

First half-year 2022

- Revenue up 39%
- Figures completely in line with roadmap

Targets for 2022 and beyond confirmed

Cesson-Sévigné (France), 18 October 2022

Broadpeak (ISIN: FR001400AJZ7 – Ticker: ALBPK), a leading provider of video streaming software solutions, is today publishing its accounts for the first half-year of 2022. These accounts have undergone a limited review by the statutory auditors.

in €k	H1 2021	H1 2022	2021
Revenue	11,506	16,050	33,127
Gross margin	9,797	11,336	26,751
EBITDA¹	-1,171	-4,444	2,966
Operating income	-1,528	-5,388	1,348
<i>Amount of CIR²</i>	1,378	1,763	2,900
Net income	80	-3,824	4,118

¹ EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

² CIR: Research Tax Credit.

Broadpeak reported strong revenue growth of 39% mid-year, driven solely by organic growth. The appreciation of the dollar helped to increase revenue, which was up 32% at constant exchange rates.

At 30 June, revenue totalled €16.05m. It is reiterated that Broadpeak traditionally conducts more than 60% of its business in the second half-year, a seasonality caused by the pattern of its clients' spending - particularly telecoms operators - weighted towards the end of the fiscal year.

In H1, the Group generated nearly 90% of its revenue outside France and it strengthened its positions in all regions where it operates, in the Americas region (up 49%), now Broadpeak's largest market, EMEA (up 33%) and APAC (up 24%).

By revenue type, the first half-year saw a sharp increase in sales of equipment (servers, routers, storage systems), more than five-fold, to €4.8 million. This change can be explained in part by an atypical comparison basis: the first half of 2021 saw post-closing differences in deliveries and invoicing of equipment. It also reflects accelerated client acquisition, these new clients having greater needs to procure equipment during the installation phase of their new streaming systems. Finally, it translates the installation of additional hardware capacity in preparation for the expected growth of streaming demand triggered by the upcoming 2022 Soccer World Cup Event.

Licences and services remain Broadpeak's primary revenue source, accounting for 42.5% of its revenue, i.e. €6.8m.

Maintenance & SaaS revenue, which includes the first revenue from the launch of the SaaS platform, reached €4.4 million, up 45.8% compared to the first half of 2021. This trend is in line with the average annual proportion set in the 2022-2026 roadmap, targeting 40% recurring revenue over this timeframe out of the expected €100 million in revenue.

Results in line with the roadmap

Gross margin was up 15.7% to €11.3 million, representing 70.6% of revenue, compared with 85.1% in the first half of 2021. This change is the direct consequence of the proportion of equipment sales in the revenue mix, which was both unusually low in H1 2021 (with only 8% of total sales) and slightly above the norm in H1 2022 (at 29.9%, compared with an average of around 25%). This second evolution, reflecting dynamic sales growth, will fuel sales of services, licences and associated maintenance in the future, and these have better margins. A sharp increase in gross margin is expected in the second half of 2022 compared with the level in the first half-year.

EBITDA was minus €4.4m vs. minus €1.2m over the same period in 2021. Completely in line with the roadmap, this development is the result of several factors. First, the Group's EBITDA is structurally negative in the first half of the year owing to the seasonality in sales combined with a linear cost structure. Furthermore, in line with the targets announced during its IPO, Broadpeak accelerated its structuring efforts and recruitment policy over this half-year. Against this backdrop, payroll expenses increased by nearly 26% to €9.5 million. Other operating expenses were also up 64% to €7.9m, reflecting the intensification of marketing and sales efforts to support the ramp-up in France and internationally.

Operating result came to a loss of €5.4m versus a loss of €1.5m in H1 2021. This includes €0.9m in depreciation and impairment (as against €0.4m over the same period last year), a result of the increase in capitalised R&D costs and, more generally, the sustained investment policy pursued by the Group.

The net loss was minus €3.8m, after recognition of a research tax credit (CIR) of €1.8m (vs. €1.4m in the first half of 2021).

