



INVESTORS

PRESENTATION

H1 2022 EARNINGS



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VERIMATRIX STRATEGY



2 global business lines

protecting an unprotected digital world



ANTI PIRACY

PROTECT VALUABLE CONTENTS

Protecting content for Streaming Media
Pay TV, Telcos and Broadcasting



THREAT DEFENSE

PROTECT APPS AND IOT

Extended threat defense software
from the devices to the enterprise



Two successful business lines

Anti-Piracy

Verimatrix protects valuable revenue streams of media distributors, from TV operators, to OTT service providers, from live and VoD, to innovative eSports and the metaverse.

Verimatrix's anti-piracy products and services fight piracy across devices with a throttled approach to trace, degrade, and shut down industrial scale piracy of copyrighted content at SaaS speed.

Threat Defense

Verimatrix's threat defense products and services close the open door in current security walls by monitoring unmanaged threats and protecting apps and devices before they compromise the enterprise.

Utilizing innovative zero-code injection technology and ML/AI, Verimatrix protects the enterprise's most vulnerable and valuable assets that reside in application servers and remote applications.

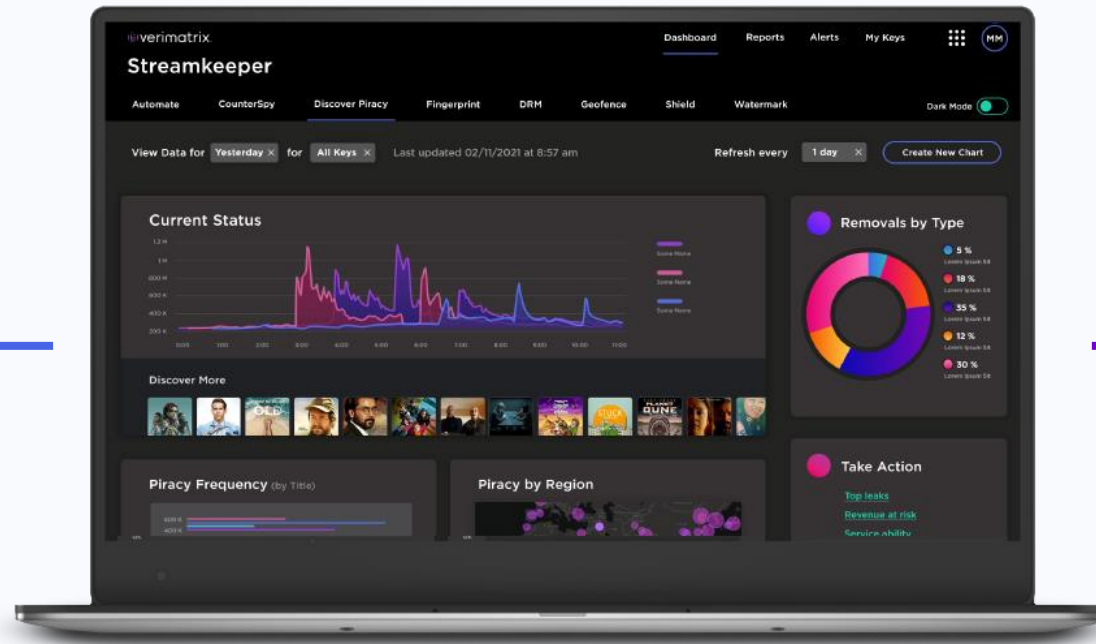


Streamkeeper

battle-ready cybersecurity engineered to hunt down & take out video piracy

ANTI PIRACY

Multi-DRM



Counterspy
Anti-Piracy
with
Edge Authenticator

App
Telemetry
Shutdown



Watermarking



Streamkeeper Recognition



Best Content Protection Technology



Enterprise Product of the Year Security Software



The Revenue Security Award



Solution: Protected Apps and Devices with Verimatrix

THREAT DEFENSE

	On-Device Security	Device Remote Visibility & Control	Behavioral Analysis	Number of Devices
 Managed Devices				SMALL
 BYOD				MED
 Unmanaged Devices				LG
 Connected Apps				XL

