



Proposed acquisition of the Vokkero® activity of ADEUNIS

Results reflect successful execution of IPO strategy

- Revenue up 157%
- Results in line with roadmap
- Guidance reiterated

VOGO (Code ISIN: FR0011532225 - Ticker: ALVGO) has announced the publication of its interim earnings for the period ending 30 June 2019, as approved by the Board of Directors on 17 September 2019. Since its successful launch on the stock market, VOGO has confirmed the efficient execution of its expansion plan and the ambitions set out in its IPO strategy.

Meanwhile, VOGO made a firm offer which received a favourable opinion from the Board of Directors of ADEUNIS. The offer concerns the acquisition of the Vokkero® activity, a key international player in audio communication systems for professional sports and the industry and services sectors. ADEUNIS has granted VOGO exclusivity until 31 October 2019. The parties are aiming to complete the transaction in October 2019.

in €K - unaudited data	H1 2018	H1 2019	Change
Revenue from activities¹	286	735	+157%
Operating income	362	820	+126%
Operating expenses	1,078	1,812	+68%
EBITDA	-509	-838	
Operating income	-716	-993	
Net income	-802	-963	

Business activity and highlights of the first half of 2019: ramp-up in growth confirmed

Revenue from activities came to €735K in H1 2019, an increase of 157% relative to the first half of 2018. This strong growth was driven by the surge in number of events covered to a total of 422 in H1 2019, compared with 269 for the year-earlier period. VOGO derives more than 20% of its revenue from international operations.

As expected, the ramp-up in growth was underpinned by the increase in billings in respect of **championships** (€405K, up 216%), positions taken on new **major events** (€217K, up 156%), and the increase in contributions from **indirect distribution networks** (€82K, up 69%).

¹ Revenue from activities includes revenue (€716K) and proceeds of sale-leaseback operations (€19K). For more details, please see the 23 April 2019 [press release](#).

Press Release

Montpellier, 17 September 2019



Results in line with a roadmap demonstrating low cash consumption growth model

First-half figures reflect the company's determined efforts to invest in the execution of the expansion plan. Consequently, operating expenses rose 68% to €1.813m. However, this increase remained under control. VOGO notably kept a firm rein on staff costs, which accounted for 85% of revenue from activities, compared with nearly 150% in the first half of 2018. EBITDA was in negative territory, at -€838K.

Net income was perfectly in line with the company's roadmap, at -€963K, compared with -€802K at 30 June 2018.

With a solid financial structure, VOGO is able to continue rolling out its ambitious expansion plan. At 30 June 2019, the company had shareholders' equity of €10.0m and €10.2m in cash.

Proposed acquisition of the Vokkero[®] activity of ADEUNIS

An international reference provider of audio communication systems for professional sports

Vokkero[®] is the reference in communication systems for mobile teams, in professional sports, industry and services. Its mission is to improve decision-making in situations where team communications are the key to success. Vokkero[®] derives more than 70% of its revenue from sports. Its "Squadra" solution was notably selected to equip referees during the last four World Cup football championships, as well as by a host of professional sports leagues worldwide. Vokkero[®] has also developed dedicated solutions for sports trainers (STAFF) and the entertainment, industry and services sectors (Guardian). Vokkero[®] generated revenue of €5.8m² for the financial year ending 31 March 2019, an increase of 23% year-on-year. It currently employs 25 people in France (Crolles) and the US (New York).

A growth driver in professional sports and a bridgehead into new markets

This acquisition should strengthen VOGO's positioning in sports by expanding its range of professional solutions. VOGO stands to gain from a unique integrated solution, combining audio and video technology systems. This would give the company a decisive competitive advantage among the companies' shared customer base of sports federations, leagues, clubs and events organisers.

Their complementary solutions would also enable VOGO to rapidly strengthen its position in the Entertainment sector and to take up positions in new markets in industry and services.

International footprint extended with US branch

Other synergies have now been identified and could quickly be activated.

In terms of geographic reach, the acquisition of Vokkero[®], which derives nearly 70% of its revenue from outside France, would boost VOGO's international expansion strategy.

In North America in particular, Vokkero[®]'s New York branch would enable VOGO to take full advantage of the potential offered by this strategic market, in line with the roadmap issued during the IPO.

² Based on ADEUNIS's consolidated sales of €12.3m for the financial year ending 31 March 2019.

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Montpellier, 17 September 2019



Salesforce strengthened, access to indirect distribution network extended

As regards to salesforces, the inclusion of Vokkero®'s teams (eight salespeople, of which two are based in New York) and access to its indirect distribution network (over 45 sales partners across 70 different countries) should also bolster the new combine's growth potential.

