



INVESTORS

PRESENTATION

STRATEGY PLAN 2022-2025

Amedeo D'Angelo, Chairman & CEO

Asaf Ashkenazi, COO

Jean-François Labadie, CFO

March 2022





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Leadership



Amedeo D'Angelo

Chairman & CEO since 2015

30 years holding C-Suite position in the field of security, payment and semiconductors,

- Head of Samsung's European Operations.
- President of Gemplus Card International
- Founder and CEO of Incard
(smart cards, software and security products)
- Formerly Chief Operating Officer at Oberthur Card Systems *(security solutions)*
- Formerly CEO at Ingenico
(secure transactions and payment systems)



Asaf Ashkenazi

COO since July 2021

Formerly Group Strategy Director - leading the company's global R&D, product management and marketing initiatives

Led the team that developed one of the industry's first cognitive computing based anti-malware solution.

Key contributor author of the Trusted Computing Group (TCG) ISO/IEC 11889 Trusted Platform Module (TPM), used in billions of computers worldwide

Created IoT security platform sold to Cybertrust Japan, a subsidiary of Softbank.

Board member of FIDO ("Fast IDentity Online"), an open industry association that develop authentication standards.

Holds 13 U.S. patents for security architectures



Jean-François Labadie

CFO since Nov. 2021

20 years of Experience at Quadient (*formerly Neopost*) specialised in Digital Communications and Mailroom Equipments, listed on Euronext

Former Group CFO for 9 years supporting a transformation strategy by integrating new software business specialized in Digital Communications

- Managed the transformation of the software business model into SaaS
- Led the refinancing of the Debt to extend maturity and reduced costs
- Optimized cost base on legacy business to protect the Free Cash Flows

Former Director of the Supply Chain for 7 years



Two leaders joining to become a cybersecurity powerhouse

1995-2005



2 COMPANIES LAUNCHED FROM INNOVATION

- Inside Secure founded in 1995 as a digital security company in Paris, France
- Financing Round by Sofinnova Partners and Visa to launch of Micropass® for US payment cards
- Verimatrix founded in 2000 as conditional access company in San Diego, California
- First launch of digital forensic watermark

2007-2019



SCALE-UP WITH INNOVATION

- NFC Chip MicroRead Industry's first
- IPO – Euronext Paris.
- Metaphoric Acquisition. Marks entry into Application Shielding market
- Launch of VCAS Ultra, receives 10/10 innovation score
- Acquisition of Concurrent and Comvenient

2019-2021



A NEW LEADER BORN

- Integration between Verimatrix and Inside secure in 2019
- R&D investment : 25% of revenue.
- App Shield Launch: Industry's first cloud-based app protection service
- Streamkeeper launch
- VMX platform launch

Inside Secure

Verimatrix



Verimatrix's main assets



800+

Customers in 120 countries



320

Employees, 8 global offices



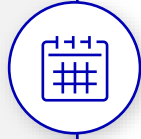
**GARTNER
RECOGNIZED**

In-App Protection, 2019–2022



500M+

App clients across devices



25

Years of security innovation



**CYBERSECURITY
BREAKTHROUGH AWARDS**

Automotive Cybersecurity Solution
of the Year 2021



153

Patents granted



**2021 INFORMA
TECH-OMDIA**

Highest scoring application
shielding vendor



**GLOBAL INFOSEC
AWARD 2021**

NextGen for Application Security
award winner



Verimatrix

a global cybersecurity player

SALES TEAM

72 FTE



USAs



Canada*



Brazil



Colombia*



Argentina*



Mexico*



Bolivia*



Peru*



Chile*



Costa Rica*



France
(Headquarter)



UK



Germany



Sweden



Norway



Hungary



Russia



Italy*



Spain*



Philippines



Korea
(Sales)



India
(Sales and
Pre-sales engineers)



Singapore



Japan



Vietnam



China



Indonesia*

R&D TEAM

128 FTE



San Diego



Paris



Shanghai



Amsterdam



Munich



Helsinki

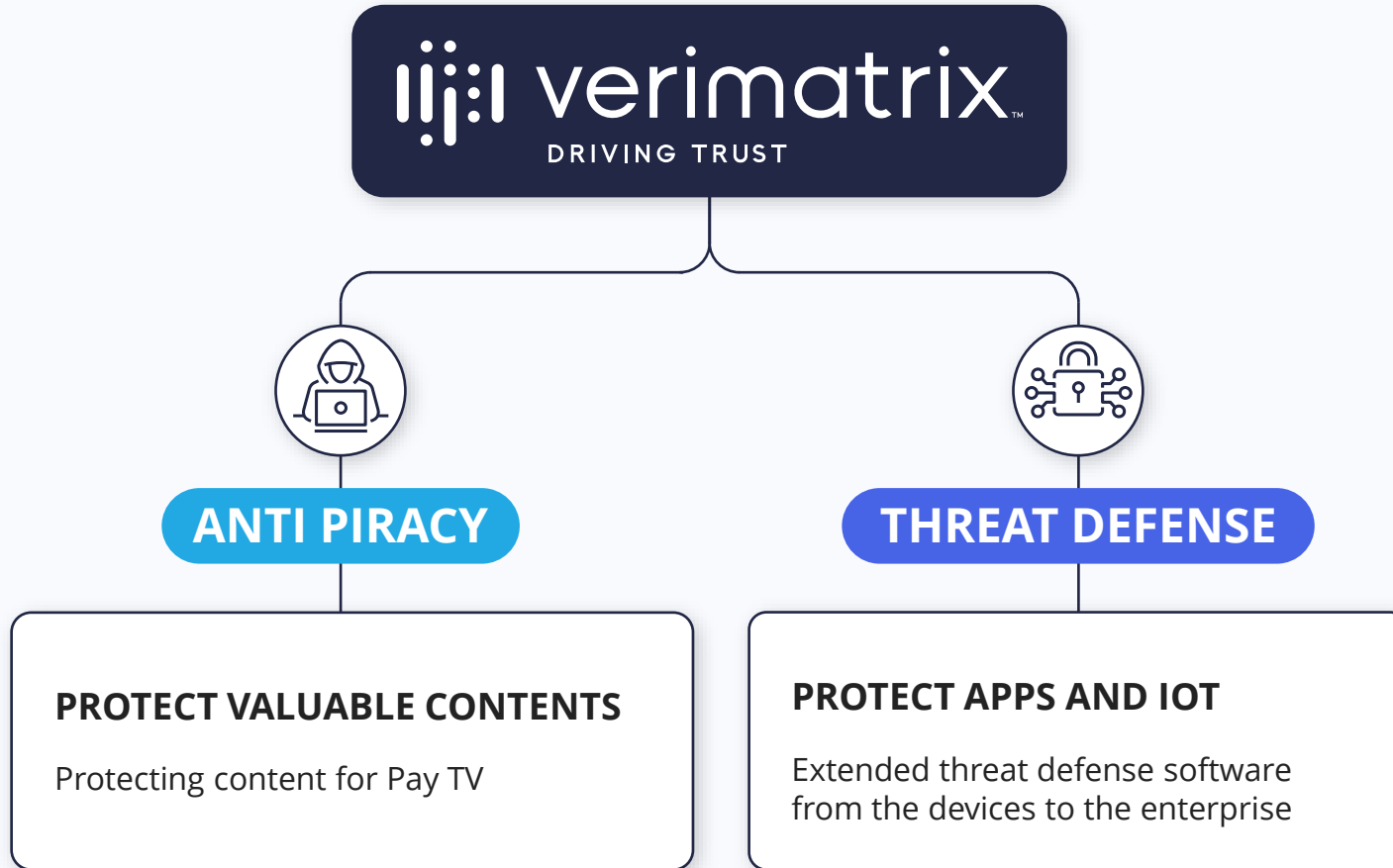


Glasgow



2 global business lines

protecting an unprotected digital world





Two successful business lines

Anti-Piracy

Protecting the revenue 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 and fraud, preventing hefty losses to copyrighted content owners and licensees.

