

## STRONG GROWTH IN 2020 EARNINGS AND MARGINS

### PROFITABLE GROWTH SET TO CONTINUE IN 2021

EBITDA: **€7.6m (up 68%)**  
 EBIT: **€4m (up 233%)**  
 NET INCOME: **€3.3m (up 186%)**  
 NET CASH: **€6.4m (up €3.4m)**

STREAMWIDE (FR0010528059 – ALSTW – eligible for the French PEA PME), the expert in critical communications software solutions, today announces a sharp increase in full-year earnings and operating margins, driven by growth in revenue from its new **team on mission** and **team on the run** business communications solutions ("platforms" business) and efficient cost control.

#### SUMMARY IFRS INCOME STATEMENT (\*\*)

In K€	FY 2020	%CA	FY 2019	%CA	Var. (K€)	Var. (%)
Revenues "Platforms"	8,300	59%	4,973	49%	3,327	67%
Revenues "Legacy"	5,657	41%	5,236	51%	421	8%
<b>TOTAL REVENUES</b>	<b>13,957</b>		<b>10,209</b>		<b>3,748</b>	<b>37%</b>
Payroll expenses	-4,982	36%	-3,767	37%	-1,215	32%
G&A and external expenses	-2,112	15%	-2,327	23%	215	-9%
Other expenses / products	764	-5%	412	-4%	352	85%
<b>TOTAL EXPENSES before amortisation</b>	<b>-6,329</b>		<b>-5,682</b>		<b>-647</b>	<b>11%</b>
<b>EBITDA (*)</b>	<b>7,628</b>	<b>55%</b>	<b>4,527</b>	<b>44%</b>	<b>3,101</b>	<b>68%</b>
Amortisation	-3,604		-3,317		-287	9%
<b>EBIT (*)</b>	<b>4,024</b>	<b>29%</b>	<b>1,210</b>	<b>12%</b>	<b>2,814</b>	<b>233%</b>
Other operational expenses / products	-		4		-4	
Financial expenses / products	-380		-23		-357	
Fiscal expenses / products	-377		-50		-328	
<b>NET RESULTS</b>	<b>3,267</b>	<b>23%</b>	<b>1,141</b>	<b>11%</b>	<b>2,126</b>	<b>186%</b>

(\*) EBITDA (EBIT before depreciation and amortisation) is the difference between operating income and operating expenses before depreciation, amortisation and impairment.

EBIT includes depreciation, amortisation and impairment.

(\*\*) The consolidated financial statements are currently being audited.

– **STRONG LEVERAGE AND SHARP RISE IN EARNINGS**

- *EBITDA: €7.6m (up 68%)*

2020 annual revenue rose €3.7 million, led by a €3.3 million rise in revenue from new critical communications business solutions (up 67% and now contributing nearly 60% of Group annual revenue). The key drivers were the ongoing impact of the partnership with the Secure Land Communications (SLC) division of Airbus Defence and Space, continuing roll-out of the PCSTORM project, and new tenders and projects with French municipalities and private companies won and installed in 2020.

The top line growth fed directly through to a €3.1 million (up 68%) jump in EBITDA, which at €7.6 million represented 55% of 2020 revenue. The rise in EBITDA thus equated to 83% of the revenue growth recorded for 2020.

Excluding depreciation and amortisation and after IFRS 16 restatement of lease expenses (additional expenses of €0.6 million in 2020 and €0.7 million in 2019), operating expenses amounted to €6.3 million versus €5.7 million in 2019. The €0.6 million increase is attributable to a €1.2 million net increase in payroll after capitalisation of development costs, partly offset by a €0.5 million decrease in other costs and external charges. Before capitalisation of staff costs linked to product development, the annual payroll was €8.7 million, up €1.7 million after 27 new hires to support the Group's expansion, boosting the headcount to 186 as of 31 December 2020. As such, the increase in staff costs is mainly due to the increase in headcount, as the average salary paid by the Group remained nearly stable.

