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DRIVING TRUST

WEBINAR

PRESENTATION

STRATEGY PLAN 2022-2025

Amedeo D'Angelo, Chairman & CEO — Jean-François Labadie, CFO

March 2022

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)

Jean-François Labadie
CFO since Nov. 2021

20 years of Experience at Quadient *(formely 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

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Two leaders joining to become
a cybersecurity powerhouse

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 plateform launch

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

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

Inside Secure   Verimatrix

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Verimatrix's main assets

800+
Customers in 120 countries

320
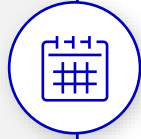Employees, 8 global offices

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

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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	

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The R&D teams is well recognized

for its strong expertise

128 FTE in R&D located in 3 expertise centers
(America, Europe, Asia)

- **4 more members** hold a PhD in cryptographical Mathematics and Neurosciences.

- **Developed and patented,** a cryptographic procedure to protect keys in the first smart card less DVB system.

- **153 patents** granted.

2 global business lines

protecting an unprotected digital world

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ANTI PIRACY

THREAT DEFENSE

PROTECT VALUABLE CONTENTS

Protecting content for Streaming Media
Pay TV, Telcos and Broadcasting

PROTECT APPS AND IOT

Extended threat defense software
from the devices to the enterprise

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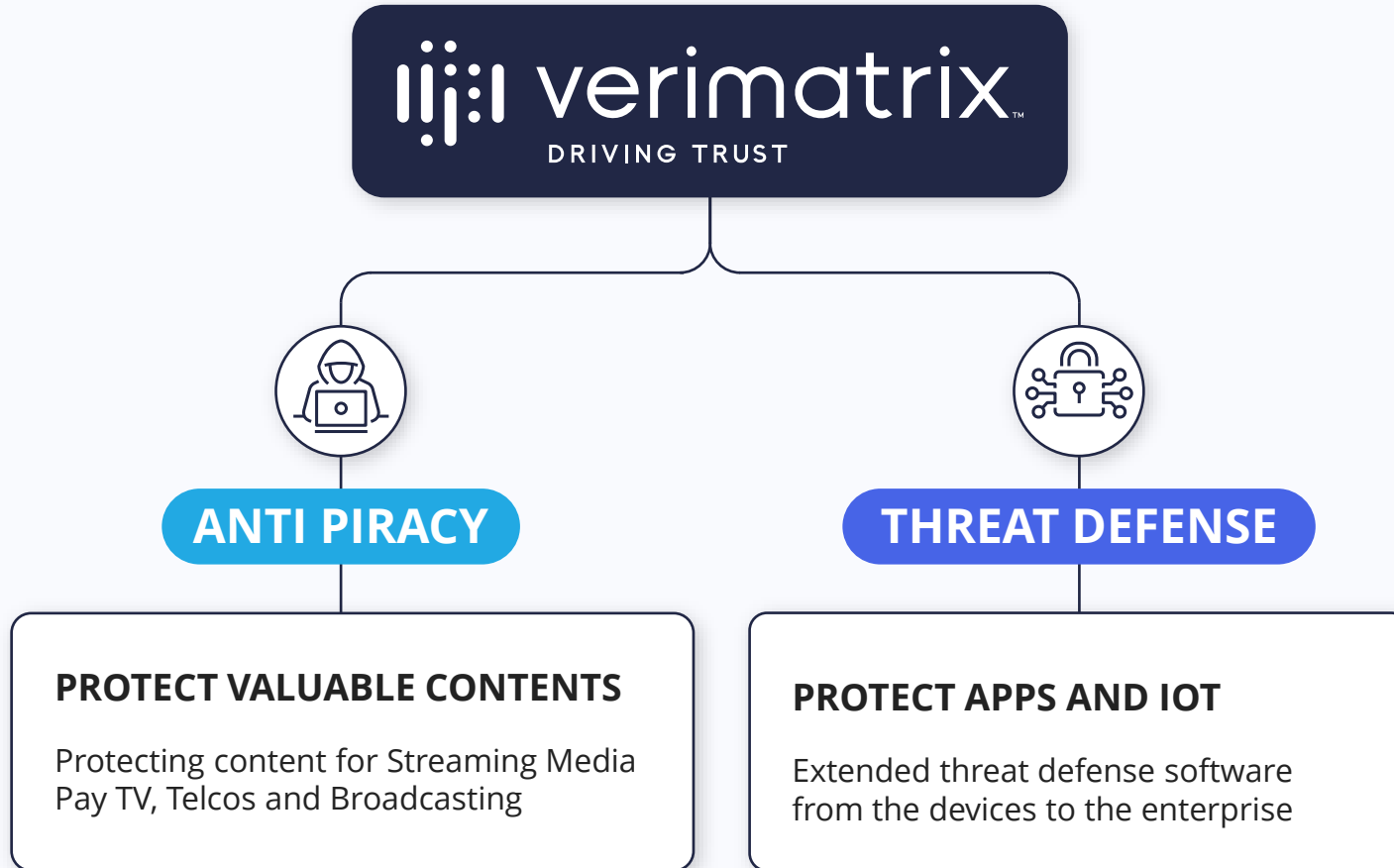
Wide spectrum of customers

