

Press release

Netgem Trading Summary

Over 30% growth of the subscriber base in 2021.

Targeting over 500,000 subscribers by the end of 2022 (+ 40%).

Paris, January 25, 2022,

The total number of subscribers¹ to the Group's services reached 363,000 at the end of December 2021, up more than 30% over the year. Over the period gross profit grew by 11% to reach €17.5 million. More than 90% of gross profit is built on recurring revenues.

This performance is the result of the development of the "Content-as-a-service" offer on Netgem's main markets:

- ✓ In the Nordic countries, Netgem supported the growth of the Premium Elisa Viihde offer, despite the tensions on the availability of components, and this momentum will continue in 2022.
- ✓ On the British market, the NetgemTV offer had a year of commercial success, with the deployment of many Fibre operators, culminating in December 2021 with the launch of the *TalkTalkTV by Netgem TV*, whose commercial conquest will be effective throughout 2022.
- ✓ On the French market, Netgem has regained a new momentum thanks to the launch of the new B2C or B2BC OTT services Viva by VIDEOFUTUR, Première MAX by VIDEOFUTUR and France Channel. New OTT services are also scheduled on the first half of 2022.
- ✓ In parallel with its commercial effort towards operators, Netgem continues to strengthen the attractiveness of its platform, in particular by entering into new agreements with content publishers. NetgemTV now offers hundreds of channels and services, providing access to tens of thousands of programs in the UK and France. Among the most recent agreements, Netgem can cite BT Sport, BeIN Sport 4K, more than 4,000 hours of AVOD programs (content on demand supported by advertising), and new Replay services from major channels.

In 2022, Netgem anticipates that this commercial dynamic will come into full play and will result in an acceleration of the growth of its subscriber base with the objective of exceeding half a million subscribers. Despite the persistent tension on the components market, the Group believes that it will benefit, as in 2021, from a level of supply enabling it to meet its objectives.

In an inflationary context, Netgem obtained price readjustments from its customers to preserve the profitability of its contracts. Netgem also continues to tightly control its cost structure. The expected growth in the subscriber base will lead not only to revenue growth but also to gross profit growth, with a positive effect on both EBITDA and cash generation.

¹ includes any end-user subscriber of the Netgem platform services, subject to billing, either indirectly (B2B and B2B2C modes), or directly (B2C mode).



The group's gross cash amounted to €6.4 million at the end of December 2021.

For Mathias Hautefort, CEO of NETGEM, *“Thanks to our existing portfolio of customer contracts, the year 2022 promises to bring growth, profitability and balance between our different markets. The outsourcing by telecom operators of all or part of their TV and video services is a strong and long-lasting trend. It improves both the financial performance of operators and the satisfaction of their subscribers. We are showing everyday that Netgem is a credible partner in this market. We have to accelerate commercially, endogenously and exogenously if opportunities arise.”*

Revenue and gross profit (in millions of euros, IFRS, unaudited)

Netgem Group	H2 2021	H2 2020	Variation	2021	2020	Variation
Revenue	13.6	14.9	-9%	28.3	30.3	-6%
Gross profit	8.5	8.3	3%	17.5	15.9	11%

Financial communication calendar

- 2021 results Thursday, March 31, 2022, before market
- Annual General Meeting Thursday, May 19, 2022
- H1 2022 results Friday, July 29, 2022, before market

As of the current quarter, Netgem will replace quarterly communications on revenue with an Trading Summary aimed at providing more information on its main operational and commercial developments.

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About Netgem

Netgem develops, markets and operates the NetgemTV digital entertainment platform which allows telecommunications operators and digital content publishers to create or boost their entertainment offers in streaming mode, accessible on all screens, supplemented if necessary by optimized WiFi SuperStream.

Netgem deploys NetgemTV in Europe and the United States, according to a B2B “Content-as-a-Service” model, requiring no infrastructure investment and generating recurring income over time, indexed to the number of active end-users.

With more than 25 years of experience in the digital entertainment market, Netgem has acquired the recognition of leading telecommunications operators, the know-how necessary to conclude agreements with the largest content owners, and the right combination of hardware and software technological skills to offer its customers the most robust solutions.

AUTHENTIFIÉ PAR



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*Netgem is listed on Euronext Growth.
(ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: ALNTG FP)*

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