

ADUX

ADVERTISING AND USER EXPERIENCE

Paris, July 24th, 2019, 6:00 pm

Results of first semester 2019

- Revenue of €11.9 million in 2019 first semester
- Negative EBITDA ⁽¹⁾ of -€0.9 million in 2019 first semester

Paris, July 24, 2019, 6:00 PM – AdUX group, a specialist in digital advertising and user experience (ISIN FR0012821890 Code - HIM, HIM.FR) released its results of the first half of the financial year 2019.

A stabilizing core business around €11.4 million

The revenue of the first semester 2019 amounts to €11.9 million against €13.7 million (-13%) on the first semester 2018 following the restatement of discontinued operations or assets held for sale according to IFRS 5 (Italian, Belgian and Portuguese subsidiaries performed at year-end 2018).

En M€	H1 2019	H1 2018 (restated) ⁽²⁾	H1 2018 (published)
Revenue	11,9	13,7	16,0

This decrease of the revenue of €1.8 million is mainly explained by the drop of activity in Sweden as anticipated (revenue of €0.5 million on the first semester 2019 against €2 million on the first semester 2018). It results from the loss of its main contract during summer 2018 and led to a full depreciation of the goodwill in the 2018 financial statements.

The Group's core businesses (Adpulse, Admoove and Quantum) resist well despite the safeguarding of Quantum on April 1st, 2019 and a market for advertising targeting made more

⁽¹⁾ Current operating income before allocations and reversals of depreciation, amortization and provisions.

⁽²⁾ The financial statements as of June 30, 2018 have been prepared on the basis of the historical financial statements of the AdUX group less discontinued operations and assets held for sale (Belgium, Italy, Portugal) according to IFRS 5 presented in Note 6 of the annual financial statements 2018.

ADUX

ADVERTISING AND USER EXPERIENCE

difficult since the entry into force of the GDPR (General Data Protection Regulation) in the European Union.

Excluding the activity of its Swedish subsidiary which is no longer part of the Group's strategic assets, the revenue of the main activities is close to stability of €11.4 million vs. €11.7 million in the first semester 2018 (-2%).

Income statement analysis

<i>In €M</i>	30 June 2019	30 June 2018 (restated) ⁽¹⁾	30 June 2018 (published)
Sales	11,9	13,7	16,0
Charges invoiced by the media	-6,3	-6,5	-7,6
Gross profit	5,5	7,1	8,5
Purchases	-2,4	-2,6	-2,9
Payroll charges	-4,1	-5,1	-5,5
EBITDA ⁽¹⁾	-0,9	-0,5	0,1
Depreciation and amortization	-0,8	-1,0	-1,0
Current operating profit	-1,7	-1,5	-0,9
Stock based compensation	0,0	-0,3	-0,3
Other non-current income and charges	-0,1	-9,3	-9,3
Operating profit	-1,8	-11,1	-10,6
Cost of indebtedness	0,0	0,0	0,0
Other financial income and charges	0,0	0,0	0,1
Earning of the consolidated companies	-1,8	-11,1	-10,6
Share in the earnings of the companies treated on an equity basis	0,0	0,0	0,0
Earnings before tax of the consolidated companies	-1,8	-11,1	-10,6
Income Tax	-0,1	-0,2	-0,2
Net income of the consolidated companies	-2,0	-11,3	-10,8
Net income from discontinued operations	0,0	0,8	0,3
Net income	-2,0	-10,5	-10,5
Minority interests from continuing operations	-0,1	0,2	0,2
Minority interests from discontinued operations	0,0	0,0	0,0
Including Group Share	-2,0	-10,4	-10,4

The revenue reaches €11.9 million with a gross margin at €5.5 million (-1.6 million euros compared to the first half of 2018 restated ⁽²⁾). This decrease is mainly explained by the loss of the main contract on Sweden activity where margin was mostly recorded at 100%.

⁽¹⁾ The financial statements as of June 30, 2018 have been prepared on the basis of the historical financial statements of the AdUX group less discontinued operations and assets held for sale (Belgium, Italy, Portugal) according to IFRS 5 presented in Note 6 of the annual financial statements 2018.

ADUX

ADVERTISING AND USER EXPERIENCE

Payroll charges decreased by €1 million to reach €4.1 million. External purchase costs reduced by €0.2 million and reach €2.4 million.

EBITDA reaches -€0.9 million, decreasing by -€0.4 million compared to the first half of 2018.

Depreciation and amortization reducing €0.2 million and current operational result reaches -€1.7 million against -€1.5 million in the first semester 2018.