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

% of respondents

Extreme weather	31.1%	
Livelihood crises	30.4%	
Climate action failure	27.5%	
Social cohesion erosion	27.5%	
Infectious diseases	26.4%	
Mental health deterioration	26.1%	
Cybersecurity failure	19.5%	
Debt crises	19.3%	
Digital inequality	18.2%	
Asset bubble burst	14.2%	

0–2 years
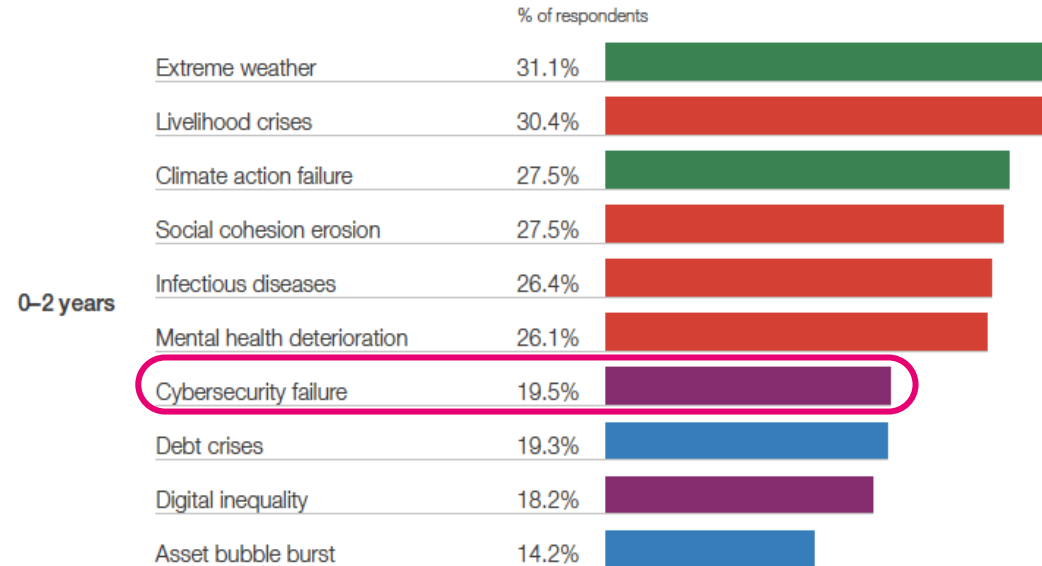
*By 2025, up to **60%** of companies will use cybersecurity risk management as a primary determinant in conducting business transactions* **Gartner 2022**

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Verimatrix targets 2 growing submarkets
among the 9 tech categories* shaping the future of cybersecurity

THREAT DEFENSE

ANTI PIRACY

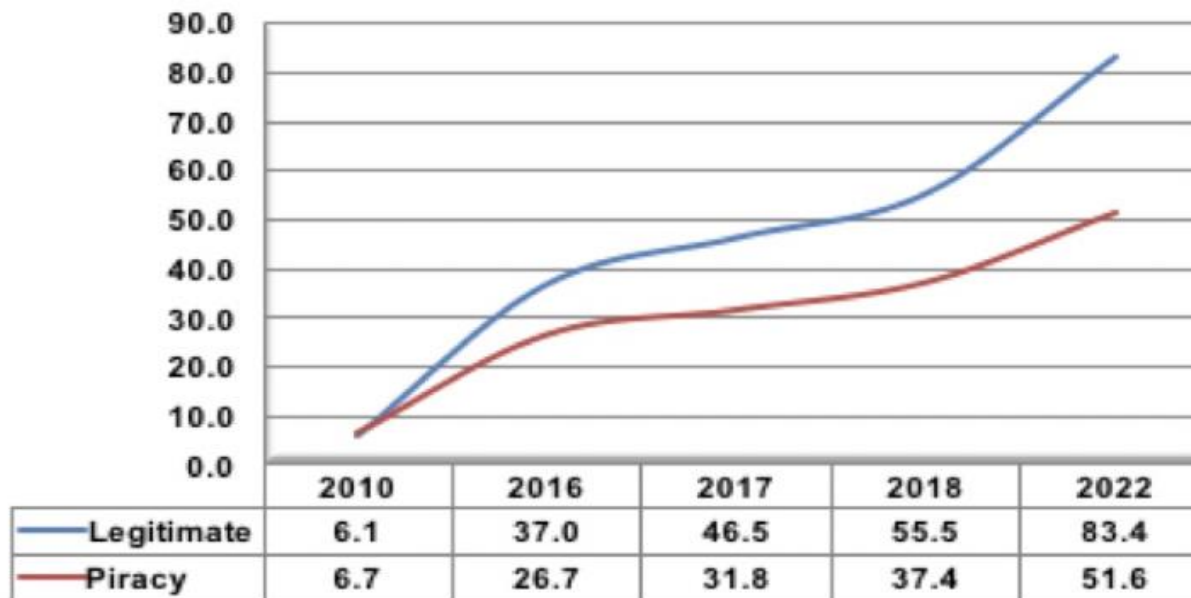|	Application Security	Cloud Security	Content & data Security	Identity Access	Infrastructure protection	Integrated Risk Management	Network Security Equipment	B2C Consumer software	Other Security software
	Securing the sprawling ecosystem of enterprise SaaS apps	Providing visibility into APIs to thwart 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%