- *EBIT: €4m (up 233%)*
- *Net income: €3.3m (up 186%)*

After depreciation and amortisation, EBIT was €4 million, up €2.8 million or 3.3x, and represented 29% of annual revenue, up 17 points from 12% in 2019.

After €0.4 million of net financial expense, reflecting adverse movements in the USD/EUR exchange rate during 2020, and a net tax loss of €0.4 million caused by the net deferred tax liability on capitalised development costs, the Group reported net income of €3.3 million, a 2.9-fold increase on 2019.

– **STRONG CASH FLOW AND ROBUST FINANCIAL STRUCTURE**

The Group's finances strengthened further as of 31 December 2020, with equity of €16 million and a healthy net cash balance of €6.4 million, excluding lease liabilities, giving a balance sheet total of €31 million up from €20.3 million at 31 December 2019 (see appendix below).

Breaking this down, the €10.7 million increase was mainly due to changes in intangible assets (net capitalised value of €1.9 million in 2020), a €2.9 million increase in trade receivables in line with revenue growth and gross cash and cash equivalents up €5.5 million.

The change in liabilities was mainly due to a €6.1 million increase in shareholders' equity, boosted by the recognition of 2020 net income of €3.3 million and €2.6 million from the sale of treasury shares, as well as increases in borrowings (up €2.2 million), VAT payables (up €1 million) and deferred income (up €1 million).

Boosted by revenue and earnings growth, gross cash and cash equivalents increased by €5.5 million to €9.5 million at 31 December 2020.

Operating cash flow (€5.4 million including a €0.6 million impact from IFRS 16 reclassification of items from operating to financing cash flows) dipped slightly due to the €0.6 million increase in working capital over the period linked to business growth, while recurring capital expenditure on product development rose further and remains high at €4.2 million (see appendix below). Also note that in 2019 two refunds were made in respect of the research tax credit, the overdue 2017 payment and that for 2018, while in 2020 only the 2019 refund was made in May, totalling €0.9 million. Finally, financing cash flow was positive at €4.2 million, impacted by €0.3 million loan repayments over the period, an €0.6 million increase in lease liabilities under IFRS 16, €2.6 million proceeds from sale of treasury shares and the arrangement of a €2.5 million PGE state-guaranteed loan in summer 2020.

## **2021 OUTLOOK: ANOTHER YEAR OF PROFITABLE GROWTH**

As predicted in our 2020 revenue release in February, 2020 earnings surged, reflecting sustained revenue growth and an ongoing tight grip on costs. Operating margins are now around 30%, more than double what we were seeing in 2019.

Our solutions are a good fit for their target markets and ecosystem, particularly with the Group's partners and distributors, which gives grounds for confidence that the profitable growth trend begun in 2019 and confirmed in 2020 will continue over the coming months.

STREAMWIDE is confident it can continue to generate profitable growth. The Group has already almost secured annual revenue equal to that of 2020, as several large and significant projects are currently being structured. In France and Europe, several large-scale ministerial projects are under review and could bear fruit over the coming months, even if the different stages of maturity of the projects (initial launch or upscaling of services) will result in different revenue volumes for the Group and a schedule evolving over time.

Meanwhile, there are plenty of other opportunities in the pipeline which could be sealed quickly, economy and health situation permitting, without delaying the budgetary commitments of these potential customers.

The Group's engagement with its distributors could also deliver an increase in projects from 2021, proving its sales strategy and strengthening market share right.

2021 should therefore mark another year of solid revenue growth. The leverage inherent to the Group's business, and its tight grip on costs, should translate this into rising profits.

Cash flow is broadly positive and covers investments in the new **team on mission** and **team on the run** critical communications platforms, such as new operational functionalities which are continually under development, a full suite of collaboration tools, advanced telephony system, API, SDK and virality.

These developments, integrated as secure sovereign technical architectures unlike many of the mass market solutions available, will also be maintained and sustained over the coming months to support growth, allow the Group to extend its technological lead and confirm its position as a big player in the secure critical communications market.