Threat Defense

Verimatrix threat defense products protect today's modern enterprise from risks originating from unmanaged devices

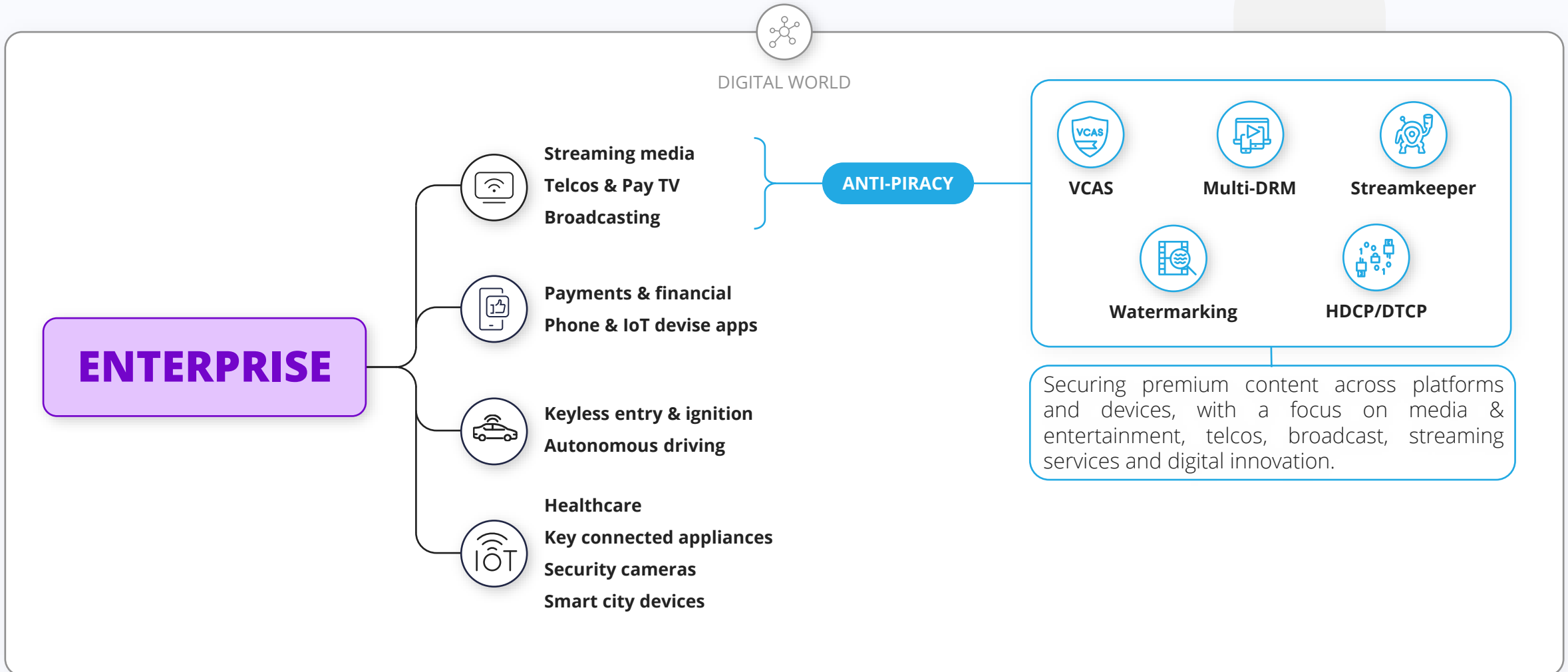
Utilizing innovative zero-code injection technology and ML/AI, Verimatrix protects the enterprise most vulnerable and valuable assets reside in application servers and remote applications.



"Anti-Piracy" Portfolio

from Conditional Access product to cutting edge Streamkeeper solution

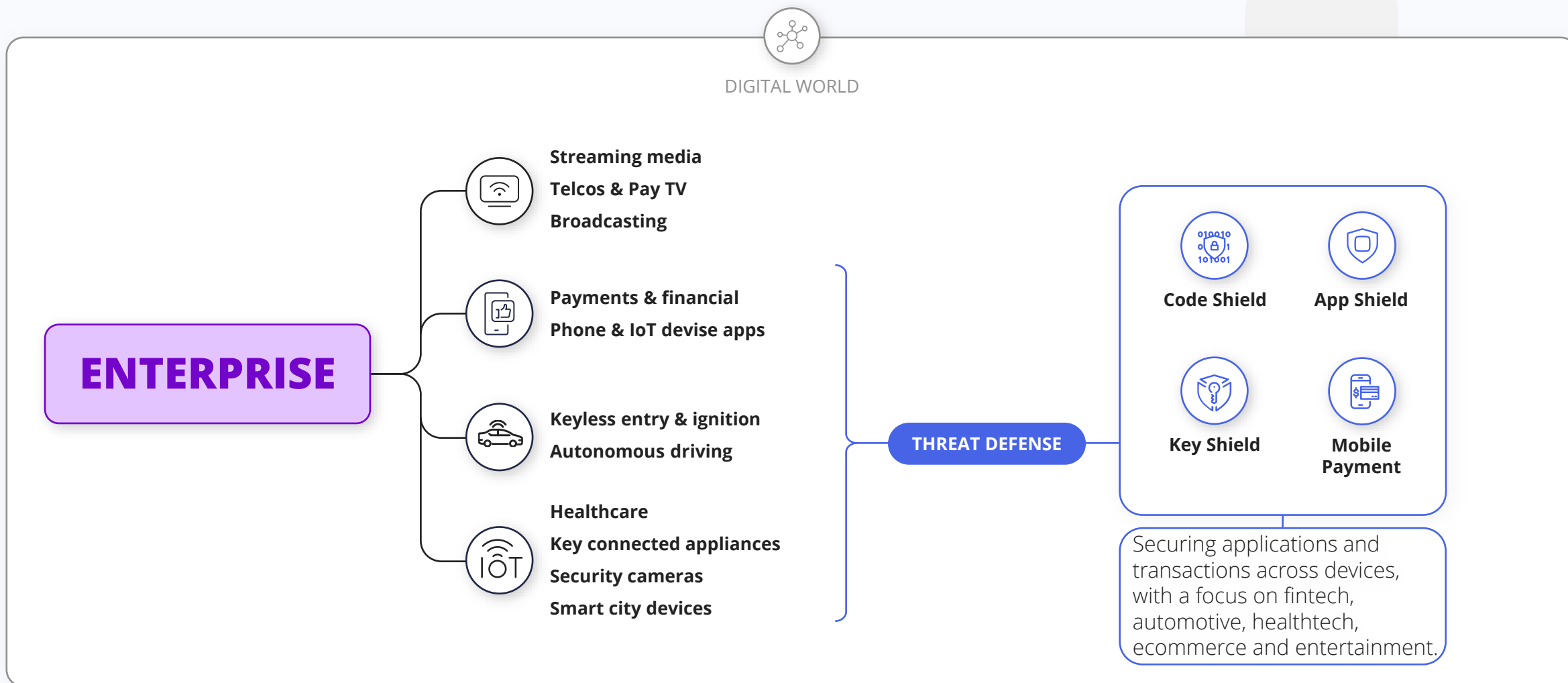
ANTI-PIRACY





Protecting Digital Applications and Connected Devices

THREAT DEFENSE



Wide spectrum of customers





Cybersecurity is the major concern

for C-suite executives

WEF, Global Risks Report 2022

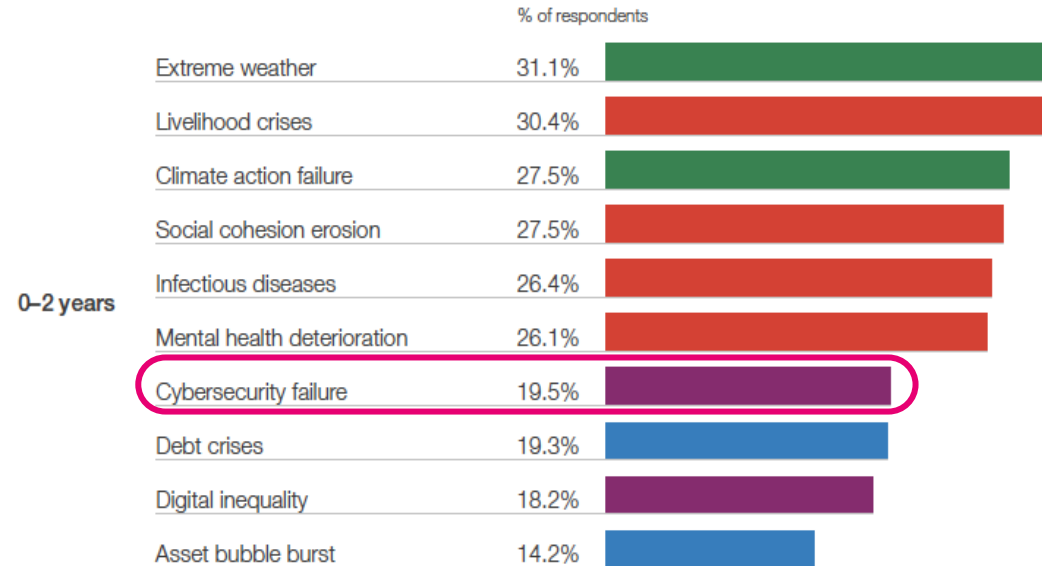


FIGURE II

Global Risks Horizon

When will risks become a critical threat to the world?