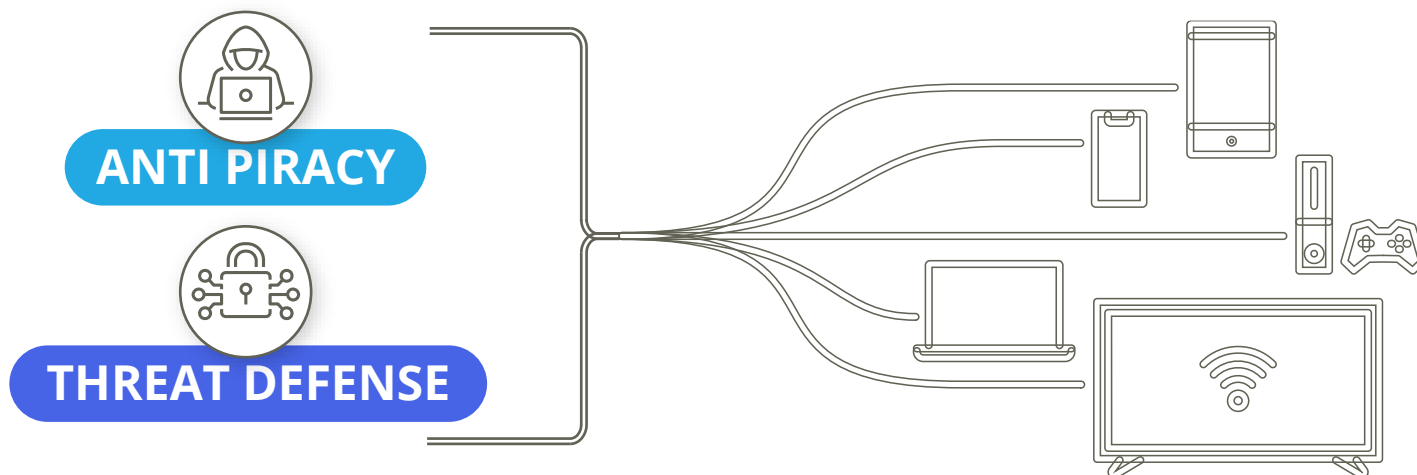
Solid sales momentum – The case of Izzi Telecom

“Cybersecurity a critical issue to protect both brand and bottom line”



A major player in the Mexican telecommunications sector offering popular services such as Izzi TV or Izzi Go

Adding Streamkeeper and Extended Threat Defense to protect millions of devices (apps, web streaming services, set-top boxes)





Notable Sales Wins

Streamkeeper



Edison Interactive



Digital Nirvana



Deutsche Bank



Jarir Store



Porto Seguro

XTD



IMAX Theatre



Banco Union



VanEck Asset Mngt

VCAS



Fastway



RCBC Bank



Roadpost Satellite



Verimatrix Threat Defense Service



Protect your bottom line with cybersecurity countermeasures to stop the bad guys from hijacking your apps, APIs and devices.

- Extend threat defense to the new endpoint
- Shield apps and services with DDoS protection
- Monitor threat matrix to gauge risk/response
- Disrupt hackers from reverse engineering code
- Close the open door in your enterprise wall



Our ambition for 2025



PROTECT CONTENT FROM PIRACY AND DEFEND THE ENTERPRISE FROM UNMANAGED DEVICES

ANTI PIRACY

Become N°1 in protecting video for the streaming market

THREAT DEFENSE

Leverage our position in IOT and Apps protection to extend into enterprise's endpoints protection market



