

Press release

Netgem scales up in the video value chain

- ✓ Acquisition of **Eclair Préservation and Eclair Digital Services**
- ✓ Purchase of **minority stakes in Vitis (French activities)**
- ✓ Private investment of **5 million euros** fully subscribed by **la Caisse des Dépôts and Manco**

Paris, 23 June 2023

Netgem announces the acquisition of Eclair Préservation (EP) and Eclair Digital Services (EDS). EP and EDS have a combined portfolio of over 500 clients in France, both producers and broadcasters, whose works they securely store and digitise, including more than two-thirds of France's film heritage.

The merger with Netgem's French operations will enable Netgem to enhance its offering for audiovisual production, in particular movies. It also reinforces Netgem's strategy as a key value-added intermediary between content publishers (cinema, TV, video games, etc.) and distributors such as telecom operators.

For Mathias Hautefort, CEO of the Netgem Group and President of its French subsidiary Vitis: *"For over 25 years, Netgem has been a key player to accelerate the digital transformation of the video market from a mass market TV-centered service to an increasingly personalised consumer experience across all devices - with a strong focus on films and VOD. This transformation is far from over: video games, virtual reality and artificial intelligence all are new opportunities for an industry that Netgem will continue to support. The acquisitions of EP and EDS, combined with the arrival of prestigious new shareholders, are additional assets in our deployment of the Group's strategy."*

In parallel with these acquisitions, Netgem has announced that it is buying out the minority stakes held by Caisse des Dépôts and Océide in Vitis, its French subsidiary. This will simplify the Group's structure and its governance, and enable the implementation of post-acquisition synergies.

The total investment for these operations amounts to 7.4 million euros (*), financed by a 5 million euros reserved capital increase, subscribed by Caisse des Dépôts for 3 million euros and Manco, the reference shareholder of the acquired activities alongside J.2.H., for the rest. New shares will be issued at a price of €1.20, evidencing a premium of 12.7% over the price at close of market the day before. The balance of €1.8 million will be financed by the company's cash and the assumption of €0.6 million in debt from the acquired companies. Caisse des Dépôts will hold 7% of Netgem's capital and Manco close to 5%. These two new shareholders will be represented on the Board of directors of the company.

The terms and conditions and the dilutive impact of the private placement are described in the appendix to this press release.

The change in scope resulting from these transactions is expected to increase the Group's 2024 earnings per share (EPS) by more than 10% after synergies. The parties' objective is to finalise the transaction at the beginning of July 2023, with a positive impact on earnings from the second half of 2023.

(*) The acquisition of Eclair Préservation and Eclair Digital Services amounts to 4 million euros in enterprise value, and that of the minority shareholders in Vitis to 3.4 million euros.

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About Netgem

Netgem operates the netgem.tv platform of digital video entertainment services, integrating all live, on-demand and subscription content available on the market, and accessible by all family members on mobile, PC or TV screens.

The netgem.tv product is distributed through a network of fixed telecom operators in Europe, under the operator's brand (B2B2C model) to over 600,000 subscriber households.

Netgem is listed on Euronext Growth.

(ISIN : FR0004154060, Reuters : ETGM.PA, Bloomberg: ALNTG FP)



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APPENDIX

Terms and conditions, and dilutive impact of the reserved capital increase

Legal terms and conditions of the capital increase

The capital increase will be carried out without pre-emptive subscription rights for existing shareholders, for the exclusive benefit of a limited number of investors, under the terms of article L. 411-2 1° of the French Monetary and Financial Code, in accordance with the 13th resolution of the Company's Shareholders Meeting held on May 25th, 2023 (the "Shareholders Meeting") and the decisions of the Board held today (the "Private Placement").

Use of proceeds of the capital increase

The proceeds of the capital increase will be exclusively used by Netgem to finance the acquisition of Eclair Préservation (EP) and Eclair Digital Services (EDS), as well as the minority interests of Caisse des Dépôts et Consignations and Oceinde in Vitis.

Issuance Price

The issuance price for each new ordinary share has been set at €1.20, i.e. a price at least equal, in accordance with the 13th resolution of the Shareholders Meeting, to the volume-weighted average share price for the last three (3) trading sessions preceding the date on which the issuance price is set, subject to a maximum discount which may not exceed 20%. Accordingly, the Company will issue 4,166,667 new shares with a par value of €0.20 and a share premium of €1, representing 13.56% of the share capital and a total par value of €833,667.40.

Subscription period

The subscription period has been opened as from today (22 June 2023) for a period expiring on 30 June 2023 included, and may be closed before once all subscriptions have been received.

Subscriptions received

The Private Placement has been subscribed in full today by :

- Caisse des Dépôts et Consignations, a special institution created by the law of April 28th 1816, codified in articles L.518-2 and seq. of the French Monetary and Financial Code, having its headquarters at 56 rue de Lille, 75007 - Paris, for €3 million; and
- MANCO., a French *société par actions simplifiée* (simplified joint-stock company) having its headquarters at 70, rue Jean Bleuzen, 92170 - Vanves, France, for €2 million.

Settlement and delivery, and listing of the new shares

Settlement and delivery of the new shares and their listing on the Euronext Growth market in Paris are scheduled for 27 June 2023. The new shares will be subject to all the provisions of the Company's bylaws and will be assimilated to the existing shares upon completion of the capital increase. They will carry dividend rights and will be admitted to trading on the Euronext Growth Paris market on the same listing line as the Company's shares already listed under the same ISIN code FR0004154060. In accordance with the provisions of Article L.411-2 of the French Monetary and Financial Code and Article 211-2 of the General Regulations of the French *Autorité des Marchés Financiers* (the "AMF"), the Private Placement will not require the Company to prepare a prospectus approved by the AMF.

Lock-up

Not applicable.

Risk factors

The public's attention is drawn to the risk factors relating to the Company and its business, described in the 2022 Annual Financial Report available on the Company's website (<http://www.netgem.com/>). The occurrence of any or all of these risks could have an adverse effect on the Company's business, financial situation, results, development or prospects.

Impact of the issuance of the new shares on the net equity per share (quote-part de capitaux propres)

For information purposes, the impact of the issuance of the new shares on the proportion of shareholders' net equity per share (based on the amount of net equity as at 31 December 2022 as resulting from the Company's financial statements for the year ended as at 31 December 2022 approved by the Shareholders Meeting and the number of shares comprising the Company's share capital as at 31 December 2022, i.e. 30,721,059) would be as follows:

	Net Equity per share (in €)	
	On a non-diluted basis	Fully diluted (after exercise of all existing dilutive instruments) ¹
<u>Before</u> issuance of the new shares	€0,629	€0,618
<u>After</u> issuance of the new shares	€0,697	€0,686

Impact of the issuance of the new shares on the situation of the shareholders

In addition, the impact of the issuance of the new shares on the situation of a shareholder holding 1% of the Company's share capital, calculated on the basis of the number of shares of the Company as at 31 December 2022, i.e. 30,721,059, would be as follows:

	On a non-diluted basis	Fully diluted (after exercise of all existing dilutive instruments) ²
<u>Before</u> issuance of the new shares	1,00%	0,98%
<u>After</u> issuance of the new shares	0,88%	0,87%

¹The diluted basis includes shares freely allocated to employees but not yet vested. To date, 560,277 such shares have been allocated but are not yet vested.

² Idem.