



INVESTORS

PRESENTATION

2022 FULL-YEAR RESULTS
2023 Q1 REVENUE





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Introduction

Verimatrix at a glance



800+

Customers in 120 countries



290

Employees, 8 global offices



**GARTNER
RECOGNIZED**

In-App Protection, 2019–2022



500M+

App clients across devices



25

Years of security innovation



**CYBERSECURITY
BestinBiz Awards 2022**

Enterprise Product of the Year
Security Software



153

Patents granted



CSI Awards 2022

Best Content Protection Technology



2023 GLOBAL INFOSEC AWARD
Threat Defense
Cyber Defense Magazine

FY 2022 – Financial highlights

Continued growth in both Sales and Annual Recurring Revenue of subscription products, particularly in the second half of the year

A 2022 full-year performance in line with the Group's strategy

- ✓ 45,9% growth in revenue from subscriptions compared with 2021
- ✓ 47,3% growth in ARR from subscriptions compared with 2021
- ✓ EBITDA remains positive at \$1.1 million despite lower business volumes
- ✓ Cash position strengthened to \$30 million after convertible bond redemption
- ✓ For 2023, continued growth in subscription revenues driven by on-board recurring revenue (ARR) of over \$11 million

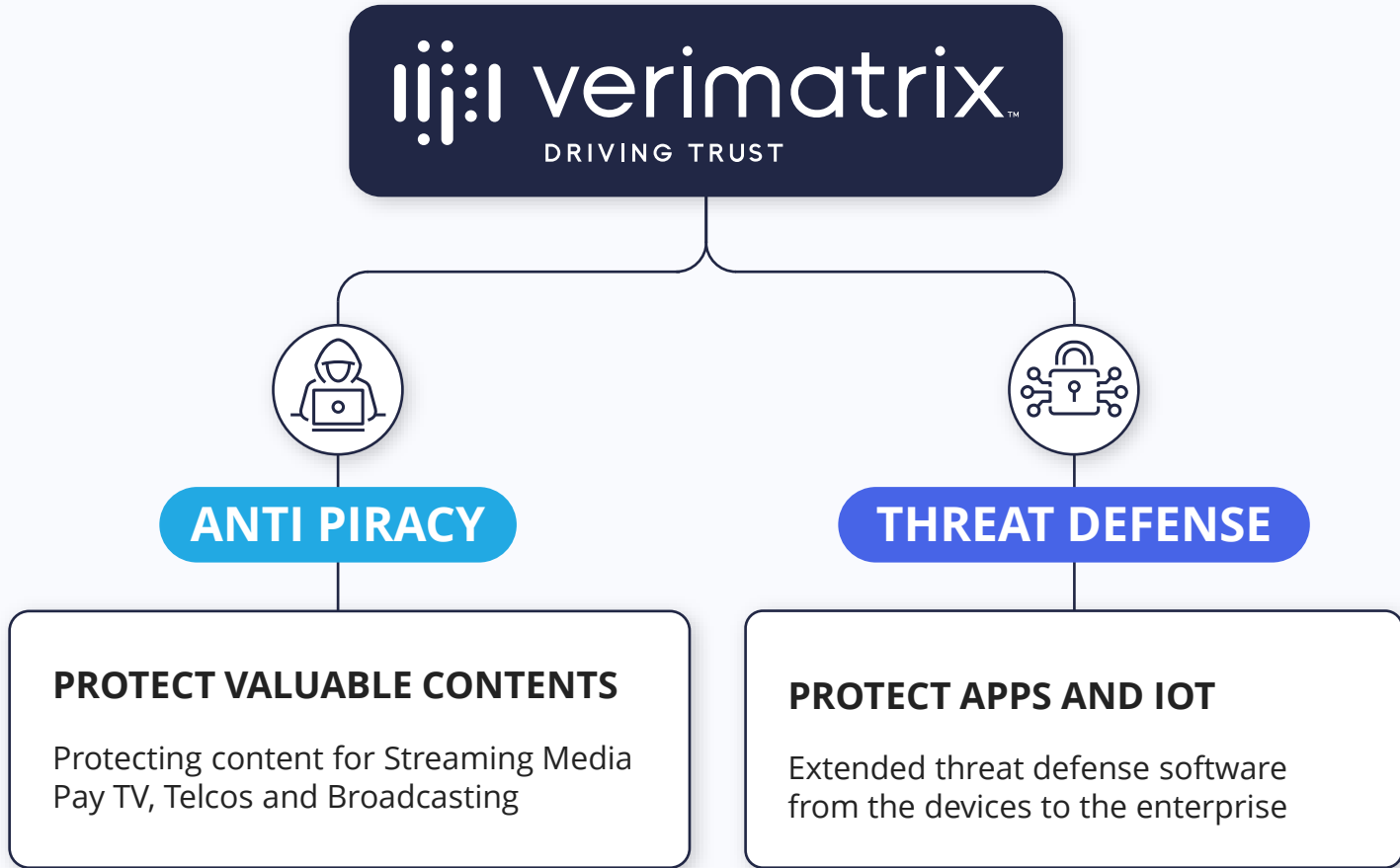


VERIMATRIX

protecting
an unprotected digital world



2 global business lines





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.



Global business lines

1. Anti-piracy



Streamkeeper - Launch 2022

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

Multi-DRM



Counterspy
Anti-Piracy
with
Edge Authenticator

App
Telemetry
Shutdown



Watermarking



Streamkeeper Recognition

ANTI PIRACY



Best Content Protection Technology



Enterprise Product of the Year Security Software



The Revenue Security Award



Swisscom SaaS deal

ANTI PIRACY



swisscom

- Migration from On Premise to SaaS**
- New Monitoring Capabilities on the Cloud**
- 3 Years deal**

