

Press release

2023 revenue and 2024 outlook

35.6 million euros of revenues for 2023

55% growth in recurring revenues

10% growth in gross profit



Paris, January 31, 2024,

Netgem announces revenues of **35,6 M€** and a gross profit of **22,0 M€** for FY 2023.

Recurring revenues for FY 2023 amounted to €22.3 million, up 55% compared to the previous year. This increase is explained by the growth of the subscriber base linked to Telecom activities and by the integration of the Eclair companies.

Non-recurring revenues, which include in particular the sale of Boxes and service activation fees, are down as anticipated mainly due to the exit from Hardware activities and the switch to Android technology.

The recurring activity has a gross margin rate significantly higher than that of the non-recurring activity, ultimately resulting in a 10% growth in gross profit and a 7 points gain in growth margin rate, increasing from 55% to 62%.

IFRS figure in million euros (not audited)	FY 2023	FY 2022	Change
Recurring revenues	22.3	14.4	+55%
Non-recurring revenues	13.3	21.9	-39%
Total revenues	35.6	36.3	-2%
Total gross profit	22.0	20.1	+10%

If the increase in recurring revenues, a growth driver for the future, did not fully offset the expected decline in non-recurring revenues in FY 2023, the embedded growth¹ is on a positive trajectory, as evidenced by the subscriber base growth (up by 33% for the fiscal year).

Netgem concludes 2023 with a base of 677,000 netgem.tv subscribers, managed on behalf of around twenty fixed telecommunication operators in Europe, representing an annual growth of 33%.

The newly acquired Eclair activities in July 2023 contributed €2.5 million to revenues in the second half, including €1.3 million in recurring revenues.

As of the end of December, the group's gross cash position stood at €6.6 million.

Outlook 2024

Netgem anticipates a growth of approximately 10% in its recurring revenues for the year 2024.

This growth will be supported by the entire group's activities, both in France and internationally, particularly driven by the prospects of gaining new operator customers through the new products launched in 2023 in the fields of cloud gaming and FAST channels² targeting telecom operators. Additionally, the group expects to acquire new media customers through the business units Eclair Preservation by Netgem and Eclair Valorisation by Netgem, which provide services to content publishers.

¹ Based on December 2023 revenues, the Annual Recurring Revenue (ARR) amounts to €24 million.

² Free Ad-supported Streaming Television channels.

The group also intends to continue simplifying its organization, especially following the changes in scope in 2023, leading to a significant reduction in its overhead costs in 2024.

As a result, the group expects to improve its profitability and cash flow generation indicators in 2024.

For Mathias Hautefort, CEO of Netgem, "Our growth in 2024 is now driven by three key engines: our Media Services division, serving content publishers, our longstanding activity targeting telecom operators in France, and our international expansion, strengthened by our new products in the areas of cloud gaming and FAST channels."

Financial communications calendar 2024

- 2023 results Thursday March 28, 2024 (*)
 - Business update T1 2024 Thursday May 30, 2024 (*)
 - General assembly Thursday May 30, 2024, 14:30
 - H1 2024 results Wednesday July 31, 2024 (*)
 - Business update T3 2024 Friday October 18, 2024 (*)
- (*) before market.

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About Netgem

Netgem supports the audiovisual industry in its digital transformation and establishes itself as an essential partner for telecom operators and media groups in developing new immersive entertainment solutions. Netgem is the publisher of the digital entertainment service netgem.tv, distributed through a network of fixed and mobile telecom operators in Europe under the operator's brand (B2B2C model) to over 670,000 subscribed households.

Netgem is listed on Euronext Growth.

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