Paris, 19 September 2022

PRESS RELEASE

POSITIVE H1 2022 EARNINGS:
SEMESTER OF TRANSITION IN A "WAIT-AND-SEE" CONTEXT

– HALF-YEAR REVENUES: **€8.1m**
EBITDA: **€3.8m**
EBIT: **€1.1m**
NET INCOME: **€1m**
NET CASH: **€6.4m**

– STREAMWIDE (FR0010528059 – ALSTW – eligible for French PEA-PME), the expert in critical communications software solutions, posted positive half-year results and an increase in gross cash of €1.3 million in the first half of 2022.

In the context of sustained investment, operating profitability is positive and at a satisfactory level. However, certain one-off increases in costs, notably personnel costs, have affected the profitability of the first half, which is slightly down compared to the first half of 2021. STREAMWIDE confirms its promising positioning and its solid financial structure, able of absorbing economic fluctuations, while maintaining a high level of profitability.

SUMMARY IFRS INCOME STATEMENT (**)

En k€	HY 2022	%CA	HY 2021	%CA	Var. (k€)	Var. (%)
Revenues "Platforms"	5 372	*66%*	5 396	*69%*	-24	0%
Revenues "Legacy"	2 773	*34%*	2 461	*31%*	+311	+13%
TOTAL REVENUES	**8 145**		**7 857**		**+287**	**+4%**
Payroll expenses	- 3 490	*42%*	-2 885	*37%*	-605	+21%
G&A and external expenses	-1 248	15%	-984	13%	-264	+27%
Other expenses / products	393	*-5%*	344	*-4%*	+49	+14%
TOTAL EXPENSES before amortisation	**-4 345**		**-3 525**		**-820**	**+23%**
EBITDA (*)	**3 800**	**47%**	**4 332**	**55%**	**-532**	**-12%**
Amortisation	-2 677		-2 079		-598	+29%
EBIT (*)	**1 123**	**14%**	**2 253**	**29%**	**-1 130**	**-50%**
Other ope. expenses / products	-		3		-3	
Financial expenses / products	309		98		+211	
Fiscal expenses / products	-392		-500		+108	
NET RESULT	**1 040**	**13%**	**1 854**	**24%**	**-814**	**-44%**

(*) EBITDA (EBIT before depreciation and amortisation) is the difference between operating income and operating expenses before depreciation, amortisation and impairment of non-current assets. EBIT includes depreciation, amortisation and impairment.

(**) The first half consolidated financial statements are currently being audited.

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POSITIVE RESULTS IN A CONTEXT OF SUSTAINED INVESTMENTS

- *EBITDA: €3.8m*

The increase in operating expenses in the first half of 2022 (+€0.8 million) is essentially due to an ongoing reorganization of the Group's teams, notably as a consequence of the departure of the Technical Director at the beginning of the year, and the return to "normal" commercial activity after confinement periods.

Thus, net payroll costs increased by €0.6 million during the period, of which €0.3 million in one-off costs related to arrivals and departures since January 1, 2022, which can therefore be considered as non-recurring for the next six months. Excluding this impact, payroll costs amounted to €3.2 million, an amount consistent with the level of activity recorded in the first half.

External expenses increased by €0.3 million due to significant recruitment fees (€0.15 million) and marketing & travel expenses up by €0.1 million compared with the first half of 2021, due to back to normal health conditions. Again, the level of recruitment costs is cyclical and should be lower in the second half of the year.

Excluding depreciation and amortisation and after IFRS 16 restatement of lease expenses (-€0.3 million compared to -€0.2 million in the first half of 2021), operating expenses amounted to €4.3 million versus €3.5 million in H1 2021. Before capitalisation of staff costs linked to product development (€2.7 million, up from €2.4 million at 30 June 2021), first half payroll came to €6.2 million, up €0.8 million after (i) the increase in headcount at 30 June 2022 (205 people) versus 30 June 2021 (200 people) (ii) the transition effects described above (+0.3 M€) and (iii) the raises granted at the end of 2021 (up €0.3 million).

