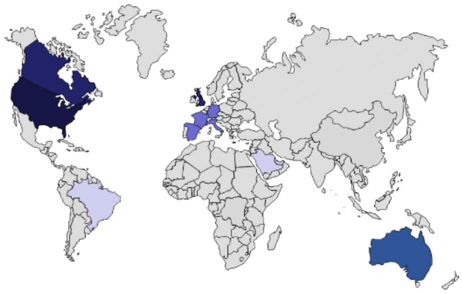
Press release

4th April 2023

AVoD / FAST: the west wind has already taken the market beyond the €250M mark in 2022 in the EU5

It was in the United States that AVoD and FASTs began to develop, with the creation of Pluto TV, back in 2014. In 2022, the 20 platforms counted by NPA Conseil and Médiamétrie in this country and the 1,600 channels they distribute cumulated more than 2% of the total video audience there and about $4 billion in advertising revenue, which represents nearly 20% of the total CTV[1] market.



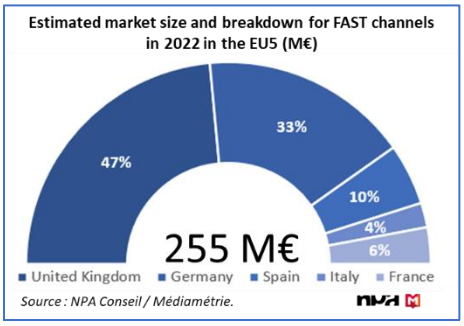
Over 2200 FAST channels in the EU5

But Latin America, the Middle East, Australia and even more so the EU5 (France, Germany, Italy, Spain and the UK) are following in its footsteps. In the EU5, and on the pan-European platforms Plex, Pluto TV, Rakuten TV, Rlaxx TV, Samsung TV Plus and Xumo alone, the *AVoD/FAST Market Report* study counted more than 2,200 channels, about half of them exclusive to each national market.

While the quantitative expansion of the offer seems likely to slow down, the *premiumization* strategy asserted by the platforms and the growing involvement of leading producers and distributors (Banijay, ITV Studios, Fremantle, Newen, Warner Bros Discovery, etc.) will contribute to its qualitative reinforcement and to the dynamics of use.

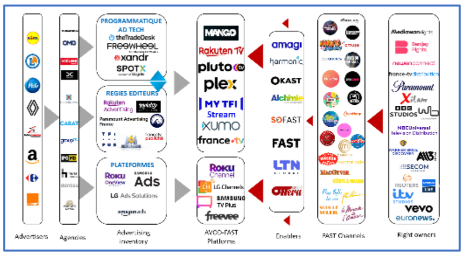
The multiplication of agreements with historical operators (Deutsche Telekom, Orange España, Talk Talk with Netgem, Vodafone...) or with virtual distributors (Molotov TV, Waipu, Zattoo...) will also stimulate the latter, and will allow to improve their monetization.

255 M€ of advertising revenues, i.e. 10% of total CTV revenues



In 2022, NPA Conseil and Médiamétrie estimate that AVoD and FAST advertising revenues will reach €255 million in the EU5. To date, the United Kingdom and Germany account for 80%, but the rise in Spain, France and, to a lesser extent, Italy should begin to rebalance the market by 2023. In France, for example, AVoD and FAST still account for only 8% of the CTV market, two points less than the average for the five EU5 countries and ten points less than in the US.

But convincing advertisers and their agencies to increase the share of investment allocated to AVoD and FAST will require clarification of a value chain that is fairly muddled today, and in particular of the organization of their sales.



[1] CTV: Connected TV, which combines the digital platforms of television channels, video sharing, FAST and AVoD

This will require even more improvement in audience measurement and the qualification of user profiles on these new platforms. "*With AVoD and FAST, we'd like to be able to do hyper-segmentation, but the data isn't there yet, and we lack the information to reconcile the different AVoD/FAST, BVoD and YouTube universes,"* laments one of the forty-five

stakeholders[2] met by NPA Conseil and Médiamétrie for the *AVoD/FAST Market Report* study. *"We can't measure repetition, neither unique Reach, we can't predict capping. So we make approximations"*.

"The unified measurement we are working on for 2024 will provide a global vision of all uses, for all video environments, on all screens" explains Laurence Deléchapt, TV & Cross Media Director of Médiamétrie.

All of these elements are studied in part 1 of the *AVoD/FAST Market Report*, now available. It includes a 76-page main report in Powerpoint format, and an 8-page appendix in Word format.

"The second part of the AVoD/FAST Market Report, which will be published at the end of June, will provide further insight into the ability of AVoD and FAST to address other key issues, such as the optimization of distribution, the sharing of value between channels, platforms and enablers, the ability of leading broadcasters to invest in this new environment, and legal issues related to the status of services or the control of rights," adds Philippe Bailly, President of NPA Conseil.

About Médiamétrie:
Médiamétrie is committed to providing its customers with joint and sovereign standard audience measurements. As a data leader and media expert, the company applies its know-how to video, audio and cross-media behaviour measurements, as well as advertising effectiveness measurement. Every day, some 1,000 employees design and produce the right measure for today and tomorrow to support the free decision-making of the company's customers in France and abroad.
In 2021, the Médiamétrie Group achieved a turnover of €105.1 million and processed over one billion data every day.

About NPA Conseil:
Founded in 2001, NPA Conseil is a strategic and operational consulting firm dedicated to the digital transformation of the audiovisual and telecom industries.
Its activity combines strategic intelligence, in particular through NPA Insight, framing studies, with the NPA Conseil / Harris Interactive OTT Barometer in particular, and ad hoc assignments.

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[2] Alchimie, Altice Media, Arcom, AudienceXpress, Banijay, Bouygues Telecom, Canal+, Cognacq Jay Images, Conviva, Cospirit, Dailymotion, EGTA, France Films, France Médias Monde, France Télévisions, Freewheel, GroupM, Havas Media, M6, Making Science, Mango, Media Futures Group, Mediabrands, Mediacom, Mediawan, Mindshare, Netgem, Newen, NRJ, Okast, Omnicom, Orange, Pluto TV, Publicis Media, Rakuten TV, Samsung, SFR, SNPTV, Sofast, TF1, Thema, Udecam, Union des Marques, Values, Webedia