



ODDO BHF NEXTCAP FORUM 2021

June 2 & 3, 2021

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 **verimatrix.**
DRIVING TRUST

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Our Business

Verimatrix Safeguards An Unprotected World

Video Content

Live Stream

Broadcast



Internet of Things

Connected Devices

Keyless Entry



Application & Software

Healthcare

Financial Services



Flexible deployment options

We support our customer's legacy on-prem operations with an easy migration path toward and innovative, cost-effective SaaS model.



Verimatrix On-Premise

Verimatrix turnkey installation, with 24/7 global support to quickly address any technical problem.

License/maintenance or subscription business models



Verimatrix SaaS

From video operators, OTT service providers, to banks and mobile app developers, AWS-based Verimatrix Secure Cloud at your service.

Subscription business model

Verimatrix protects digital content, applications, and devices with intuitive, people-centered and frictionless security.



325+ employees across
12 global offices



1,000+ customers in
120 countries



Protects **500M+** clients across devices

Secures more set-top boxes than any another content security firm

Trusted by leading studios, broadcasters, fintech, streaming & more



“Unambiguous momentum leader in content security.”²



25+

years of security innovation



Pioneer of studio-compliant video software security



99%

Customer Satisfaction¹

¹ 2020 Stevie Award for excellence in customer service www.stevieawards.com

² Omdia's quadrant ranking 2020 Video Content Security Scorecard

Market Focus



**MEDIA &
ENTERTAINMENT**



**VIDEO SERVICE
PROVIDER**



**GAMING
& ESPORTS**



HEALTHCARE



**MOBILE APP
SECURITY**



AUTOMOTIVE



FINANCIAL



**INTERNET
OF THINGS**

Portfolio: Content Protection

Protect and maximize the value of your content everywhere



VCAS



Multi-DRM



Embedded DRM



Content
Monetizer



TV Everywhere
Authentication



Watermarking

- Protect your valuable content to increase revenue.
- Get to market faster.
- Design your ideal solution.
- Scale easily to new users and services.
- Manage subscriber access while winning new customers.

Portfolio: Application Shielding

Secure your software and transactions across devices



Code Protection



Whitebox



App Shield



Mobile Payment

- Shield your business from loss and exposure.
- Integrate with your current development practices.
- Provide a compelling customer experience.
- Deploy intelligent and adaptive protection.
- Keep your customers safe.

Our Digital World is Expanding Rapidly

More video, more apps, accessed on more connected devices

\$73B

GLOBAL OTT MARKET
BY 2023*

7M+

APPS ON
GOOGLE PLAY &
APPLE APP STORE

3X

CONNECTED DEVICES
THAN PEOPLE BY 2023

Digital Experiences Have No Boundaries

All of those digital experiences are at risk – security matters more than ever

\$12.5B

LOST REVENUE FROM
VIDEO PIRACY BY 2024*

75%

OF APPS
ARE UNPROTECTED

94%

EXPERTS PREDICT ELEVATED
SECURITY THREATS ON
5G NETWORKS*



Q1 2021 Revenue and Update

Stable Q1 2021 Revenue

- ✓ **\$20.1 million** consolidated revenue, stable year-on-year, driven by new licenses and on-going positive momentum on subscription-based and SaaS business
- ✓ **Subscription revenue** up 23% year-on-year, now representing 7% of total revenue
- ✓ **Annual Recurring Revenue*** of subscription up 56% year-on-year to \$9.7 million
- ✓ Six new subscription and SaaS contracts in Q1 for a total contract value (TCV) of \$2.8 million, contributing to the ARR growth
- ✓ Strong **license revenue** (up 41% year-over-year) in particular for VCAS broadcast security for on-premise implementations and closing a portion of delayed Q4 2020 orders
- ✓ Launched six customers on the new Multi-DRM Core cloud native solution for **streaming OTT** providers

(*) see definition in Appendix hereof

Business Outlook and Objectives for 2021

- ✓ Focused on executing strategy:
 - Support streaming OTT market poised for significant growth
 - Expand application shielding business (accelerating shielding product sales to media customers in particular)
 - Gain market share on video conditional access
 - Support continued growth of the SaaS/Subscription business
- ✓ Company on track to achieve annual objectives*

(*) (i) mid-single digit core business revenue growth year-over-year, including double-digit growth of recurring revenues, (ii) flat EBITDA vs. 2019 (in the context of combination of investments to fuel the growth subscription and SaaS business and strong EUR vs. USD (\$2.2m impact))

Appendix

Supplementary non-IFRS financial information

Certain financial measures and performance indicators are presented on an adjusted basis. These indicators are not defined under IFRS; they should be considered to be supplementary information, not substitutable for any other indicators of operating and financial performance that are strictly accounting measures, such as those presented in the Company's consolidated financial statements

EBITDA is defined as adjusted operating income before depreciation, amortization and impairment losses not related to business combinations. Adjusted operating income/(loss) is defined as operating income/(loss) before (i) the amortization of intangible assets, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with business combinations and divestiture undertaken by the Company.

Verimatrix also uses subscription-economy metrics as they are useful for measuring business momentum and prediction of future growth.

Annual Recurring Revenue, or ARR, is the value of the recurring revenue of a business's term subscriptions normalized for a single 12-month. It is calculated by dividing the Total Contract Value by the number of relative years of the contract; it corresponds to the revenue that will be recognized on average over a forward 12-month period.

Total Contract Value, or TCV, is defined as the total of all fees payable by the customer over the committed, fixed term of a customer contract



Investor information

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Financial Calendar

Annual Shareholders' Meeting: June 10, 2021

First Half 2021 Earnings: July 29, 2021 (after market)

Visit:

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