



advertising &
user experience

2017 FULL YEAR RESULTS



VISION AND STRATEGIC ROAD MAP

A USER CENTRIC VISION

AdUX promotes a vision of Ads with a better UX



A MARKET ANALYSIS

AdUX answers and anticipates advertiser's needs

- ▶ **NATIVE ADS** will **replace display**

- ▶ **MOBILE GEOMARKETING** will complete/take the lead on **radio and outdoor**

- ▶ **SOCIAL PUBLISHING** will **become the new TV for consumer brands**

A LEAN PRODUCT ORGANIZATION

AdUX has 3 product lines



quantum



adpulse

BACKED BY STRONG TEAMS AND ASSETS

AdUX has a unique expertise in the market

- ▶ **STRONG IT TEAMS** organized in 3 fields **front end, back end, data&infra**

- ▶ **SYNERGIES** will increase between 3 areas of excellence
 - Programmatic optimization algorithm (Quantum)**
 - Data analysis and targeting (Admoove)**
 - Social and conversational marketing (AdPulse)**



BUSINESS TRENDS

AdUX solution #1: **Native advertising**



Native advertising

What genuine Native is about



Non Interruptive



100% Visible



integrated in the content stream



Editorialised and informative

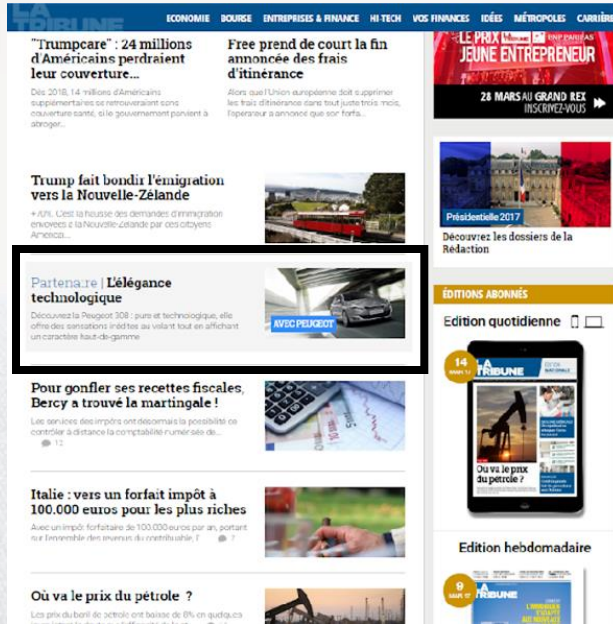


**Fully matching any sites
look&feel**

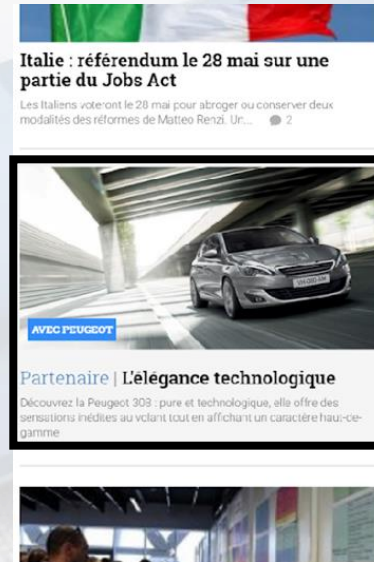


**Dedicated to one unique
advertiser**

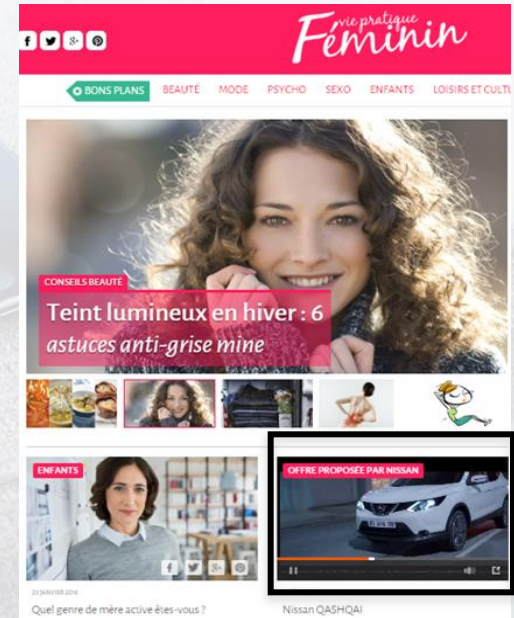
Product and Formats



DESKTOP
User is exposed to an integrated teaser



MOBILE
Integrated teaser with no downloading time lapse



TEASER VIDEO
Video content integrated with 100% viewability