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Our 2 business lines are supported by 2 market drivers

(1/2)

1

STREAMING SERVICES INCREASE THE LOST REVENUES FROM PIRACY

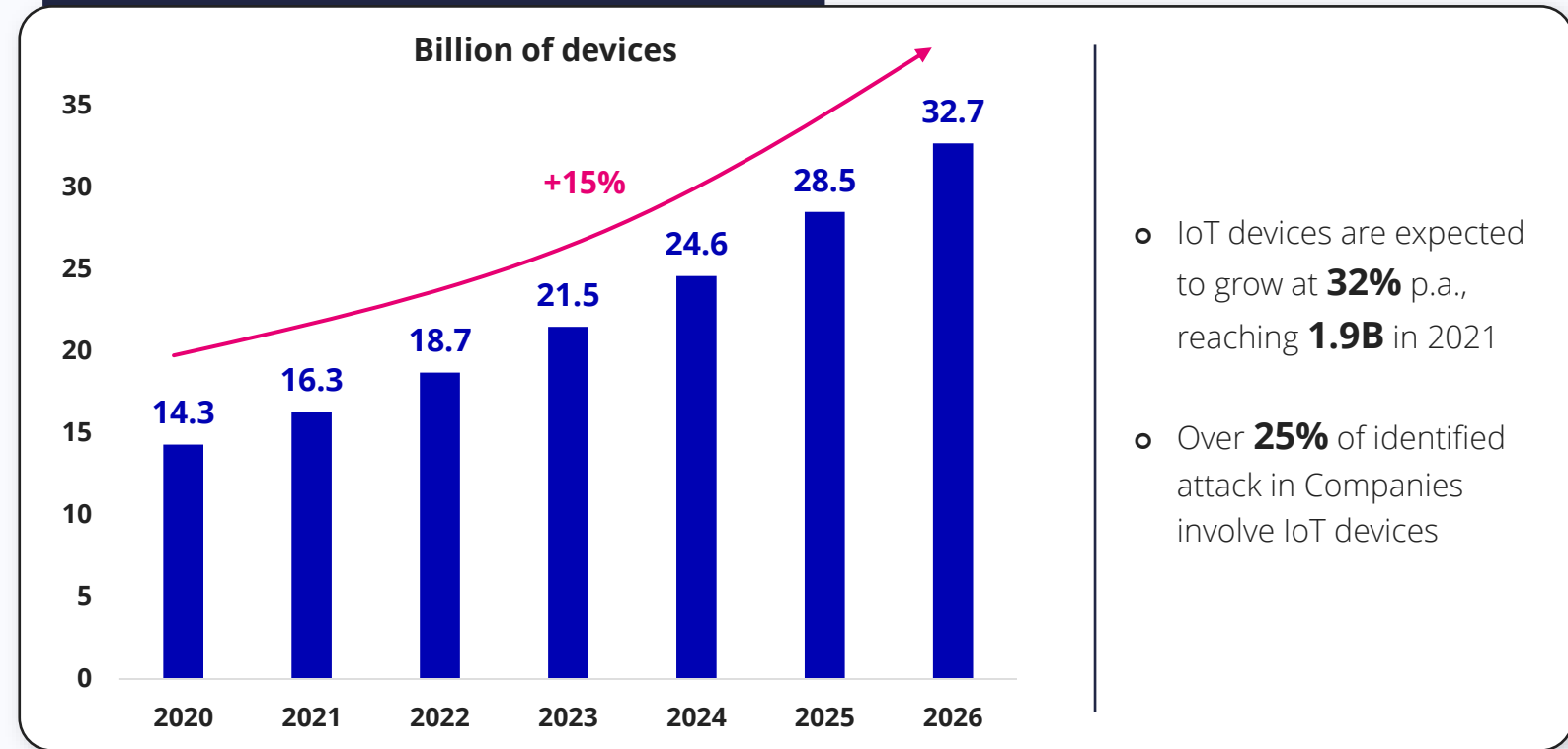### Legitimate online revenues versus piracy losses ($ billion)

	2010	2016	2017	2018	2022
Legitimate	6.1	37.0	46.5	55.5	83.4
Piracy	6.7	26.7	31.8	37.4	51.6

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Our 2 business lines are supported by 2 market drivers
(2/2)

2

33 BILLION CONNECTED DEVICES EXPECTED BY 2026 THROUGH 15% CAGR

Billion of devices

+15%

Year	Billion of devices
2020	14.3
2021	16.3
2022	18.7
2023	21.5
2024	24.6
2025	28.5
2026	32.7

- IoT devices are expected to grow at **32%** p.a., reaching **1.9B** in 2021

- Over **25%** of identified attack in Companies involve IoT devices

Note: operate on short-range wireless technologies (WiFi, NFC, Bluetooth, etc.)
Source: Ericsson Mobility Report