FINANCIAL TARGET

c. \$100m revenue by the end of 2025 through organic growth

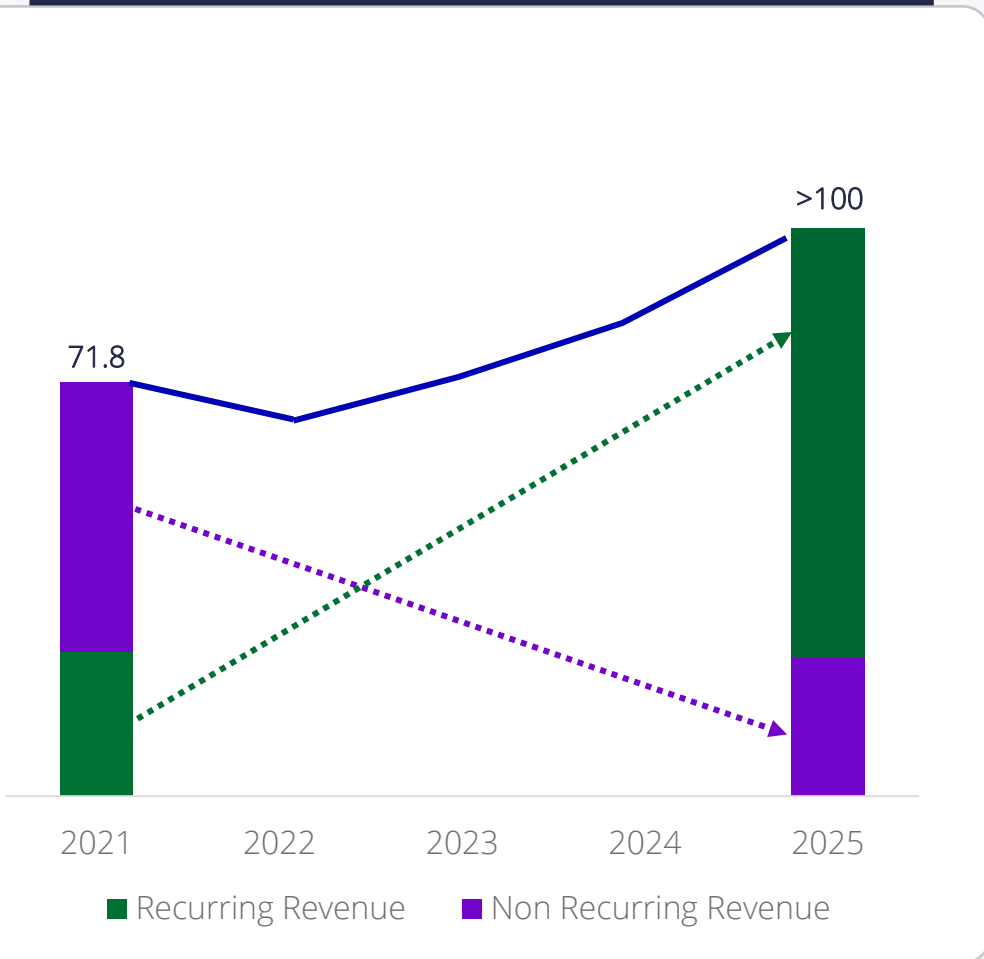
More than 70% recurring revenues by the end of 2025

EBITDA above **20%** in 2025

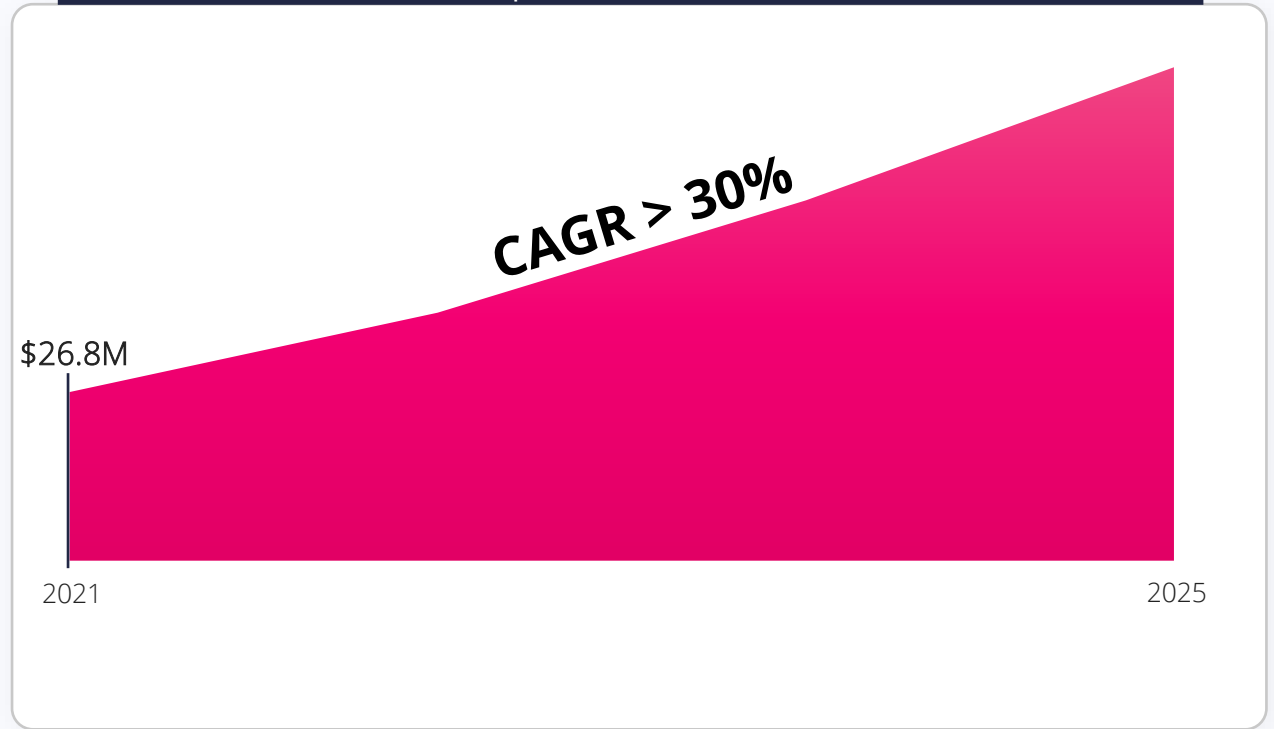


Revenue evolution regarding transformation journey

Revenue evolution (Recurring / Non-Recurring)