■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological



“ By 2025, up to **60%** of companies will use cybersecurity risk management as a primary determinant in conducting business transactions ” **Gartner 2022**

Verimatrix targets 2 growing submarkets

among the 9 tech categories* shaping the future of cybersecurity

	THREAT DEFENSE		ANTI PIRACY						
									
	Application Security	Cloud Security	Content & data Security	Identity Access	Infrastructure protection	Integrated Risk Management	Network Security Equipment	B2C Consumer software	Other Security software
	Securing the sprawling ecosystem of enterprise SaaS apps	Providing visibility into APIs to thwart malicious activity	Protecting the privacy of data shared with third parties or used in analysis	Managing access to multi-cloud environments and enforcing a least-privileged framework	Adding protections to corporate networks	Reducing vulnerabilities at the app development stage	Classifying, monitoring, and controlling access to an enterprise's most valuable asset: data	Reducing vulnerabilities at the app development stage	Developing cybersecurity processes and automating workflows
Market Size (M\$) 2021	3 738	841	3 505	13 919	23 903	5473	17 020	6 990	2527
YoY Growth 2021-2022	+12,2%	+41,2%	+17,5%	+15,6%	+16,8%	+12,6%	+8,9%	+7,4%	+9,6%
Trend 2023	+15%	+24%	+19%	+12%	+8%	+9%	+8%	+4%	+5%



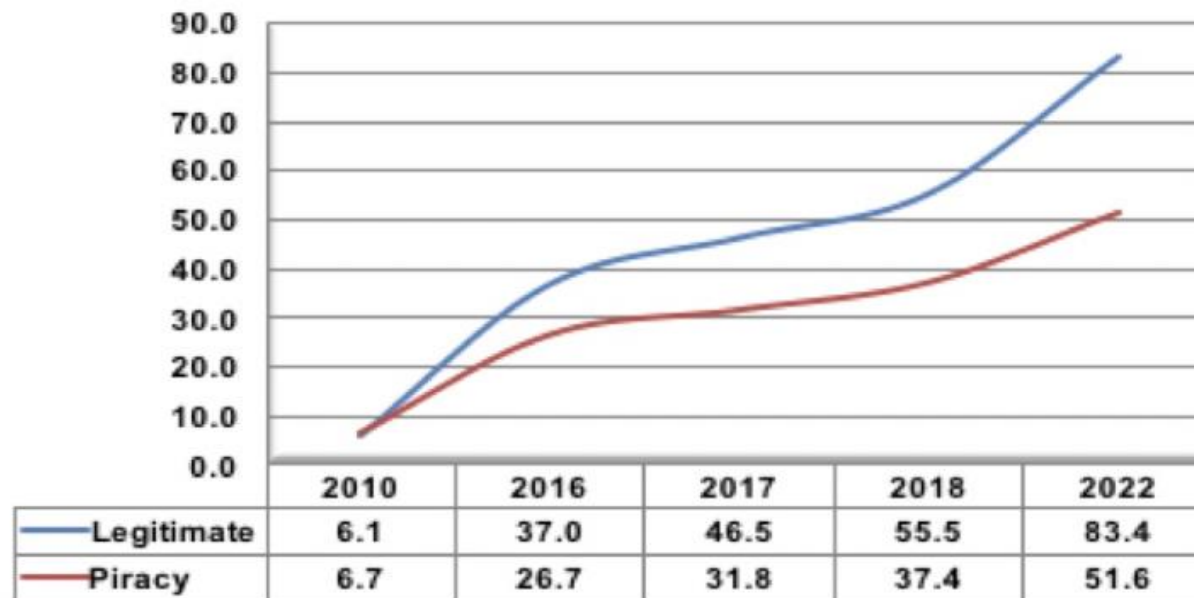
Our 2 business lines are supported by 2 market drivers

(1/2)

1

STREAMING SERVICES INCREASE THE LOST REVENUES FROM PIRACY

Legitimate online revenues versus piracy losses
(\$ billion)



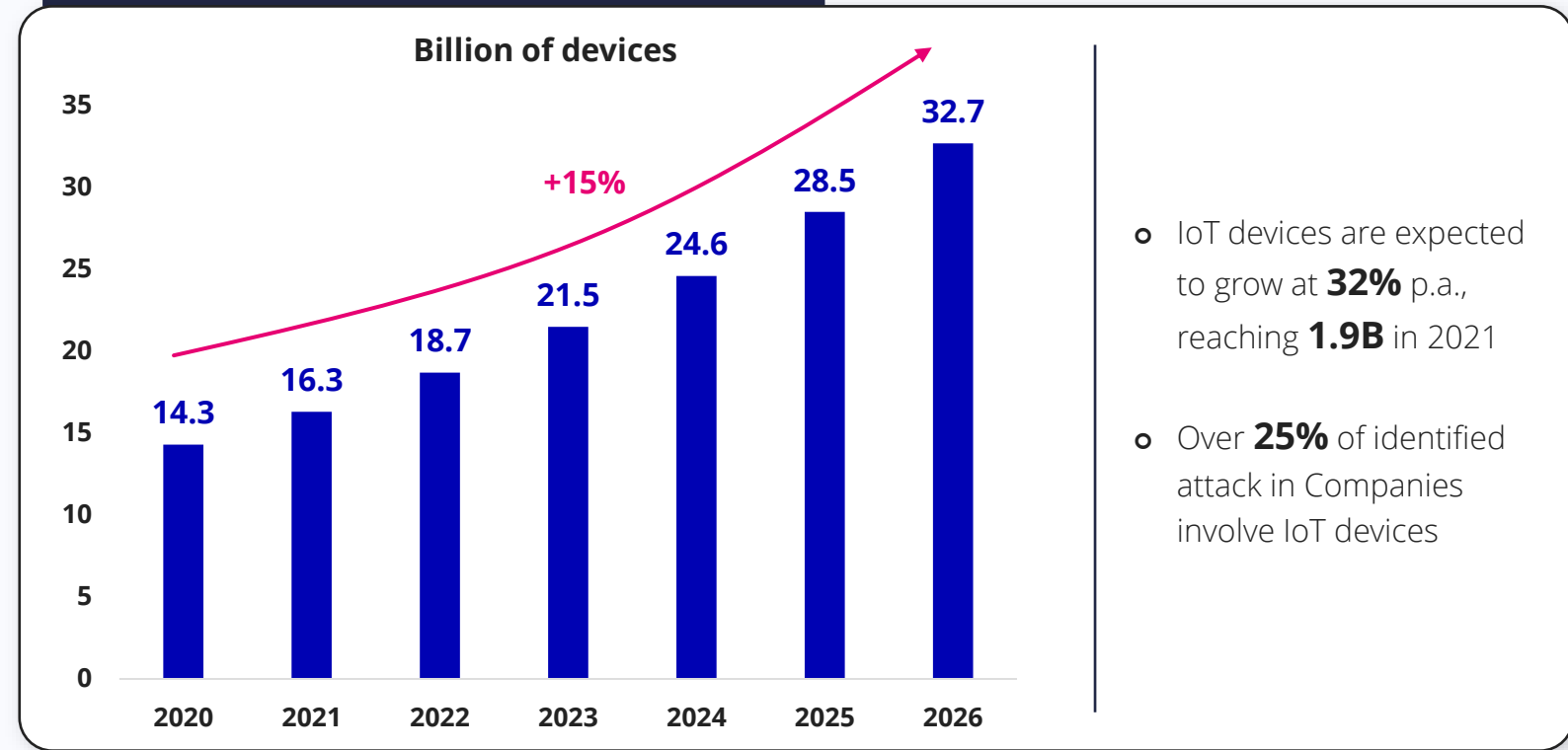


Our 2 business lines are supported by 2 market drivers

(2/2)

2

33 BILLION CONNECTED DEVICES
EXPECTED BY 2026 THROUGH 15% CAGR





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

Around \$100m of revenue by the end of 2025
Organic

More than 70% Recurring revenues by the end of 2025

EBITDA above **20%** in 2025



OFFER & TECHNOLOGIES

24 years of security leadership, 50+ awards

ANTI PIRACY



THREAT DEFENSE





The R&D teams is well recognized

for its strong expertise



128 FTE in R&D located in 3 expertise centers

(America, Europe, Asia)

- o **4 more members** hold a PhD in cryptographical Mathematics and Neurosciences.
- o **Developed and patented**, a cryptographic procedure to protect keys in the first smart card less DVB system.
- o **153 patents** granted.



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.

