

Momentum

Gilbert Dupont Forum
May, 25 2023



Agenda

01. 2022 TAKEAWAYS

02. 2022 RESULTS

03. 2023 GUIDANCES

04. Q&A





2022 Takeaways

**Mathias
Hautefort,**
CEO



Our mission : the digital entertainment

Netgem's mission and ambition is **to simplify the lives of their customers** and telecom operator partners, allowing them to focus on what matters most : broadband service roll-out.

Netgem platform is a **key intermediary** for creating added value between content publishers (video, gaming) and distributors.



What makes us unique

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

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

Our business model is **flexible and recurring**, as B2B or B2B2C

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

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

**Over
600,000
subscribers
and
growing...**

thanks to our
operator and
content partners



2022 in a nutshell : Growth, value sharing, refocus

Half a million subs

+40% subscribers in 2022 to 508K at year-end. Our market and business model dynamics are now confirmed.

Aggregates positive

This induced growth from top to bottom line & positive free cash flow

Refocus on B2B2C

Disposal of the French B2C business in Q1 2023

More innovation

Netgem is now in a position to boost its development in its core telco market with more innovation

Value sharing

Giving us the confidence to extend the company savings plan to all employees and propose an increased dividend of 0.05€ per share

Multifaceted performance

Netgem deploys a number of HR, Parity and environment actions

Growth : 30 Telco & 100 Content partners trust us

Netgem is supporting **more than 30 telecom operators** by providing them with the most effective solutions: box, platform, Content as a Service, TV, VOD, SVOD, AVOD and FAST channels.

In addition, Netgem gives to **100 content editors** a unique opportunity to develop their entertainment and video services, both free and paid.



Major operational achievements of the year



Launch of **ZeopTV** fully-managed by Netgem (Zeop is #1 independent mobile and FTTH operator in La Réunion) in October 2022.



Launch of **TalkTalk TV 4K best-of-class product in the UK** with unique integration of Sky NowTV, Amazon Prime Video, TikTok, Netflix, Britbox, Freeview Play.



Create an **added value platform** for right-owners (e.g. **Gaumont Classique**)



Extension of the agreement with **Elisa** (Finland) with the inclusion of **androidTV** technology

Multifaceted performance



HUMAN RESOURCES

44 years old average age
& **9,6 years** average
seniority

86% of “CDI” contracts

based in Paris,
Montpellier and London



GENDER PARITY

27%
women in total headcount

33%
women in the executive
committee



STREAMING
responsible

ENVIRONMENT

Green Streaming
Reduce energy mode

Hardware refurbishment &
transport mode: **reduction of
26% of carbon footprint**
per unit in 2022 vs 2021





2022 Financial Results

**Sandrine
Alexandre,**
CFO



Strong momentum in 2022



From **top to bottom** line, all aggregates are **growing**.



This performance is supported by **growth** of **subscribers base** with **positive impact on ARR**



Free cash flow and **net result group share** are now both **positive**.



Strong momentum maintained as evidenced by H2 compared to H1 2022

All KPIs growing

From top-line to bottom-line

IFRS DATA in million of euros	FY 2022	FY 2021	% CHANGE
Revenue	36.3	28.3	+28%
Gross profit	20.1	17.6	+14%
Opex	(13.2)	(13.3)	0%
EBITDA	6.8	4.3	+58%
EBITA	(0.2)	(2,5)	+93%
Current operating income	(2.1)*	(4.4)*	+52%

* includes 1.9M€ in depreciation on assets identified as part of the entry of Vitis into the consolidated scope in January 2020.

Growing gross profit combined with cost control enabled a significant improvement in EBITDA in FY 2022 (+58%).

EBITA stands at -€0.2m in FY 2022 but has turned positive in the second half of FY 2022 at +€0.1m.

