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INVIBES ADVERTISING NV
REIGERSTRAAT 8,
9000 GHENT
BELGIUM

CONSOLIDATED FINANCIAL STATEMENTS

From January 1st, 2022 to December 31st, 2022

REPORT ON THE WORK PERFORMED

As agreed, we have conducted the preparation of the consolidated accounts of the INVIBES ADVERTISING NV GROUP for the period from 1 January 2022 to 31 December 2022.

These consolidated accounts, along with the additional notes, are attached to the present report on the work performed.

They were prepared using the accounts of the parent company and information provided by the services of the Group.

They are characterized as follows:

- Total of the consolidated balance sheet	37 808 064 €
- Consolidated sales	27 966 367 €
- Group equity	21 078 183 €
- Consolidated net income	-7 971 508 €
- Net income attributable to the parent company	-7 908 080 €

Our due diligence was carried out in accordance with the professional standard of the Order of Chartered Accountants applicable to the accounting engagement, which is neither an audit nor a limited examination.

On the basis of our work, we have not identified any issues that call into question the consistency and plausibility of the consolidated accounts as a whole as appended to this report.

Laval

Delphine LEMONNIER
Expert-comptable Diplômée
(Certified Public Accountant)

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Consolidated balance sheet

	Note	31/12/2022	31/12/2021
Goodwill	3.2.1	2 104	2 100
Other intangible assets	3.2.2	2 519	2 729
Property, plant and equipment	3.2.3	363	260
Right-of-use assets	3.2.4	890	468
Long-term financial assets	3.2.5	845	760
Deferred tax assets	3.2.6	625	339
TOTAL NON-CURRENT ASSETS		***7 346***	***6 654***
Trade receivables	3.2.7	8 382	8 613
Current tax assets	3.2.8	1 208	985
Other current assets	3.2.9	508	1 143
Cash and cash equivalents	3.2.10	20 364	10 093
TOTAL CURRENT ASSETS		***30 462***	***20 835***
TOTAL ASSETS		**37 808**	**27 490**

	Notes	31/12/2022	31/12/2021
Share capital, share premiums	3.2.11.1	28 630	11 665
Reserves and retained earnings/accumulated loss (-)		790	-673
Treasury shares (-)		-450	-450
Currency translation adjustments	3.2.11.2	16	-44
Net income attributable to the parent company		-7 908	421
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT COMPANY		***21 078***	***10 919***
Minority interests		-29	6
TOTAL EQUITY	***3.2.11***	***21 049***	***10 925***
Long-term financial liabilities	3.2.12	2 931	1 948
Long-term lease liabilities	3.2.13	577	295
Other long-term liabilities	3.2.12	83	150
Deferred tax liabilities	3.2.6		14
TOTAL NON-CURRENT LIABILITIES		***3 591***	***2 407***
Trade payables	3.2.14	4 738	5 171
Short-term financial liabilities	3.2.12	3 842	4 256
Short-term Lease liabilities	3.2.13	374	224
Current tax liabilities	3.2.15	1 924	1 907
Other current liabilities	3.2.16	2 290	2 600
TOTAL CURRENT LIABILITIES		***13 168***	***14 157***
TOTAL EQUITY AND LIABILITIES		**37 808**	**27 490**

Consolidated income statement

	Notes	31/12/2022	31/12/2021
Revenue	3.3.1	27 966	23 201
Other operating income	3.3.2	158	143
Capitalisation of internally generated intangible assets	3.3.3	2 138	1 463
Operating expenses	3.3.4	-18 023	-14 169
Personnel expenses	3.3.5	-16 506	-9 090
Depreciation and amortization	3.3.6	-3 185	-958
Other operating expenses	3.3.7	-330	-170
OPERATING PROFIT/LOSS (-), before non-recurring items		***-7 782***	***420***
Other non-recurring income		33	63
Other non-recurring expenses		-3	-74
OPERATING PROFIT/LOSS (-)		***-7 752***	***409***
Finance costs	3.3.8	-391	-230
Other financial items	3.3.8	-78	-123
PROFIT/LOSS (-) before taxes, before non-recurring financial items		***-8 221***	***56***
PROFIT/LOSS (-) before taxes		***-8 221***	***56***
Income tax expense (-) / income	3.3.9	250	314
PROFIT/LOSS FOR THE YEAR		***-7 972***	***369***
Profit/loss(-) for the year attributable to:			
Owners of the parent		-7 908	421
Non-controlling interest		-63	-52
Earnings per share in euros			
basic		-1,778	0,122
diluted		-1,615	0,106

Comprehensive income

	Note	31/12/2022	31/12/2021
PROFIT/LOSS(-) for the year	*4.*	*-7 972*	*369*
Items that will not be reclassified to profit or loss			
Translation differences	3.2.11.2	77	-71
Deffered taxes on items that will not be reclassified to profit or loss		-18	14
Items that will be reclassified to profit or loss			
Sub-total of losses and profits directly registered as equity after tax		***59***	***-57***
COMPREHENSIVE INCOME		**-7 912**	**312**
attributable to the parent company		-7 849	365
attributable to minority interests		-63	-53

Statement of changes in equity

	Note	Share capital	Consolidated reserves	Treasury shares	Translation differences	Deferred taxes on translation differences	Annual net profit	Total shareholders' equity (Group share)	Minority interests	Total equity
EQUITY AT 01/01/2021		***6 665***	***146***		***13***		***-736***	***6 088***	***-213***	***5 875***
Income at 31/12/2021							**421**	421	-52	369
Net losses/incomes registered as equity					-71	14		-57	-1	-58
Total registered expenses and income					*-71*	*14*	*421*	*364*	*-53*	*311*
Allocation of the net income to reserves			-736				736			
Capital increase		5 000	-272					4 729		4 729
Treasury shares	3.2.11.4			-450				-450		-450
Put	3.2.11.5		543					543		543
Change in consolidation scope and other			-355					-355	272	-82
EQUITY AT 31/12/2021		**11 665**	**-673**	**-450**	**-58**	**14**	**421**	**10 919**	**6**	**10 925**
Income at 31/12/2022							**-7 908**	-7 908	-63	-7 972
Net losses/incomes registered as equity	3.2.11				77	-18		59	-1	59
Total registered expenses and income					*77*	*-18*	*-7 908*	*-7 849*	*-64*	*-7 913*
Allocation of the net income to reserves			421				-421			
Employee share-based compensation	3.2.11.6		1 837					1 837		1 837
Dividends distribution										
Capital increase	3.2.11.1	16 965	-737					16 228		16 228
Change in consolidation scope and other	3.2.11.3		-57					-57	29	-27
EQUITY AT 31/12/2022		**28 630**	**790**	**-450**	**20**	**-4**	**-7 908**	**21 079**	**-29**	**21 050**

Financial year 2022

The Group benefited from a capital increase by private placement of K€ 16 776 at the start of 2022 in order to finance its future growth. The capital increase was carried out with waiver of the preferential right by private placement with qualified European investors, through an accelerated bookbuilding. A total of 932 000 new shares were issued for a total gross amount of K€ 16 776, representing 21.3 % of the outstanding shares of Invibes Advertising after the capital increase. The subscription price for the new shares (€ 18 per share) reflected a discount of 11.8 % compared to the closing price of the Company's share on January 26th, 2022 (€ 20,4 per share). As a result of this transaction, the share capital of Invibes Advertising was increased from K€ 11 664 to K€ 28 440, divided into 4 367 406 shares with a nominal value of € 6,51 each.

There was also a conversion of warrants on the 1st of March 2022 which caused an increase of capital of K€ 188 and a further creation of 81 142 shares.

As a result the total capital amounted to K€ 28 630 divided into 4 448 548 shares by the end of 2022.

The expenses related to the capital increase by private placement amounted to K€ 719 and to K€ 18 for the warrants conversion.

A total amount of K€ 1 837 is recognised as an expense in profit and loss (personnel expenses) with a corresponding credit to consolidated reserves. This equity-settled share-based payment transactions related to employee remunerations (cf note 3.2.11.6).

The purchase of minority stake in the subsidiary INVIBES ADVERTISING AG and in INVIBES SWITZERLAND represented a decrease of minority interests amounting to K€ -29 and an increase of shareholder's equity amounting to K€ 56.

The loss of the year 2022 amounted to K€ -7 972.

Financial year 2021

The biggest change in equity in 2021 was the capital increase of K€ 5 000 on 20th of April 2021. There were costs of K€ 272 related to this capital increase which were subtracted from the equity.

A call option was granted to Invibes Advertising NV during this capital increase which caused a decrease of the equity of K€ 450 in 2021.

Furthermore a put option on Invibes Advertising NV shares expired in 2021 which caused an increase of the reserves of K€ 543.

The number of shares held on ML2GROW and Invibes Advertising AG increased. These movements represented an increase of minority interests amounting to K€ 272 and a decrease of shareholder's equity amounting to K€ 355.

Cash flow statement

	Note	31/12/2022	31/12/2021
PROFIT/LOSS (-) FOR THE YEAR		**-7 972**	369
Income (loss) from non-curent assets disposal		-12	0
+Income tax expense / income	3.3.9	-250	-314
+Finance cost	3.3.8	391	230
+Depreciation and amortization	3.3.6	3 185	1 048
+Reversal of provisions			-72
+Share-based payment expenses	3.2.11.6	1 837	
+Other non-cash adjustments		11	0
Cash flow from operating activities before change in the working capital requirement		***-2 809***	***1 261***
Change in the working capital requirement		-167	-921
Income taxes paid	3.3.9	-27	5
Net cash flow from operating activities		***-3 003***	***345***
Investing activities			
Acquisition of fixed assets	3.2.2/3.2.3/3.2.5	-2 931	-2 176
Proceeds from sale of fixed assets	3.2.2/3.2.3/3.2.5	192	7
Effects of the changes in the scope		-60	-52
Cash flow from investing activities		***-2 799***	***-2 220***
Financing activities			
Proceeds from the issue of share capital	3.2.11.1	16 228	4 729
Acquisition of treasury shares			-105
Proceeds from financial liabilities	3.2.12	3 069	876
Repayment of financial liabilities	3.2.12	-1 405	-836
Repayment of financial lease liabilities	3.2.13	-283	-185
Interest paid		-368	-210
Cash flow from financing activities		***17 242***	***4 270***
Change in cash		**11 439**	2 395
Opening cash position		7 519	5 132
Closing cash position		18 951	7 519
Effect of the changes in the foreign exchange rates		-7	-8
Change in cash		**11 439**	**2 395**
Breakdown of the closing cash position			
Cash and cash equivalents	3.2.10	20 364	10 093
Current bank overdrafts	3.2.12	1 412	2 575

NOTES ON THE CASH FLOW STATEMENT

Cash flows from operating activities

The income taxes expense (-)/income amounts to K€ 314 for the 2021 financial year compared to K€ 250 for the 2022 financial year.

