

Press release

Annual turnover and outlook

Paris, February 1st, 2023,

Netgem announces its revenue and gross profit for fiscal year 2022, amounting to €36.3 million and €20.1 million, respectively up 28% and 14% compared to fiscal year 2021.

IFRS DATA In million of euros	2022	2021	Change
Revenue	36.3	28.3	+28%
Gross Profit	20.1	17.6	+14%

The company ends 2022 with a base of 508.000 netgem.tv subscribers, managed on behalf of some twenty fixed telecommunications operators in Europe, under the operators' brands (B2B2C).

The total annual turnover resulting from the *TV streaming* activity stands at €29.5 million, of which €14.4 million are annual recurring revenue (ARR). Other revenues from this activity amount to €15,1 million and include in particular the sale of access equipment, service activation costs and non-recurring services. The group's gross cash amounted to €6.2 million at the end of December.

Perspectives for 2023

The Company anticipates growth in its subscribers base beyond 20% in 2023, driving a similar growth in its ARR. The revenues generated by the subscribers base will be sufficient to finance this growth. Free cash flow will therefore be positive in 2023.

The rapid evolution of the market towards standardized set-top boxes based on androidTV should also allow the Company to completely withdraw from the sale of access equipment and the associated working capital requirements.

In this favorable context for the netgem.tv activity, Netgem has decided to initiate the sale of its activities other than *TV streaming*, which are located within its French subsidiary Vitis. These disposals should take place during the first half of 2023.

IFRS DATA In million of euros	2022
Revenue	36.3
TV streaming	29.5
activities to be sold in 2023	6.8
Gross Profit	20.1
TV streaming	17.5
activities to be sold in 2023	2.6

The resources thus released will be reinvested in enriching its product and in expanding its addressable market. The group also intends to simplify its organization in 2023, enabling a significant reduction in overheads.

For Mathias Hautefort, CEO of Netgem, *“Our figures show that netgem.tv meets consumer expectations for integrated family entertainment offers at the right price, and the needs of telecom operators to rely on business experts in the extremely dynamic digital entertainment sector. Building on these successes, we need to improve our product and expand its distribution even more. The sale of our diversification activities will give us the resources for this and guarantee the focus of the company.”*

The company announces that it has been informed that its reference shareholder J2H has increased its stake from 24.7% to 29.3% of the capital by buying part of the participations of Mr. Olivier Guillaumin and Mr. Christophe Aulnette, who have resigned from the Board of Directors. The Company, its President Joseph Haddad, and its Board of Directors would like to warmly thank Mr. Guillaumin and Mr. Aulnette for their unwavering support and their major contribution to the creation and development of the company.

Financial communication calendar 2023

- 2022 annual results
 - Q1 2023 business update
 - annual general meeting
 - 2023 half-year results
- (*) before market opening.
- Friday March 31, 2023 (*)
 - Thursday, May 25, 2023 (*)
 - Thursday, May 25, 2023, 2:30 p.m.
 - Friday July 28, 2023 (*)

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About Netgem

Netgem is the publisher of the digital entertainment service netgem.tv, which brings together in an integrated experience all the video content, live, on demand or by subscription available on the market, and allows access to them by all family members on mobile, PC or TV screens.

netgem.tv is distributed, through a network of fixed telecom operators in Europe, under the brand of the operator (B2B2C model) to over 500,000 subscriber households.

Netgem is listed on Euronext Growth.

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