

Press release

Sustained activity in the 1st quarter of 2020 Good resilience to the Covid-19 crisis

- ✓ Net Revenue for Q1 2020, which is up 106% compared to Q1 2019, takes into account the consolidation of Vitis in line with the new growth strategy focused on the business of Very High Speed internet access provider.
- ✓ The activity was sustained at the start of the year with record sales for the Elisa Viihde Premium offer and VIDEOFUTUR's video-on-demand service. In the United Kingdom, new distribution agreements for NetgemTV were concluded with the operators Origin and Gigaclear.
- ✓ The Group had a solid cash position of € 11 million at the end of March 2020, and remains confident about its annual outlook, with 75% of recurring service revenues.

Paris, May 14, 2020

NETGEM presents its turnover for the first quarter of 2020 and an update of the group's activity in the context of the Covid-19 health crisis.

Mathias Hautefort, CEO of NETGEM, says "I would first like to thank all of our teams who have been great since the start of the Covid-19 health crisis, showing their agility and solidarity. Their involvement in providing an essential service for our subscribers in Europe has enabled us to stay the course during this very difficult period. The growth in turnover in the first quarter of 2020 illustrates the resilient nature of our activity and the relevance of our positioning on the Very High Speed internet access and Entertainment market "

Turnover and Net Revenue (in millions of euros , IFRS, unaudited)

		2020 Q1 **	2019 Q4	2019 Q1	Var Q1 / Q4	Var Q1 / Q1
NETGEM Group	Turnover	8.0	6.4	6.3	+25%	+27%
	Net Revenue *	6.8	3.6	3.3	+89%	+106%

* defined as turnover less the cost of equipment sold.

** The turnover and Net Revenue of the Netgem Group consolidate those of Vitis as of 1/1/2020 ; the Q1 Net Revenue of Vitis amounted to € 3.3 million (before elimination of transactions between Vitis and Netgem).

The NETGEM Group set up its ONE NETGEM organization at the beginning of 2020, now including Vitis-Videofutur, associated with its new brand identity and its mission "*Flourish in your digital life*".

The new organization has faced the Covid-19 health crisis and measures to protect the health of its employees were taken (in France and the UK), with the use of teleworking.

The NETGEM Group has limited the use of partial unemployment to its field sales forces, which has resulted in a slowdown in the recruitment of new subscribers in France.

At the same time, the NETGEM group provided a quality service to its customers during this period in terms of very high speed access and entertainment services, notably with the launch of new services in France such as Ookoo (the new youth offering of France Television). Its content platform is operational to meet growing demand, in particular for non-linear content such as Replay or VOD, which have posted growth rates of 50%.

The main Operator customers continued their growth with sales records for the Elisa Viidhe Premium offering in Finland; new NetgemTV contracts were also signed with Origin and Gigaclear, Fiber operators in the United Kingdom, with a commercial launch scheduled for the 2nd quarter.

Regarding supplies, Pegatron's factories in China have returned to normal and although the delivery times have lengthened, existing BOX inventories at customers and at NETGEM cover the needs of the coming months.

The Netgem Group's Board of Directors have decided to take a number of initiatives of solidarity:

- Proposal to suspend the 2020 dividend for the 2019 financial year,
- Temporary drop in the CEO's compensation during the period of partial unemployment of part of the employees,
- Support for the Fondation de France and its initiative #TousUnisContreLeVirus associating the APHP and the Pasteur Institute,
- Payment of the Macron Premium of 600 euros to all eligible employees.

NETGEM holds the necessary assets to emerge stronger from this economic and health crisis, first because of its agile organization, its market positioning - Fiber and digital - and its good financial health.

The Annual General Meeting will be broadcast *via* Zoom on May 14, 2020 from 10 a.m. To attend the Webinar, [click here](#).

Financial communications calendar

- Results H1 2020 July 31, 2020, before market
- Turnover and Net Revenue Q3 2020 October 21, 2020, before market

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About Netgem

Netgem is an independent service provider for ultra broadband internet access. The Group provides its services mainly in France and Great Britain, in rural areas by using infrastructure investments supported by the public authorities to reduce the digital divide and improve regional planning. Netgem provides its services in B2C (direct to consumers) and B2B2C (via other partner operators). The Group differentiates itself by its end-to-end technological expertise of a digital TV, video and music streaming offer with a unified and unique experience on TV, mobile and with voice control, including the biggest brands of local and global content.

Netgem is listed on Euronext Paris Compartment C
(ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: NTG: FP) www.netgem.com