The amortization on other intangible assets amount to K€ 2 615 in the 2022 financial year compared to K€ 790 in the 2021 financial year. The depreciation on property, plant and equipment amounts to K€ 145 in the 2022 financial year compared to K€ 68 in the 2021 financial year. The depreciation on right-of-use assets amounts to K€ 304 in the 2022 financial year compared to K€ 189 in the 2021 financial year. There was a reversal of a provision in 2021 of K€ -72 and a reversal of provisions for doubtful debts in 2021 of K€ -18 compared to an increase of this provision of K€ 14 and an increase of provision for doubtful debts of 106 K€ in 2022.

In 2022 there were share based compensations for staff and board for an amount of K€ 1 837 (see note 3.2.11.6).

Increase/decrease (-) in working capital

The cash flows are also affected in function of the increase/decrease (-) in working capital.

At group level in 2021, the change in working capital of K€ -921 consist of a net change of operational receivables and payables for K€ -921.

At group level in 2022, the change in working capital of K€ -167 consist of a net change of operational receivables and payables for K€ -167.

Cash flows from investing activities

In the 2022 financial year, the investments in property, plant and equipment amount to K€ 243 and are mainly related to investments in rented buildings. Investments in softwares amount to K€ 2 374 and other intangible assets amounts to K€ 39. The main investments of the year were further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). The investments in financial assets amounted to K€ 276.

In the 2021 financial year, the investments in property, plant and equipment amount to K€ 259 and are mainly related to investments in rented buildings. Investments in softwares amount to K€ 1 539. The main investments of the year were further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). The investments in financial assets amounted to K€ 378.

Cash flows from financing activities

The cash flows from financing activities in 2022 consist of:

- a capital increase of a net amount of K€ 16 228,
- commitment of new loans to K€ 3 069,
- the repayment of the interest-bearing financial liabilities amounting to K€ 1 405,
- the repayment of the lease liabilities by the application of IFRS 16 amounting to K€ 283.
- interest paid of K€ 368.

The cash flows from financing activities in 2021 consist of:

- a capital increase of a net amount of K€ 4 729,

- the acquisition of treasury shares for K€ 105,
- commitment of new loans to K€ 876,
- the repayment of the interest-bearing financial liabilities amounting to K€ 836,
- the repayment of the lease liabilities by the application of IFRS 16 amounting to K€ 185.
- interest paid of K€ 210.

Total cash and cash equivalents

In 2021, the cash and cash equivalents increased by K€ 5 132 to K€ 7 519 at the financial year-end. In 2022, the cash and cash equivalents increased by K€ 7 519 to K€ 18 951 at the financial year-end.

1 GENERAL INFORMATION

1.1 General information, statement of compliance with IFRS and going concern assumption

INVIBES ADVERTISING NV is a technology company that specializes in digital advertising. The Company solutions are supported by an in-feed format that's integrated into media content. Invibes is inspired by social network advertising and develops its own technology to help brands better communicate with consumers.

The company INVIBES ADVERTISING NV, head of the group, is a Belgian shareholding company. Its headquarters are located at the Reigerstraat 8, 9000 Ghent, Belgium. Its identification number is BE 0836.533.938.

The consolidated financial statements for the year ended December 31st, 2022 (including comparatives) were released for publication by the Board of Directors on March 28th, 2023.

The shares of INVIBES ADVERTISING NV are listed on the Euronext Growth Paris market under code ISN BE097299316. Shares are not listed on any other market.

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), the standards for financial reporting and the interpretations issued by the International Accounting Standards Board (IASB), as approved by the European Union, and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. They have been prepared under the assumption the Group operates on a going concern basis.

The going concern assumption was challenged, taken into account:

- The situation as of December 31st, 2022 of realizable net assets and current liabilities,
- The explanation of the significant loss occurred this year and the measures taken (cf note 1.3),
- Cash forecasts for the Company and its subsidiaries for the 12 months following closing.

INVIBES ADVERTISING NV has made a significant loss in the financial year 2022 of K€ 7 972. To ensure the future of the company swift measures to adapt its cost structure in 2022 were taken. More info on these costs can be found in note 1.3 Major operations. Together with refocused strategy on innovation, these right foundations have put INVIBES ADVERTISING NV in an advantaged position to pursue growth and target a return to positive EBITDA in 2023.

The Board of Directors, after having examined these various elements, estimated that the company will be able to meet its cash requirements until December 31st, 2023 at least, and consequently that the consolidated accounts should be prepared on a going concern basis.

The consolidated accounts are expressed in thousands of euros (KEUR) unless otherwise specified.

1.2 New or revised standards or interpretations

During the current financial year, the company applied all published new and revised standards and interpretations that are relevant to its activities and which are in force for the accounting period that started on January 1, 2022, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

For the preparation of the financial statements on December 31st, 2022 the group applied the rules and interpretations mandatory applicable from January 1st, 2022:

- Amendment to IFRS 3 Business combinations: reference to the conceptual framework
- Amendment to IFRS 16: COVID-19 related rent concessions beyond June 2021
- Amendments to IAS 16 Property, plant and equipment: Proceeds before intended use.
- Amendments to IAS 37: Onerous contracts – Costs of fulfilling a contract: precision of the costs to be retained when analysing onerous contracts.
- Annual improvements to IFRS – 2018-2020 cycle:
    - Amendments to IFRS 1: subsidiary as a first-time adopter
    - Amendments to IFRS 9: fees in the ’10 per cent’ test for derecognition of liabilities
    - Amendments to IFRS 16: lease incentives
    - Amendments to IFRS 41: taxation in fair value measurements

The application of the other new Standards, Interpretations and Changes has not resulted in any important changes to the group’s principles for financial reporting.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB and endorsed by the EU. None of these Standards or amendments to existing Standards have been adopted early by the Group:

- IFRS 17 Insurance contracts (replacing IFRS 4), including amendments to IFRS 17.
- Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of Accounting policies.
- Amendment to IAS 37 Provisions, contingent liabilities and contingent assets.
- Amendment to IAS 8 Accounting policies, Changes in Accounting estimates and Errors: definition of Accounting Estimates.

The group did not carry out an early application of the new standards and changes to existing standards and interpretations that were not yet endorsed by the European Union:

- Amendments IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current – deferral of Effective date.
- Amendments IAS 12 Income taxes: Deferred Tax related to Assets Liabilities arising from a single transaction.
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – comparative Information.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group’s consolidated financial statements.

1.3 Major operations

The first half of 2022 was marked by an increase in structural costs to support an ambitious commercial ramp-up in line with the Company's prospects of strong growth. The workforce expanded rapidly, reaching 230 FTE in June 2022 up from 124 in December 2021.

From the summer onwards, a major slowdown in the advertising market led Invibes Advertising to take measures to swiftly adapt its cost structure to the degraded economic context, significantly reducing its sales and support staff in the 4th quarter of 2022. By December 2022, the Company's FTE was down to 211, a 15% reduction from its peak six month earlier, showing high flexibility to adapting to evolving environment, while maintaining necessary commercial forces to pursue its growth in all strategic countries.

In addition, Invibes Advertising has temporarily suspended the launch of Adspark, its self-service platform dedicated to SMEs, as its deployment would have generated too much short-term expenditure without an immediate return on investment.

These cost adjustment measures generated substantial expenses in 2022. From 2023, the Company will start benefiting from the favourable effect of these measures on its cost structure, as profitable growth remains management's objective.

EBITDA of 2022 also includes K€ 762 restructuring costs, K€ 278 recruitment fee's and K€ 498 business departments who were terminated in 2022. The EBITDA of 2022 also includes a share-based non-cash compensation through emission of stock option plans to senior staff and board members valued to K€ 1 837 according to a valuation report of 8Advisory dated March 27th, 2023 (see note 3.2.11.6). These costs will not occur in 2023 anymore. Taking into account these elements, the Recurring EBITDA (REBITDA) stands at (K€ -1 193).

Other major operations in 2022:

- Capital increase within the company INVIBES ADVERTISING NV for an amount of €16.8 million,
- Capital increase within the company INVIBES ADVERTISING NV for an amount of K€ 189 by warrant conversion,
- Capital increase within the subsidiary INVIBES ITALY for an amount of K€200,
- Purchase of minority stake in the subsidiary INVIBES ADVERTISING AG and in INVIBES SWITZERLAND,
- Creation of INVIBES BUCHAREST with the opening of an office in Bucharest (Romania). This company is consolidated from its creation date on 2022, February 1st,
- Creation of INVIBES CENTRAL EUROPE with the opening of an office in Prague (Czech Republic). This company is consolidated from its creation date on 2022, February 24th,
- Creation of ADSPARK with the opening of an office in Munich (Germany). This company is consolidated from its acquisition date on 2022, February 16th,
- Acquisition of INVIBES POLAND with an office in Warsaw (Poland). This company is consolidated from its acquisition date on 2022, February 16th.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The group's financial statements have been prepared on an accruals basis and under the historical cost convention. Any exceptions to this historical cost convention will be disclosed in the measurement bases below.

The consolidated financial statements of the Company as at December 31st, 2022, include the financial statements of Invibes Advertising NV, the Parent company, and its subsidiaries. The whole constitutes the “Invibes Group”. The consolidated financial statements are prepared before appropriation of the result of the parent company as proposed to the General Meeting of Shareholders.

2.2 Basis of consolidation

The Group’s financial statements consolidate those of the parent company and all of its subsidiaries as of 31st December 2022. All subsidiaries have a reporting date of 31st December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

2.3 Scope of the consolidation level

In accordance with IFRS 10, subsidiaries are all controlled entities. Control, regardless of the level of interest held in an entity, is the result of the following three components: the holding of the power to direct the key activities (operational and financial activities), the exposure or the right to the associated variable returns participation, and the ability to exercise that power in ways that influence those returns. Only substantive rights, as conferred by shareholders' agreements, which can be exercised when decisions on key activities have to be made and which are not purely protective, are taken into account for the determination of power. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

Joint ventures are partnerships in which the Invibes Group and the other parties involved exercise contractually agreed joint control over the entity and have rights to its net assets.

Associates are entities in which the Group exercises significant influence: Invibes Group has the power to participate in financial and operational policy decisions without however exercising joint control or control. Significant influence is presumed when the Group holds, directly or indirectly, a stake greater than or equal to 20%.

The consolidation methods used are:

- Full consolidation method for subsidiary companies over which the Invibes group exercises control. Within consolidated equity, the share of minority interests in the equity of consolidated subsidiaries is presented under a specific line, as in the income statement and in the statement of comprehensive income.
- The equity method for joint ventures and associates. This method consists in retaining in the consolidated financial statements only the share of shareholders' equity corresponding to the percentage held by the Invibes Group. If the Invibes Group's share in the losses of an equity-accounted entity is greater than its interest in it, then the Invibes Group's share is reduced to zero. Additional losses are subject to a provision if the Invibes Group has a legal or implicit obligation in this regard.

The list of companies fully consolidated and accounted for using the equity method is presented below.

