

2017 ANNUAL RESULTS

- Acceleration in growth in the Telecom business in H2
- Renewed sales momentum for the Enterprise business
- Sales force and R&D organization strengthened
- Net profit returns to break-even in H2 despite necessary investments to drive growth

Anevia, a leading provider in OTT and IPTV software solutions, has announced its 2017 results, after receiving the Statutory Auditors' report and the Board of Directors' approval.

French GAAP €m, at Dec. 31 ⁽¹⁾	H1 2017 6 mths	H2 2017 6 mths	2017 12 mths	2016 12 mths
Sales	5.3	7.3	12.6	11.7
Gross margin	4.3	5.7	10.0	9.1
<i>As % of sales</i>	81%	78%	80%	78%
Operating costs	(5.4)	(6.0)	(11.3)	(9.6)
<i>As % of sales</i>	102%	82%	90%	82%
Operating profit	(1.0)	(0.2)	(1.2)	(0.5)
Operating profit (including foreign exchange income)	(1.1)	(0.3)	(1.4)	(0.4)
Research tax credit and subsidies	0.4	0.3	0.7	0.6
Net profit for period	(0.8)	0.0	(0.7)	0.1

All R&D expenses are booked to costs and partly funded by the French research tax credit (CIR)

FY 2017 REVENUE

The solid performance recorded by the Telecom business in H1 gained momentum in H2, with revenue up 53% over the period. All told, the division chalked up 37% growth to €9.5 million over the full year. This performance was all the more impressive considering the division's double-digit surge in sales in 2016.

At the Enterprise business, revenue stabilized in H2 relative to H1. The second-half period saw the recruitment of Ivonne Prugnaud as VP Sales Worldwide Enterprise. Ivonne has extensive experience in the B2B software marketing business, having notably filled strategic roles at the group Hoist. Her in-depth understanding of the challenges and needs of end customers will be a decisive advantage in expanding this business line.

Anevia reported total revenue of €12.6 million for 2017, up 8% on 2016. The company has generated annual average sales growth of 14% since 2014.

Indeed, the impressive growth trajectory achieved by Anevia between 2013 and 2016 was distinguished by Les Echos with its inclusion in the 2018 Champions de la Croissance (*Champions of Growth*) ranking, in which over 10,000 companies in France participated.

2017 ANNUAL RESULTS

Net earnings return to break-even in H2, despite necessary investments to drive growth

In order to fuel this growth drive, and be in a position to grasp all potential opportunities in an extremely vibrant market, Anevia pushed ahead with efforts to bolster its organisation structure, notably its sales force and R&D teams, which are the pillars of its expansion strategy. At December 31, 2017, the company had 94 employees, up from 75 a year earlier.

Anevia's Research Tax Credit (French CIR) increased relative to 2016, at €0.7 million, reflecting the recruitment of new R&D engineers.

In spite of these efforts to invest in the future, Anevia managed to contain its expenses and produce a significant improvement in operating profit in H2 (-€0.2 million compared with -€1.0 million in H1), taking total operating profit for the year to -€1.2 million, compared with -€0.5 million in 2016.

Net profit returned to break-even in H2, up from -€0.8 million in H1, ending at -€0.7 million for the full year, compared with €0.1 million in 2016.

Cash position at December 31, 2017

As at December 31, 2017, Anevia had €2.3 million in cash, compared with €2.09 million at December 31, 2016. Cash includes proceeds of the capital increase maintaining preferential subscription rights conducted in February 2017, which raised around €1.9 million (net of costs). Cash also includes a €0.5 million loan from French state bank BPI and the €0.56 million research tax credit received for 2016.

As at December 31, 2017, financial liabilities came to €3.2 million, compared with €3.0 million at December 31, 2016.

ACQUISITION OF KEEPIXO

On March 5 this year, Anevia announced the acquisition of Keepixo, a Grenoble-based company specialising in the development and sale of real-time video compression software. Keepixo provides TV operators with low-latency solutions to broadcast live or near-live videos on multi-screen TV.

This strategic merger will enable Anevia to build a single end-to-end solution for encoding, packaging, storage, and content delivery (CDN), complying with new quality standards, such as high-resolution 4K and HDR, and bolster its position at the heart of the value chain in OTT video.

Finalisation of the transaction is still subject to the usual conditions and to the shareholders' vote at the Extraordinary Shareholders' Meeting, which will convene for the first time on April 12, 2018 at the company's headquarters.

R&D: INNOVATIVE PROJECTS TO ENHANCE TECHNOLOGICAL EDGE

Now more than ever, innovation is at the heart of Anevia's growth strategy. Anevia engineers work daily to extend the company's technological lead and provide its clients with solutions to meet their high expectations, amid profound transformation in their markets and business models.

In 2018, Anevia will be focusing its innovation efforts on three major strategic areas:

- Firstly, virtualization technologies have changed enormously and now enable simple roll-out, configuration and operations without compromising performance. In addition to the unbundling of hardware and software, the latest containerization technology helps simplify administrative tasks. For instance, software can be moved between machines via an orchestration system, or greater numbers of software programmes can be launched at once to cope with peak load. Implementing these technologies (containerization and orchestration) will help Anevia bring greater flexibility in rolling out its solutions and pre-empt the current transformation in its market;
- Second, the implementation of new standards to meet expectations for ever-improving video quality. To this end, Anevia will be upgrading its software to deliver an Ultra-HD experience: enhance video resolution (4K), sharpen colours and contrasts (HDR) and increase movement fluidity (50Hz);
- Finally, work to reduce OTT latency. User demand for near-live streaming of major events on OTT is extremely high, heightened by the use of social networks to comment on televised content.

Next publication: H1 2018 sales - July 26, 2018

About ANEVIA

Anevia is a leading OTT and IPTV software vendor that specialises in delivering innovative solutions for live TV, near-live, video on demand (VOD) and multi-screen. Anevia was founded in 2003 by the developers of the well-known VLC media player, and since then the company has pioneered unique solutions across several fields, including cloud DVR and multi-screen. Anevia's mission is to deliver innovative technologies that enable viewers to enjoy a next-generation TV experience – wherever, whenever and on every screen. Anevia's solutions have been adopted by globally-renowned TV broadcasters, telecommunication and pay-TV operators, video service providers and many private and public companies. Anevia is headquartered in France, with regional offices in the USA and Dubai. Anevia is listed on the Paris Euronext Growth market. For more information please visit www.anevia.com.

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Number of shares comprising the share capital: 3,551,218