Net result (Group share) reaches -€2 million against -€10.4 million in the first semester 2018, which was impacted by an impairment of the goodwill for -€8.5 million related to the Swedish subsidiary.

Perspectives

In a context of very strong competition and market adjustment following the entry into force of the GDPR, the resistance of the Group's main activities show the relevance of the positioning of its main products Quantum (native advertising), Adpulse (social marketing) and Admoove (Drive to Store). Despite degraded accounts, AdUX continues to reorganize its business to return to the path of growth and profitability.

The establishment of consolidated accounts have been supervised by the Board of Directors of AdUX SA on July 22, 2019, were audited and the corresponding certification report is in the process of being issued. The financial report pertaining to the accounts closed on June 30, 2019 will be available within the legal deadlines on the company's website at www.adux.com under the "Investors" section.

Next financial announcements

Third quarter 2019 revenue, on November 7th, 2019 after closing of the stock market

About AdUX

A pioneer of the sector, AdUX is a European specialist of digital advertising and user experience.

With a presence in 6 European countries, it has attained a turnover of 26 million of euros in 2018.

The company is listed in the Euronext Paris Compartment C and holds the "Innovative Company" label. This label offers, for a period of 3 years, the possibility for the FCPI to invest in the capital of AdUX, and for their subscribers to benefit from the corresponding tax benefits.

ISIN Code: FR 0012821890 / LEI: 969500IIE66C3CFB1K57 / Mnemo: ADUX

For more information, please visit www.adux.com and infofin@adux.com

Follow us on Twitter: @AdUX_France

LinkedIn: http://www.linkedin.com/company/adux_fr

Investors and analysts contact

infofin@adux.com

This statement may contain certain forward-looking statements. Although the AdUX Group believes that these statements are based on reasonable assumptions as on the date of publication of this statement, they are, by their very nature, subject to risk and uncertainty that can create a difference between the actual figures and those indicated in or inferred from these statements. The AdUX Group operates in a continually changing sector where new risk factors can emerge at any time. The AdUX Group is under no obligation whatsoever to update these forward-looking statements based on new information, events or other circumstances.

www.adux.com



ADUX

ADVERTISING AND USER EXPERIENCE

Consolidated income statements for the half-years ending on 30 June 2019 and 30 June 2018

<i>In thousands of euro</i>	30 June 2019	30 June 2018 (restated) ⁽²⁾	30 June 2018 (published)
Sales	11 854	13 679	16 042
Charges invoiced by the media	-6 307	-6 543	-7 577
Gross profit	5 547	7 136	8 465
Purchases	-2 373	-2 556	-2 851
Payroll charges	-4 074	-5 098	-5 549
EBITDA ⁽¹⁾	-900	-518	66
Depreciation and amortization	-768	-998	-1 010
Current operating profit	-1 667	-1 517	-944
Stock based compensation	-12	-340	-340
Other non-current income and charges	-126	-9 286	-9 296
Operating profit	-1 805	-11 143	-10 581
Cost of indebtedness	-32	-26	-26
Other financial income and charges	43	37	52
Earning of the consolidated companies	-1 794	-11 132	-10 555
Share in the earnings of the companies treated on an equity basis	-20	-	-
Earnings before tax of the consolidated companies	-1 814	-11 132	-10 555
Income Tax	-139	-161	-231
Net income of the consolidated companies	-1 952	-11 292	-10 786
Net income from discontinued operations	-	763	257
Net income	-1 952	-10 529	-10 529
Minority interests from continuing operations	-90	179	179
Minority interests from discontinued operations	-	-	-
Including Group Share	-2 042	-10 351	-10 351

	30 June 2019	30 June 2018 (restated) ⁽²⁾	30 June 2018 (published)
Weighted average number of ordinary shares	3 678 537	2 886 088	2 886 088
Earnings per share, Group share (in euro)	- 0,56	- 3,59	- 3,59
Weighted average number of ordinary shares (diluted)	3 678 537	2 886 088	2 886 088
Diluted earnings per share, Group share (in euro)	- 0,56	- 3,59	- 3,59
Weighted average number of ordinary shares	3 678 537	2 886 088	2 886 088
Earnings per share from continuing and discontinued operations (in euro)	- 0,53	- 3,91	- 3,74
Weighted average number of ordinary shares (diluted)	3 678 537	2 886 088	2 886 088
Diluted earnings per share of continuing activities (in euro)	- 0,53	- 3,91	- 3,74

⁽¹⁾ Current operating income before allocations and reversals of depreciation, amortization and provisions.

