

Q3 2024 revenue

- Growth in subscription-based ARR¹: \$17.6m (+27%)
- Recurring revenue: 59.5% of total revenue at \$8.4m (+4%)
 - Consolidated revenue: \$14.1m (+1% vs. Q3 2023)

Aix-en-Provence, France and San Diego, USA, 17 October 2024, 5.45 p.m. – VERIMATRIX (Euronext Paris: VMX, FR0010291245), a leading provider of security solutions for a safer connected world, is publishing its revenue for the third quarter of the 2024 financial year ended 30 September 2024.

“We are particularly proud of the awards garnered by the security solutions developed by Verimatrix’s teams this year, a true recognition of the Group’s expertise. Subscription-based ARR grew by 27% in the first 9 months. This growth in recurring revenue, combined with the new contracts won and our control of the operational structure, enables us to confirm our objectives on growth in subscription-based ARR of over 20% and the continuous improvement in EBITDA over the 2024 financial year.”
Amedeo D’Angelo, Executive Chairman of VERIMATRIX.

Jean-François Labadie, Chief Financial Officer, will host a webcast today at 6:00 p.m. to present Q3 2024 revenue,

To join the webcast, click on the following link: [“Q3 2024 revenue”](#)

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

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

Phone Conference ID: 559 435 88#

○ Revenue driven by recurring revenue and subscription sales

(in US\$ million)	Q3 2024	Q3 2023	Chg.	9M 2024	9M 2023	Chg.
Recurring revenue	8.4	8.0	+4%	25.4	23.0	+11%
<i>of which subscriptions</i>	4.2	3.6	+18%	12.8	10.1	+26%
<i>of which maintenance</i>	4.2	4.4	-6%	12.7	12.9	-1%
Non-recurring revenue	5.7	6.0	-4%	19.5	21.6	-10%
Total revenue	14.1	14.0	+1%	44.9	44.6	+1%

ARR	32.9	29.8	+10.4%
<i>of which subscriptions</i>	17.6	13.9	+27%
<i>of which maintenance</i>	15.4	15.9	-3.0%

¹ ARR: annual recurring revenue

Third-quarter revenue:

VERIMATRIX posted revenue growth of 1% to \$14.1m in Q3 2024, compared to the same period last year.

Recurring revenue

Recurring revenue increased by 4% in Q3 2024, coming out at \$8.4m, up from \$8.0m for the same period in 2023. Recurring revenue accounted for 59.5% of total revenue in the third quarter, moving towards VERIMATRIX's previously announced target of nearly 70% by the end of the 2025 financial year.

Recurring revenue generated by subscriptions continued to grow, rising 18% to \$4.2m, compared with \$3.6m in Q3 2023.

Recurring revenue generated by maintenance was relatively stable at \$4.2m in Q3 2024, versus \$4.4m in Q3 2023 (-6%).

Non-recurring revenue

Non-recurring revenue slightly decrease by 4% to \$5.7m. This result is coming from strong resilience in license sales, driven by the Group's success with major operators in the Indian and Latin American markets, and negatively (and similar to previous quarters) from a steady decline in royalties on the deliveries of new set-top boxes, in line with market trends. During the quarter, the Group began implementing the project with Airtel, India's number-two telecom operator.

9-month revenue

In the first 9 months of the year, VERIMATRIX grew revenue by 1% to \$44.9m, vs \$44.6m in the first 9 months last year.

Recurring revenue

The increase in recurring revenue is being fuelled by subscription-based revenue, which rose 26% in the first 9 months to \$12.8m. Recurring revenue increased 11.0% to \$25.4m despite a slight decrease in maintenance-based revenue, down 1.5% to \$12.7m.

Non-recurring revenue

Non-recurring revenue for the first 9 months fell 10% to \$19.5m. License sales were stable in the first three quarters of the year on solid momentum in Latin America and Asia. However, fees related to the supply of new set-top boxes were down, consistent with the Group's forecasts.

Annual recurring revenue (ARR)

Total ARR at 30 September 2024 was \$32.9m, up 10.4% compared with 30 September 2023, and compared with \$32.0m at 30 June 2024.

Subscription-based ARR continued to grow significantly, up 27% to \$17.5m, compared with \$13.9m at 30 September 2023, and up 5% from Q2 2024 (\$16.8m). Sales momentum was extremely strong in the Middle East and Latin America regions, with the signing of new contracts that will drive recurring revenue growth in the coming years.

- **2024 outlook confirmed**

In 2024, VERIMATRIX is confirming that it expects its Anti-Piracy activity (video content protection software) to stabilize and its Extended Threat Defense (XTD) activity to post strong growth. The Group expects subscription-based ARR to grow by more than 20%. It aims to continuously improve EBITDA, through growth in recurring revenue in the Group's two activities, and to control an essentially fixed expense structure.

Upcoming events:

Publication of 2024 revenue and annual results 13 March 2025 (after market)

Verimatrix Investor Contacts:

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

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

Verimatrix Media Contacts:

USA
Matthew Zintel,
Public Relations
matthew.zintel@zintelpr.com

Financial press

SEITOSEI, ACTIFIN
Michael Scholze
Michael.scholze@seitosei-actifin.com

About VERIMATRIX

VERIMATRIX (Euronext Paris: VMX) is contributing to making the connected world safer through its user-friendly security solutions. The Group protects content, applications and smart objects by providing intuitive, unconstrained and fully user-oriented security. The leading players in the market trust VERIMATRIX to protect their content, including premium films, sports streaming, sensitive financial and medical data, and the mobile applications essential to their business. VERIMATRIX ensures a relationship of trust that its customers count on to deliver quality content and service to millions of consumers worldwide. VERIMATRIX supports its partners, bringing them faster access to the market and helping them to develop their business, safeguard their revenue and win new customers. Find out more at www.verimatrix.com.

Forward-Looking Statements

This press release contains certain forward-looking statements concerning VERIMATRIX. Although Verimatrix believes its expectations to be based on reasonable assumptions, they do not constitute guarantees of future performance. Accordingly, the Company's actual results may differ materially from those anticipated in these forward-looking statements owing to a number of risks and uncertainties.