

Press Release

Montpellier, 29 September 2020



First-Half 2020

- Revenue up 216% (-23% on like-for-like)
- Sports business resilient, integration of VOKKERO adds new dimension
- Results taking into account the impact of the health crisis
- Financial position secure: €6.9 million in cash at 30 June

Outlook

Business activity gradually improving

Three strategic priorities to underpin market transformation and revive momentum

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VOGO (ISIN code: FR0011532225 - Ticker: ALVGO) has announced the publication of its interim accounts for the period to 30 June 2020, as approved by the Board of Directors on 28 September 2020, and presented its strategic vision to support the transformation of its markets and rapidly restore its performance trajectory.

Activity: sports business resilient, acquisition of VOKKERO adds new dimension

As announced, Group revenue totalled €2,260 thousand in the first half of 2020, up 216% on the first half of 2019. This growth was driven by the consolidation of VOKKERO®, which was acquired at end-October 2019 and contributed €1,712 thousand to the Group's first-half 2020 revenue.

Greater diversification in sector positions

With the integration of VOKKERO's business activity, VOGO has passed a decisive milestone in its sector diversification strategy. In sports, VOGO has extended its penetration of the market, with a unique offering that now includes audio and video technology systems. In these markets, revenue topped €1.3 million in the first half of the year, an 89% advance on the year-earlier period. The Sports business now accounts for 59% of total revenue (compared to 98% in the first half of 2019). The acquisition has enabled the Group to take up positions in new business sectors in industry and services, which accounted for 32% of revenue during the first-half period.

Strengthened international footprint

The transaction has also substantially extended VOGO's international positioning. VOGO generated €1,427 thousand in revenue outside France in the first half of 2020, accounting for 63% of its total revenue (compared to 22% in the first half of 2019).

Salesforce reach extended

Finally, the Group gave its sales force added reach by ramping up its in-house team (to 12 members) and extending its distributor network to more than 35 partners, from 13 prior to the acquisition.

This substantial change in the Group's profile, making it more diversified and international in scope and giving its salesforce extended coverage, will be a decisive advantage in achieving the anticipated ramp-up in growth once the situation returns to normal.

Press Release

Montpellier, 29 September 2020



Historical business scope resilient despite impact of health crisis

On a comparable consolidation scope basis (excluding the VOKKERO business), VOGO's revenue declined by 23% to €548 thousand. This testifies to the solid resilience in its business activity in an unprecedented context, the crisis having temporarily put the brakes on Group momentum amid cancellations and postponements of major national and international sporting events. Since the gradual lifting of lockdown restrictions, the Group has seen a steady improvement in business activity, despite the fact that uncertainty as to how the situation will unfold in the next few months is still running high.

First revenues from EasyCov, a ground-breaking saliva test for SARS-COV-2

In the spring, VOGO joined the consortium formed by the biotechnology company SKILLCELL, a subsidiary of the ALCEN group and the CNRS SYS2DIAG laboratory (CNRS/ALCEN) to develop and industrialise EasyCov, a saliva test for SARS-COV-2.

As part of that consortium, VOGO developed a digital solution that integrates the automatic analysis of the results by way of a colorimetric reading "EasyCov Reader" and a digital portal that is interoperable with all the healthcare information systems, in order to conduct rapid, localised mass testing. VOGO generated revenue of €200 thousand in the first half of 2020 from its technological contribution, which accounted for almost 10% of total revenue for the period. As of H2, VOGO stands to receive the first royalties stemming from the commercial roll-out of the test. These are indexed to the number of tests sold and carried out.

Results logically impacted by health crisis

Cash position intact

Consolidated accounts - in € thousand Unaudited data	First-Half 2019	First- Half 2020
Revenue	716	2,260
Operating income	820	3090
Operating expenses	(1,813)	(4,912)
<i>of which external expenses</i>	<i>(1,001)</i>	<i>(1,556)</i>
<i>of which personnel expenses</i>	<i>(455)</i>	<i>(2,002)</i>
EBITDA	(838)	(1,554)
Operating profit (loss)	(993)	(1,823)
Financial income (expense)	0	(56)
Net profit/(loss) attributable to owners of the Group	(963)	(1,754)

Adaptive measures implemented rapidly

As might be expected, VOGO's first-half results reflect the impact of the health crisis on its business activity. To cope with this unprecedented situation, the Group did everything in its power to rein in costs and limit cash consumption, notably by taking advantage of the various government support

Press Release

Montpellier, 29 September 2020



schemes: postponement of social security and employer's contributions, postponement of loan reimbursements and lease payments, request for accelerated payment of the Research Tax Credit (CIR), state-guaranteed loan, etc. Note that all of these decisions were taken without jeopardising the Group's ability to rebound. The R&D roadmap was therefore maintained and commercial resources preserved.

A firm hand on operating expenses

In these conditions, operating expenses, including the VOKKERO business, rose 171% in the first-half period to €4,912 thousand. This increase was much lower than revenue growth, thereby demonstrating the Group's firm hand on spending over the period. External charges were kept in check at €1,556 thousand.

Personnel expenses totalled €2,002 thousand, compared with €455 thousand in H1 2019, due primarily to the integration of VOKKERO teams and the team structuring efforts made in recent months. The Group's total headcount came to 47 at end-June 2020, up from 18 at end-June 2019.

