

# Press Release

Montpellier, March 30, 2019



## 2019 annual results

- **Strong revenue growth: +145% (+76% on a like-for-like basis<sup>1</sup>)**
- **A strategic acquisition bringing a change in dimension: 2019 proforma revenue<sup>2</sup>: €6.7 million**
- **A solid financial position: Cash of €6.5 million at 31 December 2019**

## Update on the impact of Covid-19 on the Group's activity

**VOGO (ISIN code: FR0011532225 - Ticker: ALVGO)** is announcing the publication of its financial statements for the period ended December 31<sup>st</sup>, 2019 which were approved by the Board of Directors on March 30, 2020, and is providing an update on the impact of the Covid-19 health crisis on its activity.

### Update on the impact of Covid-19

After sharp growth at the start of the year, VOGO was immediately impacted by Covid-19 with:

- the postponement of major national and international sports events;
- a slowdown in order intake; and
- a slowdown in production due to the stoppage of activity by certain subcontractors.

Given the exceptional circumstances of this health crisis, the Group has implemented rapid measures to protect the health and safety of all its teams. VOGO has also decided to defer the announcement of its strategic plan which was set for March 31<sup>st</sup>. It will now wait until the crisis, the scale and duration of which are uncertain at present, has passed.

As of the date of publication of this press release, it would be premature to give a precise figure on the impact of the Covid-19 pandemic on the Group's activity. VOGO is keeping a very close eye on the evolution of the situation and will keep the market informed of any notable change in its activity.

In view of the situation, the Group has also implemented measures to help maintain a healthy financial situation. It has established strict cost control to limit the use of cash during this crisis period by using various exceptional measures implemented by the French government (deferral of social security and employer charges, repayment deferral of loan and finance lease repayments for up to six months, subscription for a state-guaranteed loan, childcare leave, request for accelerated payment of the research tax credit, etc.). It has also implemented measures to secure financing and underpin efficient collection.

Given all of this and our strong cash position of €6.5 million at December 31<sup>st</sup>, 2019, which has been strengthened with financing of €1,796k from Bpifrance, we have maintained our R&D roadmap. The continuity of activity of the teams and our R&D mean we will be able to continue developing high value added functionalities to underpin the Group's cutting edge audio and video solutions. VOGO is

<sup>1</sup> Revenue on a like-for-like basis excludes the contribution of the activity of VOKKERO® which is consolidated in the Group's accounts from November 1<sup>st</sup>, 2019.

<sup>2</sup> 2019 proforma revenue incorporates the activity contribution of VOKKERO® over full-year 2019, i.e. €5.42 million.

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working in particular on innovative solutions for the distribution of the VOGOSPORT video solution on 5G networks and on artificial intelligence (AI) based “pro” functionalities covering healthcare for sports people. These technological developments and our ongoing patenting activity will constitute a decisive new competitive advantage in the Sportech universe.

The Group is pursuing its commercial activity so as to be ready for a rebound when the crisis is past. This commercial effort has already produced results with several new contracts currently being finalised. In addition, the Group is continuing to work on its commercial diversification among key account customers (SNCF, EDF) in industrial sectors and services in which the VOKKERO® products already enjoy recognition and a strong commercial foothold.

## **Christophe Carniel, co-founder and Chairman and CEO of VOGO, said:**

*“Given these measures, combined with the technological quality of our solutions, the recognition we have established among our audio and video clients and our solid financial position, in particular our cash position of more than €6.5 million, we are confident in our capacity to overcome this crisis. Together with our staff, whose determination and dedication we applaud, we firmly believe that VOGO has all the necessary attributes to rebound going forward and to rapidly resume its growth trajectory in France and internationally.”*

## **Highlights and activities in 2019**

VOGO generated revenue of €1.8 million in 2019, an increase of 145%<sup>3</sup>. This performance reflects the excellent growth momentum of VOGO's historical scope, which saw organic revenue growth of 76%. The solid performance over the year also incorporates the contribution by VOKKERO® over two months.