ANTI-PIRACY



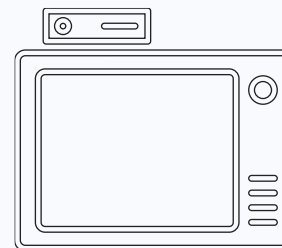
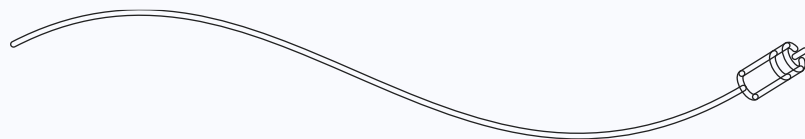


“We are living in
the golden age
of streaming”

“We are also living
in the golden age
of piracy”

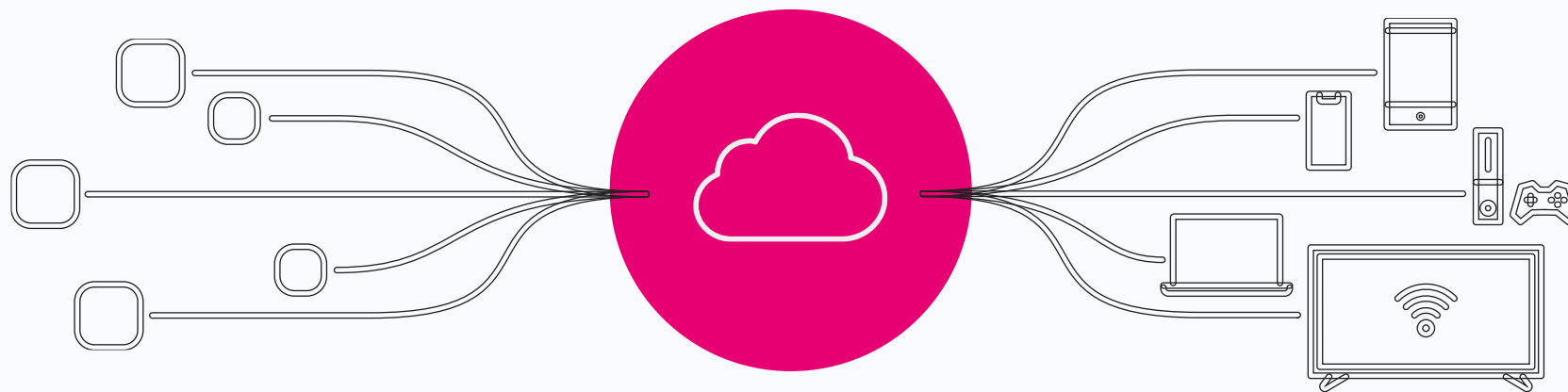
“Never before have we seen
such fast-growing scale and
sophistication of piracy”

Video consumption has evolved



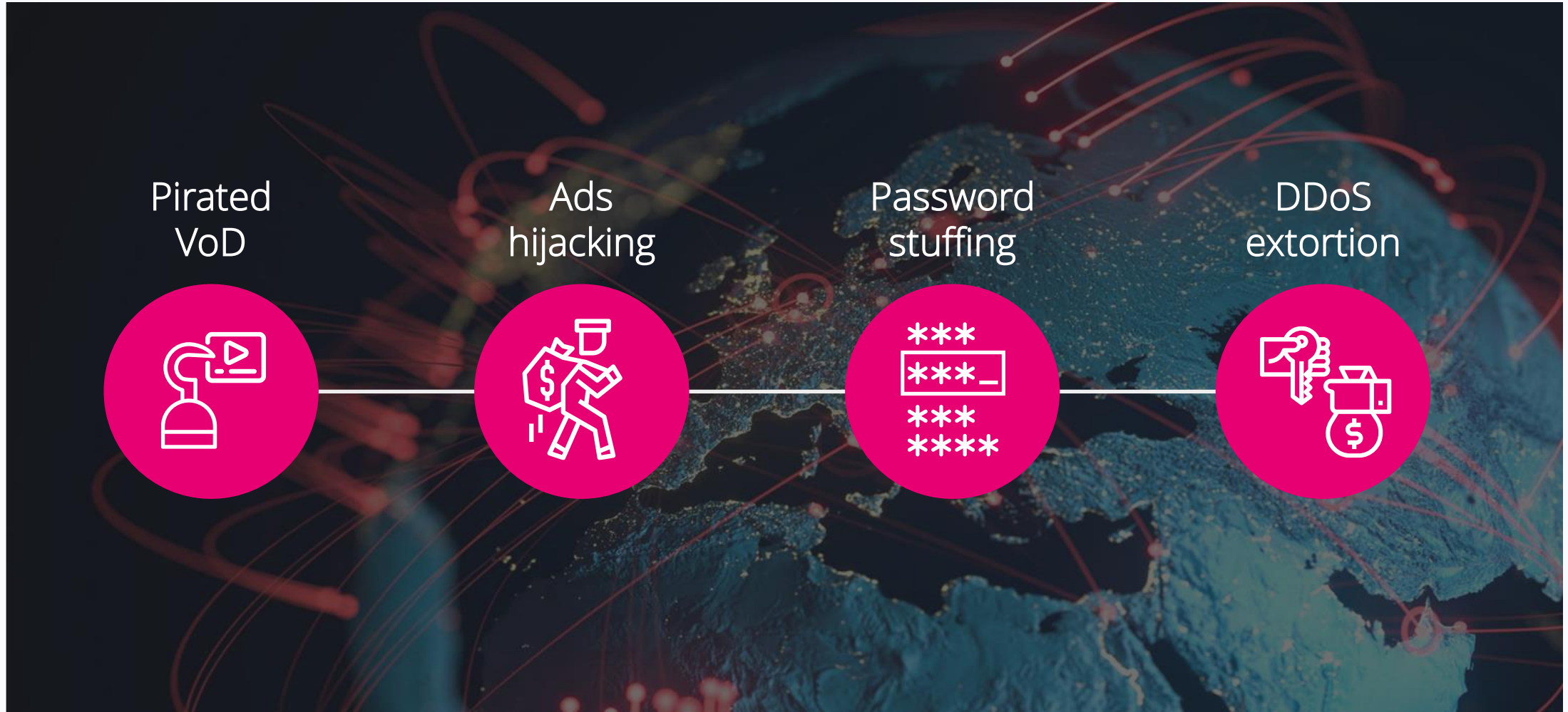
TRADITIONAL
Pay TV
MODEL

GLOBAL
OTT MARKET
\$73B
BY 2023*





Piracy & threats have also evolved





Video content is being pirated at scale

6-12%

of ALL video
distribution
traffic is pirated
content

according to
Caretta Research +

80%

of global online
piracy is attributed
to illegal streaming
services

according to the
Global Innovation Policy Center
^^

51%

of sports fans that
owns a service watch
pirate streams not
available by their
service