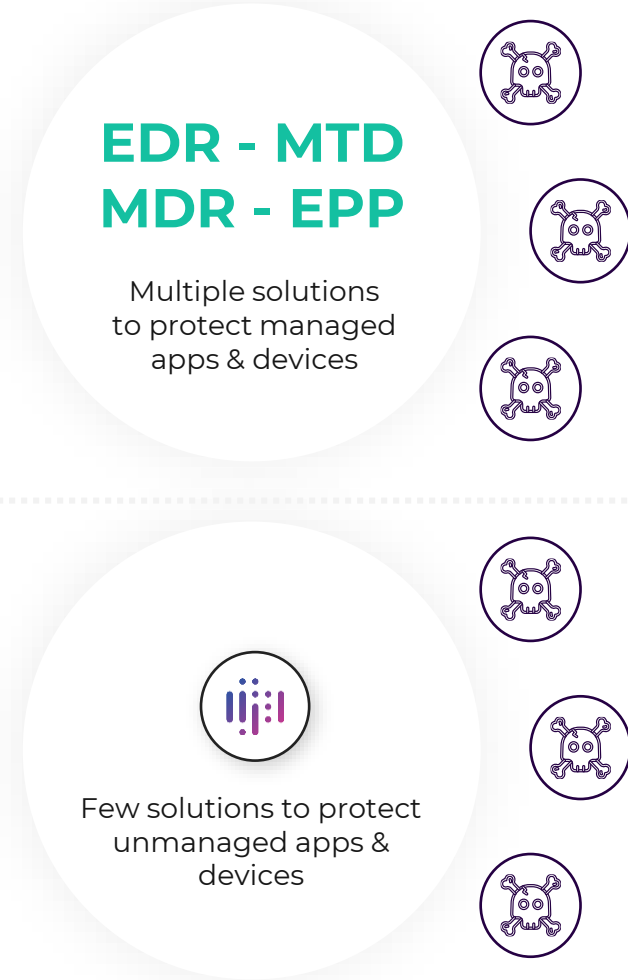
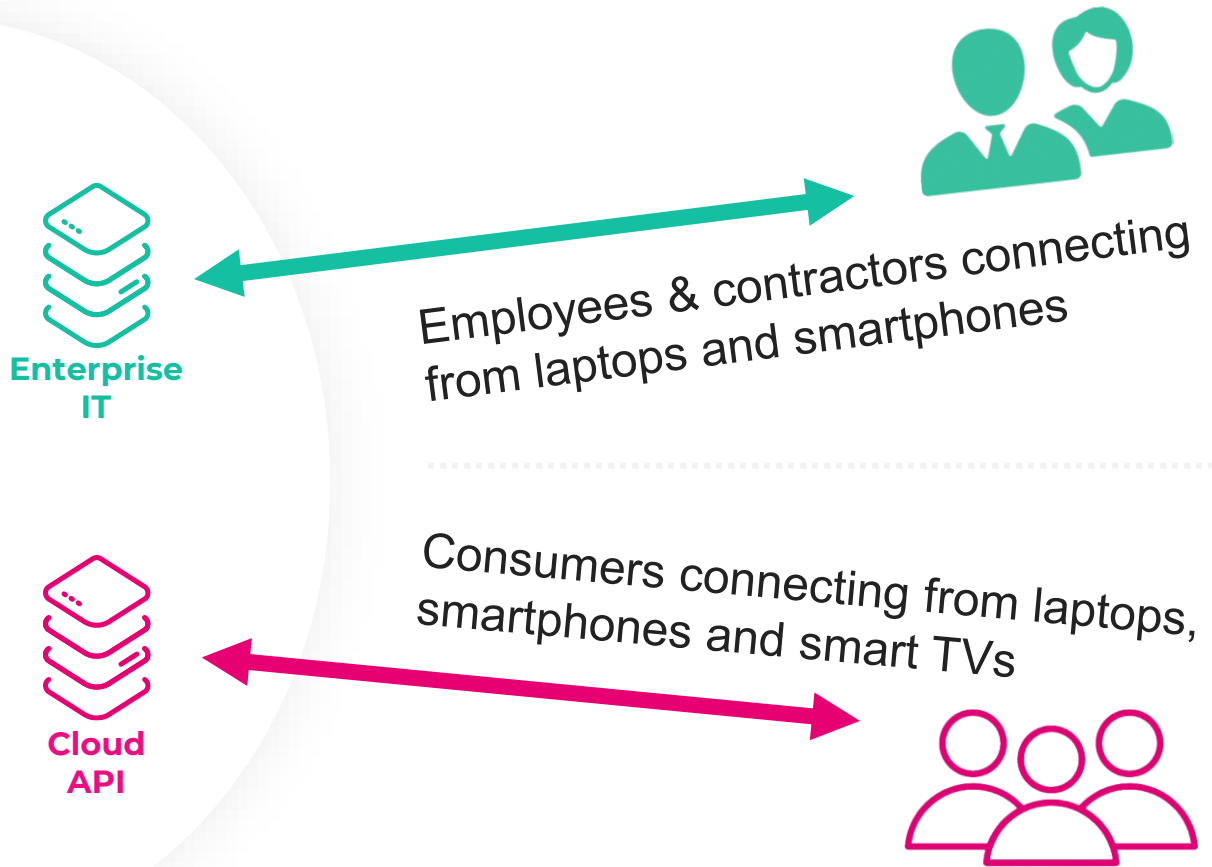
“Verimatrix became the reliable and cooperative partner that we are looking for...”

Marco Loetscher, Head of IT & Technology, Swisscom



Global business lines 2. **Threat Defense**

Two User Types Connecting to the Enterprise



Fastest Growing Digital Attack Surface Is Mobile

New attack vectors evolving from the weakest links – connected apps, APIs and unmanaged devices

45%

Of organizations had recently experienced mobile-related compromise, Verizon survey 2022

73%

Of organizations that experienced mobile-related compromise described their compromise as “major”

