

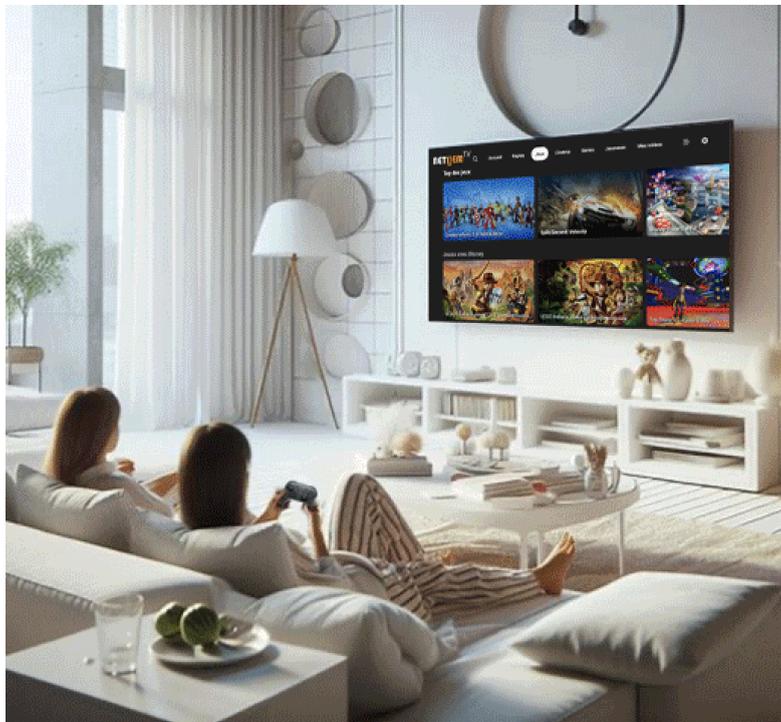
Press release

2024 results and 2025 objectives

Strong improvement in profitability and cash flow in 2024
EBITDA +8%, ROC +425%, net result +300%

Annual dividend of 5cts euro per share

Maintaining momentum in 2025



Paris, March 27, 2025,

The Netgem Board of Directors met on March 26, 2025 and approved the accounts of the 2024 financial year. The group posts 2024 results confirming its announced growth in all indicators of profitability and cash flow generation.

Highlights in 2024

In its market *Digital Entertainment Technology*, the growth of the group is organized around two products platforms sharing their R&D:

- in upstream, services to entertainment content publishers, grouped under the Eclair brand,



- in aval, the management of TV and games streaming services on behalf of telecommunications operators, under the PLEIO brand,



Within each product line, the actions carried out in 2024 have improved profitability indicators and prepared for future growth:

- Innovation strategy, including the progressive integration of artificial intelligence tools into service offerings, and a policy of targeted acquisitions such as the takeover of Gamestream enhancing its position in the growing video game streaming market .
- Increased sales efforts: innovation supported an increase in commercial efforts with a view to broadening significantly the customer funnel, the reservoir of future gains.
- Simplification of the organization and continuous search for operational efficiency resulting in particular from the reduction of overheads,

These actions have energized the commercial performance of the Group in its historic markets, mainly in France and Europe, but also in new territories such as Asia (with JIO in India and Telkom in Indonesia) and Africa (with SONATEL, Orange's subsidiary in Senegal).

2024 results

IFRS DATA in millions of euros	2024	2023	Evolution
Revenues	33.8	35.6	-5%
Of which recurring	23.6	22.3	+6%
Of which non-recurring	10.2	13.3	-23%
Gross profit	23.6	22.0	+7%
Opex	(15.2)	(14.2)	+7%
EBITDA	8.4	7.8	+8%
Current operating income	2.1	0.4	+425%

All profitability indicators growing

Revenues and gross profit for the 2024 financial year amounted to €33.8 million (-5%) and €23,6 million (+7%). The recurring revenue amounted to €23.6 million, up 6% compared to the previous year. As the recurring activity has a gross margin significantly higher than that of the non-recurring activity, gross margin gained 8 points and from 62% to 70%. The increase in recurring revenue did not fully offset the expected decline in non-recurring revenue, due to the end of Netgem Hardware delivery in mid-2024.

The 8% increase of EBITDA, from €7.8 million in 2023 to €8.4 million in 2024, resulted from the combined effects of growth in gross margin and control of operational costs. The increase in opex of 7% between 2023 and 2024 is linked to changes in perimeter: the integration of the companies Eclair Préservation and Eclair Digital Services in a full year in 2024 compared to a half-year in 2023, and the integration over two months of the Gamestream activity. Current operating income is once again clearly improving, reaching €2,1 millions against €0.4 million in 2023, due to the combined effect of operational improvements and decreased depreciation.

IFRS DATA in millions of euros	2024	2023	Evolution
Operating income	2,4	0,3	+700%
Financial result	(0,3)	(0,1)	-400%
Taxes	(0,1)	0,4	
Overall net income	2,0	0,7	+186%
Net income (Group share)	2,0	0,5	+300%

Operating income is improving and amounts to €2.4 million over the past financial year compared to €0.3 million the previous financial year (+700%). Finally, the Group's share of net income, also up, stood at €2.0 million in 2024 against €0.5 million in 2023.

