

Press Release

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Ymagis Group Reports Full-Year 2019 Revenue

Ymagis Group (FR0011471291, MAGIS, PEA-PME, TECH 40), the European specialist in digital technologies for the film industry, today reported its consolidated financial results for the fourth quarter and for the full year 2019.

Sustained growth of the CinemaNext BU, Eclair BU stable excluding discontinued operations, and scheduled decline of VPF revenue

Ymagis Group's revenue in the fourth quarter confirms the trends seen in the first nine months of 2019:

- the dynamism of the CinemaNext BU (+22% at €28.8m) buoyed by the progressive deployment of equipment renewal contracts signed at the start of the year
 - the contained decline of revenue generated by the Eclair BU (-6% at €13.5m) primarily due to the Postproduction and Restoration activities (-42% at €0.9m) that have closed or are in the process of being sold
- , the ongoing expected drop in VPF revenue (-74% at €3.5m).

In millions of Euros	Q4 2019	Q4 2018	Var. (%)	FY 2019	FY 2018	Var. (%)
Virtual Print Fee	3.5	13.6	-74%	28.8	51.8	-44%
Sub-total excluding VPF	42.6	38.3	+11%	127.0	115.3	+10%
Equipment Sales	23.3	18.7	+25%	58.9	47.1	+25%
Online & Support	5.4	4.8	+13%	16.1	15.0	+7%
CinemaNext	28.8	23.5	+22%	75.0	62.2	+21%
Distribution Services & Preservation	7.4	6.4	+16%	25.0	23.9	+5%
Localisation	5.2	6.5	-20%	21.2	21.2	0%
Total Remaining Eclair Activities	12.6	12.9	-2%	46.2	45.1	+2%
Post Production & Restoration	0.9	1.5	-42%	4.6	7.4	-37%
Eclair	13.5	14.4	-6%	50.8	52.5	-3%
Other activities	0.3	0.4	-	1.2	0.6	+99%
TOTAL REVENUE	46.1	51.9	-11%	155.8	167.1	-7%
<i>VPF as % of revenue</i>	<i>8%</i>	<i>26%</i>		<i>18%</i>	<i>31%</i>	
<i>CinemaNext as % of revenue</i>	<i>62%</i>	<i>45%</i>		<i>48%</i>	<i>37%</i>	
<i>Eclair as % of revenue</i>	<i>29%</i>	<i>28%</i>		<i>33%</i>	<i>31%</i>	
<i>Other activities as % of revenue</i>	<i>1%</i>	<i>1%</i>		<i>1%</i>	<i>-</i>	

VPF activity continued to decline as anticipated due to the scheduled recoupments, with a drop of 44% (at €28.8m) during 2019 and -74% during Q4 at €3.5m. VPF now amounts to only 18% of the annual revenue and 8% of the quarterly revenue.

Annual sales for **CinemaNext** increased by 21%, standing at €75.0m. Growth remained strong during Q4 (+22% at €28.8m), due in part to the ramp-up of the equipment renewal contracts signed at the start of 2019 with exhibitors such as the Austrian circuit Cineplexx, France's Megarama and the Omniplex chain in Ireland. Sales, excluding equipment renewals, remained sustained with new equipment and installation contracts for cinema new builds.

Revenue for the **Eclair BU** fell slightly over the course of the year (-3% at €50.8m) due to the divestment of the Postproduction and Restoration activities (-37% at €4,6m). This was partially offset by the good performance of the Distribution & Preservation business (+5% at €25.0m). Revenue for Localisation activities was stable at €21.2m for the year.

Revenue for Eclair Cinema SAS, whose sale to the company *L'Image Retrouvée* was announced in September 2019, remains consolidated in the Postproduction & Restoration activity, standing at €4.2m for 2019, a drop of -43% as compared to 2018 (€7.3m). The company's continuation plan was presented by the purchaser to the Commercial Court of Nanterre, which should deliver its conclusions before 26 February 2020. Subject to the decision of the Court, Ymagis expects to complete the sale of this company to *L'Image Retrouvée* shortly.

The **new activities** continued to gain strength, despite the end of the EclairGame activities, with annual revenue increasing two-fold to €1.2m. Deployment of VR activities continued at a rate adapted to the Group's current financial resources. Three new Illucity centres were opened at the end of 2019 in Marseille (directly operated) and in Athens and Liège (in partnership). A new site is scheduled to open in Brest in late March 2020.

Financial restructuring plan validated by the Shareholders Meeting

The general meeting held on Wednesday 19 February 2020 unanimously approved the resolutions concerning the financial restructuring plan announced on 2 December 2019. This includes in particular:

- the write-off of the financial debt by creditors of between €13.9m and €16.2m
- the issue of €9.2m in convertible bonds redeemable in ordinary shares at an implied price of €3.00 per ordinary share
- the rescheduling of €26.8m of residual debt over seven years
- the granting of one share purchase warrant per existing ordinary share free of charge for existing shareholders on the date that the Restructuring Agreement comes into effect. Two share purchase warrants allow the purchase of one new share at the price of €3 per share.

The implementation of the financial restructuring plan and the issue of ORARs and share purchase warrants remain subject to approval of the Conciliation Protocol by the Commercial Court of Paris, which is expected to take place in March 2020.

Next press release: 24 April 2020 – Full-Year 2019 Earnings

ABOUT YMAGIS GROUP

Ymagis is a European leader in advanced digital technology services for the cinema industry. Founded in 2007, the Group is headquartered in Paris and has offices in 22 countries with 750 employees. Our core business is structured around four main units: CinemaNext (exhibitor services: sales and field services, software solutions, customer service/NOC), Eclair (content services: postproduction, theatrical delivery, digital distribution, versioning and accessibility, restoration and preservation), Virtual Print Fee (VPF) for finance solutions and other activities (Virtual Reality). For more information, please visit www.ymagis.com

YMAGIS is listed on Euronext Paris and is part of the CAC Small, CAC Mid and Small and CAC All-Tradable indices.

YMAGIS GROUP

Jean Mizrahi, CEO
Tel. : +33 (0)1 75 44 88 88
investisseurs@ymagis.com

CALYPTUS

Mathieu Calleux
ymagis@calyptus.net
Tel.: + 33 (0)1 53 65 68 62