⁽²⁾ The financial statements as of June 30, 2018 have been prepared on the basis of the historical financial statements of the AdUX group less discontinued operations and assets held for sale (Belgium, Italy, Latam) presented in Note 6 of the annual financial statements 2018.

ADUX

ADVERTISING AND USER EXPERIENCE

Consolidated balance sheets as of 30 June 2019 and 31 December 2018

ASSETS - In thousands of euro	30 June 2019	31 Dec 2018
Net Goodwill	2 468	1 975
Net intangible fixed assets	1 691	1 786
Net tangible fixed assets	258	282
Right of use assets related to leases	1 328	-
Deferred tax credits	-	-
Other financial assets	202	637
Assets held for sale	-	474
Non-current assets	5 947	5 153
Customers and other debtors	14 337	15 278
Other current assets	12 610	13 152
Cash and cash equivalents	1 163	1 966
Current assets	28 110	30 397
TOTAL ASSETS	34 057	35 550

LIABILITIES - In thousands of euro	30 June 2019	31 Dec 2018
Share capital	5 518	5 433
Premiums on issue and reserves	-13 140	8 627
Treasury shares	-125	-190
Consolidated net income (Group share)	-2 042	-21 420
Shareholders' equity (Group share)	-9 789	-7 550
Minority interests	6	148
Shareholders' equity	-9 783	-7 402
Long-term borrowings and financial liabilities	1 491	960
Long-term lease liabilities	1 068	-
Non-current Provisions	459	430
Deferred tax liabilities	-	-
Liabilities held for sale	-	335
Non-current liabilities	3 018	1 725
Short-term financial liabilities and bank overdrafts	3 780	6 003
Short-term lease liabilities	292	-
Current provisions	2 552	2 052
Suppliers and other creditors	22 586	22 279
Other current debts and liabilities	11 612	10 893
Current liabilities	40 822	41 227
TOTAL LIABILITIES	34 057	35 550

ADUX

ADVERTISING AND USER EXPERIENCE

Consolidated statement of cash flows for the half-years ending on 30 June 2019 and on 31 December 2018 and on 30 June 2018

In thousands of euro	30 June 2019	31 Dec 2018	30 June 2018 (restated) ⁽¹⁾
Net income	-1 952	-21 391	-10 529
<i>Adjustments for :</i>	-	-	-
Depreciation of the fixed assets	771	2 477	908
Value losses	-	8 483	8 483
Other non-current without impact on the cash	77	2 852	673
Cost of net financial indebtedness	32	46	26
Share in associated companies	20	-	-
Net income on disposals of fixed assets	-174	-276	93
Cash flow from discontinued operations	-	1 769	-1 694
Cash flow from business to be divested	-	-	-
Costs of payments based on shares	12	515	340
Tax charge or proceeds	139	61	161
Operating profit before variation of the operating capital need	-1 076	-5 464	-671
Variation of the operating capital need	-737	3 741	759
Cash flow coming from operating activities	-1 813	-1 723	-551
Interest paid	-32	-46	-26
Tax on earnings paid	-12	-218	-120
NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES	-1 857	-1 987	-911
Income from disposals of fixed assets	-	-	-
Valuation at fair value of the cash equivalents	-	-	-
Proceeds from disposals of financial assets	-	-	-
Disposal of subsidiary, after deduction of cash transferred	1 184	919	583
Acquisition of a subsidiary	132	-50	-12
Acquisition of fixed assets	-442	-1 275	-515
Variation of financial assets	-	-122	54
Variation of suppliers of fixed assets	-84	246	-6
Effect of the perimeter variations	-35	-30	-
NET CASH FLOW COMING FROM INVESTMENT ACTIVITIES	754	-312	88
Proceeds from share issues	-	1 372	-0
Redemption of own shares	65	-12	-38
New borrowings	585	-	-
Repayments of borrowings	-382	-1 642	-240
Other financial liabilities variation	-	-	-172
Dividends paid to minority interests	-	-	-
NET CASH FLOW COMING FROM FINANCING ACTIVITIES	268	-283	-450
Effect of exchange rate variations	-4	-3	0
NET VARIATION OF CASH AND OF CASH EQUIVALENTS	-838	-2 585	-1 273
Cash and cash equivalents on January 1 st	2 001	4 551	4 551
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1 163	1 966	3 278

⁽¹⁾ The financial statements as of June 30, 2018 have been prepared on the basis of the historical financial statements of the AdUX group less discontinued operations and assets held for sale (Belgium, Italy, Latam) presented in Note 6 of the annual financial statements 2018.