STREAMWIDE

Paris, 18 September 2023

PRESS RELEASE

POSITIVE H1 2023 RESULTS OPERATING MARGINS UP

H1 REVENUE: **€8.4m** (up 3%)
EBITDA: **€4.6m** (up 21%)
EBIT: **€1.6m** (up 44%)
NET INCOME: **€1.2m** (up 15%)
NET CASH: **€6.7m**

STREAMWIDE (FR0010528059 – ALSTW – eligible for the French PEA-PME), the expert in critical business and communications software solutions, today announces positive first half results and strong growth compared to the first half of 2022. The increase in first half revenue, combined with the tight controlling of costs, primarily staff costs, resulted in increases of €0.8 million in EBITDA (up 21%) and €0.5 million in EBIT (up 44%). This confirms STREAMWIDE's buoyant positioning and its sound financial structure, capable of absorbing cyclical fluctuations, enabling it to generate a high level of profitability.

SUMMARY IFRS INCOME STATEMENT (**)

in K€	HY 2023	%Rev	HY 2022	%Rev	Var. (K€)	Var. (%)
Revenues "Platforms"	5 568	66%	5 372	66%	196	4%
Revenues "Legacy"	2 824	34%	2 773	34%	51	2%
TOTAL REVENUES	**8 392**		**8 145**		**247**	**3%**
Payroll expenses	-3 105	37%	-3 490	43%	384	-11%
G&A and external expenses	-1 182	14%	-1 248	15%	66	-5%
Other expenses / products	476	-6%	392	-5%	84	21%
TOTAL EXPENSES before Amortisation	**-3 811**		**4 346**		**534**	**-12%**
EBITDA (*)	**4 581**	55%	**3 799**	47%	**781**	**21%**
Amortisation	-2 959		-2 677		-282	11%
EBIT (**)	**1 622**	19%	**1 123**	14%	**499**	**44%**
Other ope. expenses / products	-		-		-	
Financial expenses / products	-143		309		-452	
Fiscal expenses / products	-282		-392		110	
NET RESULTS	**1 197**	14%	**1 040**	13%	**157**	**15%**

(*) EBITDA (EBIT before depreciation and amortisation) is the difference between operating income and operating expenses before depreciation, amortisation and impairment of non-current assets

EBIT includes depreciation, amortisation and impairment.

(**) The limited review of the first half consolidated financial statements is currently underway.

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RETURN OF ROBUST OPERATING MARGINS AGAINST A BACKDROP OF STABLE AND SUSTAINED INVESTMENT

STREAMWIDE recorded revenue of €8.4 million in the first half of 2023, up 3%.

The new **team on mission** and **team on the run** critical business and communications platforms, for which revenue rose by 4% to €5.6 million in the first half of 2023, still represent the Group's main revenue source (66%) and will be major growth drivers over the coming years. As previously indicated, the mass roll-out of the PCSTORM project is currently underway, with the forthcoming deployment of the largest MCPTT platform in the world in terms of simultaneous end-users.

- *EBITDA: €4.6m*

After a first half 2022 marked by non-recurring staff costs, the second half of 2022 saw the satisfactory reorganisation of technical teams. The first half of 2023 continued in the same vein, with a €0.4 million net decrease in payroll compared to the first half of 2022, representing 37% of first half revenue compared to 43% in H1 2022.

Before capitalisation of staff costs linked to product development (€2.8 million, down from €2.7 million at 30 June 2022), first half payroll amounted to €5.9 million, down €0.3 million, mainly reflecting change in headcount: the Group had 193 employees at the end of June 2023 (unchanged from the end of December 2022), down from 205 at the end of June 2022.

With regard to external expenses, the Group continues to efficiently control its costs, which dropped €0.1 million, with particular attention to subcontracting expenses, professional fees and hiring costs.

Excluding depreciation and amortisation and after IFRS 16 restatement of lease expenses (additional expenses of €0.4 million compared to €0.3 million a year earlier), operating expenses amounted to €3.8 million in H1 2023, a significant reduction of €0.5 million from €4.3 million in H1 2022. Taking into account the €0.2 million increase in first half revenue, the operating margin rose to 55% (up €0.8 million), compared to 47% in H1 2022 and 55% for the previous full year.

