

Press release

2019 ANNUAL RESULTS

Revenue : €24,8M
 EBITDA⁽¹⁾: +€0,1M
 Operating profit : +€0,1M
 Net income : -€0,4M

Significant decrease of the activity related to the health crisis since March 2020

Levallois-Perret, April 27th, 2020, 6:00 P.M. – AdUX group, a specialist in digital advertising and user experience (ISIN FR0012821890 Code - HIM, HIM.FR) released its results of the financial year 2019.

A core business stabilized at €24.8 million

The 2019 revenue amounts to €24.8 million against €26.3 million (-6%) in 2018 after the restatement of discontinued operations or assets held for sale according to IFRS5 standard (historical advertising business of Belgium, Portugal and Italy realized at year-end 2018).

<i>In €M Group</i>		FY 2019	FY 2018	Var. %
Group	Revenue	24,8	26,3	-6%
	Gross margin	11,9	12,5	-5%
	EBITDA ⁽¹⁾	0,1	(2,9)	

The decrease in revenue of €1.5 million is mainly explained by the drop in activity in Sweden of €2.3 million as anticipated (€0.7 million of revenue in 2019 compared to €3 million in 2018).

⁽¹⁾ Earnings before interests, depreciation and amortization

The rest of activity increased overall over the year with a particularly dynamic 4th quarter, increasing by 13%. This increase in activity outside of Sweden can be explained by the sustained growth of Quantum and the return to growth of Admoove at the end of the year. The Adpulse social marketing activity continued to decrease but its relative weight in the group's activity is now limited.

P&L analysis

In M€	2019	2018	Var.
Sales	24,8	26,3	-1,5
Charges invoiced by the media	-12,8	-13,8	0,9
Gross profit	11,9	12,5	-0,6
Purchases	-4,1	-6,3	2,3
Payroll charges	-7,8	-9,1	1,3
EBITDA	0,1	-2,9	3,0
Depreciation and amortization	-1,6	-2,7	1,1
Current operating profit	-1,5	-5,6	4,2
Stock based compensation	0,0	-0,5	0,5
Other non-current income and charges	1,6	-12,3	13,9
Operating profit	0,1	-18,4	18,6
Cost of indebtedness	-0,1	0,0	0,0
Other financial income and charges	-0,4	-0,4	0,0
Earning of the consolidated companies	-0,3	-18,9	18,5
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	-0,3	-18,9	18,5
Income Tax	-0,1	-0,1	0,0
Net income of the consolidated companies	-0,4	-18,9	18,5
Net income from discontinued operations and assets held for sale	0,0	-2,5	2,5
Net income	-0,4	-21,4	21,0
Including minority interests	0,0	0,0	0,0
Minority interests from discontinued operations and assets held for sale	0,0	0,0	0,0
Including Group share	-0,4	-21,4	21,0

The revenue amounts to €24.8 million and the gross profit to €11.9 million (-€0.6 million compared to 2018).

Personal costs decrease by €1.3 million to reach €7.8 million. External purchasing costs were significantly reduced in the second half with a decrease of €2.3 million over the year. They amount to €4.1 million as of December 31st, 2019.

EBITDA becomes positive again at +€0.1 million, increasing by €3 million compared to the 2018 financial year. First application of IFRS 16 impacts positively EBITDA for + €0.4 million.

Depreciation and amortization decreased by €1.1 million and current operating profit reaches -€1.5 million vs. -€5.6 million in 2018.

Sales of shareholdings, and in particular the shareholdings held in HiMedia Deutschland, generated a non-current income of €1.7 million which allows operating profit to return to positive at + €0.1 million.

After including the financial result and tax charges, the net result Group share amounts to -€0.4 million compared to -€21.4 million in 2018 (the latter having been impacted by the depreciation of goodwill notably related to the Swedish subsidiary).

Perspectives

The group therefore succeeded in 2019 in stabilizing its activity and recovering an operating balance thanks to a deep restructuring. The capital increase that occurred in December 2019 allows to meet its financial commitments and rebalancing its results in a context of healthy operations.

However, the health crisis linked to the Covid19 epidemic has led to a significant drop in activity since March 2020. Additional savings measures and the use of short-time working were decided in order to adapt the cost structure of AdUX to this exceptionally degraded environment. The health crisis should continue to impact the Group's activity for the rest of 2020, but the Group considers that it will be able to meet the future commitments in the next 12 months.

The annual and consolidated financial statements, which were approved by the Board of directors of AdUX SA on April 24th, 2019 have been audited and the certification report with a clean opinion is being prepared by the Statutory Auditors. The annual financial report of the accounts closed on December 31st, 2019 will be available within the legal deadlines on the Company's website www.adux.com on section "Investors".

Next financial announcements

Revenue of the 1st quarter 2020

Thursday 28th May 2020 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 attained a revenue of 25 million of euros in 2019. 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

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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.