## **Organic growth of 76% in 2019: VOGO confirms a ramp-up of its video solutions**

On a like-for-like basis (excluding the activity of VOKKERO® which is consolidated in the accounts as of November 1<sup>st</sup>, 2019), VOGO's video activity saw revenue growth of 76% to €1,313k versus €730k in 2018. This increase can be attributed to a sharp acceleration in **championship**-related activities in 2019, as illustrated by the rollout of the solution at the Johan Cruyff Arena (Netherlands) and across several professional sports clubs in Europe, including football, rugby, ice hockey, etc. Billings increased by 89% to €786k, once again showing a level of recurrence of 100% relative to the previous year. In **major events**, VOGO generated revenue growth of +145% to €393k, underpinned by the international activity which accounted for more than 40% of revenue. This notably includes the U20 (Poland) and U17 (Brazil) Soccer World Cups, the Formula 1 Grand Prix (Singapore), and the Final of the Davis Cup by Rakuten in tennis (Spain).

## **Strategic acquisition of VOKKERO®: strong momentum in its audio solutions**

At the end of October 2019, VOGO acquired the activity of VOKKERO®, a key international reference in audio communication systems for professional sports, the industry and services sectors. Consolidated in the accounts from November 1<sup>st</sup>, 2019, the audio activity of VOKKERO® contributed revenue of €473k in 2019. The last few months of the year saw the company win several major client

<sup>3</sup> Rather than 139% (unaudited) announced in the press release of February 11, 2020.

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references (UEFA Europa League for seasons 2020 and 2021, major rugby and football clubs, such as Juventus Turin, the World Women's Handball Championship, etc.).

Including VOKKERO® over the full year, VOGO generated revenue of €6.7m in 2019. 2020 will therefore see VOGO take on new dimensions. With the integration of the teams, the complementary nature of the audio and video offerings and the development of synergies on distribution networks already in place, the Group is set to benefit from a fresh boost in the professional sports sector worldwide and promising prospects in the industry and services sectors.

## Group positions in the US strengthened: a strategic sports market

In the second half of the year, VOGO extended its reach in the North American market through its New York-based subsidiary VOGO NORTH AMERICA from the acquisition of VOKKERO®. In recent months, VOGO SPORT's video solution has been tested during matches held by the main professional and university sports leagues. With the appointment of Greg Millard as President of VOGO NORTH AMERICA in February 2020, the Group will be ideally placed to benefit from the considerable growth potential on this market.

## 2019 results

Consolidated accounts - in €k	2018	2019	Change
<b>Revenue<sup>4</sup></b>	<b>730</b>	<b>1,786</b>	<b>+145%</b>
Operating income	1,272	<b>2,228</b>	+75%
Operating expenses	2,669	<b>5,143</b>	+93%
<i>of which external expenses</i>	806	2,045	+154%
<i>of which personnel expenses</i>	916	1,854	+102%
<b>EBITDA</b>	<b>-725</b>	<b>-1,885</b>	
<b>Operating profit (loss)</b>	<b>-1,397</b>	<b>-2,915</b>	
Financial profit (loss)	-714	-27	
<b>Current income</b>	<b>-2,110</b>	<b>-2,942</b>	
Non-recurring profit (loss)	-65	3	
Corporate tax	89	167	
<b>Group share of net income</b>	<b>-2,086</b>	<b>-2,773</b>	

*The annual accounts and consolidated accounts have been audited and the auditor's report certifying these statements is currently in process by the statutory auditors.*

Operating income came to €2,228k in 2019, an increase of 75% compared with 2018. It incorporates other operating income in the amount of €423k.

<sup>4</sup> In its releases between April 23, 2019 and September 17, 2019, the Company communicated revenue from activity factoring in revenue and income from finance leases at the recommendation of the statutory auditors. From January 1<sup>st</sup>, 2020, the Company is communicating its revenue only.