Consolidation perimeter				
Name	**Headquarter**	**Identification number**	**% interest**	**Method**
Top :				
INVIBES ADVERTISING NV	REIGERSTRAAT 8, 9000 GHENT	BE0836533938	Top	
Subsidiaries :				
INVIBES SERVICES SRL	Str. Grigore Cobălcescu 46, Camera 7, Etaj 2, Sector 1, 010196 BUCHAREST	RO30562825	100,00%	FC
INVIBES ADVERTISING SAS	24 rue des Petites Ecuries 75010 PARIS	FR5374500140	100,00%	FC
INVIBES ADVERTISING INC	1177 Avenue of the Americas, 7th Floor New York. NY 10036	6020943	100,00%	FC
INVIBES SPAIN SL	Paseo de la Castellana 137, 4ª planta, 28046 MADRID	B37563434	100,00%	FC
INVIBES ADVERTISING AG	Steuerberatungsgesellschaft Theatinerstraße 45, 80333 MÜNCHEN	DE320810302	99,12%	FC
INVIBES SWITZERLAND AG	Langstrasse 11, 8004 ZÜRICH	CHE-302.303.944	98,40%	FC
INVIBES FINANCE SA	Place de Paris 2314 Luxembourg	B42153	100,00%	FC
ML2GROW	REIGERSTRAAT 8, 9000 GHENT	676644086	62,33%	FC
INVIBES ITALY SRL	MILANO VIA GIOSUE CARDUCCI 31 CAP 20123	IT10919160969	100,00%	FC
INVIBES ADVERTISING UK LTD	5 Underwood Street, N1 7LY LONDON	GB 330 1273 54	100,00%	FC
INVIBES BENELUX BV	Prins Boudewijnlaan 5 Boite 10 2550 KONTICH	BE0747.591.173	100,00%	FC
INVIBES NETHERLANDS BV	KNSM-laan 171 1019LC AMSTERDAM	NL861951438B01	100,00%	FC
INVIBES SAAS OÜ	Sopruse pst 145, Kristiine district Harju county, 13417 TALINN	EE 102307368	100,00%	FC
INVIBES NORDICS AB	c/o Leinonen, Sankt Eriksgatan 63B, 112 34, STOCKHOLM	559314-9254	100,00%	FC
INVIBES NORWAY AS	Arbins Gate 4, 0253 OSLO	928094251	100,00%	FC
INVIBES DENMARK APS	c/o Baker Tilly Revisionspartnerselsk., Poul Bundgaards Vej 1, 1, 2500 VALBY	42726745	100,00%	FC
INVIBES TURKEY	MECIDIYEÖY MAH. BÜYÜKDERE CAD. IBRAHIM POLAT HOLDING BLOK NO: 87Iç KAPI NO:5 SISLI - ISTANBUL	4651257218	100,00%	FC
INVIBES ADVERTISING FZ-LLC	SEO100 BLDG 08-CO Work, DUBAI MEDIA CITY	100559210800003	100,00%	FC
INVIBES ADVERTISING SOUTH AFRICA (PTY) LTD	10 Buffalo Road, Gallo Manor Sandton, 2196 GAUTENG	4690300811	100,00%	FC
INVIBES POLAND	Ul. Przyokopowa 33, 01-208 WARSAW	PL 5272966038	100,00%	FC
INVIBES CENTRAL EUROPE	Ovocny trh 1096/8, stare Mesto, 11000 PRAHA	1421676	100,00%	FC
ADSPARK	Steuerberatungsgesellschaft Theatinerstraße 45, 80333 MÜNCHEN	HRB 273516	100,00%	FC
INVIBES BUCHAREST	Str. Grigore Cobălcescu 46, Camera 7, Etaj 2, Sector 1, 010196 BUCHAREST		100,00%	FC

FC: Full consolidation, EM: Equity method

All the companies of the scope close their accounting year on December 31st.

The Group does not hold any unconsolidated structured entity.

2.3.1 Entry in the consolidation scope

- Creation of INVIBES CENTRAL EUROPE (Czech Republic),
- Creation of INVIBES BUCHAREST (Romania),
- Creation of ADSPARK (Germany),
- Acquisition of INVIBES POLAND (Poland).

2.3.2 Exit from the consolidation scope

There was no exit from the scope during the accounting year.

2.4 Translation of the accounts and the operations denominated in a foreign currency

2.4.1 Translation of the financial statements of the foreign subsidiaries

The accounts of the foreign subsidiaries are kept in their functional currency.

Assets and liabilities of subsidiaries located outside the euro area are converted into euro using the exchange rate at the closing date. The elements of the income statement are translated into euros at the rate approaching the exchange rates at the dates of transactions, or at the average rate of the period if there are not important fluctuations in the rate. Equity is presented at historical rate. Exchange differences resulting from translations are presented in the translation reserves in equity until the date of sale of the subsidiary.

2.4.2 Translation of the transactions denominated in a foreign currency

The transactions denominated in foreign currencies are translated at the current foreign exchange rate at the date of the transaction.

At the closure of the accounting year, the monetary assets and liabilities denominated in foreign currencies are translated at the closing foreign exchange rate. The resulting foreign exchange differences are registered as foreign exchange gains or losses in the income statement for the transactions linked to the activity.

The functional currency of the foreign subsidiaries is the local currency.

2.4.3 Foreign exchange rates used for the preparation of the consolidated accounts

Euro against foreign currencies rate	**AED**	**CHF**	**CZK**	**DKK**	**GBP**	**NOK**
Closing rate						
Rate at 31 December 2020	4,4867	1,0800		7,4409	0,8990	10,4703
Rate at 31 December 2021	4,1763	1,0331	24,7390	7,4364	0,8403	9,9888
Rate at 31 December 2022	3,9299	0,9847	24,1160	7,4365	0,8869	10,5138
Average rate						
Average rate from 1 January 2020 to 31 December 2020		1,0710			0,8890	
Average rate from 1 January 2021 to 31 December 2021	4,3333	1,0799		7,4368	0,8584	10,1639
Average rate from 1 January 2022 to 31 December 2022	3,8665	1,0017	24,5378	7,4396	0,8548	10,1122

Euro against foreign currencies rate	**PLN**	**RON**	**SEK**	**TRY**	**USD**	**ZAR**
Closing rate						
Rate at 31 December 2020		4,8680	10,0343	9,1131	1,2270	18,0219
Rate at 31 December 2021	4,5969	4,9490	10,2503	15,2335	1,1326	18,0625
Rate at 31 December 2022	4,6808	4,9495	11,1218	19,9649	1,0666	18,0986
Average rate						
Average rate from 1 January 2020 to 31 December 2020		4,8430			1,1470	
Average rate from 1 January 2021 to 31 December 2021		4,9251	10,1562	10,8104	1,1816	17,5922
Average rate from 1 January 2022 to 31 December 2022	4,6868	4,9340	10,6571	17,4566	1,0500	17,2127

2.5 Goodwill

All business combinations are measured and recognised in accordance with the revised IFRS 3:

The consideration transferred (acquisition cost) is measured at the fair value of the assets delivered, issued equity and liabilities incurred at the date of acquisition. Costs directly attributable to the acquisition are expensed.

The group uses the full goodwill method, which is the difference between the sum of the acquisition cost of the business combination and the fair value of the minority interests, and the net amount of the assets. Assets and liabilities assumed measured at fair value at the acquisition date.

Goodwill is determined at the acquisition date of the acquired entity and is not subject to any subsequent adjustment beyond the measurement period; the subsequent acquisition of non-controlled interests does not give rise to the recognition of additional goodwill.

The accounting for a business combination must be completed within 12 months of the acquisition date. This period applies to the valuation of identifiable assets and liabilities, the consideration transferred and uncontrolled interest.

If the fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of an acquisition, the difference is immediately recognised in the income statement.

Goodwill is tested for impairment annually or more frequently if events or changes indicate that the carrying amount of the goodwill may have been impaired. When an impairment loss is recognised, the difference between the carrying amount and its recoverable amount is recognised as an operating expense on the "asset impairment" line and is irreversible.

Goodwill is allocated to the relevant cash-generating unit for purpose of impairment testing.

2.6 Other intangible assets

2.6.1 Internally developed software

Expenditure on the research phase of projects to develop new customized software for IT and telecommunication systems is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

- the development costs can be measured reliably,
- the project is technically and commercially feasible,
- the Group intends to and has sufficient resources to complete the project,
- the Group has the ability to use or sell the software, and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalization are expensed as incurred. Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

2.6.2 External purchased software and other intangible assets

These intangible assets acquired by Invibes Group are recognised at cost.

2.6.3 Subsequent measurement

All finite-lived intangible assets, including capitalized internally developed software, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

- Software: 5 years
- Other intangible assets: 5 years

At each reporting date, the group reviews whether there is any indication that assets may be impaired. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of an asset is the higher of its net selling price and its value in use. The value in use is the net present value of any cash flows arising from the use of an asset or a cash-generating unit. For an asset to which no cash flows can be directly attributed, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. If an asset's recoverable amount is less than the carrying amount, the latter is reduced to the recoverable amount. The impairment is recognised directly in the income statement. If a previously recorded impairment is no longer justified, the impairment is reversed.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other operating expenses.

2.7 Property, plant and equipment

In accordance with the IAS 16 "Tangible assets" rule, only the elements whose cost can be determined in a reliable way and for whose it is likely the future economic benefits will benefit to the group are registered as tangible assets.

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Invibes Group's management.

The different components of a tangible asset are registered separately when their estimated useful life, and therefore their depreciation period, are significantly different. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

Nature	Depreciation period
Equipment	5 years
Other tangible assets	2 to 5 years

These depreciation periods are reviewed and modified in case of a significant change; these changes are applied prospectively.

At each reporting date, the group reviews whether there is any indication that assets may be impaired. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of an asset is the higher of its net selling price and its value in use. The value in use is the net present value of any cash flows arising from the use of an asset or a cash-generating unit. For an asset to which no cash flows can be directly attributed, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. If an asset's recoverable amount is less than the carrying amount, the latter is reduced to the recoverable amount. The impairment is recognised directly in the income statement. If a previously recorded impairment is no longer justified, the impairment is reversed.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other operating expenses.

2.8 Right-of-use assets

At lease commencement date, the Invibes Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Invibes Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

2.9 Financial assets

Financial assets include deposits and securities, receivables related to non-consolidated participating interests and the other receivables. They are valued at their historical value.

When their value is lower than their probable recovery value, an impairment is recorded.

2.10 Accounts receivable

The accounts receivables include the invoices related to service delivery contracts according to the following principle:

The invoiced receivables are estimated at their fair value when they are initially registered. They are the subject of an impairment according to their probability of recovery if necessary.

The group enters into debtfactoring contracts with external factorparties as a result of which, part of the trade receivables portfolio is recurrently sold to the factor.

