

Press release

Invibes Advertising unveils its international ambitions and strategic projects

London, November 17, 2021 - Invibes Advertising, an advanced technology company specialising in digital advertising, unveils its new international ambitions and strategic projects with the goal to becoming a key player in its market. In this context, the Company has selected a new accounting firm with global reach and is adjusting the methodology for processing costs related to international investments.

The strong growth posted by Invibes Advertising in 2021 reflects the successes of the new countries launched in 2019 and 2020, combined with the overall satisfaction from both its clients and media partners, coupled with the robust performance of its technological platform, which combines powerful advertising algorithms and advanced *machine learning* tools.

The founding directors, Nicolas Pollet and Kris Vlaemyndck, foresee strong potential for the digital advertising market, which according to Statista is forecasted to be worth more than 70 billion euros across Europe in 2021. This number will continue to grow, driven by the rise of digitalisation across all sectors of marketing activity.

Invibes Advertising fully intends to capitalise on this favourable position to further accelerate its growth, they will pursue an offensive market plan based on several strategic levers:

1. Acceleration of existing countries

Currently the company has 6 countries in the *scale-up* phase (Germany, England, Spain, France, Italy, and Switzerland), characterised by:

- markets in which advertising campaigns are active on a daily basis.
- scale, reaching several million Internet users monthly.
- a turnover of at least several hundred thousand euros per month.

Although advanced, these countries continue to have strong potential and could represent several tens of millions of euros per year. Invibes Advertising will continue to invest in these markets, particularly in the recruitment of talent to strengthen the local teams.

In parallel, Invibes Advertising has launched into new territories during 2021 (Belgium, Netherlands, Nordic countries, South Africa, and UAE), whilst currently in the "*start-up*" phase, some of the countries are already close to joining the countries in the "*scale-up*" phase.

Across these new countries, Invibes Advertising is continuing to recruit, primarily within the commercial teams.

2. The opening of new countries

Having successfully launched its activity in more than 10 countries, Invibes Advertising is now able to model the ROI of the launch of a new country becoming contributory after a few months.

In parallel with this direct contribution, the new countries bring added value to the *cross-market* offering of Invibes Advertising which is of increasing interest to the major advertisers looking for global launches at scale.

3. Strengthening the technology platform

Since its creation, Invibes Advertising has invested an average of 10% of its turnover in R&D. This strategy of technological investment is key to the success in a sector where clients are increasingly demanding optimum performance of their advertising campaigns. Invibes Advertising will continue to pursue this policy of investment around 3 strategic axes:

- **REACH**, including investments in *Header Bidding*, which allows media inventory to be purchased in real time at auction.
- **FORMAT**, the continued launch of new and innovative advertising experiences that will add to one of the most complete offerings in the market (more than 50 exclusive formats).
- **DATA**, the deployment of Invibes ID Network which allows, through *Hashed emails*, providing the same benefit and targeting advantages of the logged environments of the large platforms.

4. Deploying technology services for its strategic clients

With its proprietary technology platform and access to data from various sources, Invibes Advertising is in a privileged position to deploy *Strategic Value Services (SVS)* to its strategic clients. This type of partnership will enable the company to sign contractual commitments with its clients and represents a natural evolution of the model in a market where orders are traditionally managed via insertion orders for each advertising campaign.

5. The launch of a 100% self-service platform dedicated to SMEs

The SME market represents a sizable proportion of revenue turnover for the large AdTech platforms and as such, offers high potential for Invibes Advertising.

To capitalise on this opportunity, Invibes Advertising has agreed to make its entire offering available to this buoyant sector by offering a technological platform for the distribution of campaigns with exclusive advertising formats giving them access to the inventory of our media partners and agreements with data suppliers.

This SME market has the potential to provide a significant part of the Group's turnover. Recruitment is already underway for the team who will lead this charge and the trademark has been registered. More information will be provided at the official launch of this *self-service* interface.

6. The development of ML2Grow, its subsidiary (57% owned) specialised in services to companies for Big Data and artificial intelligence projects

ML2Grow will rely on several of the Group's levers to accelerate its development:

- the agreements signed by the two companies on targeting algorithms based on Big Data.
- requests from Invibes Advertising clients in the context of SVS.
- the Group's strong international footprint.

