

H1 2023 RESULTS

- 27% growth in revenues
- Results reflect substantial IT investment
- Further growth expected in the 2nd half of the year

Madrid, October 11, 2023 – 8h00 - ISPD (ISIN ES0109429037), a global cognitive marketing group, today presents its consolidated results for H1 2023, ending 30 June 2023.

in million euros	H1 2023	H1 2022	Chg. %
Consolidated revenues ⁽¹⁾	58.6	45.4	+29%
Net revenues ⁽²⁾	58.3	45.3	+29%
Net pro forma revenues ⁽³⁾	72.5	56.9	+27%
Gross margin	23.6	22.2	+6%
Gross margin rate (% of net revenues)	33%	39%	-
Staff costs	(17.3)	(16.9)	+3%
Other operating expenses	(4.6)	(2.9)	+58%
EBITDA	1.7	2.4	-30%
Amortization and depreciation	(1.1)	(1.1)	0%
EBIT	0.6	1.3	-54%
Financial income and expenses	(0.5)	(0.1)	-
Consolidated income before tax	0.1	1.1	-
Tax expense	0.7	0.0	-
Consolidated net income	(0.6)	1.1	-

(1) Excluding intra-group sales: 5.2M€ (€3.77m in H1 2022)

(2) Revenues less volume discounts on ad sales

(3) Pro forma revenues for 2023 and 2022 calculated by reintegrating advertising space sales in Mexico, billed directly to customers by publishers since the 2nd half of 2021 under the new law on advertising transparency. This change no longer impacts the comparison of consolidated revenues for 2022/2023: ISPD continues to publish this indicator to facilitate comparisons between the different zones.

"The breadth of our offering and our geographical footprint mean that we can seek growth in the most buoyant markets. The commercial successes we have achieved over the past semesters confirm the relevance of our cognitive marketing tools, which we are investing in on an ongoing basis. In this respect, the last six months have been particularly active in terms of investment in our information systems, so that we can continue to lay the foundations for our future growth", says Andrea Monge, CEO of ISPD.

Strong growth in Group sales

ISPD has reported consolidated net revenues of €58.3m for the first half of 2023, representing growth of 29% compared with the first half of 2022. This growth continues to be driven by Digital Media Trading services (up 23% to €53.4m), the effectiveness of which is generating increasingly large budgets from advertisers, particularly in the USA, whose share of sales rose from 49% to 55% over the period.

This change in the geographical and product mix has resulted in a readjustment of the gross margin rate, calculated on the basis of proforma sales including advertising sales in Mexico, from 39% in H1 2022 to 33% in H1 2023. This corresponds to a



6% gross margin increase in euros. This variation is not due to a price effect, as ISPD is passing on inflation-driven media rate increases to advertisers without difficulty.

Major IT investments expensed in the first half of the year

Over the past period, ISPD has made significant efforts to improve its information systems. The Group implemented a new CRM and automation tools in the USA, strengthened cyber security for all its sites and developed AI-based systems for strategic planning, decision-making tools and process automation. These investments, now fully implemented, were fully expensed (OPEX) in the 1st half. As a result, and despite good cost control (payroll up by 2%), EBITDA is down 30% compared with the first half of 2022, at €1.7m (vs. €2.4m). With depreciation and amortization remaining stable at €1.1m, the same difference can be seen in operating income, which came to €0.6m compared with €1.3m a year earlier.

Increase in financial expenses reflects the interest rates variation as a consequence of central banks anti-inflation measures and increase in tax is due to a non-recurrent charge to adjust previous years provisions.

After net financial expenses of €0.5m and a tax charge of €0.7m, consolidated net profit (group share) was a loss of €0.6m.

Sound financial position

At 30 June 2023, shareholders' equity stood at €4.8m and net debt at €6.3m, comprising €5.9m in cash and financial debt of €12.2m (of which €2.1m related to IFRS 16 rental commitments).

Outlook

ISPD anticipates continued business growth in the 2nd half of the year, with a cost structure that will no longer be impacted by the IT investments that have now been made.

Publication of the 2023 interim financial report

The 2023 interim financial report is available to the public and was filed today with the French Financial Markets Authority (AMF). It can be consulted on the company's website at <https://ispd.com/investors/> under "Financial Information".

Next date: FY 2023 revenues, 12th March 2024 (before stock market opening)

About ISPD

ISPD is a cognitive marketing group redefining how people and brands relate. We blend cognitive science and creativity to provide our customers with end-to-end capabilities across our network of agencies. Our 500+ multidisciplinary experts from research, data science, strategic planning, creative storytelling, shopper marketing, gaming, media, technology solutions, and consulting deliver breakthrough results for our clients.

Visit us at ispd.com to learn more.

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