

Q1 2024 revenue

- Strong growth in subscription-based ARR¹: \$16.5m (+34%)
- Recurring revenue: 60% of total revenue, at \$8.5m (+14%)
 - Consolidated revenue: \$14.2m (+1% vs. Q1 2023)

Aix-en-Provence, France and San Diego, US, April 17 2024 — VERIMATRIX (Euronext Paris: VMX, FR0010291245), a leading provider of security solutions for a safer connected world, is publishing its revenue for the first quarter of the 2024 financial year ended 31 March.

“In line with 2023, the strategy implemented by VERIMATRIX in recent years is producing results. This strong start to the year confirms the outlook for recurring revenue growth over the full year. In first-quarter 2024, revenue growth was driven by a sharp increase in recurring revenue to \$8.5m, up 14% compared with the same period a year earlier, fuelled by a substantial 31% increase in subscription sales to \$4.2m. Recurring revenue now accounts for 60% of total revenue.” Amedeo D’Angelo, Executive Chairman of VERIMATRIX.

Amedeo D’Angelo, Executive Chairman, and Jean-François Labadie, Chief Financial Officer, will host a webcast today at 6.00 pm to present Q1 2024 revenue.

To join the webcast, click on the following link: [“Q1 2024 revenue”](#)

To join the webcast, audio only, call the following number.

France: +33 (0) 4 88 80 09 30

Phone Conference ID: 910 112 542#

○ Revenue driven by recurring revenue and subscription sales

(US\$ million)	Q1 2024	Q1 2023	Chg.
Recurring revenue	8.5	7.5	+14%
<i>of which subscriptions</i>	4.2	3.2	+31%
<i>of which maintenance</i>	4.3	4.2	+2%
Non-recurring revenue	5.7	6.5	-13%
Total revenue	14.2	14.0	+1%
ARR	32.3	28.7	+12.5%
<i>of which subscriptions</i>	16.5	12.3	+34%
<i>of which maintenance</i>	15.8	16.5	-4.2%

Recurring revenue

¹ ARR: annual recurring revenue.

Recurring revenue increased 14% in Q1 2024, to \$8.5m, versus \$7.5m in Q1 2023. Recurring revenue accounted for a full 60% of total revenue over the period. This proportion is constantly increasing and set to reach the target previously communicated by VERIMATRIX of 70% by 2025.

Recurring revenue generated from subscriptions continued to grow, up an impressive 31% to \$4.2m, compared with \$3.2m in Q1 2023.

Revenue generated by maintenance totalled \$4.3m in Q1 2024, versus \$4.2m in Q1 2023 (+2%).

Non-recurring revenue

Non-recurring revenue fell 13% to \$5.7m. Fee income related to set-top boxes continues to fall, while the sale of perpetual licences is holding up well, with a limited decline in Q1 2024 versus Q1 2023. It should be noted that business in Q1 2023 benefited from strong perpetual licence sales, mainly from long-standing telecom operator customers in Europe and Latin America.

ARR

Total ARR at 31 March 2024 stood at \$32.3m, up 12.5% compared with 31 March 2023 and \$31.2m at the end of 2023.

Consistent with VERIMATRIX guidance, Q1 2024 benefited from the signing of major contracts. Subscription-based ARR increased sharply, by 34% to \$16.5m, compared with \$12.3m at 31 March 2023, and by 11% compared with Q4 2023. Sales momentum was strong in the Latin American region, with the signing of a major new subscription contract with a long-standing Mexican customer in video protection (Anti-Piracy).

- **2024 outlook confirmed**

VERIMATRIX expects the Anti-Piracy business (Content video protection) to stabilise in 2024 as a result of two current trends: the continued decline in the broadcasting market, offset in part by growth in OTT, and the transformation of the sales model to a recurring revenue model. The Extended Threat Defense (XTD) business will continue to grow strongly, particularly in new market segments including banking and automotive. ARR from subscriptions is expected to grow by more than 20%. The company aims to continuously improve EBITDA through growth in recurring revenue in its two business activities and a controlled and primarily fixed expense structure.

Upcoming events:

Shareholders' Meeting: 13 June

Publication of H2 2024 revenue and results: 25 July 2024 (after market)

Verimatrix Contacts Investisseurs :

Jean-François Labadie
Chief Financial Officer
finance@verimatrix.com

SEITOSEI.ACTIFIN
Mathilde Guillemot-Costes
mathilde.guillemot@seitosei-actifin.com

Verimatrix Contacts Média:

USA

Matthew Zintel,

Public Relations

matthew.zintel@zintelpr.com

Europe

Lara Joseph, Eskenzi

Relations presse

lara@eskenzipr.com**Financial press**

SEITOSEI.ACTIFIN

Michael Scholze

Michael.scholze@seitosei-actifin.com**À propos de VERIMATRIX**

VERIMATRIX (Euronext Paris : VMX) contribue à rendre plus sûr le monde connecté d'aujourd'hui en offrant des solutions de sécurité pensées pour l'utilisateur. VERIMATRIX protège les contenus, les applications et les objets connectés en offrant une sécurité intuitive, sans contraintes et entièrement tournée vers l'utilisateur. Les plus grands acteurs du marché font confiance à VERIMATRIX pour assurer la protection de leurs contenus, tels que les films premium, le sport en streaming, les données financières et médicales sensibles ou encore les applications mobiles indispensables à leur activité. VERIMATRIX rend possible les relations de confiance dont dépendent ses clients pour offrir un contenu et un service de qualité à des millions de consommateurs dans le monde entier. VERIMATRIX accompagne ses partenaires pour leur permettre un accès plus rapide au marché, faciliter leur développement, protéger leurs revenus et conquérir de nouveaux clients. Pour en savoir plus, visitez le site www.verimatrix.com.

Forward-looking statements

This press release contains forward-looking statements concerning VERIMATRIX. VERIMATRIX feels 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.