Cash flow and balance sheet

As announced, Netgem's cash flows and balance sheet made it possible to finance its endogenous growth, its innovation strategy and a targeted acquisition in cloud gaming.

The group's activity generated €7.0 million of cash flows in 2024 (2023: €5.2 million), including a self-financing capacity of €7.8 million.

Investment-related cash flows which amounted to €4.7 million in 2024 (2023: €7.9 million) mainly include fixed equipment and investments made as part of the restructuring of Eclair activities. As announced, the end of the heavy investment cycle linked to the transition of NETGEM's business model and the adjustment of its offering explains the reduction in investments and the improvement in free cash flow.

Financing-related cash flows of €2.0 million mainly reflect the payment of the annual dividend of €1.7 million in June 2024 (2023: €1.5 million) and repayment of bank loans.

At the end of December 2024, the group's gross cash position amounted to €7.0 million (2023: €6.6 million). Net cash (before IFRS16 impact) of €6,5 millions had improved by €0.8 million over the past financial year.

The audit procedures for the 2024 annual accounts have been carried out and the auditors' report relating to their certification is being issued.

Dividend

Given the Netgem group's ability to generate increasing cash flows, while maintaining a capacity to invest and finance its growth projects, the Board of Directors will propose to the General Assembly to renew the dividend of 5 cts of euros per share.

Social and environmental responsibility

Netgem continues its actions in this area:

- sharing the value created with the group's employees through the establishment in 2024 of a "value sharing bonus" of €1,000 concerning more than 60% of staff as well as a Company Savings Plan ("PEE") open to 100% of employees, and subscribed by the end of 2024 by more than half of them ;
- the eco-responsible investment project for the Eclair Préservation activity site in Augy (Yonne), with the aim of creating a digital hub powered by renewable solar energy, and also a policy in favor of soft mobility.

Perspectives 2025

Growth in both recurring revenue and gross margin remains at the heart of NETGEM's strategy for 2025.

To achieve this, the Group intends to continue to differentiate itself through innovation. This will serve both to retain existing customers and to conquer new markets. This is in particular the role that video games streaming and artificial intelligence will have to play in 2025, with for example the acquisition of a stake in the company BARY announced in March 2025.

As in the last two years, external growth operations and targeted partnerships will support the group's strategy.

Thanks to its constant vigilance on operational costs and the end of significant investments in hardware (on behalf of operators), the group anticipates continuing the growth in profitability and free cash flow in 2025 with the same momentum as last year.

Mathias Hautefort, Managing Director of Netgem, declares: *"Year 2024 confirmed the relevance of our positioning in the Entertainment Technology market and is the culmination of five years of patient and disciplined efforts and investments to build our profitability around a recurring business model."*

Building on these achievements, with our teams, with our investments in innovation,

such as recently in the field of artificial intelligence, and with our new organization around the Eclair and Pleio product lines, we have all the cards in hand to continue with the same momentum in 2025."

Financial communications calendar 2025

- Q1 2025 update: Thursday May 22, 2025
- General meeting: Thursday May 22, 2025, 2:30 p.m.
- H1 2025 results: Thursday July 31, 2025
- Q3 2025 update: Thursday October 16, 2025

Press releases are distributed before market opening.

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About Netgem

Netgem is a technology and services provider for the video entertainment industry. Netgem's activity revolves around two product platforms : upstream, services to entertainment content publishers grouped under the Eclair brand and downstream, the management of Streaming services, which offers content and technologies to telecom operators under the PLEIO brand. The common objective of the two product lines is to help our customers provide entertainment offers accessible to all, as reflected in the Group's baseline "everyone's entertained.

NETGEM shares are listed on Euronext Growth (ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: ALNTG FP).



FINANCIAL ANNEXES

Cash Flow Statement

IFRS DATA in millions of euros	2024	2023
Cash flows related to operations (A) (*)	7,0	5,2
Of which :		
Self-financing capacity before payment of tax	7,8	8,0
Tax paid	(0,2)	-
Decrease (increase) in WCR	(0,6)	(2,7)
Cash flows related to investments (B)	(4,7)	(7,9)
Operating cash flow (A+B) (*)	2,4	(2,7)
Cash flows related to financing (C) (*)	(2,0)	3,1
Of which :		
Dividends	(1,7)	(1,5)
Net purchase of own shares	-	0,2
Issues/Repayments of loans and financial debts	(0,3)	(0,5)
Capital increase	-	4,9
Net cash change (A+B+C)	0,4	0,4

(*) excluding IFRS 16 restatement.

Equity, debt and net cash analysis

IFRS DATA in millions of euros	2024	2023
Equity and debt		
Equity, Group share	25,0	25,1
Current and non-current financial liabilities	0,5	0,9
Net Cash Analysis		
A - Liquidity	7,0	6,6
B - Current financial liabilities	0,3	0,4
C - Net current cash flow (A)-(B)	6,8	6,2
D - Non-current financial liabilities	0,2	0,5
E - Net cash (C)-(D) before IFRS 16 impact	6,5	5,7
F - Impact of IFRS 16 standard	0,5	1,1
G - Net Treasury (E)-(F)	6,0	4,6