



2017 full year revenue and gross profit +18% growth of subscribers base

Paris-La Défense, January 18th, 2018

Revenue, gross profit, activity and outlook

Consolidated	Q4 2017	Q4 2016	Change		FYE 2017	FYE 2016	Change	
Revenue (€ million)	16.5	15.5	+1.0	+6%	61.8	74.3	-12.5	-17%
Gross profit (€ million)	6.8	6.0	+0.8	+13%	24.6	27.5	-2.9	-11%
Subscribers base ('000)	1 990	1 684	+306	+18%				

For the quarter ending December 31st, 2017, Netgem announces a consolidated revenue of € 16.5 million and a gross profit of € 6.8 million, bringing the consolidated revenue and gross profit for 2017 to respectively € 61.8 million and € 24.6 million (unaudited).

Revenue and Gross profit were up in Europe in 2017 compared to 2016, but were impacted by the software licensing agreement with ZTE and Totalplay in Mexico and the subsequent decrease of hardware sales.

The active subscribers base went up 18% compared to the end of December 2016, reaching *circa* two million daily users at the end of December 2017.

Vitis, a 56% subsidiary of Netgem and provider of fiber-to-the home entertainment services in France, continued to grow its subscribers base. Vitis is not consolidated in the figures reported for 2017. Had Vitis not been consolidated in 2016, the comparable revenue and gross profit for the full year 2016 would have been respectively € 70.3 million and € 26.4 million¹.

As at December 31st, 2017, the Group net cash position amounted to 10.2 M€, post completion

¹ Such pro forma financial information addresses a hypothetical situation and does not represent the company's actual financial position or results.



of the public share buy back of € 25 million in November 2017.

Significant events and transactions

At the Las Vegas CES, Voxtok - Netgem's music division - announced a global partnership with Napster that will add 40 million titles to the Voxtok Music service and the Soundbox soundbar. Soundbox is a unique family entertainment solution combining mobile and TV content services with an innovative device.

Netgem believes future growth in the digital entertainment market will be driven by the transition to Over The Top services ("OTT") and in particular by:

- growing the addressable customer base of its Clients beyond their network footprint.
- winning new operators to its end-to-end OTT TV service;
- opening new distribution routes via licensing for its devices and content partnerships.

The Group owned about 6.3% of its capital as at December 31st, 2017 and is continuing its share buyback program.

Indicative financial communication calendar

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| - Results 2017: | March 9th, 2018 before market opening |
| - Revenue and gross profit for Q1'2018: | May 3rd, 2018, before market opening |
| - Annual shareholders' meeting: | May 3rd, 2018 |
| - Revenue and results for H1'2018: | August 3rd, 2018, before market opening |
| - Revenue and gross profit for Q3'2018: | October 18th, 2018, before market opening |

About Netgem

Netgem is the publisher of Diamond, a software platform for next generation entertainment and connected home services, and a solutions providers to the telecoms industry. Diamond is available under license for service operators, content providers and device manufacturers looking to benefit from the OTT digital transformation of the TV, video and audio industries, or as part of end-to-end solutions to the telecoms industry. Netgem extensive experience and technological assets in software, user experience and security, combined with its global partnerships in content and device manufacturing make it a unique one-stop outsourcing partner for telecom service providers seeking to increase revenue and build loyalty on an existing consumer base. Through its customers, Netgem solutions address several million households in more than 20 countries. Netgem is long term driven by innovation, simplicity, privacy, affordability and operational excellence. Netgem is listed on Euronext Paris Compartment C (ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: NTG:FP) www.netgem.com