Accelerated growth in H2 2022



Growth of revenue and gross profit

+

Cost control

=

EBITDA growth

6.8 M€ in 2022
vs 4.3 M€ in 2021

Positive Net Result Group Share

IFRS DATA

in million of euros

2022

2021

Operating result

(2.2)

(3.7)

Financial result

(0.1)

(0.1)

Taxes

1.0

0.5

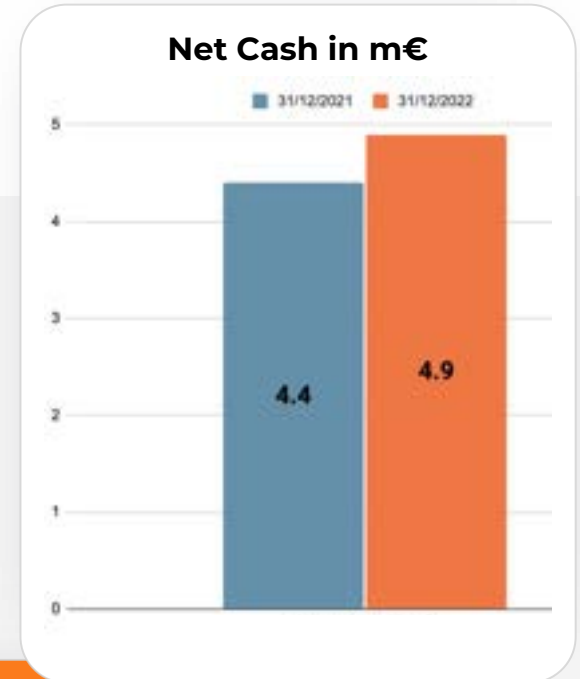
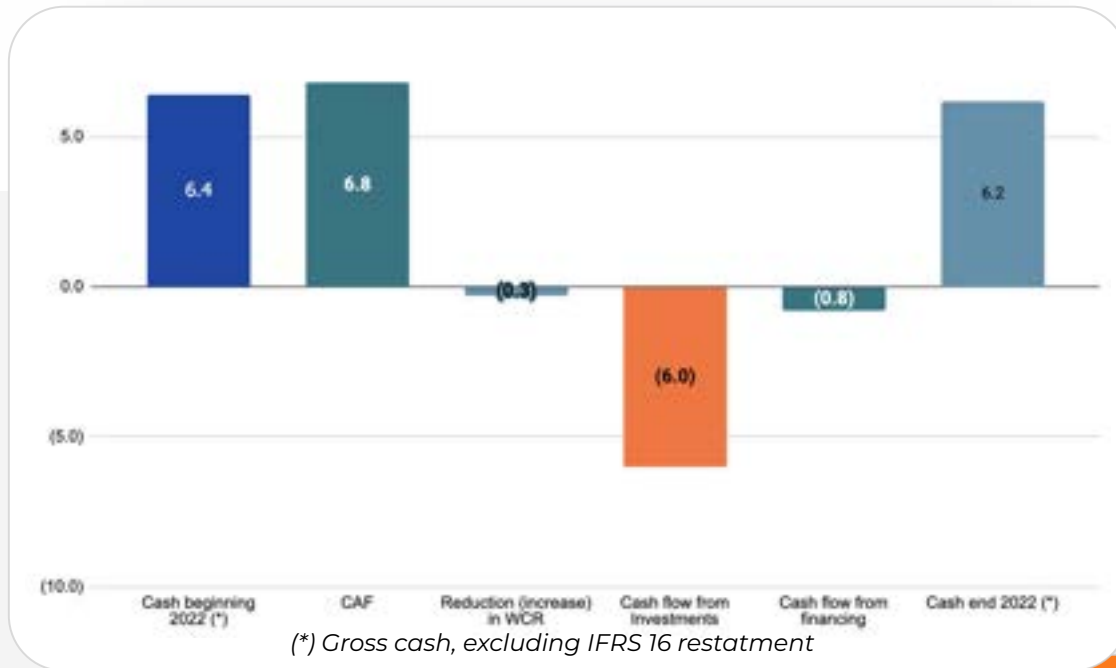
Net result
(Group share)

0.1

(1.3)

Positive net result group share in 2022

Stable cash position after (growing) dividend



**Net cash (excl. IFRS 16) 31/12/2022 4.9M€ vs. 4.4M€ at 31/12/2021.
Impact of the sale of the French B2C fiber business in H1 2023 has been taken into account in the financial debt as at end of 2022.**

Value sharing



Confident in the Group's capacity to generate cash, the Board will propose a dividend distribution of **0.05€ per share** at the next AGM (vs. 0.03€ in 2022).

