, net cash

IFRS DATA in million of euros	06/30/2022	12/31/2021
Equity and debt		
Equity, Group share	23,0	24,0
Current and non-current financial liabilities	1,7	2,0
A- Cash	5,1	6,4
B- Current financial liabilities	1,6	1,8
C- Current net cash (A) - (B)	3,6	4,6
D- Non-current financial liabilities	0,2	0,2
E- Net cash (C)-(D) before IFRS 16 impact	3,4	4,4
F- IFRS 16 standard impact	0,2	0,4
G- Net cash (E)-(F)	3,2	4,0

At June 30 2022, gross cash stood at €5.1 million and net cash at €3.2 million.