- *EBIT: €1.6m*
- *Net income: €1.2m*

The €0.3 million increase in depreciation and amortisation in H1 2023 is due to the amortisation of development costs (€2.3 million versus €2 million in H1 2022). They are expected to stabilise at their current level over the coming months, depending on the various software versions developed and put into production. Depreciation of lease right-of-use assets was stable at €0.3 million, following the revaluation of the Paris lease in the first half of 2022.

After €0.1 million of net financial expense, reflecting adverse movements in the USD/EUR exchange rate during the first half and the financial costs associated with the new loans taken out in March 2023, and a net tax loss of €0.3 million impacted by the net deferred tax liability on capitalised development costs, with no cash impact, the Group reported net income of €1.2 million, a €0.2 million increase on H1 2022 (up 15%).

_ INCREASED FREE CASH FLOW AND ROBUST FINANCIAL STRUCTURE

The Group's financial structure remained strong at 30 June 2023 with shareholders' equity at €20.5 million and a healthy net cash balance of €6.7 million (excluding lease liabilities). The balance sheet total was €44.8 million, up from €39.5 million at 31 December 2022 (see appendix below).

Gross cash and cash equivalents increased by €5 million to €16.4 million at 30 June 2023. After taking into account borrowings (€9.7 million) and excluding lease liabilities (€2.8 million, compared to €2.9 million at 31 December 2022), net cash came to €6.7 million, compared to €8.5 million at 31 December 2022.

Operating cash flow amounted to €3.1 million, posting a slight decline attributable mainly to the €0.8 million decrease in working capital over the period, while recurring capital expenditure on product development remained high at €3.2 million (see appendix below). Note that the receivable relating to the Research Tax Credit for 2022 (€1.1 million) is due in the second half, whereas a €1 million refund was recorded in the first half of 2022. Lastly, cash flows from financing activities were positive at €5.3 million, following (i) changes in borrowings (up €7 million), taking into account new loans taken out in March 2023 totalling €7.5 million and repayments of €0.5 million during the period, and (ii) net buybacks of treasury shares (€1.4 million outflow), prior to their cancellation at the end of June 2023.

_ OUTLOOK: PROVEN TECHNOLOGY AND DIVERSIFICATION OF REVENUE SOURCES

As announced in the H1 2023 revenue release, the level of full-year 2023 revenue currently anticipated is satisfactory, but remains correlated with the launch schedules of the various French and European ministerial projects. In particular, the Italian project won by the Group several months ago is set to enter its first operational phase by the end of the year. The impact in terms of revenue could therefore vary widely as of the fourth quarter of 2023. Despite this uncertainty, revenue is expected to grow by at least as much over the full year as it did in the first half of 2023. With the revenue base often more favourable in the second half, and boosted by a relatively stable cost structure, the impact on operating margin and full-year earnings should therefore be positive.

In the medium term, a large number of projects in France (**team on the run** platform and legacy businesses), Europe (**team on mission** platform business) and the United States (core and legacy businesses) are set to come to fruition in the coming months. However, 2024 revenue is also dependent on the various operational schedules adopted for the various projects. Although development projects in the public safety sector, and more generally the adoption of new-generation critical communications solutions, are expected to accelerate over time, the time variable remains an unknown and as such requires the Group to remain relatively cautious as to the level of full-year revenue it can anticipate for 2024.

In addition, 2024 is the year of the Olympic Games in France and the current challenge for the various players in the STORM and RRF projects is to roll out and maintain in operational conditions the largest MCx (critical communications) platform ever deployed in Europe, and probably the world. In this sense, the Rugby World Cup currently underway in France acts a dress rehearsal.

The platform technology developed by the Group has become a must for most major players in the sector. The Group has new financial resources (new loans taken out in March 2023) to further sharpen the technological edge of its solutions. Major technical investments will accordingly be made in the coming months to further strengthen the sovereignty, security, standards compliance (particularly 3GPP) and scalability of the solutions developed, while offering new features and increasing the end-to-end quality of their components (servers, mobile and web applications).