- *EBIT: €1.1m*
- *Net income: €1m*

The increase in depreciation and amortization in the first half of 2022 (+€0.6 million) comes from those applied to development costs (€2 million compared with €1.6 million in the first half of 2021) and depreciation and amortization of leasehold rights, measured in accordance with IFRS 16. They should stabilize at their current level in the coming months.

As a new lease for the Group's Paris premises was signed in February 2022, the upward revaluation of the rental fee implies a higher amount of depreciation (€0.4 million) than previously recorded. In addition, renovation work on these same premises was undertaken in the first half of 2022 (total amount of €0.6 million).

After €
0.3 million of net financial income, following positive movements in the USD/EUR exchange rate during the period, and a net tax loss of €0.4 million impacted by the deferred tax liability on capitalised development costs, the Group reported net income of €1 million, a €0.8 million decrease compared to H1 2021.

CONTINUED INCREASE IN GROSS CASH AND EQUIVALENT CASH AND STRONG FINANCIAL STRUCTURE

The Group's financial structure in strong at 30 June 2022 with shareholders' equity reaching €19.6 million and a significant net cash balance of €6.4 million (excluding lease liabilities). The balance sheet total was €40.5 million, up from €34.3 million at 31 December 2021 (see appendix below).

This €6.2 million increase was mainly due to changes in intangible assets (net capitalised value of €0.9 million in H1 2022) and property, plant and equipment (lease assets down €2.2 million), the increase in trade receivables (up €2 million and the increase in gross cash (up €1.3 million). Conversely, the change in liabilities was due to the increase in shareholders' equity (up €1.1 million over the period), the increase in financial and lease liabilities (up €2.4 million), and deferred income (up €2.2 million).

Gross cash and cash equivalents increased by €1.3 million to €9.5 million at 30 June 2022. After financial (€3.1 million) and lease liabilities (IFRS 16) of €3.3 million, net cash and cash equivalents came to €3.1 million, versus €4.5 million at 31 December 2021. Following mainly the renewal of the Paris lease, leading to a revaluation of lease debt (up €2.2 million).

Positive Operating cash flow (€4.2 million) decrease lightly, mainly due to the change net profit for the first 6 months of the year and the change in working capital over the period (-€0.5 million linked to the increase in trade receivables), while recurring capital expenditure on product development remains high at €2.9 million (see appendix below). Note that the 2020 research tax credit receivable (€1 million) has been paid in April 2022, whereas the €1.1 million 2021 receivable will be paid before the end of the year. Finally, financing cash flow was positive at €2.4 million, following the change in financial debts (new loan of €0.5 million to finance the renovation of the Paris offices) and rental debts (up €2.4 million).

OUTLOOK: A YEAR OF TRANSITION AND GROWTH CATALYSTS

Second-half revenues are well on track. With growth expected to be close to that seen in the first half of 2022 (historically stronger base effect in the second half of the year), 2022 will therefore be profitable again, with margins still very strong, but slightly down on those seen in 2021.

The scale-up and operational deployment of the PCSTORM project continues. Over the coming months, Group revenue will shift away from licence and service revenue towards recurring maintenance revenue. The challenge for those involved in the project is now to operate Europe's, and probably the world's, largest MCx (critical communications) platform over the long term and keep it in working order.

In the evolution of other calls for tenders in France and Europe is manifold. Notifications are still pending in Italy and Spain, and ministerial decisions could be further delayed. In France, the RRF ("Réseau Radio du Futur") project was confirmed during the summer and will enable the technologies developed by the Group to establish themselves in the French critical communications market and accelerate the widespread adoption of next-generation critical communications solutions.

Other important growth drivers are also present, via the Group's commercial ecosystem, in many sectors and with many public and private players, across Europe, Southeast Asia and the United States. The proven resilience of the Group's technical, human and financial organisation places it in prime position to leverage upcoming growth in the communications and critical business market, while ensuring and enhancing the “end-to-end” quality of products, features and components (servers, mobile and web applications).