Overall, EBITDA was negative in the amount of €1,554 thousand, versus a loss of €838 thousand in H1 2019,

After factoring in a Research Tax Credit (CIR) of €78 thousand, the Group share of net income was a loss of €1,754 thousand versus a loss of €963 thousand in H1 2019.

Financial position secure, cash flows in check

At 30 June 2020, the Group had a solid financial structure, with shareholders' equity of €5,853 thousand and cash of €6,860 thousand (compared to €6,513 thousand at 31 December 2019). This cash position includes a state-guaranteed loan in the amount of €2.5 million, granted in May 2020. However, it does not include the non-dilutive financing obtained from Bpifrance in February 2020 for a total of €1,796 thousand in respect of 2020, 2021 and 2022.

During the first-half period, cash consumption as a result of business flows and investment was perfectly under control, at €2,019 thousand.

VOGO is therefore perfectly-well prepared to come out of this crisis period and move ahead with implementing its strategy.

Outlook: renewed confidence and an offensive strategy to ride the upswing

Although visibility remains poor, signs of a recovery have been appearing since the summer, pointing to a steady improvement in business activity over the coming months.

In this context, the Group is focusing its energies on meeting three strategic priorities:

Be a driving force in professional sports market transformation

Professional sport is VOGO's core business and the market stands to gain over the next few months from the resumption in professional training and as major national and international sporting competitions gradually start up again. That said, the world of professional sports needs to adapt to the new health restrictions on practices, as well as on the fan experience, events broadcasting channels and the business models which until now have been the norm.

VOGO intends to remain a driving force in this sector transformation.

Press Release

Montpellier, 29 September 2020



In professional sport, VOGO will henceforth be able to gain from its ability to provide combined audio-video solutions for critical applications, such as refereeing and providing medical treatment. This comprehensive solution, created from the integration of VOKKERO's products, has already attracted customers amid several new reference names, such as the French rugby federation (FFR), the EPCR and Rugby Europe. The Group is also planning to roll out new equipment featuring new, high added value functions. A new audio communications system, dubbed ELITE, was launched on the market in June 2020 and has already chalked up several business wins, notably with national football federations.

VOGO also plans to stand out from the crowd in "fan" solutions. In July, its VOGOSPORT offering (hitherto limited to in-venue (in-stadia) usage) was extended, with the launch of a new, out-of-venue (out-stadia) solution called "Virtual Seat" targeting rights holders and broadcasters, sports federations, leagues, clubs and events organisers looking for new sources of revenue.

Finally, the Group is already at the cutting edge of 5G technology, which will help strengthen its range of solutions by allowing heightened agility and placing lower demands on infrastructure. A demonstration of the VOGO SPORT solution using the 5G network is being conducted for the first time at the current edition of the Roland Garros tennis tournament, in partnership with Orange, OPPO and France Télévision.

Deeper penetration of industry and services sectors

VOGO has also set its strategic sights on the industry and services sectors, which already account for one third of total revenue. As in professional sports, players in these sectors are faced with tighter health restrictions. To meet this challenge, the Group's remote monitoring high-tech solutions have a key role to play in the current environment. The recent business wins (listed by French Union of Public Purchasing Groups (UGAP), SNCF, EDF, etc.) testify to this general underlying trend, which will shore up momentum over the coming months.

Help underpin the rally in professional sports and leverage the Group's digital expertise in healthcare

The final pillar of the Group's strategy: expand in the healthcare market.

The consortium developing the EasyCov test achieved key milestones in the space of a few months, paving the way to large-scale commercial roll-out: an initial clinical study, the development of a digital solution, implementation of a production line and distribution chain, initial distribution contracts and the completion of tests receiving EU approval (CE mark).

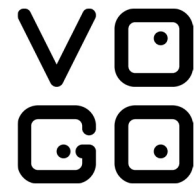
EasyCov now offers decisive advantages over rival solutions: fast, painless, relocatable, connected and deployable on a massive scale for screening campaigns at ground level (in public transport, **sporting training and competitions**, companies, etc.).

As such, VOGO has every reason to expect to earn its first royalties in H2. As mentioned above, their amount is indexed to the number of tests sold and carried out. These royalties, which are paid quarterly, will start at 7% of pre-tax revenue and will vary according to the sales levels reached. For sales exceeding 500,000 kits at a catalogue price of €20 (before tax), VOGO will receive royalties of 3.5% of pre-tax revenue.

Looking beyond EasyCov and its commitment to the current health crisis, VOGO is ready to mobilise its teams to create new solutions taking advantage of its digital expertise, thus anchoring its expansion in the health sector for the long term.

Press Release

Montpellier, 29 September 2020



Accordingly, and following on from its successful work with the laboratory SYS2DIAG (CNRS/ALCEN), talks are already underway with the CNRS with a view to signing a lasting partnership.

Spurred by its secure financial position, proven agility in innovation and an offensive drive across its three markets (sports, industry & services, and health), VOGO remains confident in its ability to weather the storm and push ahead with its growth strategy.

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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 a line of audio communications systems that has drawn international recognition not just in the sporting sphere (more than 20 disciplines) but also in industry, services and healthcare. 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 stock market since November 2018 (ISIN code: FR0011532225 – ALVGO).

For more information: www.vogo-group.com



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