The debt factoring arrangement results in de-recognition if it qualifies as a transfer in accordance with either IFRS 9 and the group transfers substantially all the risks and rewards of ownership of the financial asset (account receivable). A transfer is a qualifying transfer if:

- the contractual rights to the cash flows are transferred; or
- the contractual rights to the cash flows are retained but the company assumes an obligation to pay them on to the factor in a manner that meets the conditions in IFRS 9 being that we have no obligation to pay any amounts to the factor unless we receive the cash flows from the customers, we cannot sell or pledge the receivables to a third party and the company has to remit the cash flows it collects without material delay.

2.11 Other current assets

The other current assets mainly exist out of other receivables. The other receivables are estimated at their fair value when they are initially registered. They are the subject of an impairment according to their probability of recovery if necessary.

2.12 Cash and cash equivalents

Cash and cash equivalents include funds in the cash register and demand deposits, generally under 3 months, easily available or transferable on the very short term, convertibles into an amount of cash and presenting no material risks of changes in value.

The bank overdrafts repayable on demand which are an integral part of the group cash management constitute a component of cash and cash equivalents for the needs of the cash flows table.

2.13 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Reserves and retained earnings / accumulated loss (-) – comprises all current year and prior period retained profits.
- Treasury shares (-) – comprises the value of the call option the Invibes Group has on its own shares.
- Currency translation adjustments – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into EURO.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Retained earnings includes all current and prior period retained profits, treasury shares and share-based employee remuneration (see Note 3.2.11.6).

2.14 Financial liabilities

The financial liabilities include the loans, other financing elements and bank overdrafts.

Loans and borrowings are initially recognised at their fair value, plus or minus transaction costs. They are subsequently valued at amortized cost using the effective interest rate method. Any difference between the consideration received (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loan (effective interest rate method).

2.15 Financial instruments

Except as otherwise disclosed in the annual report, management believes that the financial assets and liabilities measured at amortized cost approximate fair value.

The group did not subscribe to hedging instruments.

See also note 3.2.11.4 about treasury shares.

2.16 Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Invibes Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Invibes Group.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The Group has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

To respond to business needs, particularly in the demand for office space, the Group will enter into negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group is able to increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is in line with the stand-alone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group is able to negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease, both of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

2.17 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when:

(a) There exists a present obligation resulting from a past event;
(b) It is probable that an outflow of resources representative of economic benefits will be required to end the obligation;
(c) The obligation can be reliably measured.

This obligation may be legal, regulatory, or contractual. It can also result from Invibes Group practices or public commitments that created a reasonable expectation among the third parties in question that the Invibes Group will assume certain responsibilities.

The estimated amount shown in provisions represents the outflow of resources which is probable the Invibes Group will have to bear to end its obligation. If no reliable estimate of the obligation can be made, no provision is recorded, and a disclosure is made in the notes.

Contingent liabilities correspond to possible obligations resulting from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the Invibes Group or present obligations for which it is not probable that an outflow of resources will be required. They are disclosed in the notes and are not accounted.

Obligations from restructuring plans are recognised and recorded as a provision when they have been documented in a detailed plan and announced or when their implementation has been launched before the closing date.

2.18 Trade payables

Trade payables are measured at nominal value.

2.19 Other liabilities

Other liabilities are measured at nominal value.

2.20 Pension liabilities

There are only defined contribution contracts concerning pensions. There are no defined benefits contracts in place.

Contributions to defined contribution plans are recognised as an expense in the income statement for the year to which they are related. For any contributions already paid prior to the end of the reporting period, which are in excess of the payable contribution for services, the surplus is recognised as an asset under prepaid expenses and accruals. If contributions to a defined contribution plan are not fully due within 12 months after the end of the period in which the employees perform the related services, they are discounted to their present value.

2.21 Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to consolidated reserves. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital.

2.22 Revenue

The business of the Invibes Group is the delivery of digital advertising services through the Invibes platform, there are different invoicing units all based on delivery of certain KPI's.

To determine whether to recognize revenue, the Invibes Group follows the following process:

- Identifying the contract with the customer
- Identifying the performance obligations

- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognised either at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

Revenue from sales is recognised when the invoiceable units are delivered. This can be measured reliable based on the input from the Invibes Platform.

2.23 Finance cost other financial items

Finance cost include interests on loan.

Other financial items include gains or losses on disposals of unconsolidated securities, changes in the fair value of financial instruments (assets, liabilities, and derivatives), currency exchange gains and losses, and other financial income and expenses.

2.24 Taxes

The income tax (expense or income) includes the payable tax expense (income) and the deferred tax expense (income). Tax is recognised in profit or loss unless it relates to items that are directly recognised in other components of comprehensive income and loss, in which case it is recognised in other components of comprehensive income and loss.

2.24.1 Current tax liability

The current tax liability is the estimated amount of the tax due in connection with the taxable profit for a period, determined by using the tax rates that have been adopted at the closing date.

The tax rate used by the group's companies is in compliance with the local tax rate in the different markets.

2.24.2 Deferred tax assets/liability

Deferred taxes are determined using a liability method, which is a balance sheet approach, for most of the temporary differences between the book value of assets and liabilities and their tax bases.

The measurement of deferred tax assets and liabilities is based on how the Group expects to recover or pay the carrying amount of the assets and liabilities by using tax rates adopted at the closing date.

A deferred tax asset is posted only insofar as it is likely that the group will record future taxable profits to which this credit can be charged. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The effect of any changes in tax rates is recognised in profit or loss unless it relates to items that are directly recognised in equity.

2.25 Earnings per share

The Group reports both basic and diluted earnings per ordinary share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the parent company by the weighted average number of common shares outstanding during the period. Treasury shares are not treated as outstanding and are therefore deducted from the number of shares outstanding.

Diluted earnings per share are determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of common shares outstanding during the period for the impact of all common shares that have a potentially dilutive effect, which include in particular convertible instruments.

2.26 Determining accounting estimates and judgements

As part of the preparation of the consolidated financial statements, Management makes judgments and uses estimates and assumptions that may have an impact on the amount of assets, liabilities, income and expenses recorded in the consolidated financial statements, as well as in the notes.

These estimates and the underlying assumptions are constantly established and reviewed on the basis of the past experience and other factors considered as reasonable given the circumstances. Thus, they are used as a basis to the practice of the judgment necessary for the determination of the book value of assets and liabilities, which cannot be obtained from other sources. The actual values can be different from the estimated values.

The following are the judgements made by management in applying the accounting policies of the Invibes Group that have most significant effect on these consolidated financial statements:

- Capitalisation of internally developed intangible assets:
  Distinguishing the research and development phase of a software project and determining whether the recognition requirements for the capitalization of development costs are met requires judgement. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.

- Recognition of deferred tax assets.
  The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgement is required assessing the impact of any legal or economic limits or uncertainties in various jurisdictions.

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- Impairment of non-financial assets and goodwill

  In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2021 and 2022, the Invibes Group recognised no impairment losses.

- Useful lives and residual values of depreciable assets

  Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets.

- Leases – determination of the appropriate discount rate to measure lease liabilities

  As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.

The accounting methods were applied in a uniform way by the entities of the group.

No significant change regarding the estimating methods was set up over the period.

3 NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Operating segment information

The main operating decision maker has access to financial data for each legal entity. The legal entities' business is the delivery of digital advertising services.

There is no specific type of customer for each type of service. There is no specific type of service for each legal entity.

In fact the performance assessment and the allocation of resources of the Group by the main operating decision maker is based on an analysis of performance indicators without any difference between the legal entities and have the same economic characteristics regardless of the legal entity.

The Group therefore considers operating on a single sector, digital advertising services.

Performance indicators per market

The group has only one significant product and thus segment. The key performance indicators are as follows:

In €	ESTABLISHED MARKETS*	EMERGING MARKETS **	START UPS***	CENTRAL GROUP	CONSOLIDATED
Revenue	19 891 976	7 537 630	536 438	322	27 966 367
Purchases	10 368 425	3 860 414	963 457	2 735 089	17 927 385
Personnel expenses	4 496 191	4 187 920	1 084 725	6 737 411	16 506 248
EBITDA	5 131 416	-699 908	-1 529 407	-7 470 596	-4 568 495
%	26%	-9%	-285%	-2317408%	-16%
Profit/loss(-) for the year	-654 845	-3 759 987	-2 032 851	-1 523 826	-7 971 508

* ESTABLISHED MARKETS consist out of Invibes SAS, Invibes Spain, Invibes Switzerland and ML2GROW

** EMERGING MARKETS consist out of Invibes UK, Italy, Benelux and Advertising AG

*** START UPS consists of ADSpark, Invibes CET, Invibes Netherlands, Denmark, Norway, Poland, Sweden, Turkey, South Africa, UAE

Established markets are the markets that are already well known in their market.

Emerging markets are markets that are seeing an initial traction in their market.

Start Ups are markets that have recently been founded and don't have traction in their market yet.

Central group consists out of all supporting activities (finance, legal, talent acquisition, sales support, …).

Purchases consist out of the sum of operating expenses, other operating income and other operating expenses.

EBITDA is calculated as follows: Revenue minus purchases (including capitalised internally generated intangible assets and personnel expenses.

The Group's non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets, post-employment benefit assets and long term financial assets are not included) are located into the following geographic regions:

En €	Established markets	Emerging markets	Start ups	Central group	Consolidated
Non-current assets	213 941	74 714	25 248	3 459 067	3 772 970

Non-current assets are allocated based on their physical location.

3.2 Notes on the consolidated balance sheet

3.2.1 Goodwill

	Switzerland	Spain	Belgium	Poland	TOTAL
Gross value at 1 january 2021	**1 932**	**65**	**102**		**2 100**
Gross value at 31 december 2021	**1 932**	**65**	**102**		**2 100**

	Switzerland	Spain	Belgium	Poland	TOTAL
Impairment at 1 january 2021					
Impairment at 31 december 2021					

	Switzerland	Spain	Belgium	Poland	TOTAL
Net value at 1 january 2021	**1 932**	**65**	**102**		**2 100**
Net value at 31 december 2021	**1 932**	**65**	**102**		**2 100**

	Switzerland	Spain	Belgium	Poland	TOTAL
Gross value at 1 january 2022	**1 932**	**65**	**102**		**2 100**
Scope variations				4	4
Gross value at 31 december 2022	**1 932**	**65**	**102**	**4**	**2 104**

	Switzerland	Spain	Belgium	Poland	TOTAL
Impairment at 1 january 2022					
Impairment at 31 december 2022					

	Switzerland	Spain	Belgium	Poland	TOTAL
Net value at 1 january 2022	**1 932**	**65**	**102**		**2 100**
Scope variations				4	4
Net value at 31 december 2022	**1 932**	**65**	**102**	**4**	**2 104**

A new entity in Poland has been acquired. The goodwill valuation amounts to K€ 4.

Taking into account the requirements of IFRS 8, the majority of goodwill for an amount of K€ 1 932 can be attributed to the cash-generating unit Switzerland. The goodwill attributable to other Cash generating units is not significant.

