

HALF-YEARLY GROWTH RESULTS 2020

- Confirmed resistance of the activity
- Beautiful dynamics of Germany (+24%)
- Improvement in the Group's overall results (> 50%)
- Strong cash position

New Prospects for Growth

(Euronext Growth - FR0010812230 - ALMNG), the French AdTech pioneer and mobile advertising innovator closes a solid first half in 2020 during an unpredictable as well as turbulent economical context. The Group's business has proved highly resilient, with a half-year revenue of €5.9 million and an improvement of over 50% in its 2020 first half-year results, driven by the ongoing optimisation and consolidation of operating processes and cost structures. This planned but still outstanding performance is the unquestionable result of a straight forward strategy which confirms the resilience of the business model in a particularly but at the same surprisingly difficult economic environment.

(en k€)	S1 2020	S1 2019
<i>Audited consolidated figures</i>		
Gross Revenue / Turnover	5 880	6 798
Gross Margin Total	2 077	2 446
<i>Gross Margin Rate (yoy)</i>	<i>35,3%</i>	<i>36,0%</i>
Other revenue	108	319
Purchases and external charges	(699)	(1 006)
Staff cost	(1 652)	(2 206)
Taxes and duties	(50)	(34)
EBITDA*	(216)	(480)
Depreciation, amortisation and provisions net of reversals	142	(262)
Other operating income and expenses	(300)	(46)
Operating profit	(373)	(788)
Financial income and expenses	(120)	(151)
Extraordinary income and expenses	(53)	(68)
IS	57	9
Amortisation of goodwill	(2)	(7)
Net Profit	(492)	(1 005)

*EBITDA: Earnings before tax, financial income, Depreciation and Amortisation

Madvertise's Board of Directors, meeting on 27 October 2020, approved the interim financial statements for the six (6) months ended 30 June 2020.

Growth of German Business and Diversification (+24%)

Despite the shutdown of European countries following the containment measures that mechanically weighed on the advertising sector, Madvertise very quickly adapted its organisation to ensure the safety of its teams and the operational continuity of its activities throughout its European subsidiaries. In Germany, the Group recorded a 24% increase in advertising spent and sales in a more resilient German market. The country thus represents 48% of the Group's half-year revenue and is positioned ahead of the French subsidiary, which contributed 46% of the half-year revenue.

This good momentum partially mitigated the effects of the first Covid19 wave effects of the crisis, which were more pronounced in France (-29%) and Italy (-47%).

Since July, the Group has seen a gradual recovery in revenue, driven by continued strong growth in Germany, which continued in the third quarter.

This positive trend in German operations, supported by the launch of new high value-added solutions and the full impact of cost-cutting measures, will enable the Madvertise Group to sustain a further improvement in its performance.

55% Improvement in EBITDA despite Lockdown

In this unprecedented context, the fine-tuning of the Group's operating expenses enabled EBITDA to improve by 55% to €-216k, compared to €-480k in the first half of 2019. During the period, the Group pursued its cost optimisation plan (reconfiguration of offices in France and Italy, reduction in server costs, limitation of travel expenses, etc.) and reduced its purchases and external charges by 30% in the YOY comparison. Similarly, personnel costs were reduced by 25% following the reorganisation carried out at the Italian subsidiary and the short working implemented for certain Group employees over the lockdown period.

As a result of these strong and very quickly implemented measures, operating profit increased by €415 thousand (+53%) to €373 thousand (compared to €788 thousand in the first half of 2019). Following the same positive trend, net profit improved by €513 thousand, limiting the loss for the first half to €492 thousand, compared with €1,005 thousand during the first semester of last year.

Over the period, the management took all the necessary measures to preserve its cash position (short-time working, spending freeze, travel freeze and maturity extensions) and benefited from a €450k current account contribution from a historical shareholder to support its financing needs.

As a result, the gross cash position at 30 June 2020 increased to €610k compared with €211k at 31 December 2019. Net financial debt amounted to €1,248k at the end of June (compared with €1,619k at 31 December 2019).

Since the balance sheet date, the sale of the agency business has strengthened the Group's cash position and discussions with banks are continuing with a view to obtaining PGEs (Loans Guaranteed by the French State) to strengthen Madvertise's financial position. In the meantime, the Group benefits from the financial support of its historical shareholders to accompany its future development.

Towards Added Value and Growth

In a fast-changing environment where digital has taken a predominant place in lifestyles, consumption and work, Madvertise has solid assets to become the key player in mobile advertising solutions.

With the launch of new offers such as DOOMH in Germany, which combines digital signage (billboards) with real-time mobile advertising, and the increasing importance of commercial partnerships signed

with AdColony in Germany (one of the largest video advertising platforms in the world) and Iron.io (a specialist in advertising on social networks, which notably allows advertising to be integrated into the posts of influencers), Madvertise is entering a phase of development.

Now refocused on these high value-added solutions, the Group has just sold its Bemobee subsidiary (see Cp of 12 October) and is continuing its exclusive negotiations with SYNC, with which it already has close working relationships, with a view to acquiring a structuring stake. The Group will unveil the terms and conditions of this transaction and the ambitions of the new entity once the agreement has been finalised.

In an uncertain context where the evolution of the pandemic offers little visibility, the Group remains cautious about the outlook for its activities but remains fully mobilised to pursue a growth trajectory through a new roadmap structured around a project at the heart of demand.

About Madvertise

Madvertise is a European pioneer of AdTech founded in 2011 in the heart of Europe. Positioned as Europe's largest independent mobile advertising network in the premium segment in France, Germany and Italy, Madvertise has developed proprietary technology to maximise advertiser visibility and publisher revenues. By developing its technologies in-house Madvertise offers a range of advertising solutions combining mobile display, Digital Out of Home and Social Media to provide advertisers with the best possible results. With an audience of 55 million unique visitors per month and more than 250 premium publishers to its credit, Madvertise is the best choice to ensure that advertisers in Europe are seen, heard and desired. With its goal to become CO2 neutral by the end of 2022, Madvertise is an environmentally friendly European AdTech player and equipped with an unrivalled SaaS solution Made in Europe.

Madvertise is listed on Euronext Growth Paris (FR0010812230 - ALMNG).

More information on www.madvertise.com

The Group's consolidated financial statements are available on the Madvertise website in the "Investors" section.

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