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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 entreprise's endpoints protection market

FINANCIAL TARGET

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

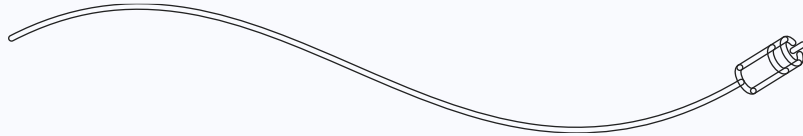**More than 70%** Recurring revenues by the end of 2025

EBITDA above **20%** in 2025

ANTI-PIRACY

Video consumption has evolved
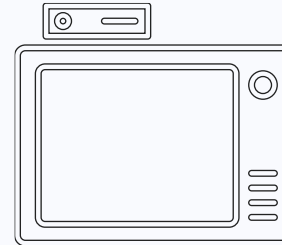
TRADITIONAL
Pay TV
MODEL

**GLOBAL
OTT MARKET**
$73B
BY 2023*

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*Source: PwC Global Entertainment & Media Outlook 2019-2023 report, 2023e

Piracy & threats have also evolved

Pirated VoD

Ads hijacking

Password stuffing

DDoS extortion

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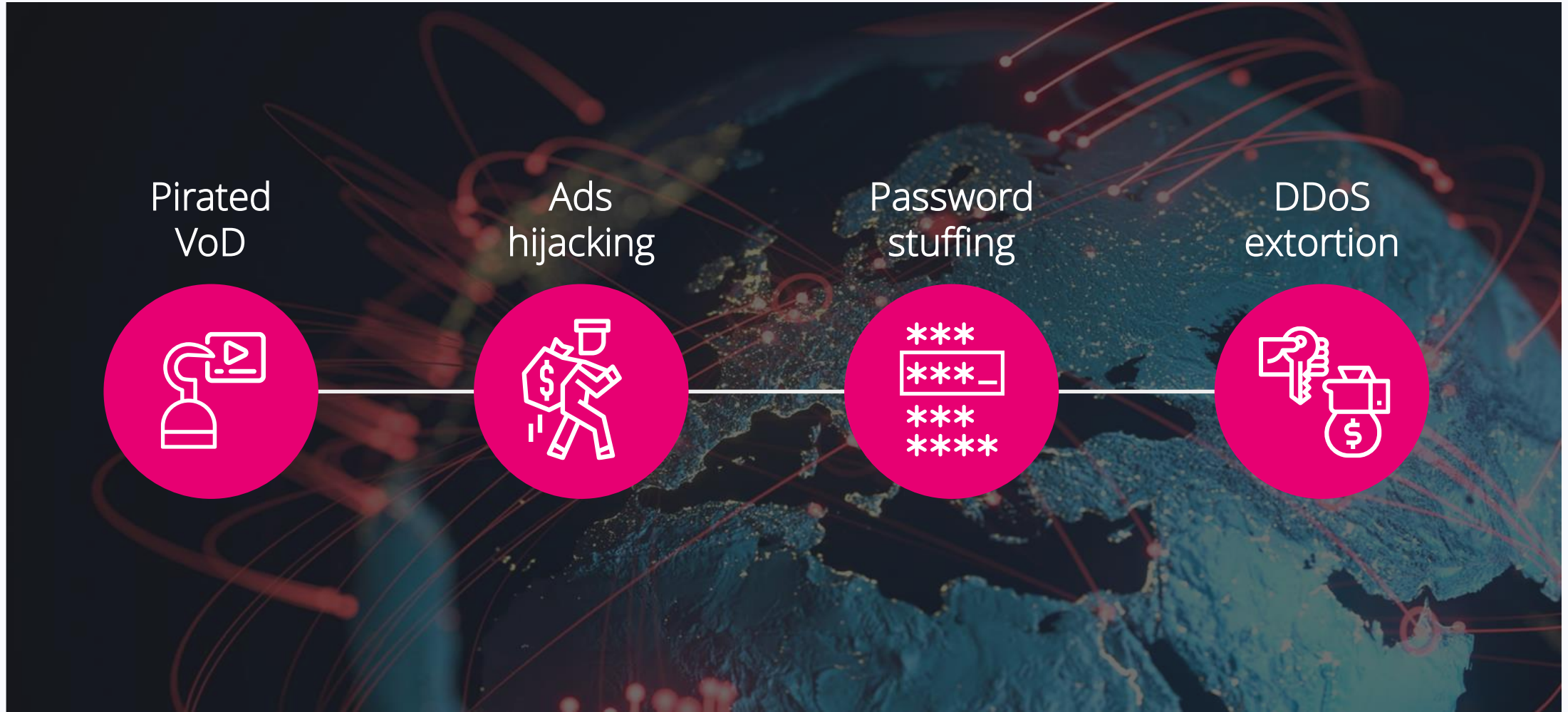
"Anti-Piracy" Portfolio

from Conditional Access product to cutting edge Streamkeeper solution

DIGITAL WORLD

ENTERPRISE

Streaming media
Telcos & Pay TV
Broadcasting

Payments & financial
Phone & IoT devise apps

Keyless entry & ignition
Autonomous driving

Healthcare
Key connected appliances
Security cameras
Smart city devices

ANTI-PIRACY

VCAS

Multi-DRM

Streamkeeper

Watermarking

HDCP/DTCP

Securing premium content across platforms and devices, with a focus on media & entertainment, telcos, broadcast, streaming services and digital innovation.