The Group therefore remains confident in its ability to maintain its profitable growth momentum, although this is still subject to the various schedules of the many projects currently underway and to the technical and organisational constraints facing customers/prospects. The Group plans to continue investing technically in these solutions in order to respond effectively to its customers' needs, while further developing its direct and indirect sales ecosystem to diversify its future revenue streams.

Appendices

Consolidated financial statements at 30 June 2023 and 31 December 2022

in K€	30-Jun-23	31-Dec-22
Intangible assets	14 824	13 938
Tangible assets	3 788	4 083
Other financial assets	334	468
Deferred tax assets	75	75
NON CURRENT ASSETS	**19 021**	**18 564**
Receivables	6 326	6 704
Other receivables	1 402	1 144
Other financial assets	1 717	1 193
Cash and cash equivalent	16 354	11 341
CURRENT ASSETS	**25 799**	**20 382**
TOTAL ASSETS	**44 820**	**38 946**
Capital	280	305
Paid in capital	4 164	9 894
Consolidated reserves	15 075	10 360
Self owned shares	-193	-2 814
Net Result Group share	1 197	3 399
TOTAL EQUITY	**20 524**	**21 145**
Financial liabilities	8 514	2 089
Rental liabilities	2 294	2 499
Non current provisions	329	304
Deferred financial revenues	1 773	1 743
Deferred tax liabilities	2 153	1 609
NON CURRENT LIABILITIES	**15 064**	**8 243**
Financial liabilities	1 189	734
Rental liabilities	533	499
Current provisions	-	-
Payables	567	719
Social and fiscal debts	2 896	2 588
Deferred fiscal products	887	871
Deferred revenues	3 161	4 147
CURRENT LIABILITIES	**9 233**	**9 558**
TOTAL EQUITY AND LIABILITIES	**44 820**	**38 946**

Consolidated cash flow statement HY 2023, FY 2022 and HY 2022

in K€	HY 2023	FY 2022	HY 2022
Consolidated net result	**1 197**	***3 399***	**1 040**
Capacity of self financing before cost of debt and taxes	3 955	*8 793*	3 672
Variation of working capital	-807	*534*	528
Net operating cash flow	**3 148**	***9 327***	**4 200**
Change in fixed assets	-3 416	*-9 134*	-6 224
Other cash flow linked to investment operations (CIR)	-	*2 065*	955
Net investing cash flow	**-3 416**	***-7 069***	**-5 269**
Net financing cash flow	**5 280**	***883***	**2 413**
Cash variation	**5 013**	***3 141***	**1 344**
Cash at the end of the period	**16 354**	***11 341***	**8 200**

Next financial release: 2023 revenue, Monday, 12 February 2024

About STREAMWIDE (Euronext Growth: ALSTW)

A major player for 20 years in the critical communications market, STREAMWIDE has successfully developed its **Team on mission** (mission critical) and **Team on the run** (business critical) software solutions for administrations and businesses. These solutions for smartphones and PCs, offered in a SaaS model or on Premise, benefit from numerous functionalities such as the multimedia group communications, VoIP, push-to-talk (MCPTT and MCx new generation 4G / 5G LTE), geolocation, digitalization and automation of business processes. These innovative solutions meet the growing needs for digital transformation and real-time coordination of interventions. They allow field teams to transform individual contributions into collective successes and to act as one in the most demanding professional environments.

STREAMWIDE is also present on the Value-Added Services software market for telecom operators (visual voice messaging, billing and charging of calls in real time, interactive voice servers, applications and announcements) with more than 130 million end users all over the world.

Headquartered in France and present in Europe, USA, Asia and Africa, STREAMWIDE is listed on Euronext Growth (Paris) – ALSTW FR0010528059.

For more information, **http://www.streamwide.com** and visit our LinkedIn pages **@streamwide** and Twitter **@streamwide.**

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