CAGR in ARR
expected above 30%



The change of the business model will deliver a sustainable and profitable growth.
Overtime the recurring revenue growth will offset the decrease of the non-recurring revenue.

Evolution of governance to better meet our strategic objectives



Q2 REVENUE H1 2022 EARNINGS

Q1 & H1 revenue

(in US\$ million)	Q2 REVENUE			YTD REVENUE		
	2Q22	2Q21	2Q22 vs. 2Q21	1H22	1H21	1H22 vs. 1H21
Recurring revenue	6.1	5.7	6.5%	12.3	12.4	-0.3%
of which subscriptions	1.6	1.2	30,7%	3.2	2.6	20.3%
of which maintenance	4.5	4.5	0.0%	9.2	9.8	-5,8%
Non-recurring revenue	10.0	9.7	3.0%	16.6	23.2	-28.6%
Total software revenue	16.2	15.5	4.3%	28.9	35.5	-18.7%
NFC licensing program	-	16,6	ns	-	16.6	ns
Total revenue	16.2	32,1	-49,7%	28.9	52.2	-44.7%
ARR				26.1	25.0	4.4%
of which subscriptions				8.0	5.7	42.1%
of which maintenance				18.1	19.4	-6.6%

Recurring revenue growth driven by recently launched Threat Defense and Streamkeeper

Solid Q2 showing encouraging signals \$16.2 million, up 4.3%

- Subscription revenue and ARR up 30.7% and 42.1% respectively
- Stable maintenance revenue
- Recurring revenue up 6.5%
- Increasing non-recurring revenue

Contrasted H1, driven by difficult Q1, partially compensated by subscription-based revenue growth \$28.9 million, down 18.7%

- Subscription revenue up 20.3%
- Stable recurring revenue despite difficult Q1
- Contribution of recurring revenue up to 43% of total revenue (vs. 35%)

H1 2022 – Highlights

- ✔ Profitability up ca. \$1.0 million: EBITDA of \$0.2 million vs \$(0.8) million in H1 2021¹
- ✔ Streamlined operating cost structure: 78.4% of total revenue (vs 81.8% in H1 2021)¹
- ✔ Improved adjusted operating income: loss of \$1.9 million (vs \$2.7 million in H1 2021)¹
- ✔ Strong net cash position of \$19.5 million after \$17.5 million convertible bond repayment
- ✔ Covenant adjustment with Apera to better reflect business model transformation
- ✔ c. \$4.7 million proceeds from PPR loan

¹ Figures presented exclude NFC patent licensing program

H1 2022 – Operating Income

(in thousands of US\$)	H1 2022	H1 2021 Core Business	H1 2021 Company
Revenue	28,889	35,549	52,194
Gross profit	20,781	26,424	38,548
<i>As a % of revenue</i>	<i>71.9%</i>	<i>74.3%</i>	<i>73.9%</i>
Research and development expenses	(9,783)	(9,698)	(9,859)
Selling and marketing expenses	(7,057)	(12,217)	(12,217)
General and administrative expenses	(6,191)	(7,162)	(7,162)
Other gains / (losses), net	412	(19)	(19)
Total adjusted operating expenses	(22,619)	(29,096)	(29,257)
Operating Income	(1,838)	(2,672)	9,291
EBITDA	232	(883)	11,365