Streamkeeper

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

Multi-DRM

Counterspy Anti-Piracy
with
Edge Authenticator

App Telemetry Shutdown

Watermarking

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Protecting Live Streaming Sports Revenue
with Verimatrix Streamkeeper DRM and Watermarking

Mola.tv, a popular Indonesian OTT broadcaster, wanted to **safeguard** and **better monetize** live sports content licensed from around the world.

Looking for a highly scalable SaaS solution that would offer **ease of use** and the **ability to deliver secure** fan experiences to millions of simultaneous viewers on gameday.

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**

THREAT DEFENSE

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

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	(logo)	(logo)	✓	LG
Connected Apps	(logo)	(logo)	(logo)	XL

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Protecting Digital Applications and Connected Devices

DIGITAL WORLD

ENTERPRISE

Streaming media
Telcos & Pay TV
Broadcasting

Payments & financial
Phone & IoT devise apps

Keyless entry & ignition
Autonomous driving

Healthcare
Key connected appliances
Security cameras
Smart city devices

THREAT DEFENSE

Code Shield   **App Shield**

Key Shield   **Mobile Payment**

Securing applications and transactions across devices, with a focus on fintech, automotive, healthtech, ecommerce and entertainment.

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

Application Security

Device Security

EDR
(Endpoint Detection & Response)
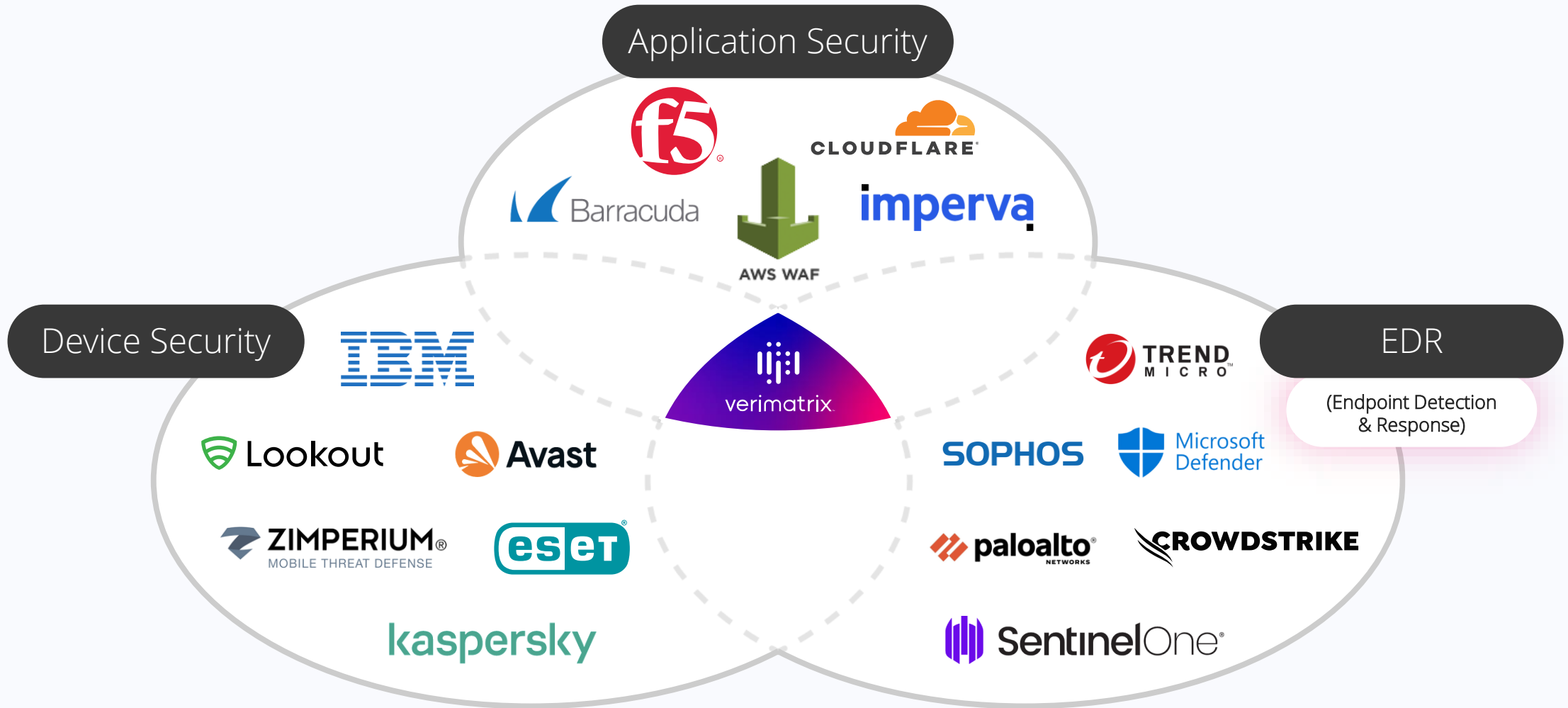
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Verimatrix Secure Delivery Platform

