

Q1 2023 turnover

- **Consolidated turnover: \$14 M (+10% over Q1 2022)**
- **Accelerated transformation of the Group to a SaaS model, supported by strong growth in subscription sales:**
 - Subscription turnover: \$3.2 M (+106.4%)
 - ARR¹ derived from subscriptions: \$12.2 M (+55.9%)
- **Stabilisation of non-recurring revenues associated with the sale of perpetual licences**

Aix-en-Provence, France and San Diego, United States, April 19, 2023 - VERIMATRIX (Euronext Paris: VMX) has reported its turnover for the first quarter of 2023, ended 31 March 2023.

“The figures from Q1 2023 reflect the very good orientation of the Group’s activities, rolled out in the strategic plan implemented in early 2022. The level of subscription-based software sales conveys an acceleration of VERIMATRIX’s transformation to a business model supported by recurring revenues. Above all, it reflects the strong mobilisation of all the Group’s teams and their full commitment to the strategic movement currently conducted. This encouraging start to the year reinforces us in our ambition of at least 40% growth in 2023 for our revenues from subscriptions, accompanied by annualized growth of recurring revenue from subscriptions of over 40%,” commented Amedeo d’Angelo, Executive Chairman of VERIMATRIX.

A turnover level supported by subscription sales

Over the quarter, VERIMATRIX recorded total turnover of \$14 million, up 10%, compared to \$12.7 million in Q1 2022. Turnover growth was driven by the strong increase in subscriptions, rising recurring revenues, and stabilising non-current revenues.

(\$ 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%

¹ Annual recurring revenue

² End of period

Thanks to the quality of the sales approaches currently undertaken, the recurring revenue generated from subscriptions increased by 106.4% to \$3.2 million in Q1 2023 versus \$1.6 million over the same

period in 2022. These figures show an encouraging trend and reinforce VERIMATRIX in its ambition of strong growth in its recurring revenue.

The revenue generated by maintenance stood at \$4.3 million in Q1 2023, versus \$4.6 million in Q1 2022 (-8.3%). This regular drop in turnover, anticipated by the Group and whose level is now controlled, results from the gradual conversion of one-time licence sales into recurring turnover.

In all, recurring revenue increased by 20.7% in Q1 2023, to \$7.5 million, versus \$6.2 million over the same period in 2022. In this quarter, they represent over half of total turnover, in line with the objective previously stated by VERIMATRIX of 70% by 2025.

The accelerated transition to the new revenue model is also reflected in the 55.9% growth in recurring annual revenue from subscriptions, brought to \$12.2 million as at 31 March of the financial year, versus \$11.1 million as at 31 December 2022 and \$7.8 million as at 31 March 2022.

Non-recurring revenue remained stable in Q1 2023 at \$6.5 million, benefiting from perpetual licence sales mainly from our historical telecom operator customers in Europe and Latin America.

Confirmation of annual growth targets

The implementation of the new strategic plan for 2025 is successful. Armed with the turnover growth and recurring annual revenue growth from subscription sales in the beginning of the year, the Group is looking to the coming quarters with confidence. Consequently, VERIMATRIX is reiterating its 2023 target of at least 40% growth of revenues associated with subscriptions, accompanied by growth in annualised recurring revenues from subscriptions of over 40%.

Financial timetable:

- H1 2023 results: July 24, 2023 (after market close)

About VERIMATRIX

VERIMATRIX (Euronext Paris : VMX) contributes to making today's connected world safer by offering security solutions designed for the user. VERIMATRIX protects content, applications and connected objects by offering intuitive, unconstrained, user-centric security. The world's leading companies rely on VERIMATRIX to protect their content, such as premium movies, streaming sports, sensitive financial and medical data, and business-critical mobile applications. VERIMATRIX enables the trusted relationships that its customers depend on to deliver quality content and service to millions of consumers around the world. VERIMATRIX works with its partners to accelerate their time to market, facilitate their growth, protect their revenues and win new customers. To learn more, visit the website : www.verimatrix.com.

Additional non-IFRS financial information

In this press release, VERIMATRIX uses financial aggregates and performance indicators which are not accounting metrics strictly defined by IFRS standards. They are defined in Appendix 2 of this press release. They must be considered supplemental information which is not a substitute for any operational and financial metric of a strictly accounting nature, as presented in the Company's consolidated Financial Statements, particularly in the profit and loss statement contained in Appendix 1 of this press release.

Forward-looking statements

This press release contains forward-looking statements concerning VERIMATRIX. VERIMATRIX considers that its forecasts are based on reasonable assumptions, but they do not represent guarantees of future performance. Consequently, the Company's actual performance may differ noticeably from that forecast in forward-looking statements due to a number of risks and uncertainties.

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