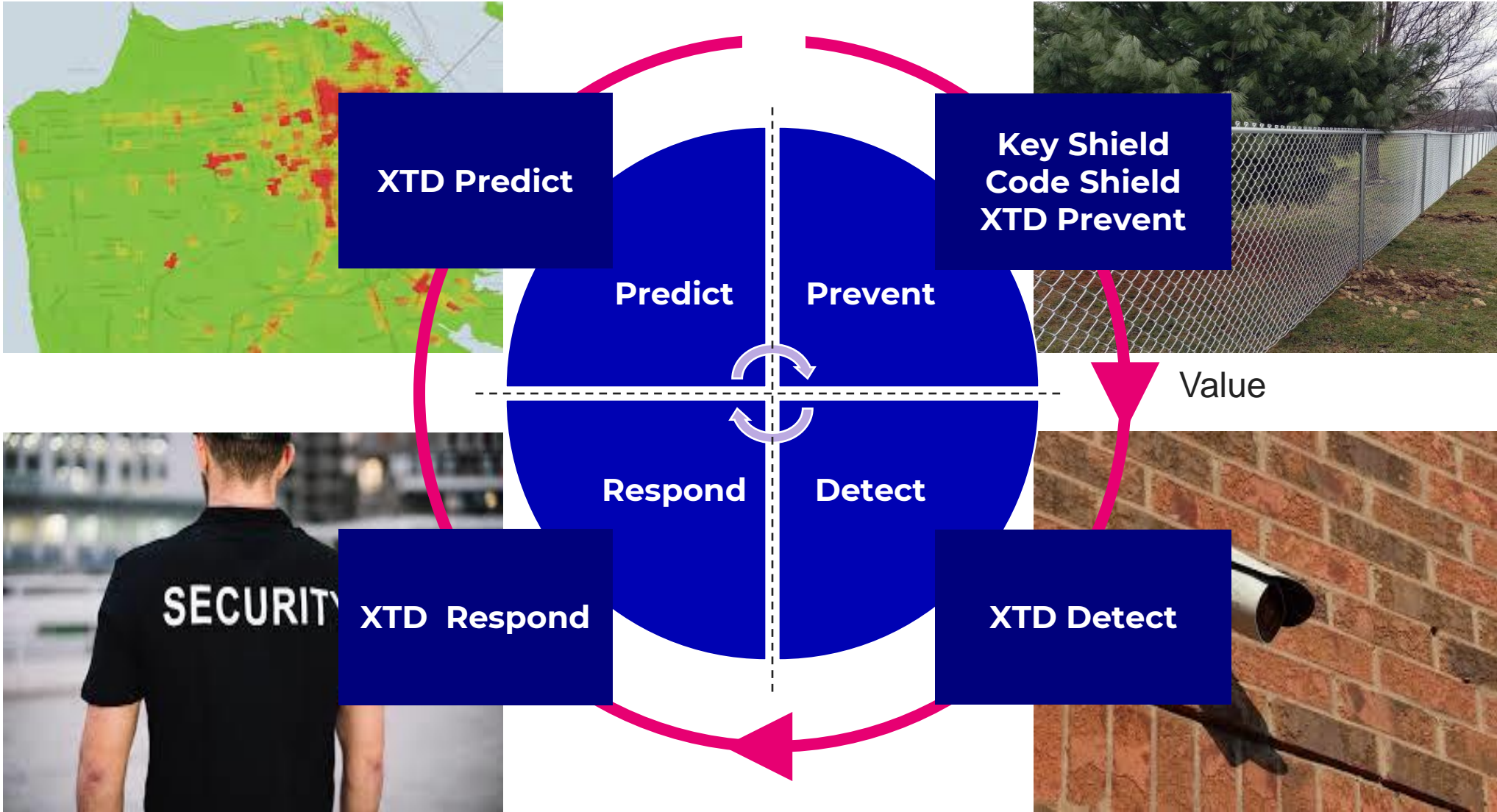
60%

Of organizations report that they do not have visibility to runtime threats against mobile apps and APIs

EDR Market Growth:

- Growing at a **CAGR of 25.3%** from 2022 to 2031
- The global Endpoint **Detection and Response** Market Size was valued at **\$1.9 billion in 2021**
 - It is projected to reach **\$18.3 billion by 2031**

