



Press release

Alchimie announces the approval of its registration document by the French financial markets authority as part of its contemplated **initial public offering** on Euronext Growth® in Paris

Paris, October 26, 2020 – 11:45 am CET- Alchimie, an OTT (Over the Top) platform of subscription video on demand (SVOD) offered via original and exclusive thematic channels, co-published with media groups, celebrities, influencers and youtubers, announces the approval of its registration document by the French financial markets authority (AMF) under number I. 20 – 028 dated October 23, 2020.

This registration document is the first step in Alchimie's contemplated initial public offering on the Euronext Growth® Paris, subject to favourable market conditions and the approval by the AMF of the Prospectus relating to the transaction.

Nicolas d'Hueppe, Founder, Chairman and CEO of Alchimie comments: « *In less than four years, we have built an OTT platform of thematic channels, and co-published 55 original and exclusive channels with media groups, celebrities and influencers. Our innovative offer, based on affinity thematic content, has already attracted more than 300,000 paying subscribers in Europe. This contemplated IPO will enable Alchimie to accelerate the launch of new exclusive original channels and to support its international deployment in the four languages in which the Group operates already.* »

Alchimie is an OTT platform pursuing a growth dynamic fueled by:

- Already 55 exclusive thematic channels ...and a new channel launched every week in Europe
- A market opportunity estimated at \$61 billion in 2020¹. The global SVOD (subscription video on demand) market, which benefits from new content consumption trends, is expected to represent a \$98 billion market in 2025¹, representing an Average Annual Growth Rate (AAGR) of nearly 10% over the next five years
- An international catalog of rights that already includes more than 60,000 hours of multilingual content from more than 300 rights owners such as France Télévision, Arte, ZDF Entreprises, BBC, ZED and Inverleigh, and is constantly growing with approximately 2,000 hours of additional content per month
- An international distribution network of more than 60 distribution platforms including telecom operators, smartphone manufacturers and digital platforms
- A proprietary application, TVPlayer and a leading technological platform, allowing the industrialization of the marketing of SVOD channels
- A CSR approach integrated into Alchimie's corporate culture, with ESG performances evaluated at 70/100 by the rating agency Ethifinance

¹ Source: Digital TV Research, Global SVOD Forecasts, 2020 edition

Significant technological and societal trends that are reshaping the television and video market

The television and video market is undergoing a significant change, caused by the massive increase in telecom networks' capacity allowing more and more videos streaming and leading to an increasingly delinearized consumption of content. Consumers can now watch the content they want on demand, when they want it, on the device of their choice.

A booming thematic television market driven by the explosion of OTT players...

As a result of these trends and new ways of consuming content, new players have emerged, gradually becoming major players in the audiovisual sector. They offer original content, intuitive user interfaces and low prices with no long-term commitment. Indeed, the dissociation of content and hardware is paving the way for the development of OTT television offers that work across all platforms via a subscription taken out on the Internet.

In parallel with the offer of catalogs of premium movies or series, thematic content offers have been developed, as digital has made it possible to lower the cost of launching an SVOD channel to a few thousand euros.

... structurally supported by the "cord-cutting" effect ...

By cancelling subscriptions with traditional television operators, whose annual price is often high, consumers have created the phenomenon known as "cord-cutters". They have reallocated their budget by buying a TV box (Android TV, Apple TV, Roku, etc.) and subscribing to video-on-demand services (Netflix, Amazon Prime, Disney+, etc.). The churn trend within the "cord-cutters" represents several million households per year, constituting a business opportunity estimated by Alchimie at approximately 10 billion dollars per year².

... and accelerated by the pandemic

In addition, the lockdown linked to the Covid-19 pandemic has intensified the "cord-cutting" effect. As an example, the 10 most important American providers of premium television services in terms of number of subscribers have thus cumulatively lost 2.3 million subscribers between January and March 2020³.

A strong model that supports the success of affinity thematic content

A strong model that supports the success of affinity thematic content:

- ✓ a revenue sharing model for all stakeholders allowing flexibility in costs;
- ✓ solid assets: a 60,000-hours content catalog, 55 channels promoted by media groups and talents, an international distribution network, a subscriber base of more than 300,000 subscribers and proprietary technology;
- ✓ a virtuous circle linked to so-called "network effects"; and
- ✓ an international positioning already established and fuelling future growth.

Alchimie stands out for its editorial line resolutely focused on affinity content, attracting the support and commitment of its subscribers through clearly defined thematic channels, which focus in particular on education, discovery, celebrities, and societal issues. These are all themes that are rarely found in the standard offerings offered by mainstream platforms.

² Source: <https://nocable.org/learn/cable-tv-cord-cutting-statistics/>

³ Source: Informitv Multiscreen Index: Television Subscribed numbers at the end of March 2020 for the 10 leading pay-tv services in the US
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Revenue sharing, a business model that benefits all stakeholders

Alchimie has built its business model on revenue sharing with a percentage distributed to the different rights owners whose contents are proposed in the offer. Since its creation, Alchimie has developed close relationships with leading rights owners in terms of thematic content such as Arte, France TV distribution, ZDF Entreprises or Zed. The rights owners open their content catalog to Alchimie and benefit in return from an original value proposal, based on revenue sharing and not on the payment of a minimum guaranteed. The balance available after remuneration of the rights owners is then distributed between Alchimie, the talents or media groups and the distribution platforms.

