

Paris, 4 November 2020

## **NINE MONTHS REVENUES STABLE AT €39.9 MILLION**

### **RECURRING REVENUES UP 19%**

- Third quarter revenues down 9% in the context of health crisis
- Growth in recurring revenues (Subscriptions/Support maintenance) by 10% in Q3 (+19% over 9 months)
- Signed agreements for the acquisition of a majority stake by Long Path Partners with DALET's management team and certain of its historical shareholders

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today revenues (unaudited) for its third quarter and for the nine-month period ended September 30, 2020.

**Third quarter revenues down by 9% in the context of the global health crisis**

(Unaudited) In € millions	Q3 2019	Q3 2020	Change
Licenses	3.7	3.0	-18%
Subscription	0.2	0.7	+217%
Maintenance - Support	5.3	5.4	+2%
Services	4.5	3.5	-21%
<b>Revenues excluding Hardware</b>	<b>13.7</b>	<b>12.6</b>	<b>-8%</b>
Hardware	1.7	1.4	-22%
<b>Total Revenues third quarter</b>	<b>15.4</b>	<b>14.0</b>	<b>-9%</b>

In the third quarter, DALET's revenue were €14.0 million, down 9%, reflecting the effects of the health crisis on the licenses and services revenue streamed, with an expected slowdown in project deployments over the period.

Recurring revenues were up 10% over the period, with the continuation of the good momentum observed in subscriptions and maintenance.

On a geographical basis, DALET's EMEA revenues were up by 6%, while activity in the Americas and Asia-Pacific was down compared to Q3 2019.



### Flat revenues over the Nine months period

(Unaudited) In € millions	9 Months 2019	9 Months 2020	Change
Licenses	9.6	8.3	-13%
Subscription	0.2	1.7	n.a.
Maintenance - Support	15.0	16.4	+9%
Services	11.4	9.7	-15%
<b>Total Revenues excluding Hardware</b>	<b>36.2</b>	<b>36.1</b>	<b>0%</b>
Hardware	3.8	3.8	-2%
<b>Total revenues</b>	<b>40.0</b>	<b>39.9</b>	<b>0%</b>

DALET's revenue for the first nine months of the financial year was stable compared to the same period in 2019 at €39.9 million.

The Group's recurring revenues increased strongly (+19%) for the first nine months of the year. This performance reflects the inclusion of 9 months of subscription revenues from the Flex Media platform (compared with 2 months in 2019) and the steady growth in maintenance/support (+9% to €16.4 million).

The recurring portion of revenues, a key indicator for the company, reached 45% in the first nine months (compared with 38% in 2019).

License revenues totaled €8.3 million, down 13% compared to the same period last year, disrupted by the postponement or slowdown of certain milestones on projects in the context of the health crisis.

Broken down by geographic region, EMEA revenues over the nine months period were up +8% at €18.3 million. In the Americas, revenues were stable at €18.1 million and significantly down (-38%) in Asia Pacific at €3.5 million.

### Business resilience and outlook for the year-end 2020

Despite the uncertainties linked to the evolution of the health and economic context, DALET believes that it will be able to limit the effects of the crisis on the Group's business, thanks in particular to a growing share of recurring revenues and to a backlog which remains at a high level.

Based on the current economic and health context, DALET is targeting, for fiscal year 2020, annual revenues excluding Hardware close to last year's level and current operating profit close to breakeven.

### Signed agreements for the acquisition of a majority stake by Long Path Partners together with DALET's management team and certain of its historical shareholders<sup>1</sup>

Following the announcement on October 22, 2020, DALET's employee representative bodies issued their opinion on October 23, 2020 and unanimously approved the proposed acquisition of a majority stake by Long Path Partners, with the DALET Group's management remaining unchanged following the transaction.



Long Path Partners, together with DALET's management team and certain of its historical shareholders<sup>1</sup> announce the signature of agreements relating to the off-market sale and contribution in kind, to a special purpose vehicle ("NewCo"), of a total of 3,212,354 DALET shares representing approximately 80.7% of the share capital and 84.4% of the theoretical voting rights<sup>2</sup> of the Company, at a price of €13.52 per share.

The completion of the transaction, which could occur during the fourth quarter of 2020, remains subject to customary closing conditions.

As previously announced, upon completion of this transaction, Newco will file a mandatory simplified tender offer for the remaining DALET shares at the same price of €13.52 per share. Newco may also decide to implement a squeeze-out at the end of the tender offer if the threshold condition is met.

In accordance with the provisions of Articles 261-1 I and II of the General Regulations of the Autorité des Marchés Financiers, Finexsi has been appointed as an independent expert by DALET's board of directors, subject to the non-exercise of the right of opposition from the AMF pursuant to Article 261-1-1 III of its General Regulations.

The closing of the simplified tender offer may occur in the first quarter of 2021.

### About DALET Digital Media Systems

DALET solutions and services enable media organizations to create, manage and distribute content faster and more efficiently, fully maximizing the value of assets. Based on an agile foundation, DALET offers rich collaborative tools empowering end-to-end workflows for news, sports, program preparation, post-production, archives and enterprise content management, radio, education, governments and institutions.

DALET platforms are scalable and modular. They offer targeted applications with key capabilities to address critical functions of small to large media operations - such as planning, workflow orchestration, ingest, cataloguing, editing, chat & notifications, transcoding, play out automation, multi-platform distribution and analytics.

The integration of the Ooyala Flex Media Platform business has opened vast opportunities for DALET customers to deploy successful strategies that better address their audience with agile multi-platform content distribution in a wider range of markets, such as sports for teams and leagues, brands and corporate organizations, as well as Media and Entertainment companies looking to scale up their digital offerings.

DALET solutions and services are used around the world at hundreds of content producers and distributors, including public broadcasters (BBC, CBC, France TV, RAI, TV2 Denmark, RFI, Russia Today, RT Malaysia, SBS Australia, VOA), commercial networks and operators (Canal+, FOX, MBC Dubai, Mediacorp, Fox Sports Australia, Turner Asia, Mediaset, Orange, Charter Spectrum, Warner Bros, Sirius XM Radio), sporting organizations (National Rugby League, FIVB, Bundesliga) and government organizations (UK Parliament, NATO, United Nations, Veterans Affairs, NASA).

DALET is traded on the NYSE-EURONEXT stock exchange (Eurolist C): ISIN: FR0011026749, Bloomberg DLT: FP, Reuters: DALE.PA. For more information on DALET, visit [www.dalet.com](http://www.dalet.com)

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<sup>1</sup> Including, among others, Windcrest Partners LP, Hinsdale LLC, SOJE Fund LP and Mr. John J. Pinto

<sup>2</sup> i.e., approximately 80.1% of the theoretical voting rights upon completion of the proposed transaction, if any, as a result of the loss of the double voting rights attached to the Dalet shares sold and contributed to Newco.