



Alchimie announces its first half 2023 financial results

- H1 2023 revenues of €6.2 million, in line with the guidance
- Improvement of the gross margin rate to 61% vs. 56% as of June 2022
- Positive EBITDA achieved at the end of June 2023
- Cash position of €6.2 million at June 30, 2023

Paris, October 17, 2023 – 5:45 p.m. CEST – ALCHIMIE (FR0014000JX7 – ALCHI – PEA-PME eligible), a unique channel factory enabling brands, media and companies to create, design and animate their own themed video channels and stream their video content, today announces its consolidated half-year results to June 30, 2023.

Pauline Grimaldi d'Esdra, CEO of Alchimie, stated: "Our first-half results are in line with the targets we set ourselves at the beginning of the year. We are pursuing our diversification through the development of new growth drivers, notably with the recent launch of 42videobricks, a new SaaS solution that simplifies video streaming functionalities for businesses. In the second half of the year, we will be concentrating most of our resources on the commercial roll-out of these new SaaS offerings, which are now at the heart of our value proposal. Nevertheless, given the length of sales cycles and the still uncertain economic context, we are revising our 2023 revenues target to €11.3 million, and aiming for an EBITDA close to breakeven".

Consolidated income statement (IFRS)

<i>In thousands of euros</i>	06.30.2023	06.30.2022	Change in %
Revenues	6,214	12,506	(50.3%)
Cost of sales	(2,441)	(5,510)	(55.7%)
Gross margin	3,773	6,996	(46.6%)
Technology and development costs	(1,622)	(2,550)	(36.4%)
Marketing and sales expenses	(723)	(2,059)	(64.9%)
General and administrative expenses	(2,137)	(3,497)	(38.9%)
Operating income	(709)	(1,111)	(36.2%)
Financial result	3	(232)	
Consolidated net income	(845)	(1,343)	(37.1%)
EBITDA	325	502	
Cash position end of period	6,189	5,252	+17.8%

Business activity and first half 2023 results

As of June 30, 2023, the Group's consolidated half-year revenues (IFRS) amount to €6.2 million, down 50% compared with June 30, 2022. The majority of activity is generated by the historical subscriber bases in France and Germany. This downturn, following the company's strategic reorientation to begin marketing SaaS and VPaaS (Video Platform as a Service) offers, is in line with the announced trajectory. In France more specifically, the drop in subscriber numbers is explained by the termination of the contract with Orange in January 2023.

Cost of sales for the first half of 2023 fell sharply to €2.4 million from €5.5 million at June 30, 2022, as a result of the rationalization of content licensing costs implemented since 2022.

The gross margin rate is thus €3.8 million as of June 30, 2023, i.e. a gross margin rate of 61%, up 5 points compared with the corresponding period in 2022.

Operating expenses stand at €4.4 million, down sharply by 45%, due to the finalized restructuring of the Company and the decision to significantly reduce marketing expenses in order to adapt the cost structure.

Technical and development costs have thus been reduced by 36% and marketing and sales costs by 65% compared with the first half of 2022. General and administrative expenses have also been reduced by 39%, following the resizing of support functions to the needs of the Company.

All the measures taken have enabled Alchimie to achieve a positive EBITDA of €325k in the first half of 2023, compared with €502k a year earlier.

The financial result for the first half of 2023 amounts to a loss of €0.7 million compared with a loss of €1.1 million as of June 30, 2022, partly generated by the video business.

The consolidated net loss of the first half of 2023 is thus cut to €0.8 million vs. -1.3 million at the end of June 2022.

Financial situation of the Group

Consolidated shareholder's equity is negative and amounts to €2 million as of June 30, 2023, impacted by the loss for the first half of 2023 of €845k.

The cash position at the end of June 2023 stands at €6.2 million, a stable position compared with €6.4 million at December 31, 2022.

Highlights of the first half 2023: further diversification of the offering

During the first half of the year, Alchimie implemented its strategy of leveraging its Tech expertise by offering companies a variety of functionalities of its video streaming platform via two distinct offerings:

The SaaS (Software-as-a-Service) turnkey web TV offering, renamed **videowall**, offering companies the possibility of owning a tool that enhances the impact of their communication and image through a single video streaming platform. This is an all-in-one solution, benefiting from Alchimie's expertise (video storage, stream encoding, content editorialization, multi-terminal distribution, etc.), designed to meet the needs of all departments (Marketing, Sales, Communication, HR, CSR) or external stakeholders. Companies can thus distribute their content in a completely safe and secure way.

As announced in July, Alchimie launched an API-based offering of the technological building blocks of a VPaaS (Video Platform as a Service), called **42videobricks**, dedicated to businesses and professionals wishing to enhance their applications with video and streaming functionalities. This nimble solution enables developers or partners to free themselves from the technical complexities of integrating video

streaming functionalities into their environment without additional investment in new dedicated infrastructures or software licenses. This technological platform is primarily aimed at e-commerce players, franchise chains, commercial, institutional or HR communication professionals, as well as integrator partners looking for a video streaming solution for their customers.

These two offers cover all corporate video needs, and also provide access to several hundred hours of video content from the Alchimie catalog.

Strategy and outlook 2023

In the second half of 2023, Alchimie will deploy its new offerings with the aim of further monetizing its technical assets. The Company intends to accelerate the commercialization of the 42videobricks platform in order to achieve first significant results in 2024.

The Company continues to strengthen its sales teams to sell its SaaS and VPaaS solutions across Europe, particularly in France, Spain and Germany. In addition, Alchimie is investing in several communication campaigns to raise awareness of its offerings and boost their launch.

After taking these factors into account, the Company is setting its targets for the end of 2023 with revenues of €11.3 million, compared with the initial €12 million, and EBITDA close to breakeven. In terms of financial resources, Alchimie does not plan to call on the market given its cash position at June 30, 2023. At the end of 2023, the cash position is expected to be close to 5 million euros.

Stéphane Taillefer, Chief Financial Officer, will leave the Company on November 1st. The Board of Directors would like to thank Stéphane for his investment throughout his assignment, and is currently evaluating options for continuity and replacement. In the meantime, the finance function will be taken over by Pauline Grimaldi d'Esdra, CEO, given her expertise in this field.

Alchimie is releasing its 2023 half-year financial report today, now available on its website: [click here](#).

Next financial release: 2023 annual sales on January 31, 2024, after market close.

About Alchimie

Alchimie is a unique video streaming platform allowing companies and creators to build their own video channel, their internal communication media and partners. Alchimie also offers 42videobricks, the SaaS access to the technological building blocks (via API) for operating video and streaming functions. Alchimie has a catalog of video content from more than 300 prestigious partners (Arte, France TV distribution, ZDF Entreprises or Zed). For further information: <https://www.alchimie-finance.com> / <http://www.alchimie.com>



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