Anti-Piracy + Threat Defense in a single user interface

DEVELOPMENT STRATEGY

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Verimatrix strategy
deliver business growth and recurrent revenues

ANTI PIRACY

THREAT DEFENSE

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

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

Push Streamkeeper (SaaS) to the market
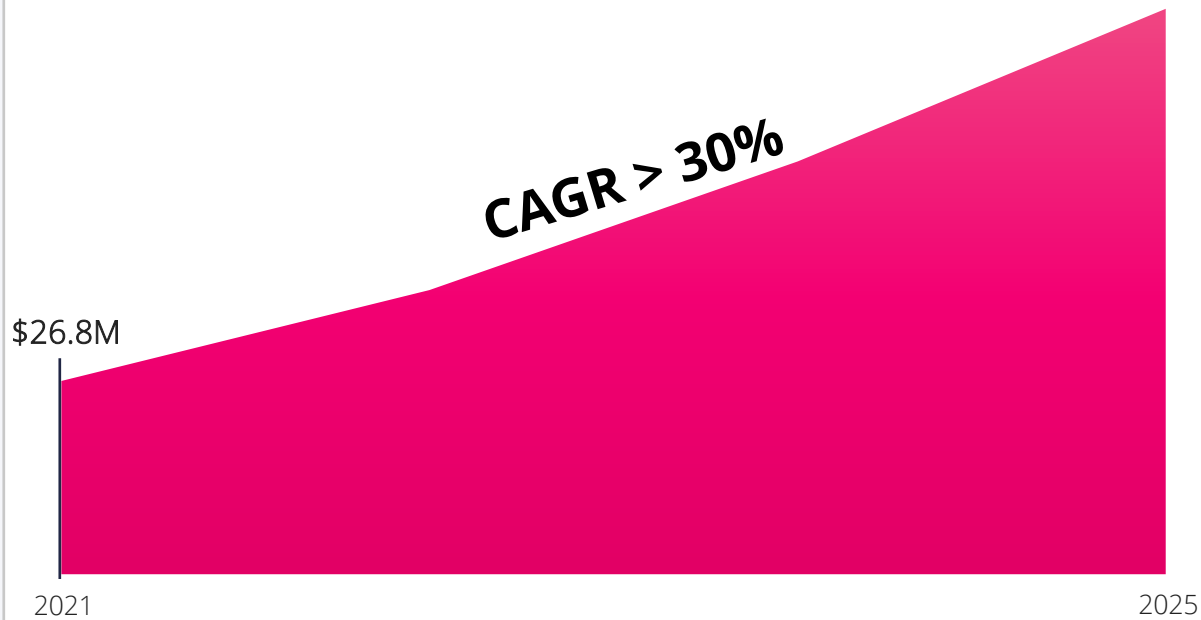
Accelerate subscription and SaaS business model