according to
Ampere. ++

^ <https://tinyurl.com/235cny3k>

^^ <https://www.theglobalipcenter.com/report/digital-video-piracy/>

+ Caretta Research, private report

++ <https://tinyurl.com/2m47fzsm>

Financial impact of piracy

~\$55B

Annual global movie industry's revenue losses from digital piracy

according to
Global Innovation Policy Center (GIPC) +

\$28.3B

Annual sports rights losses from digital piracy

according to
Ampere Analysis ++

20%

Revenue loss of video content publishers

according to
Streaming Media ^

+ <https://www.theglobalipcenter.com/report/digital-video-piracy/>

^ <https://tinyurl.com/bdfsmv9v>

++ <https://tinyurl.com/567hwk7s>



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



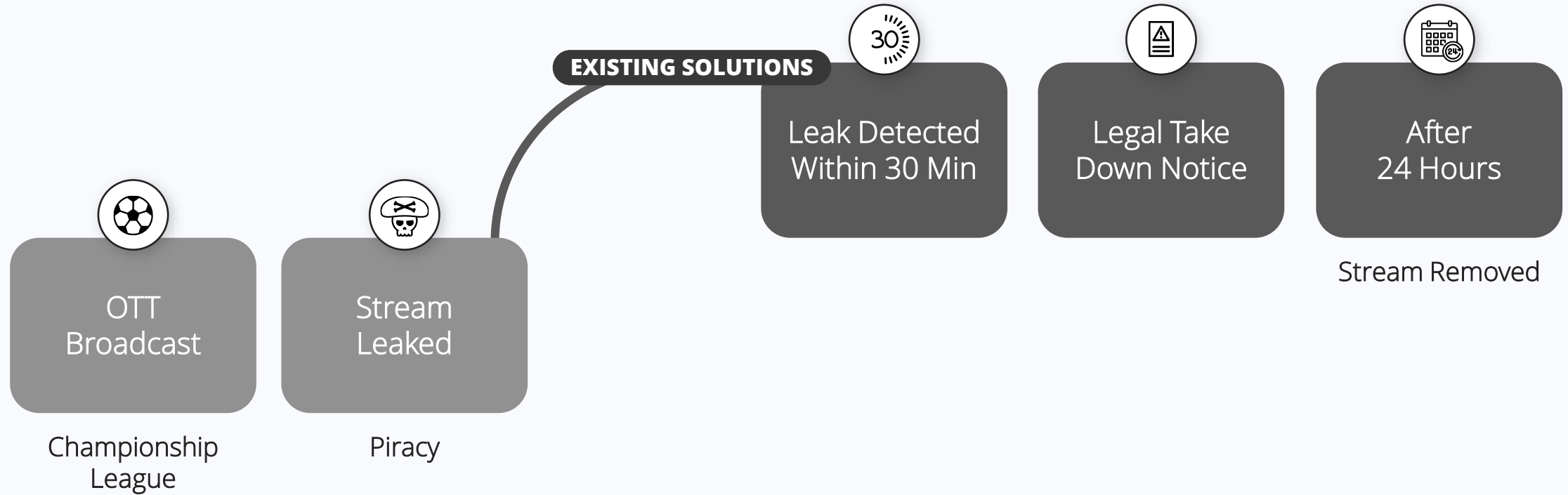
Watermarking



Anti-Piracy: What Others Do

pirate business model not fully disrupted

ANTI PIRACY

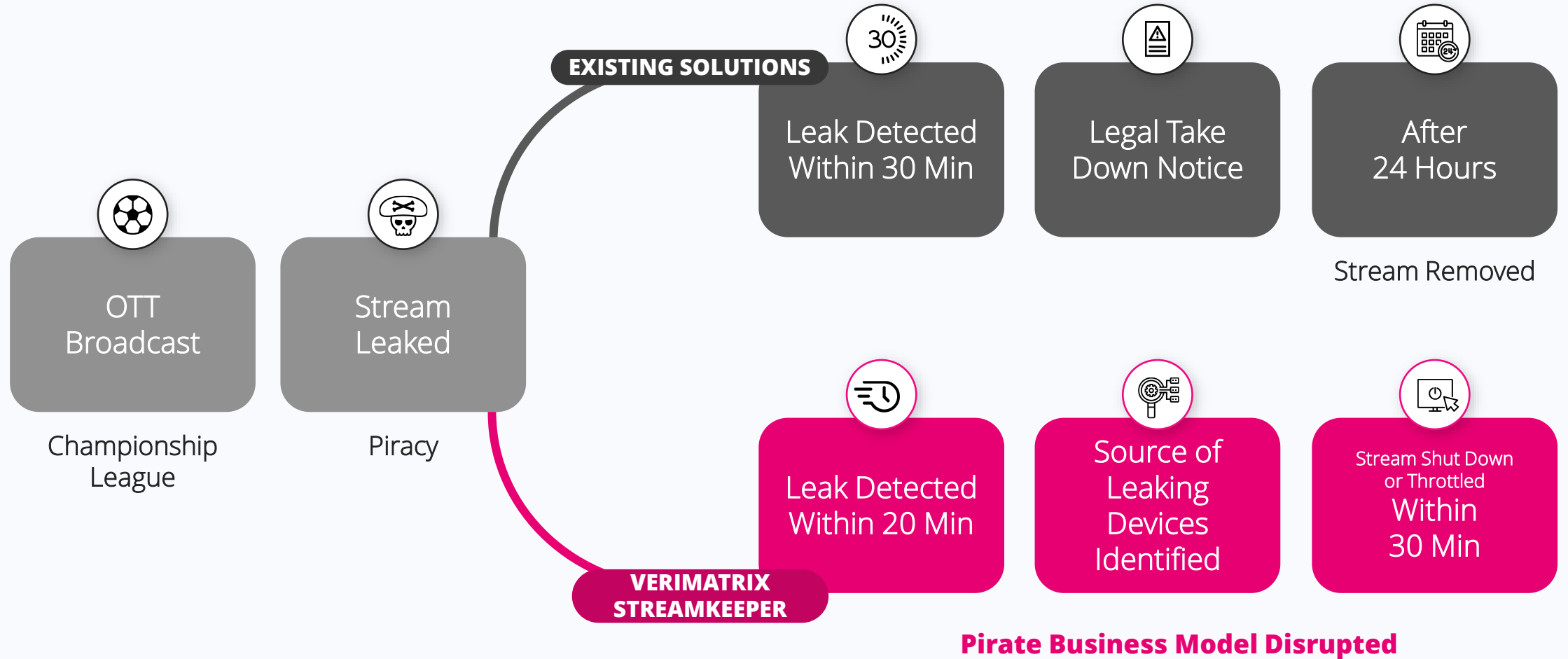




Anti-Piracy: Verimatrix vs. Others

Streamkeeper is a huge leap forward in stopping video piracy

ANTI PIRACY





Protecting Live Streaming Sports Revenue

with Verimatrix Streamkeeper DRM and Watermarking

ANTI-PIRACY



Pain Points

Traffic spike issues during live broadcasts
Currently **overprovisioning** and **overpaying**
Rising rates of piracy

Benefits

Cloud deployment and SaaS model
Scalability in the cloud for event-driven bursts
Lower monthly costs and **improved margins**
Piracy easier to **identify, contain & report**



Verimatrix Anti-Piracy Customers

ANTI PIRACY





THREAT DEFENSE



“Threat defense” is a response to boom in cyber attacks

THREAT DEFENSE

Solarwinds Attack



\$90M

Direct Damage

JBS Attack



\$11M

Ransom Paid

Colonial Pipeline Attack



15M

Barrels of Gasoline

Halted for 6 Days

T-mobile Attack



47M

Users'