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Operating expenses increased by 93% over the year to €5,143k. External expenses came to €2,045k, and include non-recurring expenses of €218k linked to the acquisition. Excluding these costs, external expenses grew at a contained pace of 127% and illustrate the efforts made by the Group in relation to its development in France and the US. Personnel expenses increased by 102% to €1,854k. The total employee headcount at the end of December 2019 was 47 (versus 18 at the end of June 2019), representing an increase of 161%, linked mainly to the integration of the VOKKERO® teams (25 staff members) and to a lesser degree the structuring of the teams.

Over full-year 2019 therefore, EBITDA came out at a negative €1,885k versus a negative €725k in 2018.

After factoring in a research tax credit of €167k, the Group share of net income was a loss of €2,773k versus a loss of €2,086k the previous year.

## A solid financial position

At December 31<sup>st</sup>, 2019, the Group had a solid financial structure with shareholders' equity of €7,664k (versus €10,562k at December 31<sup>st</sup>, 2018) and cash of €6,513k. This cash position does not include the non-dilutive financing obtained from Bpifrance in February 2020 for a total of €1.8 million in respect of 2020, 2021 and 2022.

Consolidated balance sheet - in €k	31/12/2018	31/12/2019
<b>Fixed assets</b>	<b>907</b>	<b>6,468</b>
<i>of which intangible assets</i>	469	4,463
<b>Current assets</b>	<b>12,685</b>	<b>9,287</b>
<i>of which cash and short-term investment securities</i>	11,385	6,513
<b>TOTAL ASSETS</b>	<b>13,592</b>	<b>15,755</b>
<b>Shareholders' equity</b>	<b>10,562</b>	<b>7,664</b>
<b>Provisions</b>	<b>56</b>	<b>303</b>
<b>Debt</b>	<b>2,974</b>	<b>7,788</b>
<i>of which financial debt</i>	1,840	5,448
<b>TOTAL LIABILITIES</b>	<b>13,592</b>	<b>15,755</b>

The consumption of cash in the amount of €4,874k over 2019 includes a cash payment of €1,938k related to the acquisition of VOKKERO®. As a reminder, the transaction was based on a valuation of €6.5 million, of which €6 million paid on finalisation of the transaction. The acquisition was financed by medium-term loans for €4 million and the remainder from shareholders' equity.

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Cash flow statement - in €k	2018	2019
Cash flow	-1,518	-1,956
Change in WCR	174	349
<b>Cash flow from operations</b>	<b>-1,345</b>	<b>-1,607</b>
Impact of changes in scope	0	-5,932
Acquisition of fixed assets	-184	-464
Change in loans and advances	1	-90
<b>Cash flow from investment activities</b>	<b>-183</b>	<b>-6,485</b>
Capital increase	11,841	109
Net sale (purchase) of treasury shares	-11	-135
Debt issuance	63	3,994
Loan repayments	-467	-749
<b>Cash flow from financing activities</b>	<b>11,427</b>	<b>3,218</b>
<b>Change in cash</b>	<b>9,899</b>	<b>-4,874</b>
Opening cash position	1,486	11,385
<b>Closing cash position</b>	<b>11,385</b>	<b>6,513</b>

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## About VOGO

VOGO develops, markets and distributes live & replay, audio and video solutions for spectators and professionals in sports arenas. VOGO's disruptive solution for spectators transforms the stadium experience by providing multi-camera content on demand for viewing on tablets and smartphones, irrespective of the number of people connected. In the professional sphere, VOGO's video solution provides analytical and decision-making tools (referee assistance, medical diagnostics, coaching, etc.). The acquisition of Vokkero® in October 2019 enriched this range of video solutions, with the integration of an internationally recognised line of audio communications systems in the field of sport (more than 20 different disciplines), but also in the industry and services sectors. All of the Group's technologies have patent protection. VOGO is present in France (Montpellier, Paris and Crolles) and in North America, with an office in New York. The Group has been listed on the Euronext Growth Paris stock market since November 2018 (ISIN code: FR0011532225 – ALVGO).

For more information: [www.vogo-group.com](http://www.vogo-group.com)



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