



Confirmation of targets announced at the time of Alchimie's IPO with a better-than-expected 2020 revenue

- 2020 revenue higher than the target announced at the time of the IPO
- Operational targets achieved: 70 channels and 330,000 subscribers by the end of 2020
- Target of achieving operational breakeven in Q4 2022 confirmed
- Cash position of €15 million at December 31, 2020

Webinar | April 27, 2021 at 6pm CEST

https://us02web.zoom.us/webinar/register/WN_-5EhXXsQnCSPYhki9W5nw

Paris, April 27, 2021 – 5.45pm CEST - ALCHIMIE (FR0014000JX7 – ALCHI – Eligible for PEA-PME equity savings plans), an OTT (over the top) subscription video on demand (SVoD) platform featuring original and exclusive thematic channels published jointly with media groups and talents, is today announcing its consolidated results for the year ended December 31, 2020 as approved by the Board of Directors on April 22, 2021.

Nicolas d'Hueppe, CEO and Founder of Alchimie said: “2020 was a year of transformative achievements for Alchimie. Our IPO gave us the financial resources we needed to continue growing, and we stepped up the pace of operational development, ending the year with 70 channels and 330,000 subscribers. With nearly €29 million of consolidated revenue, Alchimie exceeded the target we set at the time of the IPO. The Covid-19 situation helped us, because it led to increased consumption of video content and boosted subscriptions for streaming services like Alchimie's. As a result, I am confident that we will be able to continue our development in 2021, and we are maintaining the short- and medium-term targets we set at the time of our IPO last year, including the achievement of operating breakeven by Q4 2022”.

Business activity and financial results in 2020

As announced in January, the Group's consolidated annual revenue (IFRS) amounted to €28.9 million in 2020, 22% higher than in 2019. The Video business continued to grow rapidly, with revenue up 37% vs. 30% expected by the Company.

In line with its roadmap, the Company had 330,000 paying subscribers across the many available distribution partnerships, subscribing to 70 co-published channels at December 31, 2020, representing an 83% increase in the subscriber base compared with the end of 2019. The trajectory of Alchimie's business growth is sustainable since it is supported by a high-quality subscriber base with a better-than-expected churn rate, and ARPU¹² was better than expected at €22.7 in December.

¹ ARPU¹² corresponds to average revenue minus invoicing commissions from a cohort of subscribers for a given service (stand-alone or packaged offerings) over a 12-month period, divided by the number of subscribers in the cohort.

IFRS consolidated income statement

<i>In thousands of euros</i>	2020	2019	Change
Revenue	28,952	23,641	+22.5%
Cost of sales	-13,794	-9,860	+39.9%
Gross profit	15,158	13,781	+10.0%
Technological and development costs	-3,724	-2,823	+31.9%
Sales and marketing costs	-14,161	-12,854	+10.2%
General and administrative expenses	-5,900	-3,649	+61.7%
Operating income	-8,626	-5,545	
Net financial expense	-564	-201	-
Net income from continuing operations	-8,687	-4,270	-
<i>Net income from discontinued operations</i>	<i>105</i>	<i>3,380</i>	-
Consolidated net income	-8,582	-890	-
Cash position at end of period	14,955	4,194	-

In 2020, the cost of sales rose to €13.8 million, since the Company is currently in an investment phase, building up and strengthening its international and channel management teams, developing new functionality for Alchimie Studio and spending significant sums advertising in order to recruit subscribers. As a result, the Group's gross profit amounted to €15.2 million.

More specifically, gross margin in the Video business, Alchimie's main segment, was 48% as opposed to 52% in 2019. That temporary decrease arose mainly from the integration of TVPlayer, acquired in the fourth quarter of 2019 in the United Kingdom, and investments made in 2020.

Operating expenses rose by 18% (excluding €900 thousand of expenses related to legal restructuring operations and the IPO), while technological and development costs rose 32%, sales and marketing costs by 10% and general and administrative expenses by 37% excluding the impact of expenses related to legal restructuring operations and the IPO.

Alchimie made an operating loss of €8.6 million compared with €5.6 million in 2019.

Net financial expense amounted to €0.6 million in 2020 versus €0.2 million in 2019.

Overall, Alchimie made a consolidated net loss of €8.6 million in 2020 as opposed to €0.9 million in 2019.

The Group's financial position

The Group's consolidated equity amounted to €8.2 million at December 31, 2020, up €2.3 million factoring in the €18 million capital increase, the €7 million reduction in issue premiums and the 2020 consolidated net loss of €8.6 million.

Alchimie's net consolidated cash position was €15.0 million at December 31, 2020 as opposed to €4.2 million at December 31, 2019, representing an increase of €10.8 million.

Post-closing events

In March 2021, Alchimie acquired the publishing assets of TV4Entertainment, an established player in OTT streaming channels in the United States. With this transaction, Alchimie acquired nine thematic SVoD channels in the United States with several thousand hours of content.

Strategy and outlook

Buoyed by growth in the SVoD market and in the number of streaming services per subscriber, the Company remains focused on its target of achieving operational breakeven in the fourth quarter of 2022, based on launching 210 channels, recruiting 1.2 million subscribers and doubling its revenue. In 2021, its growth will mainly be driven by:

- co-publishing new channels with talents and media groups;
- distributing those channels either on a stand-alone basis or through packaged offerings (TVPlayer);
- signing new distribution agreements with marketplaces, TV manufacturers and phone manufacturers;
- aggregating new catalogs in order to offer new themes to talents and media groups and to strengthen those currently online;
- developing the functionality of the Alchimie Studio platform, in order to give talents greater autonomy in managing their channels.

Shareholders' General Meeting: June 8, 2021. Details about taking part in the meeting will be provided at a later date.

Next financial publication: first-half 2021 revenue on July 20, 2021 after the 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 catalog of more than 60,000 hours of content from more than 300 renowned partners (Arte, France TV distribution, ZDF Entreprises or Zed). Alchimie partners with 70+ talents (celebrities, influencers), brands and media groups to create new channels (Cultivons-Nous, The Big Issue, Army Stories, Jacques Attali, Poisson Fécond, Vaughan, Michael Rowe, Spektrum der Wissenschaft) 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, the UK, Germany, Spain and Australia, Alchimie employs 125 people and is ranked 48th in FW500 (ranking of French technology companies).

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



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