New Publishers gains



Main Advertiser's gain in 2017



Mercedes-Benz



JAGUAR



Le nouveaux commerçants



L'ORÉAL
PARIS



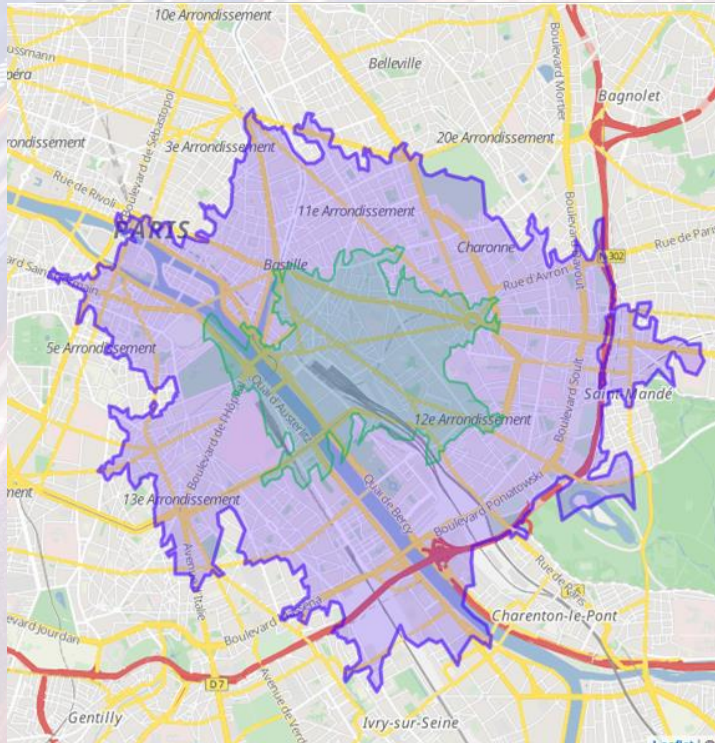
Main DSPs connected end of 2017



AdUX solution #2 : Drive to store



Drive to store



POI



Building



Zone



Cluster



Injection of INSEE data about targeted zone (IRIS)

Population	Ménages	Etudiants	Salariés
1 428	524	101	50
Revenu médian	% CSP+	% Maisons	% Propriétaires
48 628 €	33,52 %	82,32 %	80,5 %

An important product and technological shift to comply with privacy regulations' evolution



End of data collection via SDK

- ✓ Limited reach (**below 10M UU**)
- ✓ Not UX friendly (battery ...)
- ✓ Poor User perception
- ✓ Hypothetic compliancy regarding RGPD and e-Privacy
- ✓ Reputation risk for advertisers



Data collection thorough bid requests

- ✓ **Privacy enforcement** : bid requests analyzed are opt-in by design
- ✓ Global reach in France (**+ 36M UU**)
- ✓ Global reach beyond France through partnership with Blis



A gain in scale and scalability

2016/2017 Admoove SDK data
collection

10M UU

Reach of previous Admoove application network

+100 point of contacts per day

Estimation based on a ping on user's position
every 5 minutes during 10 hours a day

2018 : Bid Requests analysis

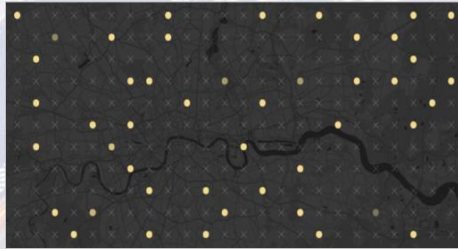
36M UU

Access to all SSP geolocalized inventory

42 points of contacts per day

Efficient geomarketing thanks to a greater
scale and with less intrusion for the user