New XTD offering for mobiles





Notable Recent Sales Wins

ANTI PIRACY

VCAS



Fastway



ANTI PIRACY

Streamkeeper



Edison
Interactive



Digital
Nirvana



THREAT DEFENSE

XTD



Deutsche
Bank



Jarir
Store



Porto
Seguro



IMAX
Theatre



Banco
Union



VanEck
Asset Mngt



RCBC
Bank



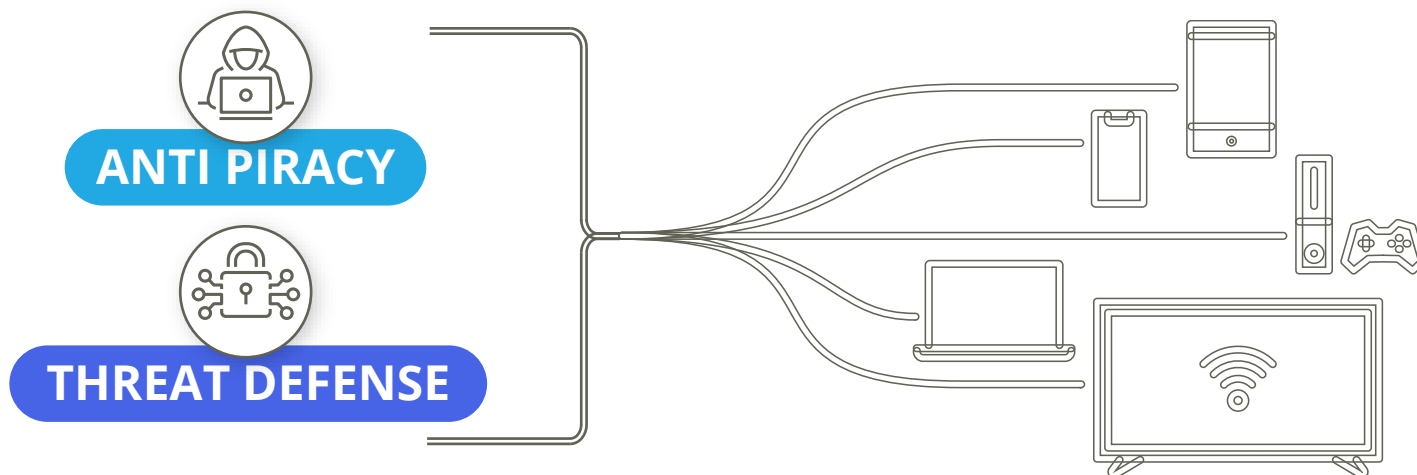
Solid sales momentum – The case of Izzi Telecom

“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)





Q4 revenue & 2022 full year results

Q4 & FY 2022 revenues

(in US\$ million)	Q4 REVENUE			FY REVENUE		
	4Q22	4Q21	4Q22 vs. 4Q21	FY22	FY 21	2022 vs. 2021
Recurring revenue	7.2	6.5	10.2%	26.4	25.0	5.4%
<i>of which subscriptions</i>	2.8	1.5	79.1%	8.2	5.6	45.9%
<i>of which maintenance</i>	4.4	5.0	-11.1%	18.2	19.4	-6.3%
Non-recurring revenue	8.9	14.1	-36.8%	34.6	46.8	-26.0%
Total software revenue	16.1	20.6	-21.9%	61.0	71.8	-15.0%
Total revenue	16.1	20.6	-21.9%	61.0	71.8	-15.0%
ARR (end of period)				27,5	26,8	2,6 %
<i>of which subscriptions</i>				11,1	7,5	47.3 %
<i>of which maintenance</i>				16,5	19,3	-14.7 %

On going transformation plan supported by strong growth in Subscription ARR and Revenue