Protect our Maintenance and Services revenue

Accelerating cloud shielding product sales to support Saas and subscription revenue growth.
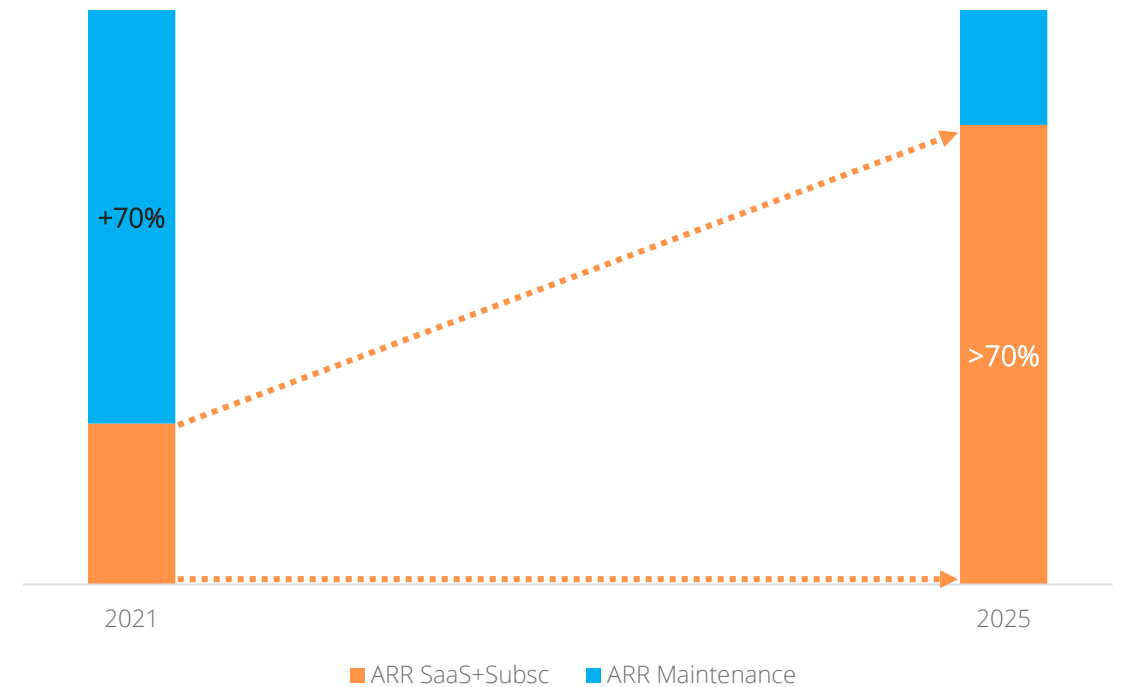
ARR will grow supported by SaaS and subscription business model
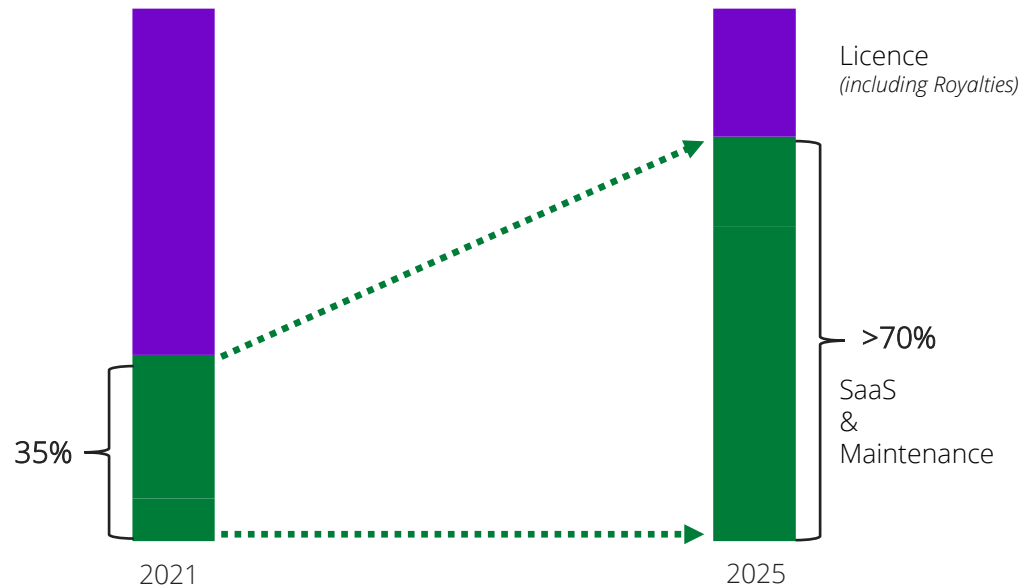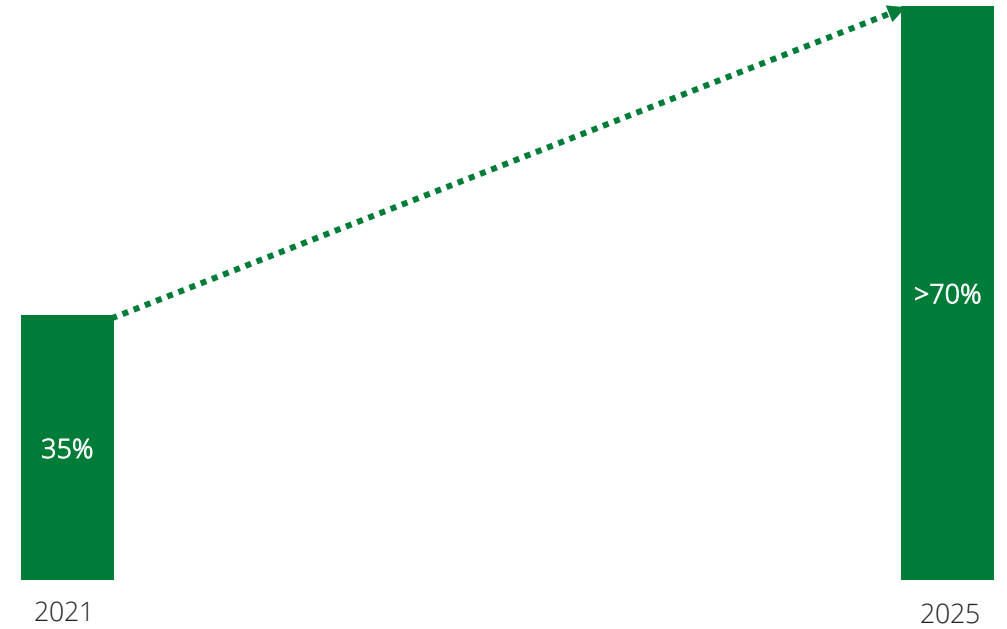

CAGR in ARR
expected above 30%

CAGR > 30%

$26.8M

2021

2025

ARR breakdown
(percentage)

+70%

>70%

2021

2025

■ ARR SaaS+Subsc ■ ARR Maintenance

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Business model transformation is accelerating

Licence
(including Royalties)

