

H1 2020 results

- Business activity resilient in the prevailing economic environment
- Improved gross margin and contained operating expenses
- Stronger cash position at 30 June 2020

Anevia, a leading provider of OTT and IPTV software solutions, today announced its H1 2020 results, as approved by the Board of Directors and following a limited review by the statutory auditors.

French GAAP In €m, at 30/06 ¹	H1 2020	H1 2019
Revenue	6.5	7.2
Gross margin	5.4	5.9
<i>As a % of revenue</i>	83%	82%
Operating Expenses	(6.9)	(7.4)
Operating income <i>(including foreign exchange income)</i>	(1.5)	(1.5)
Research Tax Credit and subsidies	0.7	0.6
Operating income (expense) plus Research Tax Credit	(0.8)	(0.9)
Net profit (loss) for the period	(1.0)	(0.9)

ACTIVITY IN THE FIRST HALF OF 2020

Business activity resilient in the prevailing economic environment

Anevia recorded a near-10% decline in revenue to €6.5m in H1, when the health crisis caused by the Covid-19 epidemic took a toll.

The Enterprise business suffered due to the hotel sector, which practically ground to a halt as plans to open new hotels or conduct renovation were postponed. In this difficult context, Anevia pushed ahead with its business development efforts to ensure favourable conditions for when the environment returns to normal. The company notably signed two new key partnerships with Groupe Hoppen (health sector) and Intertouch (hotels) to distribute and deploy its products and related services.

The Telecoms business also put up solid resistance, chalking up stable revenues in H1, which was a noteworthy performance in the current context and after four straight years of double-digit growth. During the period, Anevia pushed ahead with efforts to win over new telecoms operators. It also gained from its existing base of active customers, who rolled out a host of new projects or platform extensions.

FIRST-HALF 2020 RESULTS

Improved gross margin and contained operating expenses

Despite decreasing revenues, Anevia managed to improve its operating profit, to which it added a Research Tax Credit, recording a €0.8m loss, compared to a €0.9m loss in H1 2019, helped by two factors:

- Improved gross margin, at 83%, thanks to a higher proportion of services in the product mix over the period, which generate higher margins. This reflected strong momentum in the existing customer base, which has grown considerably in recent years and has systematically renewed its trust in Anevia;

¹ R&D costs are fully expensed and partially funded by the Research Tax Credit.

- Contained operating expenses over the period, notably due to the sharp drop in spending on business travel as a result of the mandatory travel restrictions.

Net profit declined slightly to €(1.0)m, including a decrease in financial income over the semester.

Stronger cash position at 30 June 2020

At 30 June 2020, Anevia had €3.5m in cash (an improvement on the €2.2m recorded at 29 February 2020²), and financial debt of €2.6m (unchanged from 29 February 2020).

It should be noted that this cash position includes the following elements:

- A € 878,000 cash-in linked to the exercise of 1,322,585 A warrant (BSA A) and 168,310 B warrant (BSA B);
- A pre-financing of the 2019 research tax credit (CIR) in the amount of € 319,000 received in January 2020;
- An adjustment of debts following in particular government aid measures in the context of the health crisis linked to Covid-19.

Anevia carried out a specific review of its liquidity risk as of June 30, 2020 and considers that it will be able to meet its upcoming deadlines over the next 12 months. The cash flow forecasts drawn up over this period take into account in particular the following elements:

- Cash-outs following debt spreading agreements, including € 850,000 due to Bpifrance;
- The pre-financing of the 2020 and 2021 research tax credit (CIR) for a total amount of € 1.4m;
- The cash-in following the exercise of the A and B warrants (BSA A and B) for the year expiring in December 2020 and February 2021 for an amount of € 1,472,000.

It should be noted that there are also 2018 warrants (BSA 2018)³ which expire in December 2021 and which, if exercised in full, would allow to cash-in an amount of € 600,000.

Impacts of Covid-19 health crisis

Following the health crisis in H1 caused by the Covid-19 outbreak, Anevia recorded a 34% decrease in the activity of its Enterprise business, as the hotel sector came to a virtual standstill amid the slowing-down of plans to open new hotels or conduct renovations, but also because of the end of deployments in the health sector fully mobilized by the management of the epidemic. Furthermore, contrary to the company's expectations concerning the risks of this unprecedented situation, no problems with obtaining supplies of servers or storage units for the Enterprise and Telecoms businesses were observed during the period.

It should be noted that the impacts of this crisis are not linear and that their effects in the first half of 2020 will not be perpetuated or will not necessarily be repeated in the second half of 2020.

EVENT POST JUNE 30th, 2020

On July 31st 2020, Ateme and Anevia entered into exclusive negotiations for the acquisition by Ateme of 87% of the share capital and 90% of the voting rights of Anevia. The combination of the two companies would create a major player in video delivery, with combined revenues of more than €80 million (pro forma 2019).

About ANEVIA

Anevia is a leading OTT and IPTV software provider of innovative multiscreen solutions for the delivery of live TV, streaming video, time-shifted TV and video on demand services. The company offers a comprehensive portfolio of video compression, multiscreen IPTV head-ends, Cloud DVR and CDN solutions to enable viewers to enjoy a next-generation TV experience – anywhere, anytime and on any

² See press release of 25 March 2020

³ See press release of 19 December 2018

screen - including 4K UHD content. The solutions have been widely adopted by globally renowned telecom and pay-TV operators, TV broadcasters and video service providers in hospitality, healthcare and corporate businesses.

Founded in 2003, Anevia has a track record of being first to market with advanced video technologies. The company is a member of and active contributor to several TV, media and hospitality industry associations. Headquartered in France, with regional offices in the USA, Dubai and Singapore, Anevia is listed on the Paris Euronext Growth market.

For more information please visit www.anevia.com.

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Name: ANEVIA
ISIN Code: FR0011910652
Ticker symbol: ALANV
Number of shares comprising the share capital: 4,995,658