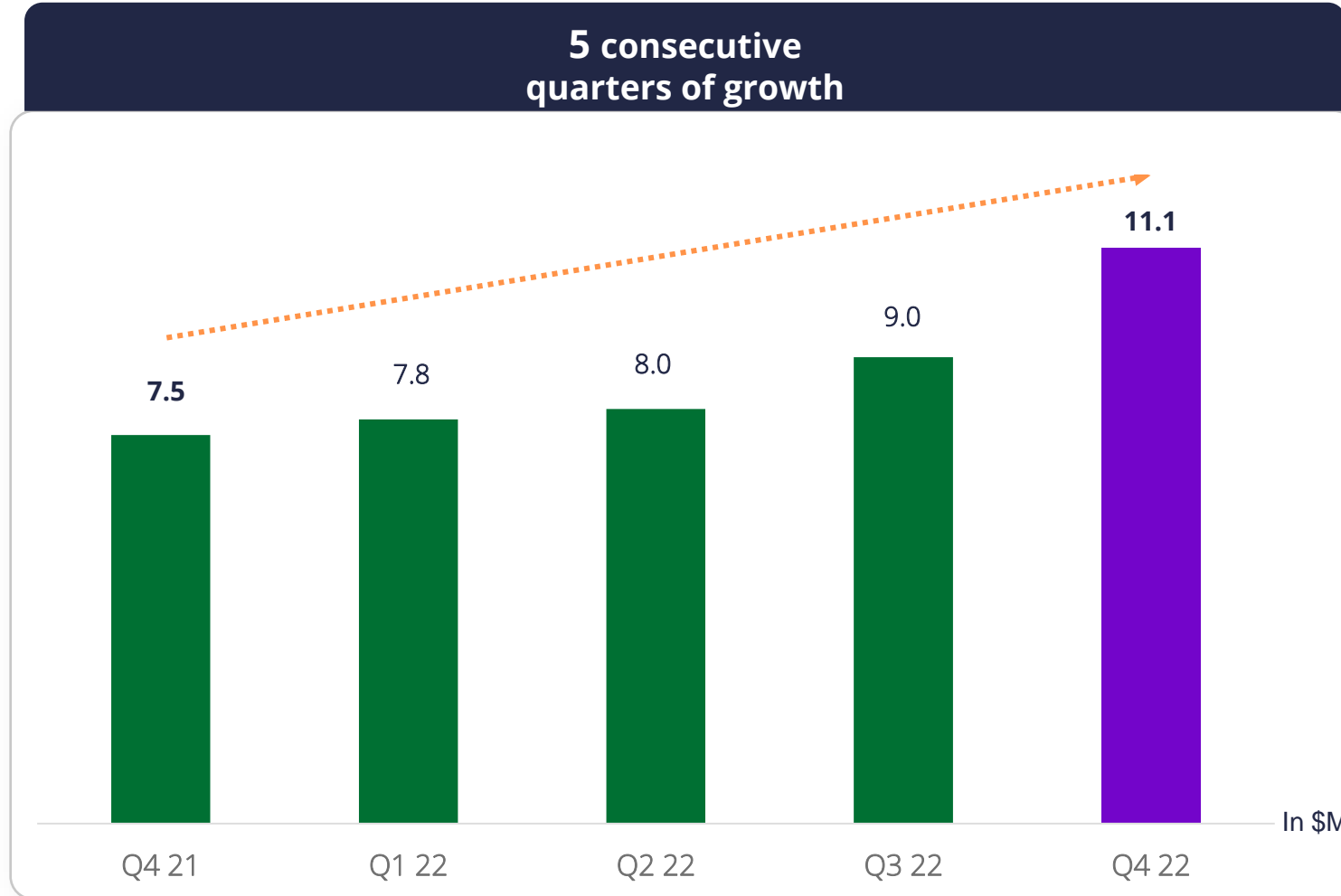
Q4 in line with the planned effects of the transformation of one-off license sales to subscriptions revenue

- Subscription revenue and ARR up 79.1% and 23%
- Recurring revenue represented 45% of total revenue
- Recurring revenue up 10.2%

A favorable evolution of the commercial mix between recurring revenues and direct sale of licenses in accordance with the strategic plan

- Subscription revenue up 45.9%
- ARR from subscription up 47.3% compared with 2021
- Contribution of recurring revenue up to 43% of total revenue (vs. 35% end of 2021)