Personal Data Exposed

2021

Explosion of Apps & Connected Devices

Has rapidly expanded the threat surface -- and increased risks to the enterprise

3X

CONNECTED DEVICES
THAN PEOPLE BY 2023

6M

APPS ON
GOOGLE PLAY &
APPLE APP STORE

















75%

OF ALL APPS & DEVICES
UNPROTECTED



Blindspot: Connected Apps & Unmanaged Devices

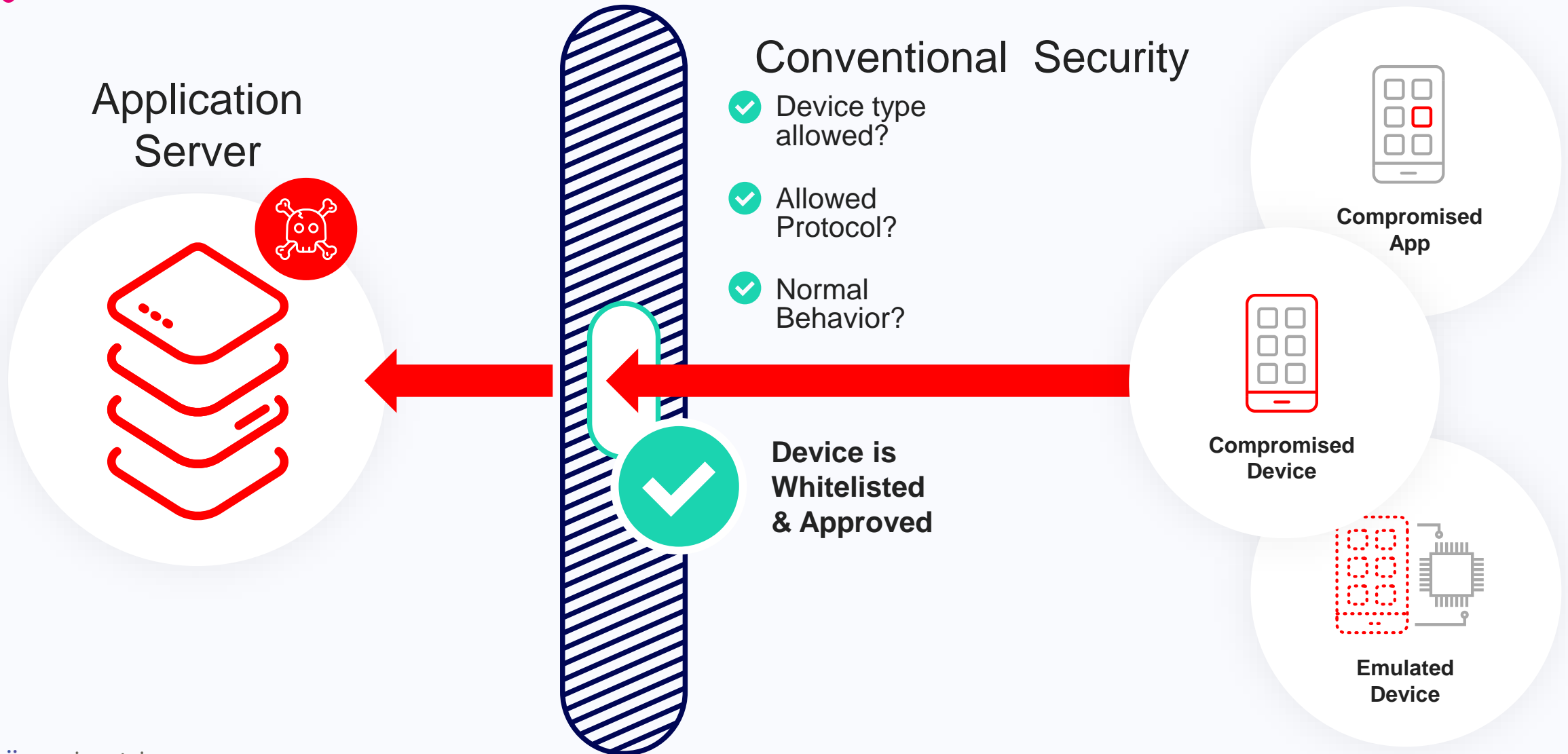
THREAT DEFENSE

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



Conventional Security Doesn't Always Work

















THREAT DEFENSE





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



Verimatrix Threat Defense Service



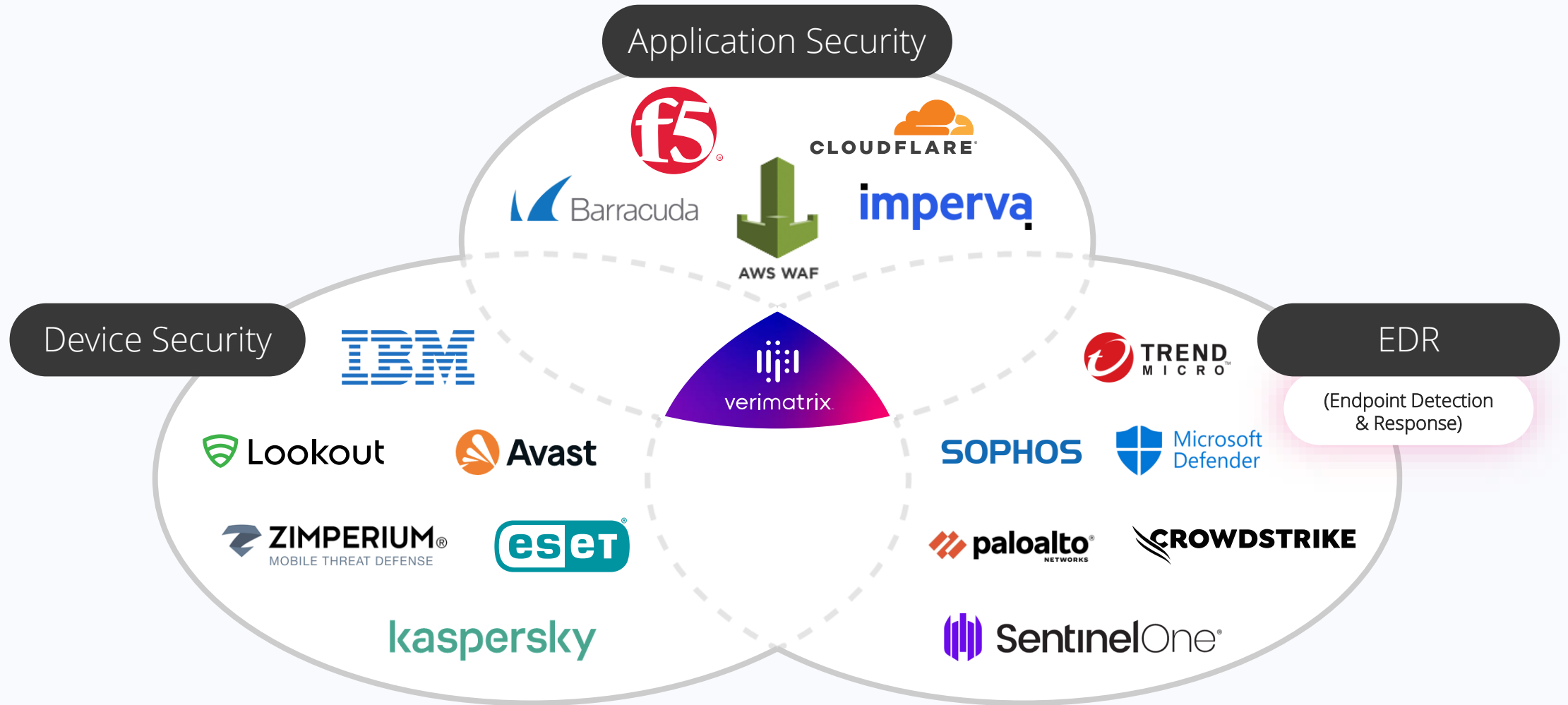
Protect your bottom line with cybersecurity countermeasures to stop the bad guys from hijacking your apps, APIs and devices.

- 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



A unique competitive positioning at the Intersection of 3 Critical Security Sectors

THREAT DEFENSE

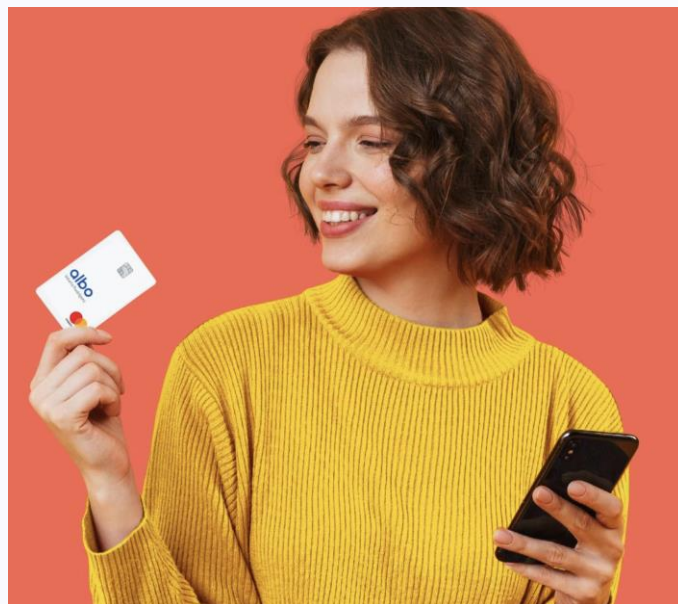




Protect Fintech Apps

with Verimatrix App Shield

THREAT DEFENSE



Pain Points

Expensive and time needed to **implement security across devices**

Multiple levels of security needed;
not one size fits all

Benefits

Reduce hackability of mobile applications

Speed up pen testing and overall time-to-market

Helped achieve **Mastercard approval**

Peace of mind knowing apps/SDK are secure



Secure Valuable IP

with Verimatrix Code Shield



SSIMWAVE, an **EMMY Award** winning video experience automation company based in Canada, looks to **reduce hacker attacks** against their platform to **protect** valuable intellectual property and code.

Pain Points

Online platforms are **prime targets** for hackers
Organizations cannot afford the **PR crisis** from data breaches, or theft of their valuable IP
Most app security is **difficult** and **costly** to manage

Benefits

No code changes **required**
Easily implemented within days
Includes obfuscation, environmental checks, jailbreak and root detection
Peace of mind knowing code is safeguarded from harm