The recoverable value of this asset tested using a combination of the DCF method (80% weight) and the EBITDA (20% weight) amounts to K€ 12 727 as of December 31st, 2022.

Management's key assumptions include:

- The calculations use projections of the future free cash flows for 5 coming financial years, combined with a continuing annual growth rate (terminal growth) of 1%.
- Growth rates used are a reflection of the continuous growth in line with the expectations of the group.
- Decreasing cost of goods sold and overhead based on scaling effect.
- Replacements investment.

The projections used in the DCF and EBITDA method are based on experience in the past and have been approved by the Board of Directors.

The EBITDA method is based on the expected EBITDA in 2023 and uses a multiple of 10.8.

The Group's management believes this is the best available input for forecasting these markets. Cash flow projections reflect stable profit margins achieved immediately before the most recent budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Projected cash flows are calculated from the business plans covering 5 years (excluding the current year). The aforementioned business plans are carried out in accordance with the same principles as those applied to the budget process, that is, drawn up on the basis of the best possible knowledge of the operational aspects of past experience, market developments and techniques, are reviewed by Group management to ensure consistency with the strategy followed and the resulting investment policy:

- A terminal value is determined over the sixth year, extrapolating the flow of year 5 on the basis of an infinite growth rate. The indefinite growth rate used is 1% at December 31st, 2022;
- The WACC is an after-tax rate applied to after-tax cash flows. This rate reflects current market assessments of the average cost of capital. Its use results in the determination of recoverable values identical to those obtained using pre-tax rates at tax-free cash flows in accordance with IAS 36 "Impairment of assets". It was 9.76% at December 31st, 2022.

The perpetuity growth rate is the most sensitive assumption for the assessment of impairment tests. A decrease of 0.5 basis point in the perpetuity growth rate would have the effect of reducing the fair value of the cash flows of the CGU by K€ 405. An increase of 1 basis point in the WACC rate would have the effect of reducing the fair value of the cash flows of the CGU by K€ 602. In these two cases, this would not lead to the recognition of impairment.

3.2.2 Other intangible assets

	Software	Other intangible assets	Total
Gross value at 1 January 2022	***5 881***	***48***	***5 929***
Additions/Increases	2 374	39	2 412
Disposals/Decreases	-1 686		-1 686
Gross value at 31 December 2022	**6 569**	**87**	**6 655**

	Software	Other intangible assets	Total
Amortization at 1 January 2022	***3 189***	***11***	***3 200***
Increases	2 606	16	2 622
Decreases	-1 686		-1 686
Amortization at 31 December 2022	**4 109**	**27**	**4 136**
Net book value at 31 December 2022	**2 460**	**60**	**2 519**

	Software	Other intangible assets	Total
Gross value at 1 January 2021	***4 342***	***54***	***4 396***
Additions/Increases	1 539		1 539
Exchange rate variation		-6	-6
Gross value at 31 December 2021	**5 881**	**48**	**5 929**

	Software	Other intangible assets	Total
Amortization at 1 January 2021	***2 409***	***2***	***2 411***
Increases	780	9	790
Amortization at 31 December 2021	**3 189**	**11**	**3 200**
Net book value at 31 December 2021	**2 692**	**37**	**2 729**

The main investments of the year 2021 are further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). Depreciations of 2021 amount to K€ 790.

The main investments of the year 2022 are further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). Depreciations of 2022 amount to K€ 2 622.

Some of the new improvements have made some of the older Invibes platform's assets obsolete, which have been scrapped for a total amount K€ 1,686 in 2022.

The investments in the Invibes platform in 2022 mainly consist out of:

AdDelivery features

The ability to identify the user and be able to filter out the right target audience is an essential element of the platform. Several new features were launched to further extend and support this, including filters for ISP and device brand, capping on user level, user identification on header bidding, support of header bidding on native ads… Continued efforts were done to enhance the platform's core logic both in performance and capabilities.

Our further internationalization was supported by timezone-specific algorithm optimizations for campaign distribution across geographies.

Billing Extensions & Innovation

Delivering on the innovative invoicing types, the platform was extended to support engagements on time spent on the advertiser landing page and related optimizations to better identify the right target audience.

Data cloud

Supporting the evolution of the Invibes Data Cloud, multiple features were added to the platform, unification of data segments across multiple data partners, extensions on data segment boosting and prioritization, reporting on campaign audiences as well as system extensions to support future user growth. The extension of the Invibes Analytics features has made it possible to gain insights into the common users of the Invibes Data Cloud and the advertiser's websites, in full support of the multiple consent management systems of advertisers.

Group - Data Intelligence / Data Lab

Building on Invibes' unique ecosystem, we have created the first of many smart data targeting, based on behavioral and contextual activity on the network, allowing to create uniquely added value to advertisers looking for spot-on targeting of users. The groundwork was done in 2022, with the availability of the first commercially applied results in the second half of the year.

Products Research

Over twelve new formats were released in 2022, from instant-messaging-like communication formats to graphically eye-catching ones and a post-view survey format in which the retargeted user is invited to answer a few questions concerning the brand with full reporting on campaign level. Further notable is the creation of a format that displays in real-time the live scoring of sports games such as football, handball, baseball. Examples include the FIFA World Cup as applications, and the setup is based on a fully redundant API integration with fallback systems to assure that the live game is always updated within seconds.

The Invibes Carbon-Neutral Label has been developed on the platform supporting sustainable digital advertising. Developments allowing the calculation of the CO2-emissions of campaigns lie at its basis.

3.2.3 Property, plant and equipment

	Buildings	Technical installations	Other tangible assets	Total
Gross value at 1 January 2022	***17***	***95***	***275***	***387***
Additions/Increases	27	80	136	243
Disposals/Decreases		-6	-18	-24
Exchange rate variation		-0	29	28
Gross value at 31 December 2022	**44**	**168**	**422**	**634**

	Buildings	Technical installations	Other tangible assets	Total
Depreciation at 1 January 2022	***9***	***19***	***99***	***127***
Increases	7	48	84	139
Decreases		-6	-18	-24
Exchange rate variation	-0	-0	29	29
Depreciation at 31 December 2022	**16**	**60**	**195**	**271**

Net book value at 31 December 2022	**28**	**107**	**228**	**363**

	Buildings	Technical installations	Other tangible assets	Total
Gross value at 1 January 2021	***18***	***23***	***93***	***134***
Additions/Increases	5	75	179	259
Disposals/Decreases	-6	-2	-4	-12
Other			7	7
Exchange rate variation	-0	-0		-1
Gross value at 31 December 2021	**17**	**95**	**275**	**387**

	Buildings	Technical installations	Other tangible assets	Total
Depreciation at 1 January 2021	***6***	***4***	***55***	***65***
Increases	3	17	47	67
Decreases		-2	-4	-6
Depreciation at 31 December 2021	**9**	**19**	**99**	**127**

Net book value at 31 December 2021	**8**	**75**	**176**	**260**

The main investments of 2022 and 2021 in technical installations were related to servers. The investments in other tangible assets were mostly laptops, computers, desks, chairs and other small investments.

3.2.4 Right-of-use assets

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the 2022 consolidated statement of financial position:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	Nb of leases with termination option
Buildings	4	2-3 years	3 years	1	0	0	0
Vehicles	12	1-4 years	3 years	0	12	0	0

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the 2021 consolidated statement of financial position:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	Nb of leases with termination option
Buildings	2	1-3 years	2 years	0	0	0	0
Vehicles	9	1-4 years	2 years	0	9	0	0

	Buildings	Vehicles	Total
Gross value at 1 January 2022	***608***	***321***	***930***
Additions/Increases	746	22	768
Disposals/Decreases	-391	-40	-431
Other		26	26
Exchange rate variation	-1		-1
Gross value at 31 December 2022	**962**	**330**	**1 292**

	Buildings	Vehicles	Total
Depreciation at 1 January 2022	***346***	***116***	***462***
Increases	227	77	304
Decreases	-320	-24	-344
Other		-21	-21
Exchange rate variation	0		0
Depreciation at 31 December 2022	**255**	**147**	**402**

Net book value at 31 December 2022	**707**	**183**	**890**

	Buildings	Vehicles	Total
Gross value at 1 January 2021	***396***	***232***	***628***
Additions/Increases	219	89	308
Exchange rate variation	-6		-6
Gross value at 31 December 2021	**608**	**321**	**930**

	Buildings	Vehicles	Total
Depreciation at 1 January 2021	***205***	***71***	***276***
Increases	145	45	189
Exchange rate variation	-3		-3
Depreciation at 31 December 2021	**346**	**116**	**462**

Net book value at 31 December 2021	**262**	**206**	**468**

The net carrying amount of the right-of-use assets is K€ 890 as at December 31st, 2022 compared to K€ 468 in 2021.

These assets were included in accordance with IFRS 16 - Leases, which applies to financial years starting on or after January 1st, 2019.

The corresponding assets are measured at cost price and depreciated using the estimated useful life on a straight-line basis.

In 2022 investments in right-of-use assets amount to K€ 768 and are related to vehicles and offices. Depreciation for the period amounts to K€ 304.

In 2021 investments in right-of-use assets amount to K€ 308 and are related to vehicles and offices. Depreciation for the period amounts to K€ 189.

3.2.5 Long term financial assets

	Other non-current assets	Net value
At 1 January 2022	***760***	***760***
Additions/Increases	276	276
Disposals/Decreases	-192	-192
Scope variations		
Other		
Exchange rate variation	2	2
At 31 December 2022	**845**	**845**

	Other non-current assets	Net value
At 1 January 2021	***1 284***	***1 284***
Additions/Increases	378	378
Disposals/Decreases	-15	-15
Scope variations		
Other	-890	-890
Exchange rate variation	3	3
At 31 December 2021	**760**	**760**

The main part of long term financial assets consists of guarantee deposits and granted loans with maturity between 1 and 5 years.

The line ‘other’ in 2021 of K€ 890 was the consequence of the decision of the Board of Directors of the company to change the accounting policy of the factoring guarantee fund. Under the previous method, the factoring guarantee funds were presented in non-current financial assets, other current assets and in bank overdrafts depending on its final position at year-end. It is now presented netted in trade receivables. The impact of this change in representation has caused a movement in 2021 of K€ 890 between non-current financial assets and trade receivables.

3.2.6 *Deferred tax assets and liabilities*

	31/12/2022	31/12/2021
Deferred tax assets	625	339

In 2022, the Board of Directors has assessed that on the one hand the group would be able to use tax losses in the future on countries which are generating taxable profits (Belgium and Switzerland). As result an additional deferred tax was recorded based on the budgeted figures and the fiscal planning (+K€ 483). On the other hand, deferred taxes on losses for France, Italy, Spain and ML2Grow, are no longer retained because of the evolution of the figures and the fact that sufficient taxable profit will be available in the foreseeable future to benefit from the tax benefit (-K€ 202).