Annual Recurring Revenue trend from subscriptions



FY 2022 – Operating Income

(US\$ million)	2022	2021 Core Business	2021 Company ¹	
Revenue	61,0	71,8	88,5	
Gross profit	43,6	54,9	66,7	<p>Decrease of the non-recurring revenue and higher amortisation costs. Negative effects partially offset by the optimization of support organisation based in Mexico and Hungary</p>
<i>As a % of revenue</i>	71.4%	76.4%	75.4%	
Research and development expenses	(19,3)	(17,9)	(18,0)	
Selling and marketing expenses	(15,2)	(20,9)	(20,9)	<p>Limited impact of the decline in revenue thanks to the tightening of expenditure</p>
General and administrative expenses	(12,8)	(14,0)	(14,0)	
Other gains / (losses), net	0.2	(0,2)	1,1	
Total adjusted operating expenses	(47,1)	(53,0)	(51,8)	<p>Cost structure optimization and a positive currency effect of \$2.5 million for the year</p>
Adjusted operating Income	(3,5)	1,9	14,9	
EBITDA	1,1	5,5	19,0	<p>Positive EBITDA of \$1.1 million for FY 2022 after \$0.2 million in the first half of the year</p>

¹ Including revenues from NFC activity sold in 2021

FY 2022 – Cash Flow

US\$ million)	2022	2021
Income / expense from continuing operations	(17.6)	3.7
Non-cash items from continuing operations	18.0	13.7
Changes in working capital from continuing operations	7.7	9.5
Cash generated by / Used in operational activities	8.1	26.9
Cash used in discontinued operations	-	5
Taxes paid	(1.7)	(1.4)
Interests paid	(3.6)	(4.0)
Net cash generated by / used in operating activities	2.9	21.5
Cash flows / used in investment activities, net	(3.4)	(8.3)
Cash flows from / used in financing activities, net	(14.7)	(16.5)
Net increase / (decrease) in cash and cash equivalents	(15.2)	(3.3)
Cash and cash equivalents at beginning of the period	45.3	48.6
Foreign exchange impact	(0.1)	(0.1)
Cash and cash equivalents at end of the period	30.0	45.3

Over the period \$2.6 millions have been allocated to the development of additional functionalities on our new solutions.

full repayment of convertible bond for \$17.5 million, partial private placement down payment for \$3.0 million and proceeds of new PPR loans for \$7.4 million

\$30 m cash available after reduction of debt for an amount of \$14,7 million

Q1 2023 Revenue

Q1 2023 REVENUE

(\$ million US)	Q1 2023	Q1 2022	Chg.
Recurring turnover	7.5	6.2	20.7%
<i>of which maintenance</i>	4.3	4.6	-8.3%
<i>of which subscriptions</i>	3.2	1.6	106.4%
Non-recurring turnover	6.5	6.5	-0.3%
Total turnover	14.0	12.7	10%
ARR²	28.7	27.0	6.6%
<i>of which maintenance</i>	16.6	19.2	-13.6%
<i>of which subscriptions</i>	12.2	7.8	55.9%

Q1 2023 revenue up 10% compared to Q1 2022

- Total recurring revenue up 20.7% compared to Q1 2022
- Non-recurring revenue is flat
- Total recurring revenue represents 53.6% of total revenue
- Guidance for the full year maintained
 - Min 40% growth of Subscription revenue
 - Min 40% growth of ARR from subscriptions

Q1 2023 confirmed the growth momentum on subscriptions

- Subscription revenue growth of 106.4%
- ARR From Subscriptions growth of 55.9%
- Resilience of Maintenance revenue -8.3%
- Total recurring revenue growth of 20.7%
- Total recurring revenue represents 53.6% of total revenue

