



Alchimie reports its first half 2022 financial results and confirms its 2022 targets

- **Revenues of €12.5 million, in line with the guidance**
- **Improvement of the gross margin rate to 56%, vs. 49% as of June 30, 2021**
- **Positive EBITDA achieved at the end of June 2022**
- **Cash position of €5.1 million at the end of June 2022**
- **Confirmation of 2022 objectives: revenues above €20 million and the achievement of a positive EBITDA**

Paris, October 18, 2022 - 5:45 pm CEST: ALCHIMIE (FR0014000JX7 - ALCHI - PEA-PME eligible an OTT (Over the Top) subscription video on demand (SVOD) platform featuring original and exclusive thematic channels published jointly with media groups and talents, announces its consolidated half-year results for the period ended June 30, 2022.

Pauline Grimaldi d'Esdra, CEO of Alchimie, comments: *"The results of this first half are in line with the objectives announced at the beginning of the year, particularly the level of revenues and the achievement of a positive EBITDA. Following the completion of the Company's reorganization during the past six months, we are now paving the way towards a necessary diversification through the development of indirect distribution networks for our channels."*

Consolidated income statement (IFRS)

<i>In thousands of euros</i>	30.06.2022	30.06.2021	Change
Revenue	12,506	15,621	-19.9%
Cost of sales	-5,510	-8,009	-31.2%
Gross profit	6,996	7,613	-8.1%
Technological and development costs	-2,550	-2,368	+7.7%
Sales and marketing costs	-2,059	-8,293	-75.2%
General and administrative expenses	-3,497	-2,665	+31.2%
Operating income	-1,111	-5,713	-80.6%
Financial result	-232	-211	-9.9%
Consolidated net income	-1,343	-5,936	+77.4%
EBITDA	493	-5,208	
Cash position, end of period	5,252	8,633	-39.1%

Business activity and first half 2022 results

As of June 30, 2022, the Group's consolidated half-year revenues (IFRS) amount to €12.5 million, in line with the guidance announced last February. The 20% decrease compared to the same period in 2021 is mainly explained by the strategic refocusing initiated during the first quarter of 2022, oriented towards the achievement of operational profitability rather than subscriber base growth target.

The share of revenues generated by the Video segment amounts to €11.5 million. Revenues are primarily driven by the SVOD offer, while the contribution from FAST¹ is still marginal.

Cost of sales stands at €5.5 million, down 31% compared to the previous year, resulting in a gross margin amounting to €7.0 million.

The gross margin rate thus increases by 7 points compared with June 30, 2021, to 56%. The rationalization of content licensing and technical costs committed during the period has contributed to this improvement.

The gross margin rate for the Video segment increased to 54%, compared with 45% at June 30, 2021, thanks to the change in the TVPlayer programming service in England.

Operating expenses are down 39% due to the Company's reorganization, which resulted in a significant reduction in marketing and sales expenses (-75%). Technology and development costs are up 8% following the increase in amortization related to the Alchimie Studio platform and costs related to the restructuring. General and administrative expenses, also up 31%, are partly related to the recognition of these expenses.

The measures taken at the beginning of 2022 have enabled Alchimie to achieve its objective of a positive EBITDA at the end of June, of €493k.

As of June 30, 2022, the operating loss is -€1.1 million, compared to -€5.7 million a year ago. The financial result amounts to -€0.2 million as of June 30, 2022, nearly stable compared to the first half of 2021.

Overall, the consolidated net loss for the period is €1.3 million, compared with €5.9 million in the first half of 2021.

As of June 30, 2022, Alchimie's cash position amounts to €5.1 million.

Strengthening of assets (content, distribution): commercial development of new partnerships

Concurrently with the strategic refocusing of the business model conducted in recent months, Alchimie has consolidated its assets.

During the first half of the year, Alchimie has developed a channel editing offer on behalf of brands and a SAAS offer² for channel creation, as a service provider. A sales team has been created during the reorganization.

The Company has continued to enrich its catalog of premium content, particularly in English, by signing several agreements with, for example, Inverleigh, Eaton films and Reverso Films.

Alchimie also launched two new SVOD channels, entreparticuliers.tv and EcoRéseauPlus. tv, the first as a technical and content provider, the second as a co-publisher.

In addition, Alchimie has strengthened its footprint in Europe's fast-growing FAST markets by signing a partnership with LG Channels. Similarly to its partnership with Samsung TV Plus, several million of LG Smart TV users based in Germany, the UK, France, Spain and Italy now have free access to 23 channels

¹ FAST: Free Ad-supported Streaming TV, linear OTT channels financed by advertising

² SAAS : Software as a Service

distributed by Alchimie. Thanks to this new partnership, Alchimie is consolidating its position in the promising FAST market, a position reinforced by the launch of new channels such as Reportage Spica Life, Scènes de crime and Exquis.tv.

Lastly, Alchimie has extended its distribution partnerships with leading players: Orange for the distribution of PointdeVue.TV channel and Amazon Mexico for the distribution of the Vaughan Play channel, a first in this geographical area. A preferred agreement with Altice to provide premium content through the new RMC BFM Play platform has also been signed.

Development outlook and confirmation of 2022 objectives

Alchimie intends to pursue its developments during the second half of 2022, particularly in channels in the fields of Discovery, Curiosity or Smart Education, which are attracting a growing interest to be confirmed in the coming months.

However, due to long sales cycles and the unfavorable economic (inflation, energy, purchasing power) and geopolitical (war in Ukraine) context, the new strategy of diversified offers launched during the year has not yet generated the expected results. These entertainment services could be considered as non-essential by advertisers and end consumers, leading to a risk of potential decline in the subscriber base in the coming months.

Nonetheless, the implementation of these strategies and the new sales team have shown some progress, marked by commercial discussions over the past weeks both in the field of FAST, in France and Spain, and the distribution of our SVOD channels, which could be concluded in the coming months.

Based on the progress observed, the Company may have to revise its short and medium-term developments in order to adapt it to market conditions.

Despite this context and with the benefit of the corrective actions implemented, Alchimie confirms its objectives for 2022, namely: to achieve revenues of more than €20 million and to reach a positive EBITDA.

In terms of financial resources, Alchimie will maintain a rigorous costs management to preserve its cash and does not plan to call on the market at this stage given its cash position of €5.1 million at the end of June 2022.

The 2022 half-year financial report is now available on: <https://www.alchimie-finance.com/en/documentation-gb/financial-report>

Next financial release: Annual sales on January 31, 2023 after market close.

About Alchimie

Alchimie is a channel factory: a unique video platform in partnership with talents and media to co-publish their own thematic channel. Alchimie has a content catalog established among 300 renowned partners (Arte, France TV distribution, ZDF Entreprises or Zed). Alchimie partners with talents (celebrities, influencers), brands and media groups to create new channels (The Big Issue, Army Stories, Poisson Fécond, Vaughan, Scène de Crime, Point de Vue) which are then distributed on more than 20 distribution platforms (TVPlayer, Amazon, Orange, Movistar, Samsung, LG, etc.) constantly expanding its audience and consequently its revenues.

For more information: www.alchimie-finance.com / www.alchimie.com



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