This new business plan, and the investments that will be made within this framework, constitute a new key stage for the company and will enable its ambition to become one of the major players in the sector. To finance its strong ambitions, Invibes Advertising is currently examining the various financing options available to them.

In view of this strong growth plans, the Board of Directors of the company has decided, following the proposal from the auditors, to change the IFRS valuation method for the treatment of costs related to the opening of new activities and countries. Under the previous method, which followed Belgian GAAP, the expenses related to the start-up of new activities and the opening of new countries were offset against the results generated by these activities and countries. In a context where the acceleration of growth is expected to result in an increase in these expenses and represent an excessively significant amount, the Board of Directors has chosen to modify this accounting principle (IFRS 15).

With immediate effect, these expenses will be expensed immediately. Under the previous valuation methodology, the opening costs were recognised in the balance sheet and deducted from the initial revenue of the country concerned. It is important to note that Invibes Advertising is changing this accounting approach on international investments and that it will have no impact on the cash flow variation.

Restatement of accounts for the 2019 and 2020 financial years

The impact of this change in accounting policy will be on the 2021 financial statements as well as on the 2019 and 2020 financial statements, on a retrospective basis, to allow comparability between the two years. The tables below present the financial elements as they would have emerged for the 2019 and 2020 financial years under this new accounting approach, and to prepare for comparability of the financial statements with the upcoming 2021 financial year.

<i>Consolidated data, in €K</i>	2019 restated	2020 restated
Existing countries *		
Turnover	9 684	10 504
EBITDA contribution	2 631	2 969
EBITDA	27 %	28 %
New countries **		
Turnover	14	1 026
EBITDA contribution	(410)	(685)
EBITDA	ns	ns
Group overheads***	(1 432)	(2 049)
Restated EBITDA	788	235

* Existing countries: Invibes in France, Spain, and Switzerland, ML2GROW

** New countries: Invibes in Germany, UK, Italy, Belgium, and Invibes International

*** Overheads excluding CAPEX

Next publication: Q4 2021 sales, January 26, 2022, after the close of trading

About Invibes Advertising

Invibes Advertising is an advanced technology company specialising in digital advertising. Its innovative solutions are based on an in-feed format, integrated into media content.

Invibes is inspired by social media advertising and develops its own technology to help brands better communicate with consumers. Its technology is optimised for delivery on a closed



network of media groups, including Bertelsmann, Hearst, Unify, Groupe Marie Claire, Axel Springer, and many others. Clients include major brands such as Mercedes, Samsung, Levi's, and IBM.

Founded in 2011, Invibes Advertising is a listed company on Euronext Growth Paris (Ticker: ALINV - ISIN: BE0974299316). Visit www.invibes.com for more information.

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Appendices: detailed presentation of IFRS 15 restatements

<i>Consolidated data, in €K</i>	2020 published	2020 restated
Turnover	11 530	11 530
Purchases and external expenses	(6 285)	(6 873)
Personnel expenses	(3 861)	(4 422)
EBITDA	1 384	235
Depreciation and provisions	(814)	(814)
Operating income	570	(579)
Financial result	(262)	(262)
Extraordinary result	-	-
Tax	(34)	(35)
Net income	274	(876)

<i>Consolidated data, in €K</i>	2020 published	2020 restated
Non-current assets	5 793	5 793
Current assets	12 535	10 808
Total assets	18 328	16 601
Shareholders' equity	7 602	5 875
Non-current liabilities	3 066	3 066
Current liabilities	7 660	7 660
Total liabilities	18 328	16 601

<i>Consolidated data, in €K</i>	2019 published	2019 restated
Turnover	9 699	9 699
Purchases and external expenses	(5 458)	(5 778)
Personnel expenses	(2 869)	(3 133)
EBITDA	1 372	788
Depreciation and provisions	(656)	(656)
Operating income	716	132
Financial result	(110)	(110)
Extraordinary result	-	-
Tax	(15)	(15)
Net income	591	7

<i>Consolidated data, in €K</i>	2019 published	2019 restated
Non-current assets	5 426	5 426
Current assets	7 136	6 550
Total assets	12 562	11 976
Shareholders' equity	6 876	6 290
Non-current liabilities	988	988
Current liabilities	4 698	4 698
Total liabilities	12 562	11 976