In 2021, based upon management assumptions, the Board of Directors has assessed that the group would be able to use some of the tax losses in the future. Therefore, deferred taxes on losses have been booked in the 2021 financial statements for K€ 339. 2021 was the first year these deferred tax assets have been expressed.

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	01/01/2022	Recognised in other comprehensive income	Reclassification	Recognised in profit or loss	31/12/2022
Deferred tax liability					
FX translation	14	-14			
Deferred tax asset					
Unused tax losses	-339			-283	**-621**
FX translation		-4			**-4**
At 31 December 2022	**-325**	**-18**		**-283**	**-625**

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations.

Deferred taxes on losses that have been recorded in the 2022 financial statements amount to K€ 283.

The tax losses carried forward for which no deferred tax asset was recognised, amounted to K€ 10 024 in the 2022 financial year. No deferred tax asset was recognised for these losses, because the deferred tax assets were calculated based on the cash flow projections based on the 2022 budgets and the projections for the next five years. These projections show it is unlikely there would be enough taxable profit to be able to benefit from these deferred taxes.

The tax losses carried forward without time limitation amount to K€ 9 820 in 2022. The tax losses carried forward with time limitation, which expire in 2028, amount to K€ 204.

The deferred tax assets were also subject to sensitivity analyses in accordance with IAS 1.129. If the tax rate increases by 1%, the tax assets would amount to K€ 639. If the tax rate would decrease by 1%, the tax assets would amount to K€ 589.

The board of directors is of the opinion that there is no reason for sustainable impairment of deferred tax assets.

	01/01/2021	Recognised in other comprehensive income	Reclassification	Recognised in profit or loss	31/12/2021
Deferred tax liability					
FX translation		14			14
Deferred tax asset					
Unused tax losses			-30	-308	-339
FX translation					
At 31 December 2021		**14**	**-30**	**-308**	**-325**

In 2021, based upon management assumptions, the group has assessed that the group will be able to use some of the losses in the future. Therefore deferred taxes on losses have been recorded in the 2021 financial statements for K€ 308.

The tax losses carried forward for which no deferred tax asset was recognised, amounted to K€ 4 369 in the 2021 financial year. No deferred tax asset was recognised for these losses, because the deferred tax assets were calculated based on the cash flow projections based on the 2021 budgets and the projections for the next four years. These projections show it is unlikely there would be enough taxable profit to be able to benefit from these deferred taxes.

The tax losses carried forward without time limitation amount to K€ 2 263 in 2021. The tax losses carried forward with time limitation, which expire in 2027, amount to K€ 3 288.

3.2.7 Trade receivables

	31/12/2022	31/12/2021
Gross trade receivables	8 511	8 636
Impairment losses	-129	-23
Net trade receivables	**8 382**	**8 613**

All trade receivables are short-term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

Apart from the overdue trade receivables for which a provision for impairment loss has been accounted, the Invibes Group considers that it is not exposed to any risk of non-recovery.

The Invibes group contracted and signed factoring contracts with Factofrance GE and Bibby Financial Services as a result of which, part of the trade receivables portfolio are recurrently sold to the factor. At the end of December 2022 the amount of receivables sold within this factor program amounted to K€ 6 381 compared to K€ 6 773 at the end of 2021.

The trade receivables decrease is coming from the decrease of activity in the 3rd and 4th quarter of 2022 compared to the same period in 2021.

3.2.8 Current tax assets

	31/12/2022	31/12/2021
VAT receivables	1 185	985
Current income tax receivables	16	
Other tax receivables	6	0
Current tax assets	**1 208**	**985**

The increase in the VAT position is driven by the increase of expenses compared to last year.

3.2.9 Other current assets

	31/12/2022	31/12/2021
Advance and prepayments on orders	31	155
Social receivables	77	27
Miscellaneous debtors	126	834
Prepaid expenses	274	128
Other current assets	**508**	**1 143**

The other current assets mainly consist out of other receivables. The other receivables are mainly pre-paid expenses and miscellaneous debtors.

Miscellaneous debtors have decreased from K€ 834 to K€ 126 due to the reduction of the Group's activity.

3.2.10 Cash and cash equivalents

	31/12/2022	31/12/2021
Cash and cash equivalents	20 364	10 093
Cash and cash equivalents	**20 364**	**10 093**

As at December 31st, 2021 there were K€ 189 inaccessible to the Group as they were reserved for a capital increase of Invibes advertising NV which took place on March 1st, 2022.

All the restrictions on bank deposits were removed by the time of the approval of the 2021 consolidated financial statements on March 22nd, 2022.

Cash and cash equivalents increased with K€ 10.270 (cf note cash flow statement).

3.2.11 Net equity

3.2.11.1 Share capital

The share capital of Invibes Advertising NV on 2022, December 31st is composed of 4 448 548 shares with a nominal value of 6.44 euros fully paid.

The share capital of Invibes Advertising NV on 2021, December 31st was composed of 3 435 406 shares with a nominal value of 3.40 euros fully paid.

The Group benefited from a capital increase by private placement of approximately K€ 16.776 at the start of 2022 in order to finance its future growth. The capital increase was carried out with waiver of the preferential right by private placement with qualified European investors, through an accelerated bookbuilding. A total of 932 000 new shares were issued at a unit price of € 18 for a total gross amount of K€ 16.776, representing 21.3 % of the outstanding shares of Invibes Advertising after the capital increase. The subscription price for the new shares (€ 18 per share) reflected a discount of 11.8 % compared to the closing price of the Company's share on January 26th, 2022 (€ 20.4 per share). As a result of this transaction, the share capital of Invibes Advertising was increased from K€ 11.664 to K€ 28.440, divided into 4 367 406 shares with a nominal value of € 6,51 each.

There was also a conversion of warrants on the 1st of March 2022 which caused an increase of capital of K€ 188 and a further creation of 81.142 shares.

As a result the total capital amounted to K€ 28.630 divided into 4.448.548 shares by the end of 2022.

The expenses related to the capital increase by private placement amounted to K€ 719 and to K€ 18 for the warrants conversion.

3.2.11.2 **Currency translation adjustments**

The change in translation differences from the conversion of equity of subsidiaries outside the euro area amount to K€ 77 in 2022. It amounted to K€ -71 in 2021. The deferred taxes on the translation differences amount to K€ 14 in 2021 and K€ -4 in December 2022.

3.2.11.3 Change in consolidation scope

The number of shares held on Invibes Advertising AG and Invibes Switzerland AG increased. These movements represent a decrease of minority interests amounting to K€ -29 and an increase of shareholder's equity amounting to K€ 56.

3.2.11.4 **Treasury shares**

With the capital raise of April 20th, 2021, Invibes Advertising NV has been granted an irrevocable right to purchase a total of 526 324 shares from the participants in the raise.

The call option grants to Invibes Advertising NV an irrevocable right to purchase all or part of the new ordinary shares (526 324) issued by the company as a result of the capital increase of April 20th, 2021. Invibes Advertising NV needs to pay K€ 37 per quarter for the call option. K€ 217, of which K€ 112,5 in 2022, has already been paid for the option. K€ 150 is booked as a short term other current liability and K€ 83 as a long term other current liability. The call option entails an IRR (Internal Rate of Return) of 14% on the moment of exercising. Invibes Advertising NV has the option to use the call in 2023 and 2024, the maximum amount of options that can be exercised in 2024 is capped to 55% of the total options, no such cap exists in 2023.

3.2.11.5 **Put**

A put option on Invibes Advertising NV shares expired in 2021 which caused an increase of the reserves of K€ 543 in 2021.

3.2.11.6 **Share-based employee remuneration**

As at December 31st, 2022, the Group maintained three share-based payment schemes for employee remuneration, the Board Plan and the Staff plan. Each plan is in it's turn divided in two plans: all programmes will be settled in equity.

The Board plan is part of the remuneration package of the Group's board members. The Staff plan is part of the remuneration package of the Group's senior management. Options under these programmes will vest over time as long as participants are employed until the end of the agreed vesting period. Upon vesting, each option allows the holder to purchase one ordinary share at a fixed exercise price, which is below the market price at December 31st, 2022.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	2019 Programme		2020 Programme		2022 Programme	
	Number of shares	weighted average exercise price per share	Number of shares	weighted average exercise price per share	Number of shares	weighted average exercise price per share
Outstanding at 31/12/2020	**154 075**	**2,88**	**231 104**	**3,06**	**0**	
Granted	0		0		0	
forfeited	0		0		0	
Exercised	0		0		0	
Outstanding at 31/12/2021	**154 075**	**2,88**	**231 104**	**3,06**	**-**	
Granted	0		0		143 100	5
forfeited	0		107 172	3,00	9 523	5
Exercised	76 142	2,66	3000	3,00	0	
Outstanding at 31/12/2022	**77 933**	**3,09**	**120 932**	**3,63**	**133 577**	**5**
Exercisable at 31/12/2021	154 075	2,88	108 000	3,00	0	0
Exercisable at 31/12/2022	77 933	3,09	120 932	3,11	0	0

The fair values of the options granted were determined using a binomial approach and a Black & Scholes approach. The binomial approach consists of estimating the potential values of the share price at exit using a lognormal distribution applied to the value of the initial investment. The expected value of the option at exit is determined on the basis of the probabilities associated with each year of potential exit.

The Black & Scholes approach is also based on a lognormal distribution, applied to the value of the Strike as a function of the volatility of the share price.

The following principal assumptions were used in the valuation:

	2022 Programme Board	2022 Programme Staff
Grant date	28/09/2022	21/04/2022
Vesting period ends	28/09/2026	30/06/2027
Share price at date of grant	10,45	18,35
Number of options	14 000	129 100
Volatility	42,70%	40,20%
Option life	4	5,2
Dividend yield	0	0
Risk-free investment rate	1,27%	0,29%
Fair value option at grant date (KEUR)	5,94	14
Exercise price at grant date	5	5
Exercisable from / to	28/09/2022 - 28/09/2026	30/06/2025 - 30/06/2027
Weighted average remaining contractual life	3,74	4,5

The volatility of the share price was determined on the average delevered volatility observed on Invibes Advertising NV share prices.

The gearing of the Company was nil as of April 21st, 2022 and as of September 28th, 2022. The gearing is supposed to be nil at the exit date.

In total, K€ 1 837 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to consolidated reserves.

3.2.11.7 **Calculation of the profit/loss per share**

The results and actions used to calculate the basic and diluted results per share are presented below:

	31/12/2022	31/12/2021
Number of Shares	4 448 548	3 435 406
Weighted average number of shares	4 363 714	3 268 818
Weighted average number of shares entitled to dividend	4 363 714	3 268 818
Number of shares on convertible instruments	446 893	527 641
Weighted average number of shares on convertible instruments	459 837	416 524

	31/12/2022	31/12/2021
Profit/loss (-) attributable to equity holders of the parent	- 7 908 080	420 745
Per share based on the total amount of shares (in €)	-1,778	0,122
Per share based on the weighted average amount of shares (in €)	-1,812	0,129
Per share based on the weighted average amount of shares entitled to dividend (in €)	-1,812	0,129
Diluted per share based on the total numbers of shares (€)	-1,615	0,106
Diluted per share based on the weighted average amount of shares (€)	-1,639	0,114
Diluted per share based on the weighted average amount of shares entitled to dividend (in €)	-1,639	0,114

The Group reports both basic and diluted earnings per ordinary share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of common shares outstanding during the period for the impact of all common shares that have a potentially dilutive effect, which include in particular convertible instruments.