5 consecutives quarters of growth in ARR from subscriptions

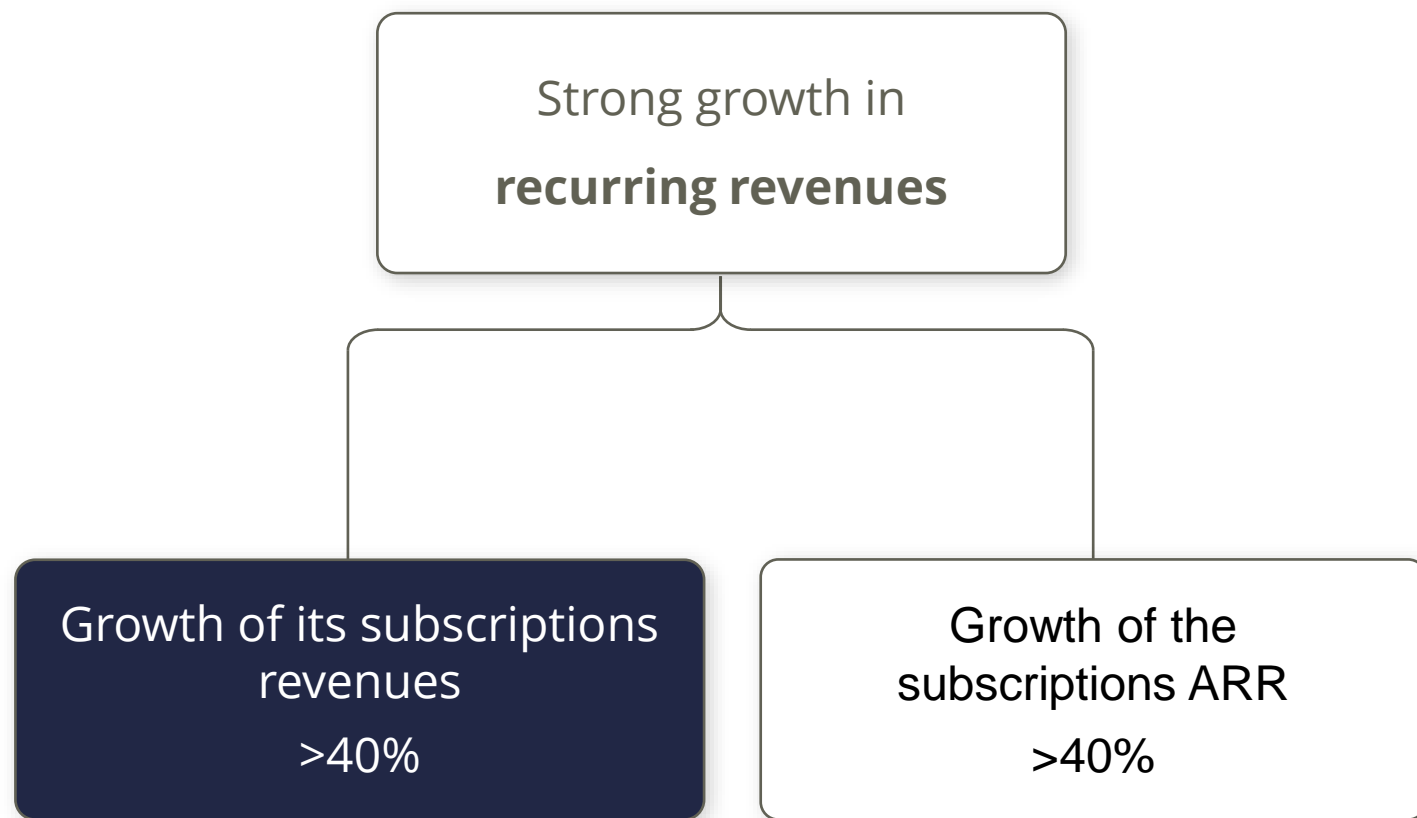
5 consecutives quarters of growth in revenue from subscriptions

4 consecutives quarters of growth in recurring revenue



2023 OUTLOOK

2023 Full-year guidance





● INVESTOR ●

● INFORMATION ●

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Financial Calendar
2023 Earnings: March 9, 2023 (after market)

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<https://investors.verimatrix.com/>