>70%

SaaS
&
Maintenance

35%

2021

2025

Total Recurring Revenue will increase over the years
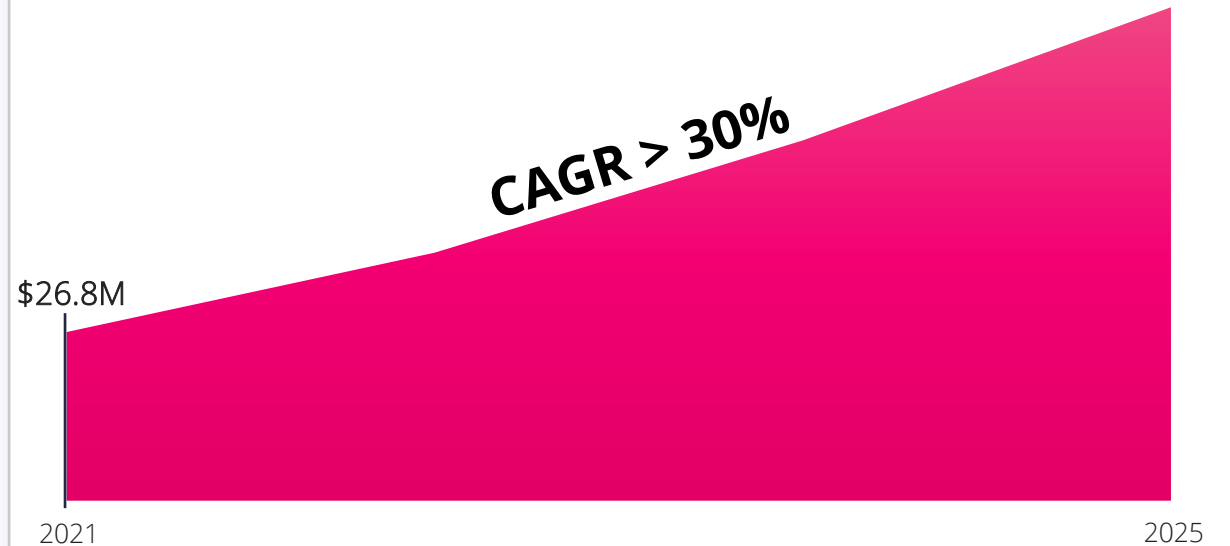And will represent more than70% of total revenue by the end 2025

35%

>70%

2021

2025

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Revenue evolution regarding transformation journey

Revenue evolution (Recurring / Non-Recurring)

71.8

>100

2021 2022 2023 2024 2025

■ Recurring Revenue   ■ Non Recurring Revenue

CAGR in ARR
expected above 30%

CAGR > 30%

$26.8M

2021

2025
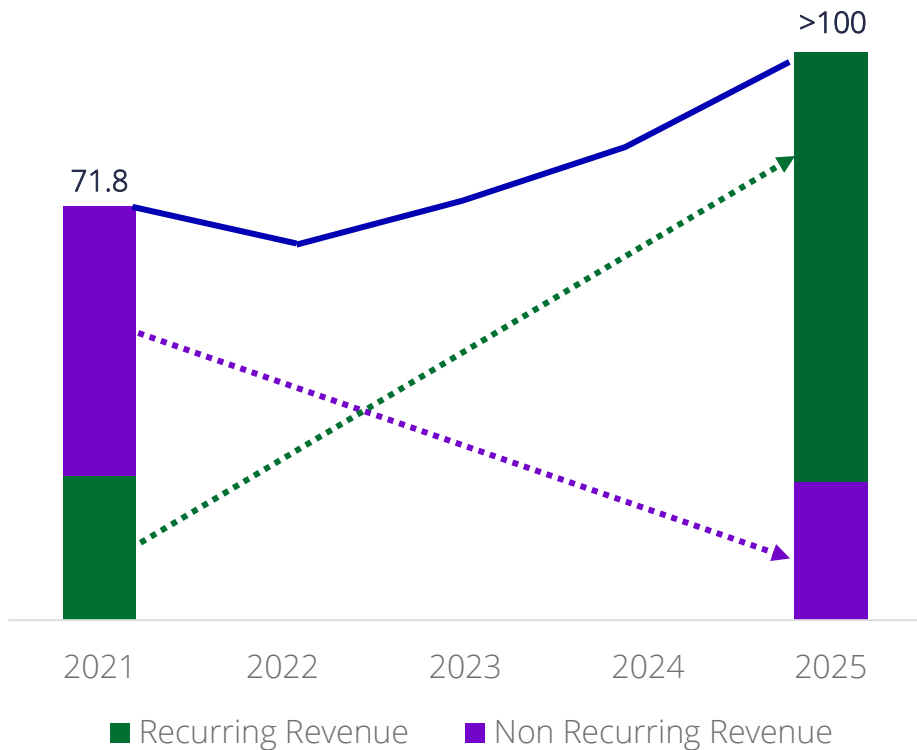
The change of the business model will deliver a sustainable and profitable growth.

Overtime the recurring revenue growth will offset the decrease of the non-recurring revenue.

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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

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FINANCIAL INFORMATION

Investor relations

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

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