**Appendixes**
**Consolidated financial position at 31 December 2020 and 31 December 2019**

In k€	31-déc.-20	31-déc.-19
Intangible assets	9,991	8,090
Tangible assets	2,287	2,439
Other financial assets	701	451
Deferred tax assets	65	145
<b>NON-CURRENT ASSETS</b>	<b>13,043</b>	<b>11,126</b>
Receivables	6,141	3,279
Other receivables	1,328	952
Other financial assets	987	916
Cash and cash equivalent	9,536	4,007
<b>CURRENT ASSETS</b>	<b>17,993</b>	<b>9,155</b>
<b>TOTAL ASSETS</b>	<b>31,036</b>	<b>20,280</b>
Capital	292	292
Paid-in capital	7,931	7,931
Consolidated reserves	4,629	2,057
Self-owned shares	-165	-1,604
Net result - Group share	3,267	1,141
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<b>15,954</b>	<b>9,817</b>
Financial Liabilities	282	642
Rental liabilities	952	1,271
Non-current provisions	387	297
Deferred financial revenues	1,476	1,345
Deferred tax liabilities	201	-
<b>NON-CURRENT LIABILITIES</b>	<b>3,298</b>	<b>3,554</b>
Financial liabilities	2,885	366
Rental liabilities	502	417
Current provisions	7	7
Payables	898	678
Social and financial debts	2,634	1,620
Deferred fiscal products	738	672
Deferred revenues	4,119	3,149
<b>CURRENT LIABILITIES</b>	<b>11,784</b>	<b>6,909</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>31,036</b>	<b>20,280</b>

**Consolidated cash flow 2020 and 2019**

In k€	FY 2020	FY 2019	Var.
<b>Consolidated net result</b>	<b>3,267</b>	<b>1,141</b>	<b>2,126</b>
Capacity of self-financing before cost of debt and taxes	6,076	4,017	2,059
- Variation of working capital	631	-2,731	3,362
<b>Net operating cash flow</b>	<b>5,445</b>	<b>6,748</b>	<b>5,421</b>
Change in fixed assets	-5,047	-4,217	-1,947
Change in other cash flow linked to investment operations (CIR)	884	1,374	635
<b>Net investing cash flow</b>	<b>-4,163</b>	<b>-2,843</b>	<b>-1,312</b>
<b>Net financing cash flow</b>	<b>4,247</b>	<b>-2,562</b>	<b>-466</b>
<b>Cash variation</b>	<b>5,529</b>	<b>1,343</b>	<b>3,643</b>
Cash position	<b>9,536</b>	<b>4,007</b>	<b>4,235</b>

Next financial release: H1 2021 revenue, Monday, 19 July 2021

**About STREAMWIDE (Euronext Growth: ALSTW)**

A major player in the critical communications market for 20 years, STREAMWIDE has successfully developed its **team on mission** (mission-critical) and **team on the run** (business-critical) software solutions for government agencies and businesses.

These solutions designed for smartphones and PCs and available in SaaS mode or under licence offer a wide range of features, including multimedia group discussion, VoIP, push-to-talk (MCPTT and MCx new generation 4G/5G LTE), geolocation tracking and business process digitisation and automation. These innovative solutions meet the growing needs for digital transformation and real-time coordination of operations. They allow field teams to transform individual contributions into collective successes and to act as one in the most demanding professional environments.

STREAMWIDE also operates on the value-added services software market for telecom operators (visual voice messaging, real-time call billing and taxation, interactive voice servers, applications and announcements), which serves over 130 million end users worldwide.

Based in France with operations in Europe, USA, Asia and Africa, STREAMWIDE is listed on Euronext Growth (Paris) – FR0010528059.

Read more at <http://www.streamwide.com> and check out our pages on LinkedIn [@streamwide](#) and Twitter [@streamwide](#).

STREAMWIDE has been awarded the Bpifrance "innovation company" label and its shares are eligible for inclusion in French FCPI innovation funds and PEA-PME personal equity plans.

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