The weighted average number of shares are calculated as follows:

Date	Number of shares	Number of days
01/01/2021	2 909 082	109
20/04/2021	3 435 406	255
31/12/2021	3 435 406	28
28/01/2022	4 367 406	32
01/03/2022	4 448 548	305
31/12/2022	4 448 548	
Average 2021	3 425 994	
Average 2022	4 363 714	

3.2.12 Long term and short term financial liabilities

	01/01/2022	+	-	Reclassification	Others	31/12/2022
Financial liabilities	3 629	3 069	-1 406	67		5 360
Short-term bank overdrafts	2 575		-1 162			1 412
Miscellaneous financial debts	150			-67		83
Total Financial liabilities	**6 354**	**3 069**	**-2 568**	**0**		**6 855**

	01/01/2021	+	-	Reclassification	Others	31/12/2021
Financial liabilities	3 513	876	-836	69	7	3 629
Short-term bank overdrafts	1 734	909		-69		2 575
Miscellaneous financial debts		150				150
Total Financial liabilities	**5 247**	**1 935**	**-836**	**0**	**7**	**6 354**

The Invibes group has subscribed several new loans in 2022 causing an increase of K€ 3 069 of the financial liabilities. Loans were further repaid during 2022 resulting in a decrease of K€ 1 406 of the financial liabilities. The decrease of short-term bank overdraft amounts to K€ 1 162 in 2022. Due to these movements the total financial liabilities increased from K€ 6 354 in 2021 to K€ 6 855 in 2022.

Loans from other financial institutions and short-term bank overdrafts are secured by a pledge on business assets (cf Note 4.2.2 Current assets pledged).

	31/12/2022	Current	Non-current	Fixed rates	Variable rates
Financial liabilities	5 360	2 423	2 936	5 360	
Short-term bank overdrafts	1 412	1 412		1 412	
Miscellaneous financial debts	83		83	83	
Total Financial liabilities	**6 855**	**3 836**	**3 019**	**6 855**	

	31/12/2021	Current	Non-current	Fixed rates	Variable rates
Financial liabilities	6 204	4 256	1 948	6 204	
Miscellaneous financial debts	150		150		
Total Financial liabilities	**6 354**	**4 256**	**2 098**	**6 204**	**0**

Short term bank overdrafts are included within financial liabilities presented in the above table.

Maturities of financial liabilities are as follows:

	31/12/2022	- 1year	1 to 5 years	+ 5 years
Financial liabilities	5 360	2 423	2 936	
Short-term bank overdrafts	1 412	1 412		
Miscellaneous financial debts	83		83	
Total Financial liabilies	**6 855**	**3 836**	**3 019**	

	31/12/2021	- 1year	1 to 5 years	+ 5 years
Financial liabilities	6 204	4 256	1 783	165
Miscellaneous financial debts	150		150	
Total Financial liabilies	**6 354**	**4 256**	**1 933**	**165**

Around half the financial liabilities are due within a year as they relate to short term overdrafts and loans who have reached their maturity date. The remaining part of the financial liabilities are due between 1 and 5 years.

In 2022 Invibes Advertising prematurely repaid a loan of K€ 800 which had an interest of 4,5 % and closed a new loan of K€ 3.000 at 2,45% interest, repayable in six months instalments over 3 years.

Outstanding loans are made on the following terms:

- loan of around K€ 170 which has an interest rate of 1,99 %
- loan of K€ 85 with a rate of 2,3 %
- loan of K€ 1 000 with a rate of 0,25 %
- loan of K€ 500 with a rate of 4,56 %
- some small loans with rates between 1,75 % and 6,5 %.

3.2.13 Lease liabilities

	01/01/2022	Additions	Reimbursement	Others	31/12/2022
Lease liabilities	**518**	**817**	**-382**	**-2**	**951**

	31/12/2022	Current	Non-current	Fixed rates	Variable rates
Lease liabilities	**951**	**374**	**577**	**951**	

	31/12/2022	- 1year	1 to 5 years	+ 5 years
Lease liabilities	**951**	**374**	**577**	

	01/01/2021	Additions	Reimbursement	Others	31/12/2021
Lease liabilities	398	308	-185	-4	518

	31/12/2021	Current	Non-current	Fixed rates	Variable rates
Lease liabilities	518	224	295	518	

	31/12/2021	- 1year	1 to 5 years	+ 5 years
Lease liabilities	518	224	295	

The main increase of lease contracts is coming from Romania: a new floor that has been rented and the existing rents were modified which resulted to an increase of lease liabilities amounting to K€ 743.

Reimbursements of the year amount to K€ 382.

The lease liabilities are secured by the related underlying assets. Future lease payments at December 31st, 2022 and 2021 were as follows:

31/12/2022	Total	- 1 year	1 to 5 years
Lease payment	992	397	595
Finance expenses	-40	-23	-17
Net present value	**951**	**374**	**577**

31/12/2021	Total	- 1 year	1 to 5 years
Lease payment	538	236	302
Finance expenses	-20	-13	-7
Net present value	**518**	**223**	**295**

The lease contracts are related to either leases of cars or long term rental contracts of offices. They have increased from K€ 518 in 2021 to K€ 951 in 2022.

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to payments not included in the measurement of the lease liability is as follows:

	31/12/2022	31/12/2021
Short-term leases and low value items	952	615
Total	**952**	**615**

The short-term leases consist out of short term rental contracts for offices and short term car rentals. These have increased from K€ 615 in 2021 to K€ 952 in 2022.

3.2.14 Trade payables

	31/12/2022	31/12/2021
Trade payables	4 738	5 171

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

The decrease in trade payables is due to the decreased activity in Q4 of 2022.

3.2.15 Current tax liabilities

	31/12/2022	31/12/2021
Tax liabilities excluding corporate income tax	1 924	1 907
Current tax liabilities	**1 924**	**1 907**

The increase in tax liabilities (corresponding to VAT only) is more or less in line with last 2021.

3.2.16 Other current liabilities

	31/12/2022	31/12/2021
Advances, prepayments, deferred income	431	624
Social liabilities	1 374	873
Miscellaneous liabilities	484	1 103
Other current liabilities	**2 290**	**2 600**

The social liabilities have also increased due to the increase in the workforce.

The other amounts relate to different liabilities, credit notes that need to be made related to 2022, expenses of staff that need to be prepaid, costs that need to be accounted for in 2022 but run over longer periods of time.

K€ 233 of the miscellaneous creditors is related to a call option on shares of Invibes advertising NV (cf note 3.2.11.4) and K€ 429 is related to deferred income.

3.3 Notes on consolidated income statement

3.3.1 Revenue

The group's activities are reported under one operating segment.

The Invibes group's operational entities (cf note 2.3) all offer in-feed advertising services to advertisers. The nature of these services is therefore comparable.

The revenue increased from K€ 23 201 in 2021 to K€ 27 966 in 2022.

Invibes Advertising has continued to invest in 2022 in order to increase its salesforce in the existing countries (France, Spain, Switzerland and ML2Grow) as well as those in the scaleup phase (Germany, UK, Italy, Belgium) . In addition, the 6 countries opened in 2021 that are currently in the 'start-up' phase, have gained momentum, with established operational teams that have been further strengthened by new talent during the first six months of 2022, enabling them to rapidly and significantly contribute to the Group's overall growth. The international expansion on which the company's development has been built since its inception continued in 2022 with the opening of two offices in Central and Eastern Europe (Warsaw in Poland and Prague in the Czech Republic).

Market conditions have been challenging in the second half of 2022, with a notably soft summer that has affected the entire sector. The second half of the year was impacted by the difficult economic context and rising inflation in several European countries. With growing concerns about consumer purchasing power, some advertisers decided to reduce their budget or direct it towards limited promotional campaigns. In particular, the French digital advertising market has been very slow in Q3 and Q4 2022.

According to the latest Dentsu Global Ad Spend Forecast , digital advertising spend in EMEA will have grown by +4.3% in 2022, compared to +19.6% in 2021. In context, Invibes Advertising has managed to generate an overall growth of +21% over the course of 2022.

3.3.2 Other operating income

The other operating income mainly consist out of income from 2021 (K€ 62) and miscellaneous other income (K€ 95).

3.3.3 Capitalisation of internally generated intangible assets

Internal salary costs of the R&D team working on the Invibes Platform together with related external purchases are capitalised as an asset. These amount to K€ 2 138 in 2022 compared to K€ 1 463 in 2021 due to the expansion of the R&D team in 2022 to further develop the Platform.

Those expenses meet the recognition criteria for activation in accordance with IAS 38.57. More information can be found under the intangible assets (cf Note 3.2.2).

3.3.4 Operating expenses

The operating expenses increased by 27% in 2022 compared to 2021. This increase is due to the increase in expenses as a result of the increase in revenue (cf note 3.3.1).

3.3.5 Personnel expenses

	31/12/2022	31/12/2021
Salaries	12 753	7 576
Social charges	1 916	1 514
Personnel expenses	**16 506**	**9 090**

The personnel costs activated as R&D amount to K€ 1 525 in 2022.

The personnel costs activated as R&D amount to K€ 778 in 2021.

In 2022, personnel expenses also include employee remuneration expense related to share-based payments amounting to K€ 1 837 (all of which related to equity-settled share-based payment transactions) (cf note 3.2.11.6).

Average workforce:

	31/12/2022	31/12/2021
Employees	197	113
Managerial staff	14	11
Total FTE	**211**	**124**

The total number of FTE's grew from 124 to 211 which amounts to an increase of 70%. This is caused by the further expansion across the world and the further growth of the already existing markets.

Compensation of executive corporate officers:

For the 2022 financial year, the amount of compensation allocated to executive corporate officers is K€ 360:

	31/12/2022	31/12/2021
Fixed	351	349
Car	9	11
Total compensation allocated to executive coroporate officers	**360**	**360**

Each member of the board receives 2 000 Invibes advertising NV stock options per year. The total amount of stock options for 2022 was 14 000.

3.3.6 Depreciation and amortisation

	31/12/2022	31/12/2021
Intangible assets	2 615	790
Tangible assets	145	67
Right-of-use assets	304	189
Total amortization expenses	**3 065**	**1 047**
Net increase/decrease in current assets provisions	106	-17
Net increase/decrease of provisions	14	-72
Total Increase in provisions	**120**	**-89**
Total Increases in amortization and provisions	**3 185**	**958**

The amortization expenses have increased from K€ 1 047 to K€ 3 065, this is caused by the increased investments in the past and an exceptional depreciation of 1 766 KEUR in 2022 of parts of the Invibes platform which have been replaced or which did not lead to any economic benefit.

