

Strong growth in annual results 2023

Return to positive EBITDA and net profit

London, 27th March 2024 - Invibes Advertising (Invibes), an advanced technology company specialising in digital advertising, has published its results for 2023, showing strong growth and a return to positive EBITDA and net income.

The annual financial report is available on the Company's website:

<https://www.invibes.com/uk/en/investors.html>

Audited consolidated figures, in €K	2023	2022	Δ
Sales figures	28 913	27 966	+3,4%
Purchases and external charges	(16 497)	(17 873)	-7,7%
Staff costs	(10 389)	(11 227)	-7,5%
REBITDA¹	2 027	(1 134)	+3 161 €
Non-current expenses	(56)	(3 374)	-98%
EBITDA	1 971	(4 508)	+6 479 €
Depreciation, amortisation and provisions	(1 383)	(1 419)	-2,5%
Current operating profit (loss)	588	(5 927)	+6 515 €
Exceptional impairment	-	(1 766)	n/a
Operating profit (loss)	588	(7 693)	+8 281 €
Financial result	(594)	(469)	+26,7%
Deferred tax	563	190	+196,3%
Net profit (loss)	557	(7 972)	+8 529 €

Sales growth of +3.4% in 2023

Over the course of 2023, Invibes recorded sales growth of +3.4%. H1 of 2023 was marked by a growth slowdown in the digital advertising sector, followed by two consecutive quarters of sales growth during the second half, benefiting from the sector's renewed vigour.

Business in the countries where Invibes has been established for the longest (France, Spain, and Switzerland) remained stable in the second half of the year, a remarkable performance after the difficult conditions of the first half of the year. This limited the decline to 13% for the year.

Countries in the scale-up phase (Germany, the UK, Italy, and Belgium) are recording accelerated growth between H1 and H2, with total growth of +32% in 2023.

The new countries in the start-up phase (Sweden, Norway, Denmark, South Africa, Netherlands, UAE, Poland, Czech Republic) crossed the threshold of nearly one million euros in sales for the first time in 2023.

¹ REBITDA: recurring EBITDA, i.e. operating profit before depreciation, amortisation, provisions, and non-recurring charges, as explained in section 1.3 - Principal activities, of the 2023 financial statements.

Return to positive EBITDA and net profit by 2023

The rapid measures to reduce its cost structure, implemented by Invibes from the second half of 2022 to accompany growth slowdown in the advertising market over the period have successfully borne fruit in 2023. These measures, combined with the return to sales growth since Q3 2023, have enabled Invibes to meet its objective in returning to profitable growth in 2023.

Recurring EBITDA (REBITDA) amounted therefore to €2.0m in 2023, compared with -€1.1m in 2022, representing an increase of €3.2m between the two financial years.

After accounting for non-current expenses, EBITDA was €2.0m in 2023, compared with -€4.5m in 2022, which included costs relating to the restructuring undertaken in the second half of 2022.

The breakdown of EBITDA by country maturity is as follows:

<i>Audited consolidated figures, in €K</i>	2023	2022	Δ
Existing countries ⁽¹⁾			
Sales figures	17 267 ⁽²⁾	19 892	-13,2%
EBITDA	5 198	5 131	+1,3%
% EBITDA	30%	26%	
Scale-up ⁽³⁾			
Sales figures	9 927	7 538	+31,7%
EBITDA	1 902	(640)	n/a
% EBITDA	19%	n/a	
New countries (start-up) ⁽⁴⁾			
Sales figures	973	536	+81,5%
EBITDA	(579)	(1 529)	n/a
% EBITDA	n/a	n/a	
Discontinued operations ⁽⁵⁾			
Sales figures	701	-	n/a
EBITDA	17	-	n/a
Group overheads ⁽⁶⁾			
	(4 567)	(7 470)	-38,9%
Consolidated EBITDA	1 971	(4 508)	+6 479 €

(1) France, Spain, Switzerland

(2) The ML2Grow business has been restated as a discontinued operation following its disposal in March 2024

(3) Germany, United Kingdom, Italy, and Belgium

(4) Sweden, Norway, Denmark, South Africa, Netherlands, UAE, Poland, and Czech Republic

(5) Corresponds to ML2Grow sold in March 2024

(6) Excluding CAPEX

Despite a fall in activity in the countries where Invibes has been established the longest (France, Spain, Switzerland), EBITDA rose slightly, enabling the margin to increase by 4 points to 30% of sales, demonstrating the resilience of the model when a market is mature and established and all the fundamentals are activated, despite difficult market conditions.

EBITDA in countries in the scale-up phase rose sharply in 2023 to reach 19% of sales, illustrating the strength of Invibes' international development model, which is based on its

ability to roll out its activity rapidly and successfully in a new country so that it becomes a contributor to profitability in less than two years after its launch.

After reaching the threshold of nearly one million in sales during 2023, the new countries recently opened (*start-ups*) will rapidly benefit, like the *scale-ups*, from the strength of the model and increase their contribution to the Group's profitability.

It should be noted that ML2Grow was sold in March 2024 and is therefore accounted for as a discontinued operation. The purpose of acquiring the company in 2019 was to strengthen Invibes' machine learning capabilities to further analyse data using AI. Through knowledge transfer, the ML2Grow team has helped us take our AI initiatives forward. We thank them and wish them all the best.

Operating profit and net profit also returned to positive territory.

Including depreciation and amortisation of €1.3m, Invibes posted an operating profit of €0.6m. After including a financial charge of €0.6m and a tax credit of €0.6m relating to the capitalisation of deferred tax, net profit came to €0.6m.

Between 2022 and 2023, operating profit and net profit have risen by €8.3m and €8.5m respectively, demonstrating the Group's ability to adapt its costs rapidly to changes in its business and maintain sustained profitability, without penalising its capacity for innovation or its ability to win new business.

As of 31 December 2023, Invibes had a solid financial structure, with net cash of €10.8m and shareholders' equity of €21.7m.

Outlook for 2024

Once again buoyed by a recovering digital advertising market, Invibes has entered 2024 with more favourable parameters.

To increase the density of its *cross-market* offer and meet the demand of its international key account customers looking for a global offer, Invibes intends to extend its geographical footprint with the opening of 3 new markets, the United States, Mexico, and Singapore.

On the strength of its ability to model the ROI of launching a new country, Invibes expects these new markets to contribute to business a few months after their launch and then to the group's profitability within 2 years.

In 2024, Invibes is confident that it will continue to grow its business while maintaining positive profitability.

Next publication: Q1 2024 sales, on 25 April 2024 (after trading).



About Invibes Advertising

Invibes Advertising (Invibes) is an international technology company specialising in digital advertising innovation.

Founded on the philosophy that advertising efficiency comes from being truly innovative and naturally engaging to users, Invibes has developed an integrated technology platform for brands to reach consumers through impactful in-feed advertising.

Invibes delivers advertising that creates positive attention by harnessing the power of big data, innovative in-feed formats, wide reach and extensive intelligence services.

Pioneering the way in sustainable advertising, Invibes also offers a unique solution to offset campaign emissions through its Carbon-Neutral label.

In order to partner with some of the greatest brands in the world, like Amazon, Bacardi, Dell, IKEA and Toyota, we rely on even greater people. At Invibes we strive to maintain an energetic, open environment that fosters a culture of ideation, growth and #GoodVibes, that shines straight through to our clients.

Want to hear more about Invibes? Visit: www.invibes.com

Invibes Advertising is listed on the Euronext Stock Exchange (Ticker: ALINV – ISIN: BE0974299316)

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<https://www.invibes.com/investors.html>

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