Improved Ebitda on the Core Business by more than \$1M

¹ Figures presented exclude NFC patent licensing program

H1 2022 – Cash Flow

Close to \$20 m cash available after pay down of OCEANE for \$17m

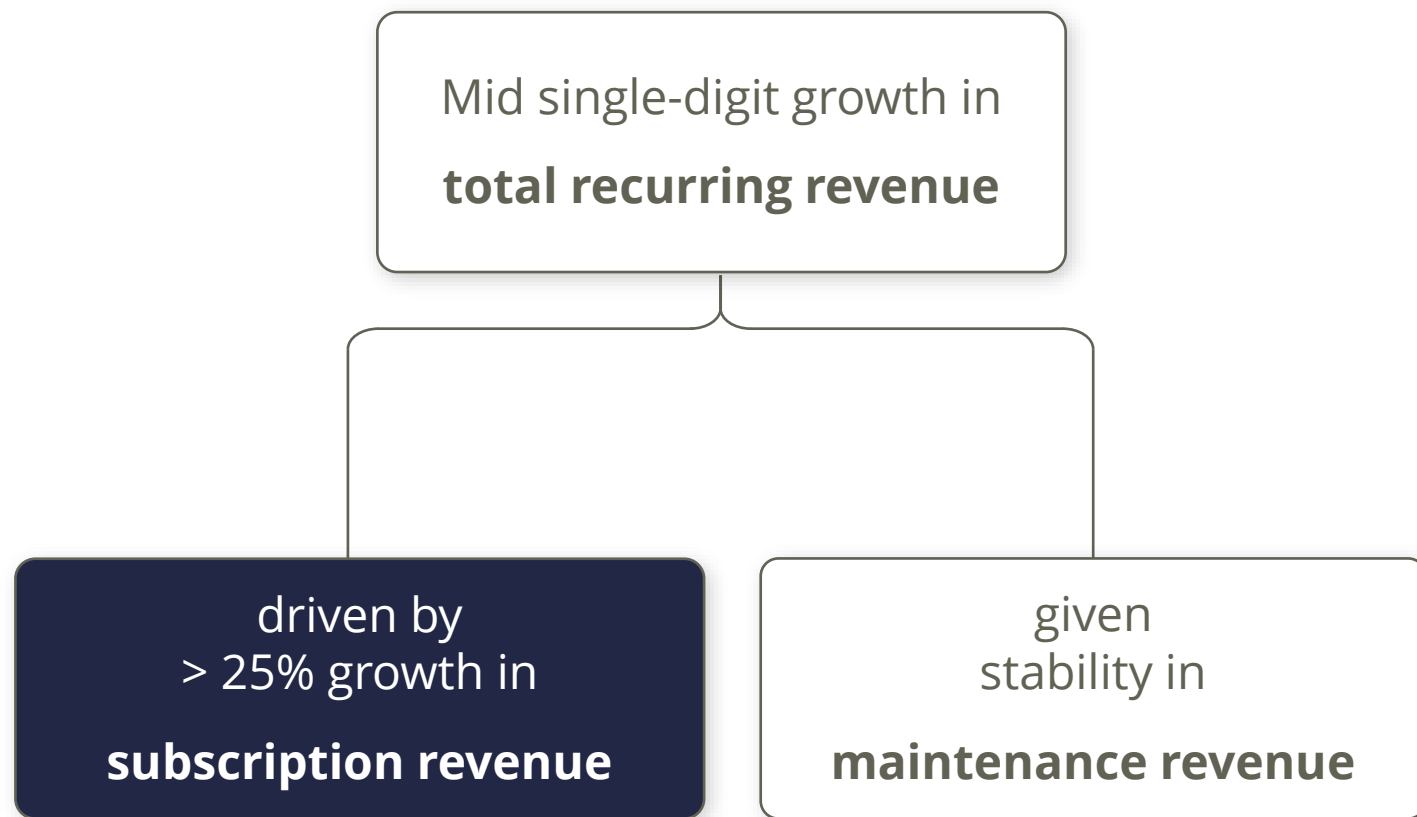
(in thousands of \$)	H1 2022	H1 2021
Cash generated (used) by continuing operations before changes in working capital	(343)	12,028
Cash generated (used) in changes in working capital from continuing operations	(2,223)	(5,941)
Cash generated (used) by continuing operations	(2,566)	6,087
Cash used in discontinued operations	-	(27)
Taxes paid	(736)	(603)
Interests paid	(2,126)	(2,061)
Net cash generated by / (used in) operating activities	(5,428)	3,396
Cash flows used in investing activities, net	(2,030)	(4,097)
Cash flows from used in financing activities, net	(18,245)	(15,840)
Net increase / (decrease) in cash and cash equivalents	(25,703)	(16,541)
Cash and cash equivalents at beginning of the period	45,269	48,608
Foreign exchange impact	(58)	(57)
Cash and cash equivalents at end of the period	19,508	32,010

¹ Figures presented exclude NFC patent licensing program



OUTLOOK

Full-year guidance 2022





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Financial Calendar
Q3 2022 Revenue: October 26, 2022 (after market)

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