Verimatrix XTD Customers

CHASE

VISA



ING

Santander

NAVY
FEDERAL
Credit Union

Banco del Pacífico

CR2

ZTBL
ZARAI TARAQIATI BANK LIMITED

nets

albo

SEGLAN

NAYAPAY

HST

aetna™

KARA
SMART FITNESS



MINISTRY OF HEALTH



ReCODE
health

FULLHEALTH
MEDICAL

HYUNDAI

JAGUAR



TOYOTA



swisscom

Dolby

EPSON

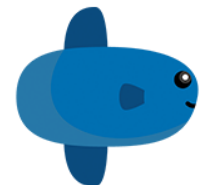
Deutsche
Telekom



htc

TOSHIBA

Paytm FIRST
GAMES



MOLA TV

DNP

cybertrust

smartech



Verimatrix Secure Delivery Platform

Anti-Piracy + Threat Defense in a single user interface

ANTI-PIRACY + THREAT DEFENSE





DEVELOPMENT STRATEGY



Our vision



Market challenges

12.5B\$ Lost Revenue
from Streaming Piracy

75% of Apps Are
Unprotected

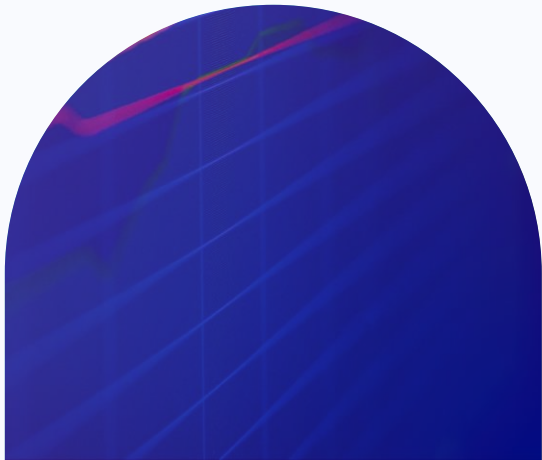
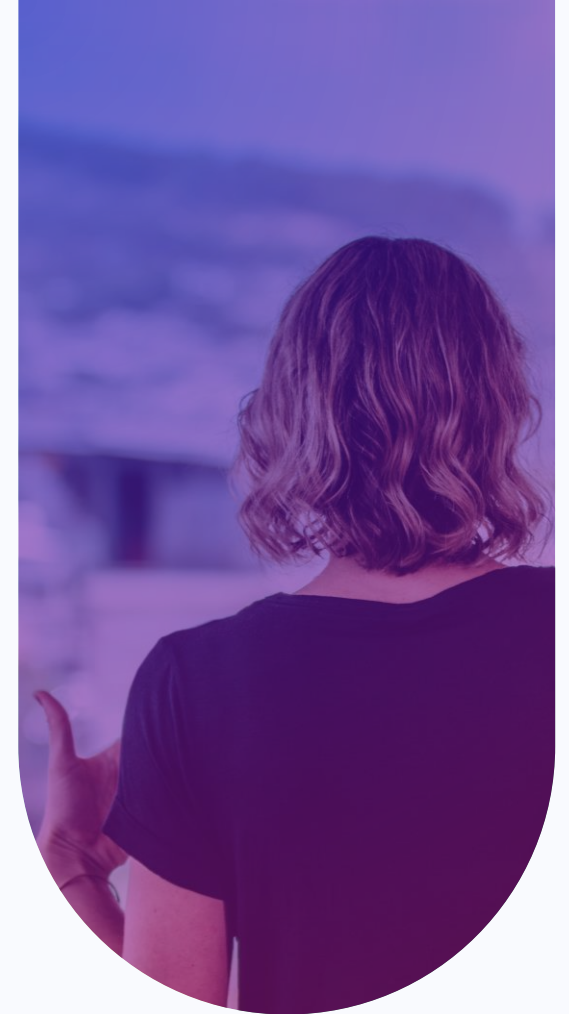
3x More Connected
Devices Than People

Verimatrix statement

Capitalize on video security
expertise whom usage is shifting
from TV to mobile device

Continue to secure and
enable the connected future :
content and devices

Offer an alternative that
is more practical and cost effective





Verimatrix strategy

deliver business growth and recurrent revenues



Key levers

Support market demand to **deliver business growth**

Gain market share on video conditional access
Grow in streaming and OTT segment



Expand our presence in verticals like bank, health and automotive

THREAT DEFENSE



Accelerate the transformation journey to **enable recurring revenue streams**

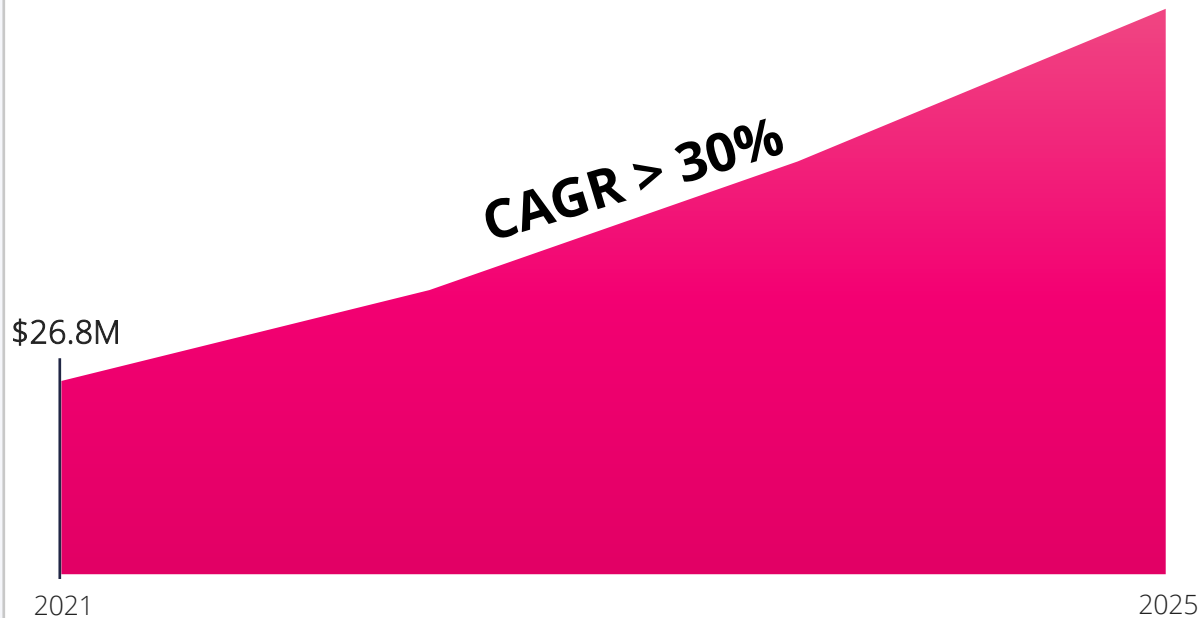
Push Streamkeeper (SaaS) to the market
Accelerate subscription and SaaS business model
Protect our Maintenance and Services revenue

Accelerating cloud shielding product sales to support SaaS and subscription revenue growth.

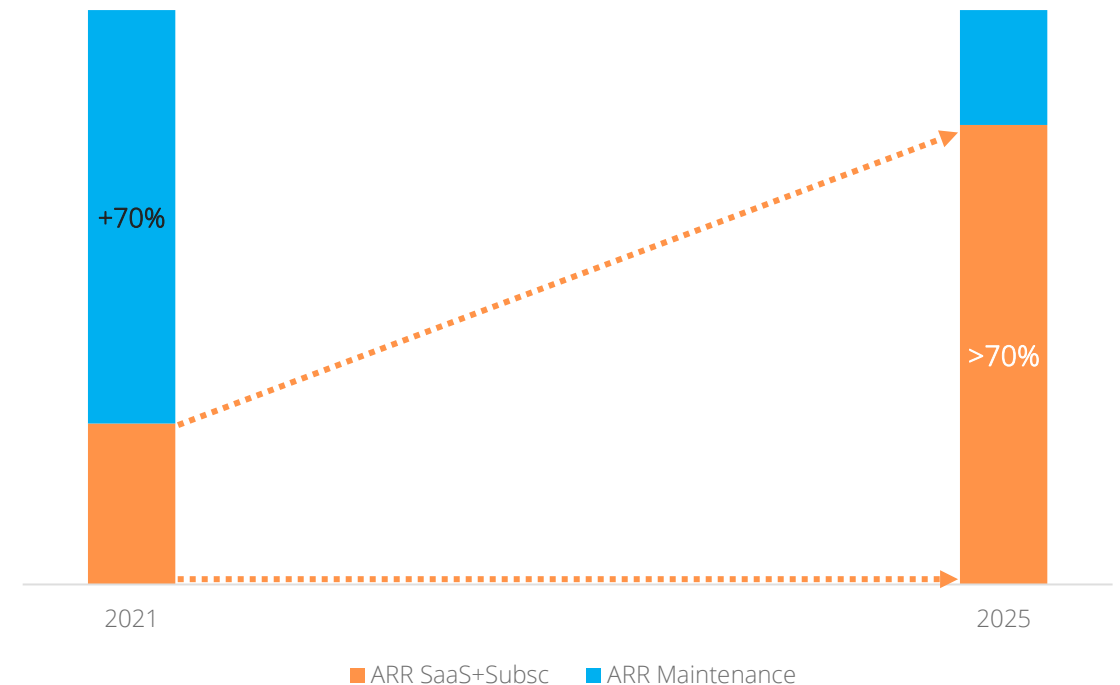


ARR will grow supported by SaaS and subscription business model

CAGR in ARR
expected above 30%



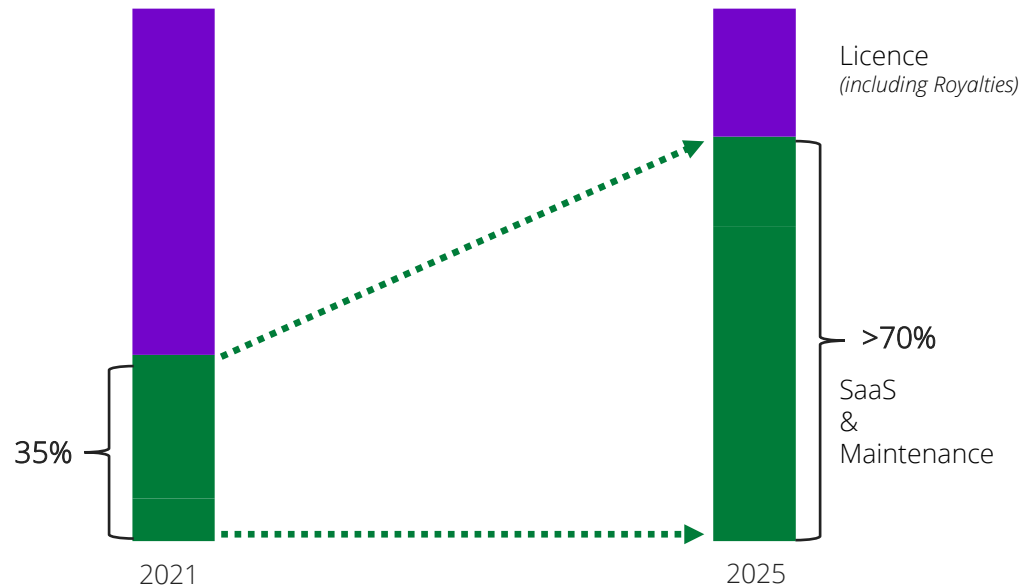
ARR breakdown
(percentage)



