

2022 Half-year results

Controlled growth: EBITDA margin increased to 13.7%

Record-breaking financial year: €21.0 million in turnover already achieved or to be recorded for 2022

Paris, September 22nd, 2022 - Witbe (Euronext Growth - FR0013143872 - ALWIT), the market leader in Quality of Experience for digital video services, publishes its 2022 half-year results (unaudited), approved by the Board of Directors at its meeting on September 22nd, 2022.

Consolidated data in €M French standards	S1 2021 (6 months)	S1 2022 (6 months)	2021 (12 months)
Revenue	7.677	9.435	19.131
Gross margin¹	6.623	8.209	16.546
<i>Gross margin rate (in %)</i>	86.3%	87.0%	86.5%
Payroll Expenses	6.672	7.336	14.265
Other purchases and external costs	1.434	2.247	3.424
EBITDA²	0.903	1.293	4.162
<i>EBITDA margin (in %)</i>	11.8%	13.7%	21.8%
Depreciation, impairment and provisions - Net	1.353	1.346	2.359
Operating Margin	-0.450	-0.052	1.803
Net income	-0.240	0.015	2.114
<i>Net margin (in %)</i>	n/a	0.2%	11.5%

¹ Gross margin: Turnover - consumed purchases

² EBITDA: Operating income before depreciation, impairment, and provisions - Net

Sustained growth: €9.4 million in revenue for S1, €8.6 million achieved so far for Q3

In the first half of 2022, Witbe recorded consolidated revenue of €9.4 million, dynamically up by +23%. At constant exchange rates, half-year organic growth was +18%. Powered by the strength of the new Witbe Cloud offering, particularly in the Americas, Cloud sales (SaaS mode subscriptions) increased by +66% during the 1st half year. Including maintenance services, Witbe's recurring revenue increased by +38% in the 1st half of 2022 to €3.6 million, totaling 38% of half-year revenue (compared to 30% for the whole of the year 2021). Witbe has set itself the goal of achieving 50% recurring revenue in the medium term. Geographically, the Americas market recorded sustained growth of +29% (+16% at constant dollars) and now represents 40% of Witbe's activity at mid-year. In EMEA (Europe, Middle East, and Africa), sales increased by +8% (+7% at constant exchange rates), representing 52% of Witbe's activity by mid-year.

The third quarter was also driven by the success of the two new Witbox models marketed since the beginning of 2022, the Witbox^x and the Witbox^{Net}. To date, the revenue of the 3rd quarter of 2022 (which will end on September 30th) already amounts to €8.6 million, illustrating the continuation of the sustained growth recorded since the beginning of the year.

Profitable growth: half-year EBITDA margin increased to 13.7%

Witbe's gross margin remained high at 87.0%, a slight improvement over the first half of 2021 (86.3%), thanks to the company's policy of securing supply chains in Asia and Europe. Payroll expenses increased at a moderate rate of +10% during the first half year. This increase is linked to the rise in the workforce in the United States, particularly within the sales and production teams, in order to support growth. At constant exchange rates, the increase in payroll expenses was +6%.

At mid-year 2022, Witbe had 146 employees, compared to 137 at the end of 2021.

After remaining steady in 2021 (+2%), other purchases and external costs increased by +65% in 1st half of 2022, but remain under control:

- Subcontracting expenses correspond to the development of the Asia and Middle East zones
- Travel costs are increasing due to the return of face-to-face commercial activity, but remain much lower than pre-Covid (2 times less than the 1st half year of 2020 and 4 times less than the 1st half of 2019)
- Witbe opened several offices during the past term (Lisbon, Phoenix, San Francisco, and Paris), but leasing expenses remain stable compared to the same half in 2020
- The advertising and marketing budget is in line with the pre-Covid period, also due to the reopening of trade shows, such as NAB in Las Vegas or ConneCTech Asia in Singapore

In total, operating expenses increased by +18% for H1 2022, lower than the growth activity rate.

Half-year EBITDA thus amounted to €1.3 million, up by +43% compared to the 1st half of 2021. The half-year EBITDA margin was 13.7%, compared to 11.8% a year earlier, setting a new bi-annual record.

After taking into account net allocations to depreciation and expenses, the operating margin and the half-yearly net income are in balance.

Announced growth: €21 million in revenue achieved or to be recorded in 2022

H2 2022 is part of a trend comparable to H1 2022, with ever-changing activity in the Americas, now driven by the success of the Witbox line-up and the growth of the Witbe Cloud model.

In mid-September, the revenue achieved or to be recorded for 2022 now stands at €21.0 million, already higher than the revenue recorded for the whole of the last financial year (€ 19.1 million).

Witbe is on course for a record year in 2022, signaling another year of sustained business growth.

Balance sheet view as of June 30, 2022

Witbe's financial structure remains solid in mid-2022. Witbe generated operating cash flow of +€1.2m in the 1st half of 2022. Investment flows amounted to -€2.0 million, an increase compared to the 1st half of 2021 (€1.6 million) as a result of the product innovation policy and the opening of new locations. Financing flows are negative at -€0.6 million, including loan repayments made during the 1st quarter and the cancellation of the Paycheck Protection Program (PPP) in the United States and its conversion into public subsidies in March 2022.

As of June 30, 2022, cash and cash equivalents amounted to €1.3 million, while financial debts were reduced to €3.7 million. These debts consisted mainly of the State Guaranteed Loan (PGE) in France for €3.5 million. At mid-2022, financial debt was limited to €2.3 million. After the end of the first half of the year, Witbe received the Research Tax Credit (CIR) for the year 2021 for an amount of €1.2 million.

Inventories were high as of June 30, 2022, owing to project deliveries that were originally scheduled for the first half of 2022 but were shifted to the third quarter. Trade receivables, which were particularly high at the end of 2021, were reduced to €5.3 million at the half-year mark.

Consolidated data in €M French standards	12/21	06/22	Consolidated data in €M French standards	12/21	06/22
Fixed assets	9.047	9.774	Equity	6.045	5.824
of net activated R&D	8.109	8.609			
			Supplier accounts payable	0.988	0.993
Inventories and work in progress	0.874	2.924			
			Loans and financial debts	4.303	3.675
Trade receivables	8.129	5.301			
			Other liabilities	15.074	13.306
Other current assets	5.694	4.455	which deferred income	8.078	7.361
Cash and cash equivalents	2.666	1.343			
TOTAL ASSETS	26.410	23.797	TOTAL LIABILITIES	26.410	23.797

Financial Calendar

Date	Publication
January 26, 2023	2022 full-year revenue

The publication will take place after the closing of the Euronext Growth market in Paris. This date is given as an indication, which is likely to be modified if necessary.

About Witbe

Witbe (Euronext Growth - FR0013143872 - ALWIT) has been the leader in test automation and proactive monitoring technology for video services for over 20 years. Headquartered in Paris with locations across the globe, the company makes hardware and software applications for video streaming providers that test the quality of experience their customers receive. Witbe is the only company on the market capable of testing any video service, running on any device (including PCs, smartphones, STBs, and Smart TVs), over any network (including Fiber, 5G, and OTT).

Thanks to its revolutionary Witbox and a new version of its REC application, Witbe recently made its remote access technology accessible through all modern web browsers. The company is proud to have customers—including Comcast, Cox, Verizon, Peacock, and Disney+—in more than fifty countries.

More information and further updates are available at [witbe.net](https://www.witbe.net).

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