Dividend yield :
4,5% (based on share price at market close yesterday)

PEE : All employees will be able to benefit through the generalization of the PEE in Netgem shares with a **100% matching contribution by the company**

'Macron Bonus' : France +UK

Enhanced shareholders stability

Committed reference shareholder:
J2H now owning near 30%

Sharing value:
Management and employees now
owning near 5%



Shareholder structure

Restated pro forma data reflecting J2H's acquisitions from 12/31/2022 to 02/01/2023.

Ownership

47% Free floating shares

38% Several thousand individual shareholders serving the share's liquidity

9% Growing share of funds specialised in small and mid cap



53% Solid foundation

29% Joseph Haddad & family

9% Mousse Partners

5% Fast Forward Group

5% Managers, employees and FCPE

5% Self-monitoring and contract liquidity



2023 Guidances

**Mathias
Hautefort,**
CEO



Strategic refocus on B2B2C

1

Addressing one market:

Operated digital entertainment

2

Focus on platform business:

Transitioning hardware to androidTV

3

Streamlined operations:

Agile organization and product focus



Innovation roadmap for Netgem Platform

Ambition to harness the convergence of cloud-based contents (TV, VOD, Gaming)

Providing the essential link in the relationship between content-owners and telcos partners

Extending our partnerships with current customers and winning new customers



Guidances

Making our partners' customers dream **with our innovative new entertainment products**

Growth of subscribers base exceeding and ARR exceeding 25%

Continuing improvement of our **profitability and cash flow generation**

Continue to share value with our teams and shareholders

Continue to increase our ESG's commitment



Q&A

Thank you!



Appendix



Cash flow 2022

IFRS DATA in million of euros	2022	2021
Cash flow from operating activities(A)(*)	6,6	6,0
Of which :		
Cash flow before tax payment	6,8	5,1
Taxes	0	-
Reduction (increase) in WCR	(0,3)	0,9
Cash flow from investments (B)	(6,0)	(6,8)
Operating cash flow (A+B) (*)	0,5	(0,9)
Cash flow from financing (C) (*)	(0,8)	(2,9)
Of which :		
Dividends	(0,9)	-
Net purchase of treasury shares	(0,2)	0,2
Issuance/Redemption of borrowings and financial debt	0,2	(3,1)
Discontinued operations & currency variation (D)	-	-
Net change in cash (A+B+C+D)	(0,3)	(3,7)

(*) Excluding IFRS 16 restatement

Netgem's activity generated €6.6 million of cash in 2022, compared with €6.0 million in the previous year, up 10% due to the increase in EBITDA.

Capital expenditure of €6 million in 2022 mainly includes capitalized equipment due to the growth of the subscribers' base.

Cash flows from financing activities mainly reflect the payment of the annual dividend in June 2022.

Equity and debt, net cash

IFRS DATA in million of euros	2022	2021
Equity and debt		
Equity, Group share	23,5	24,0
Current and non-current financial liabilities	1,3	2,0
Analysis of net cash		
A - Cash	6,2	6,4
B - Current financial liabilities	0,5	1,8
C - Current net cash (A)-(B)	5,7	4,6
D - Non current financial liabilities	0,8	0,2
E - Net cash (C)-(D) before IFRS 16 impact	4,9	4,4
F - IFRS 16 standard impact	1,6	0,4
G - Net Cash (E)-(F)	3,3	4,0

As of December 31, 2022, the gross cash position is €6.2 million and the net cash position is €4.9 million