Consolidated Financial statements for FY2019 and FY2018

<i>in thousands of Euros</i>	Notes	31 Dec.2019	31 Dec.2018
Sales		24 766	26 278
Charges invoiced by the media		- 12 848	- 13 762
Gross profit		11 918	12 516
Purchases		- 4 056	- 6 333
Payroll costs	Note 6	- 7 754	- 9 102
EBITDA		108	- 2 919
Depreciation and amortization		- 1 586	- 2 712
Stock based compensation		- 12	- 515
Current operating profit		- 1 491	- 6 145
Other non-current income and charges	Note 7	1 636	- 12 268
Operating profit		145	- 18 413
Cost of indebtedness	Note 8	- 52	- 46
Other financial income and charges	Note 8	- 428	- 393
Earning of the consolidated companies		- 335	- 18 852
Share in the earnings of the companies treated on an equity basis		20	-
Earnings before tax of the consolidated companies		- 315	- 18 852
Income Tax	Note 9	- 58	- 61
Net income of the consolidated companies		- 372	- 18 913
Net income from discontinued operations and assets held for sale		-	- 2 478
Net income		- 372	- 21 391
Including minority interests		- 27	- 30
Minority interests from discontinued operations		-	-
Including Group share		- 400	- 21 420

	31 Dec.2019	31 Dec.2018
Weighted average number of ordinary shares	6 277 925	3 622 037
Earnings per share, Group share (in euro)	-0,06	-5,91
Weighted average number of ordinary shares (diluted)	6 277 925	3 622 037
Diluted earnings per share, Group share (in euro)	-0,06	-5,91
Weighted average number of ordinary shares	6 277 925	3 622 037
Earnings per share of the consolidated companies (in euro)	-0,06	-5,22
Weighted average number of ordinary shares (diluted)	6 277 925	3 622 037
Diluted earnings per share of the consolidated companies (in euro)	-0,06	-5,22

Consolidated balance sheet as of December 31st, 2019 and December 31st, 2018

ASSETS - in thousands of euros	Notes	31 dec.2019	31 Dec.2018
Net Goodwill	Note 10	2 468	1 975
Net intangible fixed assets	Note 11	1 498	1 786
Net tangible fixed assets	Note 12	240	282
Right of use assets related to leases	Note 13	1 193	-
Deferred tax credits	Note 14	0	-
Other financial assets	Note 15	173	637
Assets held for sale		0	474
Non-current assets		5 572	5 153
Customers and other debtors	Note 16	14 245	15 278
Other current assets	Note 17	11 560	13 152
Current financial assets		0	-
Cash and cash equivalents	Note 18	3 172	1 966
Current assets		28 977	30 397
TOTAL ASSETS		34 548	35 550

LIABILITIES - in thousands of euros	Notes	31 dec.2019	31 Dec.2018
Share capital		9 417	5 433
Premiums on issue and reserves		-13 130	8 627
Treasury shares		-84	-190
Consolidated net income (Group share)		-400	-21 420
Shareholders' equity (Group share)		-4 197	-7 550
Minority interests		26	148
Shareholders' equity	Note 19	-4 171	-7 402
Long-term borrowings and financial liabilities	Note 20	1 510	960
Long-term lease liabilities	Note 13	959	-
Non-current Provisions	Note 21	480	430
Deferred tax liabilities	Note 14	0	-
Liabilities held for sale		-	335
Non-current liabilities		2 949	1 725
Short-term financial liabilities and bank overdrafts	Note 20	3 407	6 003
Short-term lease liabilities	Note 13	293	-
Current provisions	Note 21	2 052	2 052
Suppliers and other creditors		20 296	22 279
Other current debts and liabilities	Note 22	9 723	10 893
Current liabilities		35 771	41 227
TOTAL LIABILITIES		34 548	35 550

Consolidated Cash Flow statement for FY2019 and FY2018

in thousands of euros	31 déc.2019	31 déc.2018
Net income	-372	-21 391
<i>Ajustments for :</i>	-	-
Depreciation of the fixed assets	1 564	2 477
Value losses	Note 10 -	8 483
Other non-current without impact on the cash	Note 7 -1 435	2 852
Cost of net financial indebtedness	52	46
Share in associated companies	16	-
Net income on disposals of fixed assets	-75	-276
Cash flow from discontinued operations	-	1 769
Cash flow from discontinued operations and assets held for sale	-	-
Costs of payments based on shares	12	515
Tax charge or proceeds	Note 9 58	61
Operating profit before variation of the operating capital need	-179	-5 464
Variation of the operating capital need	-2 572	3 741
Cash flow coming from operating activities	-2 752	-1 723
Interest paid	-34	-46
Tax on earnings paid	-35	-218
NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES	-2 820	-1 987
Income from disposals of fixed assets	-	-
Valuation at fair value of the cash equivalents	-	-
Proceeds from disposals of financial assets	-31	-
Disposal of subsidiary, after deduction of cash transferred	1 214	919
Acquisition of a subsidiary	132	-50
Acquisition of fixed assets	-894	-1 275
Variation of financial assets	-2	-122
Variation of suppliers of fixed assets	-139	246
Effect of the perimeter variations	-35	-30
NET CASH FLOW COMING FROM INVESTMENT ACTIVITIES	245	-312
Proceeds from share issues	3 885	1 372
Redemption of own shares	106	-12
New borrowings	1 165	-
Repayments of borrowings	-1 409	-1 642
Other financial liabilities variation	-	-
Dividends paid to minority interests	-	-
NET CASH FLOW COMING FROM FINANCING ACTIVITIES	3 746	-283
Effect of exchange rate variations	0	-3
NET VARIATION OF CASH AND OF CASH EQUIVALENTS	1 171	-2 585
Cash and cash equivalents on January 1 st	2 001	4 551
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3 172	1 966