A solid financial structure

The Group's balance sheet at 30 June includes the net receipts from the capital increase carried out at the time of the IPO, i.e. €18.3 million. Shareholders' equity thus reached €22.9 million, compared with €8.3 million at 31 December 2021, and cash €19.2 million, as against €0.3 million at year-end 2021. Despite significant investments, cash consumption remained very contained: free cash flow (FCF) stood at minus €0.2m in the first half of 2022.

Financial debt was close to its €13.7m figure at 31 December 2021, standing at €13.1m at 30 June 2022.

Strategic progress and confirmation of financial objectives

In line with the three strategic priorities set when it joined Euronext Growth, Broadpeak consolidated its technological lead, accelerated its market share and successfully launched its SaaS offering in the first half of the year. In particular, the company has driven home its advantage in terms of:

- New business: the portfolio expanded by nine new clients in the first half-year, including a tier 1 telecom operator in Europe and the BCN platform (India) for the multicast ABR offering.
- Deployment of a SaaS offering: the broadpeak.io platform, available since 18 January, attracted its first clients and won two awards at the NAB Show (Las Vegas).

In a video streaming market that remains in strong structural growth, Broadpeak has solid visibility for the end of the year thanks to incoming orders logged for its installed base and the signing of new clients.

The Group is largely protected from the uncertain climate and current economic tensions. Its business and profitability are not suffering from the surge in energy prices or the turbulence on the foreign exchange market. Semiconductor shortages have no significant impact on current momentum.

Broadpeak is therefore fully confident that its annual financial targets will be met. Revenue is still expected to grow by around 25% to more than €41 million.

In terms of profitability, the Group expects to maintain a positive EBITDA in 2022, despite its spending, which will remain at a sustained level to support the strong technological and commercial momentum.

Broadpeak confirms its target revenue of €100 million by 2026, of which 40% will be recurring revenue (maintenance & SaaS revenue), with an EBITDA margin of 20% (vs. 9% in 2021).

Upcoming events:

- Q3 2022 revenues: 15 November 2022, after market close
- 2022 full-year revenue: 1 March 2023, after market close
- 2022 Annual Results: 28 April 2023, after market close

CONTACTS

BROADPEAK	FINANCIAL COMMUNICATION	FINANCIAL / CORPORATE PRESS
Investors@broadpeak.tv	broadpeak@actifin.fr	mjordan@actifin.fr
+ 33(0)2 22 74 03 50	+ 33(0)1 56 88 11 25	+ 33(0)1 56 88 11 26

Broadpeak, S.A. - Zone des champs blancs, 15 rue Claude Chappe, 35510 Cesson-Sévigné,
France

VAT Number FR49 524 473 063 - SIREN 524 473 063 00054

with a share capital of 249,825 euros

Tel: +33 (0) 2 22 74 03 50

www.broadpeak.tv

About Broadpeak

Since its creation, Broadpeak has grown with a sole purpose in mind: to roll out software solutions worldwide streaming content that people love with a compelling quality of experience. These solutions target the world's leading players, including large TV and telecom operators and global broadcasting platforms (OTTs), as well as new media in the corporate, sports and entertainment segments. At the end of 2021, Broadpeak had 125 customers across 50 countries, representing 200 million spectators worldwide. These include leading players such as Bouygues Telecom, Orange, Telecom Italia, Deutsche Telekom, HBO, Mola TV, StarHub TV+ and Megacable. Broadpeak has more than 240 employees in 21 countries. The company is mainly based in France (head office in Cesson Sévigné near Rennes) but is also present in the United States (Denver), Canada (Ottawa), Brazil (Sao Paulo), Singapore and Dubai. In 2021, Broadpeak generated nearly 90% of its revenue outside France. Since 2015, it has generated average annual growth of around 40%. The company delivered a very strong year in 2021 with revenue increasing by 38% to €33.1m and EBITDA totalling

nearly €3m, representing 9% of revenue. Broadpeak grew its revenue 40% to €7.7m in first-quarter 2022. The company aims to top the mark of €100m in annual revenue in 2026, over three times higher than in 2021, with an EBITDA margin of over 20%.