3.3.7 Other operating expenses

In 2022, the other operating expenses mainly relate to non-deductible VAT (K€ 95), costs for 2021 but taken into result in 2022 (K€ 11), licenses (€ 41) and other costs (K€ 183).

In 2021, the other operating expenses mainly relate to non-deductible VAT (K€ 54), costs for 2020 but taken into result in 2021 (K€ 18) and other costs (K€ 96).

3.3.8 Financial result

	31/12/2022	31/12/2021
Costs of debt	-391	-230
Finance costs	***-391***	***-230***
Currency exchange gains	278	92
Other	27	2
Other financial income	***306***	***94***
Currency exchange losses	-369	-69
Other	-16	-149
Other financial expenses	***-384***	***-218***
Total Financial result	**-469**	**-354**

The financial result has decreased from K€ -354 in 2021 to K€ -469 in 2022 due to the larger outstanding financial loans in 2022 compared to 2021.

3.3.9 Tax expenses

	31/12/2022	31/12/2021
Income tax payable	-27	5
Deferred tax	276	308
Income tax	250	314

Tax proof:

Reconcilitation between the effective tax rate and and the applicable tax rate in K€	31/12/2022	31/12/2021
Profit / Loss for the year	-7 972	369
Income tax expense (-) / income (+)	250	314
Income before tax	***-8 221***	***55***
Theoretical tax rate applicable	*3,00%*	*7,00%*
Taxes calculated at the theoretical tax rate	***-45***	***-139***
Impact of non-deductable expenses	-23	-6
Impact of non-deductable revenue		
Impact of utilised tax losses	39	1
Impact of tax incentives		126
Surplus/deficit (-) taxes previous financial years	-1	
Difference in tax rates foreign subsidiaries	4	6
Other		17
Actual income taks	-26	6
Impact of deferred taxes	276	308
Total Tax expense	**250**	**314**

The ‘Theoretical tax rate’ is 7% in 2021 and 3% in 2022.

The ‘Theoretical tax rate’ is calculated by means of the weighted average of the national theoretical tax rates that apply to the profits of taxable entities in the relevant tax jurisdiction. ‘Taxes calculated at the theoretical tax rate’ are calculated by multiplying the profits of those legal entities that made a profit with the tax rate of the relevant tax jurisdictions.

4 ADDITIONAL INFORMATION

4.1 Remuneration of the statutory auditor

Invibes Advertising NV’s Statutory Auditor, Grant Thornton Bedrijfsrevisoren CVBA, represented by Mr Elie Janssens, was appointed by the General Meeting of Shareholders of October 25th, 2021 for a period of 3 years. The Statutory Auditor received a remuneration of K€ 54 for its mandate in 2022. In addition, local auditors were granted total fees of K€ 20 for work concerning the audits of the subsidiaries with which Invibes Advertising forms a group. During the 2022 financial year, the Statutory Auditor and his network received a fee of K€ 36 for work outside the scope of their engagement. Apart from these amounts, no remunerations or benefits in kind were granted. There were also no payments made to persons with whom the Statutory Auditor entered into a cooperation agreement.

4.2 Off-balance sheet commitments

4.2.1 Call options on Invibes Advertising AG and Invibes Switzerland shares

The companies Invibes Advertising AG and Invibes Advertising NV and Mister Alexander OESCHGER have agreed on November 19th, 2018 a call option under which:

- Mister Alexander OESCHGER grants to Invibes Advertising AG an irrevocable right ("the call option") to purchase from him all of his remaining Invibes Switzerland shares. The call option may only be executed between January 1st, 2022 and January 1st, 2025.
- Mister Alexander OESCHGER grants to Invibes Advertising NV an irrevocable right ("the call option") to purchase from him all of his remaining Invibes AG shares. The call option may only be executed between November 19th, 2018 and December 31st, 2028.

Management has assessed that the value of these call options is not significant and the likelihood of exercising them is very low, therefore the value of these options is not expressed in the financial statements and are only disclosed.

4.2.2 Other commitments

	31/12/2022	31/12/2021
Commitments received		
Ongoing from the deconsolidated Factoring	6 381	6 773
Loans	3 381	
TOTAL	**9 762**	**6 773**

	31/12/2022	31/12/2021
Commitments given		
Current assets pledged	4 500	1 200
Pledge on business	700	700
TOTAL	**5 200**	**1 900**

Ongoing from the deconsolidated factoring:

The group contracted and signed factoring contracts with Factofrance GE and Bibby Financial Services as a result of which, part of the trade receivables portfolio are recurrently sold to the factor. At the end December 2022 the amount of receivables sold within that this factor program amounted to K€ 6 381 compared to K€ 6 773 at the end of 2021.

Guarantees received on loans

The invibes group received guarantees on loans from BPI for K€ 881, from Fonds National de garantie for K€ 400 and from the European guarantee fund covid19 guarantee facility, given by the European investment fund (EIF) a guarantee of K€ 2.100.

Current assets pledged:

The Invibes group has a pledge on its assets of K€4 500 in favour of ING and Belfius Bank and a mandate for a pledge on the business of K€ 700 as a collateral for it is financial liabilities it has with these banks.

4.3 Related parties

Transactions with the company

Nemo Services BV, permanently represented by Mr Kris Vlaemynck, as well as Société NP Finance, permanently represented by Mr Nicolas Pollet, have declared to have a conflicting interest of a financial nature with respect to the approval and granting of the warrant plan 2021, under which warrants were issued in favour of NV VP Ventures, aforementioned, with the elimination of the existing shareholders' preferential subscription rights.

The conflicting interest followed, with regard to the director Nemo Services BV, from the fact that the said director was also a director of NV VP Ventures, aforementioned, the beneficiaries of the cancellation of the existing shareholders' preferential subscription rights. In respect of the director Société NP Finance, the conflicting interest resulted from the fact that the permanent representative of Société NP Finance was a director of NV VP Ventures, aforementioned.

The conflict of interest of a financial nature consisted of the fact that NV VP Ventures had an interest in fixing the issue conditions of the warrants as low as possible (in particular with regard to the exercise price of the subscription rights), whereas the Company had an interest in issuing the warrants at the highest possible issue conditions.

In view of the conflicting interest, the directors concerned had not, in accordance with article 7:96 of the Belgian Companies' and Associations Code, participated in the deliberations and voted relating to the approval and granting of the warrant plan 2021, within the framework of which warrants were issued with the elimination of the existing shareholders' preferential subscription rights.

Consequently, the directors Nemo Services BV and Société NP Finance had removed themselves from the meeting and had not participate in the deliberations and voting relating to the proposed warrant plan.

After deliberation by the remaining directors, the board of directors unanimously approved the warrant plan 2021, as designed by the managing director, and its execution, including but not limited to the issue of three subscription rights under the conditions as described in the warrant plan 2021. This plan gave NV VP Ventures the right to subscribe at three different times, linked to three distinct reference periods.

The number of new shares which VP Ventures can subscribed for was set at the number that would be necessary to bring the percentage participation that NV VP Ventures and Nicolas Pollet together held in the Company's capital at the end of a specific reference period in line with that which they jointly held on the date of issue of the subscription rights. The newly issued shares have the same rights as the other shares held by VP Ventures.

Except for transactions between consolidated companies, which are eliminated by consolidation, and compensation granted to key management personnel for which reference is made to note 4.4 Personnel expenses, the transactions and outstanding balances of other related parties are negligible for both 2021 and 2022.

4.4 Risk factors

4.4.1 Credit risk

Credit risk is the risk of a financial loss for the Group if a customer or counterparty to a financial instrument defaults on their contract commitments. The risk comes primarily from trade receivables and investment securities.

Trade and other receivables

The group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. The statistical profile of the customer portfolio, particularly the default risk for the business sector and country where customers operate, is without any real impact on credit risk.

The Group determines a level of depreciation which represents its valuation of losses related to trade and other receivables and investments. The main cause of depreciation corresponds primarily to specific losses related to significant individualized risks. In 2022 the amount of depreciation amounted to K€ 129.

The Group has implemented procedures and systems for monitoring its customer receivables and claiming unpaid claims and the quality of customers before accepting them. The payment terms are depending on the market and client but are always between 30 and 90 days.

The majority of the receivables are externally insured in case of default or non-payment and thus resulting in lowering this risk.

Factoring

The main evolutions and information about the factoring are disclosed in Note 3.2.7 Trade receivables.

4.4.2 Liquidity risk

Liquidity risk is the risk the Group may have difficulty paying its debt when they fall due. To the greatest extent possible, the Group manages the liquidity risk by ensuring that it has sufficient available or accessible cash to cover its liabilities when they fall due, under normal or « tight » conditions, without incurring unacceptable losses or impairing the Group's reputation.

Generally, the Group makes sure to have a sufficient sight deposit to cover operational costs expected for a period of 60 days, including the generated debt servicing payments. This excludes the potential impact of extreme circumstances, such as natural disasters, that one cannot be reasonably predict. In addition, the Group maintains its credit lines.

The main evolutions and information about the liquidity risk are disclosed in Note 3.2.12 Long term and short term financial liabilities.

4.4.3 Market risk

Market risk is the risk of variation in market prices, such as exchange rates, interest rates and equity prices, affecting the Group result or the value of financial instruments held. Managing market risk involves controlling market risk and maintaining it within acceptable limits.

This risk is however reduced considering the fact that the majority of the turnover and costs are in euro and the markets which operate in a different currency are not significantly contributing to the group yet.

4.4.4 Exchange rate risk

The Company publishes its consolidated financial statements in euros. As the Company operates mainly in a euro environment, the exchange rate risk is extremely limited. The current main exchange rate risks relate to the British Pound and the Swiss franc. The exchange rate fluctuations are not covered by forward contracts, nor by currency options. As a result, exchange rate fluctuations of these currencies may be advantageous or disadvantageous for the Invibes group.

An increase/decrease of the euro/non-euro currencies by +10% or -10% (main rate = average rate for 2022) would have an impact on the result before tax K€ 183 or K€ -224 respectively as at December 31st, 2022. An increase/decrease by +10% or -10% (main rate = closing rate for 2022) would have an impact on the book value of K€ -504 or K€ 615 respectively as at December 31st, 2022.

Purchases and sales in the non-euro markets are done in the local currencies, which causes a natural hedging system.

4.4.5 Interest rate risk

The Group is primarily exposed to the interest rate risk on its variable-rate debt and on its financial investments.

The Group’s financial indebtedness is based on fixed interest rates.

To date no specific hedge has been arranged at Group level for this type of risk.

4.5 Events after closing

There was a conversion of warrants on the 9th of March 2023 which caused an increase of capital of K€ 62.7 and a further creation of 28 000 shares.