The Group does not anticipate any significant and structural negative impact of the political, geopolitical and economic events of the beginning of the year on its activity in the coming months.

The transition year 2022, characterized by modest revenue growth and a still solid profitability and financial structure, will thus enable the Group to optimize its organization to take full advantage of future profitable growth, the extent of which remains dependent on the economic situation and the pace of deployment of the various projects underway.

STREAMWIDE

Appendixes

Consolidated financial position at June 30, 2022 and December 31, 2021

En k€	30 June 2022	31 Dec. 2021
Intangible assets	13 324	12 452
Tangible assets	4 484	1 750
Other financial assets	436	495
Deferred tax assets	79	72
NON CURRENT ASSETS	**18 323**	**14 769**
Receivables	9 738	7 677
Other receivables	1 164	1 561
Other fiscal assets	1 764	2 114
Cash and cash equivalent	9 544	8 200
CURRENT ASSETS	**22 209**	**19 552**
TOTAL ASSETS	**40 532**	**34 321**
Capital	305	305
Paid in capital	9 819	9 819
Consolidated reserves	10 781	7 811
Self owned shares	-2 417	-3 556
Net result - Group share	1 040	4 097
Non controlling interests	-	-
TOTAL EQUITY	**19 528**	**18 476**
Financial liabilities	2 453	2 365
Lease debt	2 732	511
Non current provisions	464	403
Deferred financial revenues	1 691	1 636
Deferred tax liabilities	1 192	1 114
NON CURRENT LIABILITIES	**8 533**	**6 028**
Financial liabilities	663	426
Lease debt	600	441
Current provisions	-	1
Payables	785	1 075
Social and fiscal debts	3 688	3 340
Deferred fiscal products	846	818
Deferred revenues	5 889	3 715
CURRENT LIABILITIES	**12 471**	**9 817**
TOTAL EQUITIES AND LIABILITIES	**40 532**	**34 321**

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Consolidated cash flow HY 2022, FY 2021 and HY 2021

En k€	HY 2022	FY 2021	HY 2021
Consolidated net result	**1 040**	**4 097**	***1 854***
Capacity of self financing before cost of debt and taxes	3 672	8 938	*4 057*
- Variation of working capital	-528	1 647	*-1 942*
Net operating cash flow	**4 200**	**7 291**	***5 999***
Change in fixed assets	-6 224	-6 174	*-2 903*
Change in other cash flow linked to investment operations (CIR)	955	-	-
Net investing cash flow	**-5 269**	**-6 174**	***-2 903***
Net financing cash flow	**2 413**	**-2 453**	***174***
Cash variation	**1 344**	**-1 336**	**3 270**
Cash at end of the period	**9 544**	**8 200**	***12 806***

Next financial release: FY 2022 revenue, Monday 13 February 2023

About STREAMWIDE (Euronext Growth: ALSTW)

A major player for 20 years in the critical communications market, STREAMWIDE has successfully developed its **Team on mission** (mission critical) and **Team on the run** (business critical) software solutions for administrations and businesses.

These solutions for smartphones and PCs, offered in a SaaS model or on Premise, benefit from numerous functionalities such as the multimedia group discussions, VoIP, push-to-talk (MCPTT and MCx new generation 4G / 5G LTE), geolocation, digitization and automation of business processes. These innovative solutions meet the growing needs for digital transformation and real-time coordination of interventions. They allow field teams to transform individual contributions into collective successes and to act as one in the most demanding professional environments.

STREAMWIDE is also present on the Value-Added Services software market for telecom operators (visual voice messaging, billing and charging of calls in real time, interactive voice servers, applications and announcements) with more than 130 million end users all over the world.

Based in France and present in Europe, USA, Asia and Africa, STREAMWIDE is listed on Euronext Growth (Paris) – ALSTW FR0010528059.

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