Management fully invested in the success of the joint project

The commitment shown by Vokkero®'s managers has made the brand a success worldwide and would therefore be an advantage for VOGO. Pascal Saguin, the current CEO of ADEUNIS, would join VOGO to head up the Vokkero® business. Vokkero® Brand Director Bertrand Million would also join VOGO, to become Director of Sales and Development of Vokkero® at the new combine.

Industrial and technological synergies already identified

From an industrial and technological perspective, the industrial know-how brought by the Vokkero® technical teams would help VOGO conduct the necessary ramp-up in production of its equipment ("VOGOBOX") to meet booming demand in its markets. Finally, the transaction should pave the way to joint research programmes to help extend the acquired technological lead in disruptive audio and video systems.

Acquisition scope and conditions

The transaction would involve:

- the acquisition by VOGO of all of Vokkero®'s business capital, notably including its client base, including contracts underway relating to Vokkero®'s activity, as well as the brands, trademarks and all intellectual property items pertaining to Vokkero®'s activity and the personnel involved in that activity, i.e. 22 employees based in France at end August 2019; and
- the acquisition by VOGO of 100% of ADEUNIS's North American subsidiary based in New York with 3 employees.

The transaction remains subject to a number of prerequisite conditions, notably including the drafting of legal documentation, informing and consulting employee representative bodies at ADEUNIS, and informing all company employees, pursuant to Article L.141-28 of the French Commercial Code. ADEUNIS has agreed to give VOGO exclusivity until 31 October 2019 and the parties aim to complete the transaction in October 2019.

Under the firm offer which received a favourable opinion from the Board of Directors of ADEUNIS, the transaction would be based on a valuation €6.5m, of which €6m paid in cash upon finalisation of the transaction. The balance would be paid in cash, with no prior conditions, in two tranches of €0.25m: the first would be paid nine months after the transaction is completed and the second would be paid 18 months from the completion date.

The acquisition is to be financed using a loan of around €3m granted to VOGO by a banking syndicate, with the Group's own funds covering the balance.

Faster growth expected, ambitions confirmed

In light of its first-half performance, which was perfectly consistent with the company's roadmap, VOGO can face the coming months with renewed confidence. The execution of contracts signed in recent months, particularly those for sports championships, will ensure excellent visibility.

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Meanwhile, momentum on the sales front remains extremely vibrant, with the recent signatures of a number of key international contracts (equipping medical staff at the U-20 and U-17 World Cup football championships, rolling out its solution for the European Volleyball championships, the Davis Cup, The European Rugby Cup in Russia, 6 Nations Tournament 2019 with the FFR, etc.)

Over the coming months, it will also be giving top priority to the extension of its indirect distribution network. As part of this drive, VOGO announced that its partnership with PANASONIC Information Systems Co. Ltd. has expanded to include a new geographic region: Singapore.

Spurred by all of these developments, VOGO confirms its target to ramp up growth out to the end of 2019 and to fulfil all of the ambitions set out during its IPO: generate €10m in revenue from activities as of 2020 and to top the €50m mark in 2023.

"The first half of 2019 marks a new milestone in our drive to faster growth and ensures we are on track to meet the targets set out during our IPO. As such, we can confidently reiterate our ambition to generate €10m in revenue from activities in 2020 and exceed the €50m mark in 2023. The second half of the year also looks promising. In addition to delivering sustained sales momentum, our plan to acquire Vokkero® opens up bright prospects. Our complementary solutions for shared customers, technical and marketing synergies, strengthening our market position abroad, particularly in the US: with this transaction, VOGO would be changing its dimension in the professional sports sector and would open up new markets, such as Entertainment. The acquisition also provides us with a tremendous opportunity to bring a talented team of people on board sharing our vision and values. We are therefore doing everything we can to ensure this transaction is a success!" says Christophe Carniel, VOGO's Co-Founder and Chairman & Chief Executive Officer.

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About VOGO

Founded in 2013, VOGO develops, markets and distributes a solution for broadcasting live audiovisual content based on streamed video processing technology protected by four patents. Its disruptive technology, the performance of which is unrelated to the number of people connecting to it, aims to improve spectator experience by providing on-demand, multi-camera content, either live or on replay, along with analytical audio and video tools for professional usage. Since its inception, VOGO has already covered over 1,400 events in more than 20 athletic disciplines on 4 continents.

For more information: www.VOGOsport.com



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