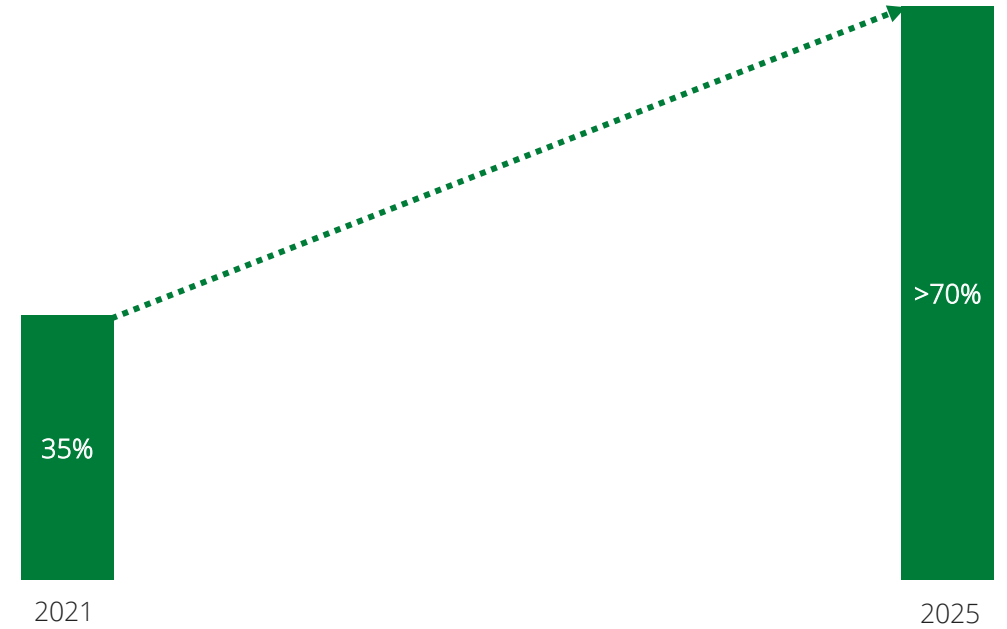


Business model transformation is accelerating

Split of revenues over the years
% of the annual revenues



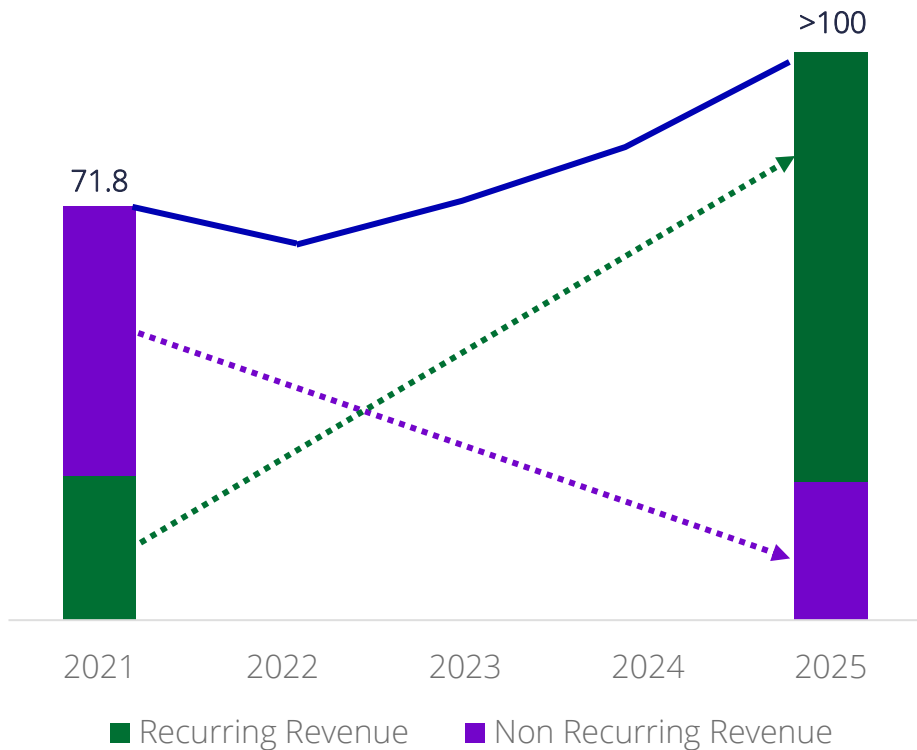
Total Recurring Revenue will increase over the years
And will represent more than 70% of total revenue by the end 2025



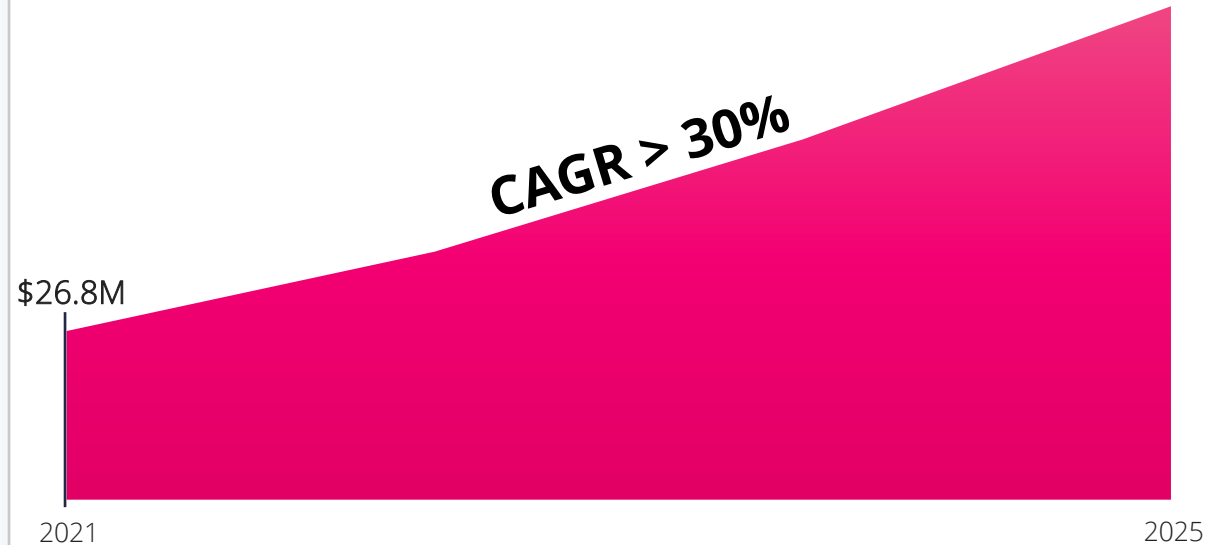


Revenue evolution regarding transformation journey

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.



Why invest in Verimatrix now ?

- **Verimatrix is a technology company well positioned** in the high demand cybersecurity market: **+15% market growth** in both segments generating company growth
- **With 25 years of innovation**, Verimatrix's two product lines are recognized as **leaders** in their market segment. They respond to the constant search for **security, simplicity** and **ease of implementation** for very demanding cybersecurity issues.
- **A transformation plan is accelerating** to move from a licensing business model to a SaaS model **generating additional profitable recurring revenues**.



Verimatrix in 2025

~100 M Revenue

~70 % Recurring Revenue

>20% EBITDA



● INVESTOR ● ● INFORMATION ●

Investor relations

CFO
finance@verimatrix.com

Media Contact
Matthew Zintel
communication@verimatrix.com

Financial Calendar
Q1 2022 Revenue: April 28, 2022 (after market)

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