Solid assets

Alchimie's business model is based on differentiating assets among which:

- ✓ A catalog of rights that already includes more than 60,000 hours of content from more than 300 international rights owners, and is growing steadily at a rate of approximately 2,000 hours of additional content per month;
- ✓ 55 channels promoted by recognized media groups and talents such as Guillaume Canet, Jacques Attali, Poisson Fécond, Jérôme Le Banner, Dr Watson, The Big Issue, Reworld Media and Prisma Media;
- ✓ a subscriber base of nearly 300,000 paying subscribers providing Alchimie with high visibility and recurring revenues;
- ✓ an international distribution network consisting of more than 60 distribution platforms;
- ✓ a proprietary application, TVPlayer, historically deployed in the United Kingdom and also available in France, Spain and the United States since September 2020, as well as a technological platform enabling the industrialization of the marketing of SVOD channels.

Like many digital platforms, Alchimie's business model will generate so-called "network" effects. These effects maintain the dynamic growth by creating a virtuous circle. The more rich, diverse and up-to-date the content available on SVOD channels is, the more it will allow the launch of different and original SVOD channels. The more differentiated the SVOD channel catalog becomes, the more distributors will be interested in creating partnerships and giving visibility to TVPlayer in particular, thus increasing the subscriber base. The visibility and potential of subscribers will attract new talents and media groups willing to launch their own SVOD channel, which will feed the demand of new rights holders to monetize their content via Alchimie and so on.

International: a major growth driver that already enjoys a steady increase in growth

Finally, international development is a major focus of Alchimie's strategy. The Group can rely on its distribution platform network and its multi-lingual catalog, the majority of which is not in French. For this purpose, Alchimie has access to production, publishing and distribution companies that are local or cover a linguistic area. With offices in London, Paris, Madrid, Düsseldorf and Sydney, Alchimie already has a footprint in 4 major linguistic areas and intends to accelerate its development there:

- ✓ The United States, the world's largest SVOD market;
- ✓ Southeast Asia, the largest futures market;
- ✓ South America, the market with the highest growth rate today.

To accelerate this dynamic internationally, Alchimie also intends to establish partnerships with local media groups, such as the Spanish media groups Zinet Media with which Alchimie co-publishes Muy Interesante TV, linked to the eponymous magazine, and Prisma Publicaciones with which Alchimie co-publishes the channels Espacio Misterio TV and Objetivo bienestar.

Financial targets driven by an OTT platform of thematic affinity content

With a revenue target⁴ of €27 million in 2020,
ALCHIMIE anticipates
solid growth outlook in the short and medium term.

ALCHIMIE thus aims to achieve*:

- > **in 2022, revenues of approximately €58 million with 1.2 million subscribers and reaching operating break-even in the fourth quarter**
- > **in 2024, revenues of approximately €150 million with more than 3 million subscribers;**
 - > **an operating margin rate of over 20% over the long term.**

** Based on the assumptions set out in section 2.6.2.2. of the registration document*

A CSR approach integrated into Alchimie's corporate culture

Alchimie has set up CSR policies benefiting its attractiveness and competitiveness.

In particular, the attractiveness and loyalty of employees are issues identified by the management. Alchimie's attention is focused on the environmental footprint of its internal operations: energy consumption, home to work journeys, management of waste and use of digital tools. In addition, Alchimie has defined a mission statement defining its relations with suppliers and subcontractors from the start of its activity: i) the application of exclusion criteria ensuring control and security of its content offer; and ii) transparent and fair management of the subcontracting chain around clear rules on both revenue sharing and potential risks.

Alchimie has received several awards for its CSR efforts:

- an extra-financial rating, for the year 2019, of 70/100, which corresponds to an "Advanced +" level of performance in the Ethifinance rating scale;
- a rating of 4.25/5 by Alchimie employees in the top 5% of its category in the Happy at Work Index.

Availability of the registration document

Alchimie's registration document, approved by the AMF on October 23, 2020 under number I. 20 – 028, is available on the websites of Alchimie (www.alchimie.com) and the AMF (www.amf-france.org), as well as free of charge and upon request at the registered office of Alchimie, Bâtiment 264, 43, 45 Avenue Victor Hugo, 93300 Aubervilliers, France. The registration document contains a detailed description of the company, including its business, strategy, financial situation and results, as well as the corresponding risk factors.

Alchimie draws the public's attention to chapter 3 "Risk Factors" in the registration document approved by the AMF.

⁴ Pro forma

About Alchimie

Alchimie is an OTT platform that distributes 55 thematic affinity channels by subscription. Alchimie has a catalog of more than 60,000 hours of content from more than 300 renowned partners (Arte, France TV distribution, ZDF Entreprises and Zed). Alchimie partners with talents (celebrities, influencers), brands and media groups to create new channels (Unbeaten, Cultivons-Nous, MuiInteressante.tv, NousDeux, Army Stories, Think, Poisson Fécond, VaBene, Moods, etc.) which are then distributed on more than 60 distribution platforms (TVPlayer, Amazon, Orange, Movistar, Samsung, Huawei, etc.) constantly expanding its audience and consequently its revenues. In 2019, Alchimie acquired TVPlayer, the largest independent OTT platform in the UK. With offices in France, UK, Germany, Spain and Australia, Alchimie employs 125 technology, marketing, digital and editorial experts and is ranked 40th in FW500 (ranking of French technology companies).

For more information: www.alchimie.com

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These forward-looking statements are made only as of the date of this press release and the group expressly disclaims any obligation or commitment to publish any updates or corrections of the forward-looking statements included in this press release, in order to reflect any changes affecting the forecasts or events, conditions or circumstances on which such forward-looking statements are based. Forward-looking information and statements are not guarantees of future performance and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the group's control. Actual results may differ materially from those described, or suggested, or projected by forward-looking information and statements.