Gain in accuracy through deeper data analysis



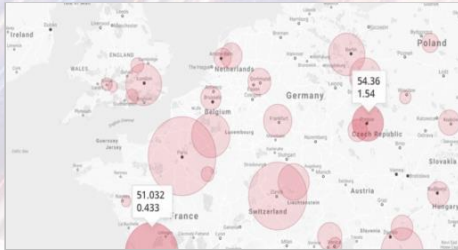
Centroids

Abnormal Bid requests concentrations are eliminated



Uniques

Elimination of requests with 2 pings too far away from each other against time elapsed



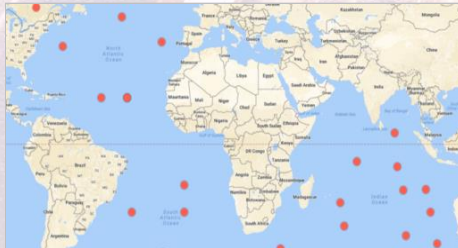
Précision

Elimination of Lat/Longs with less than 3 digit decimals



Country Code

Elimination of data showing no match between lat/long and country code



No Country

Elimination of data with no country code



Equator

Elimination of System Error positioning user on Equator

Main Advertiser's in 2017



CLEOR



Reebok 



AdUX solution #3 : Social marketing



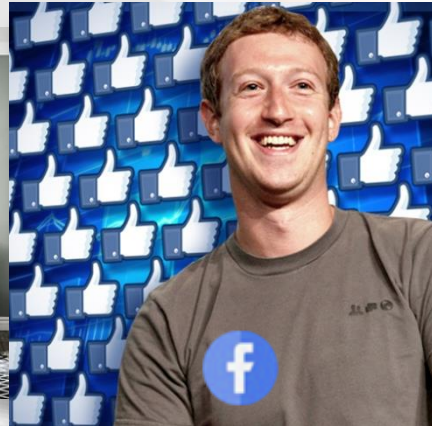
Social Marketing : bringing engagement and brand love



42% of web users
x2 Audience Instagram in 2 years



28% of web users
1,2M ideas posted per day



89% of web users
46min spent daily per each user



48% of web users
500M daily tweets



75% of web users between 15-24 years old
+30mn spent daily per each user

Our Product : social expertise



Vidéo Image
Live editorial
Vidéo 360°
games
Chatbot



Video Stories
Influencers Live
Image



Stories
Lenses
Filters



Image
Influencers
Vidéo



Games
Image
Video

Social Listening

Content Marketing

Social Publishing

Main Advertiser's gain in 2017



New broadcasting channels : chatbots

OFFRES PACKAGÉES



MILLENNIALS

200K users
14M messages



NEWS ADDICT

40K users

Demotivateur
Food

FOODIES

10K users



PARENTS

NATIVE
EDITO

JEU
CONCOURS

BRAND
CONTENT



FINANCIALS 2017

*Figures Closed by ADUX SA board of directors on 13th March 2018. The yearly and consolidated financial statements have been audited and the corresponding certification report is being prepared. The report on the financial statements for 2017 will be available on the Company's Internet site in the legal deadline.

Financial Highlights – 2017

In €M	2017	2016
Revenue	34,2	39,3
Gross profit	17,9	20,0
EBITDA	1,7	1,4
Depreciation and amortization	(2,7)	(1,7)
Operating profit	(1,4)	(0,5)
Earning of the consolidated companies	(2,0)	(0,7)
Net income from discontinued operations	(2,8)	(0,6)
Net income	(4,7)	(1,3)
Net income - Group share	(4,3)	(1,1)

□ 24,2 €M revenue with core businesses :

- Native + 85% in 2017
- Social Marketing + 50% in 2017
- Drive To Store -30% in 2017

→ 70% of the revenue in 2017

→ this part should increase in 2018

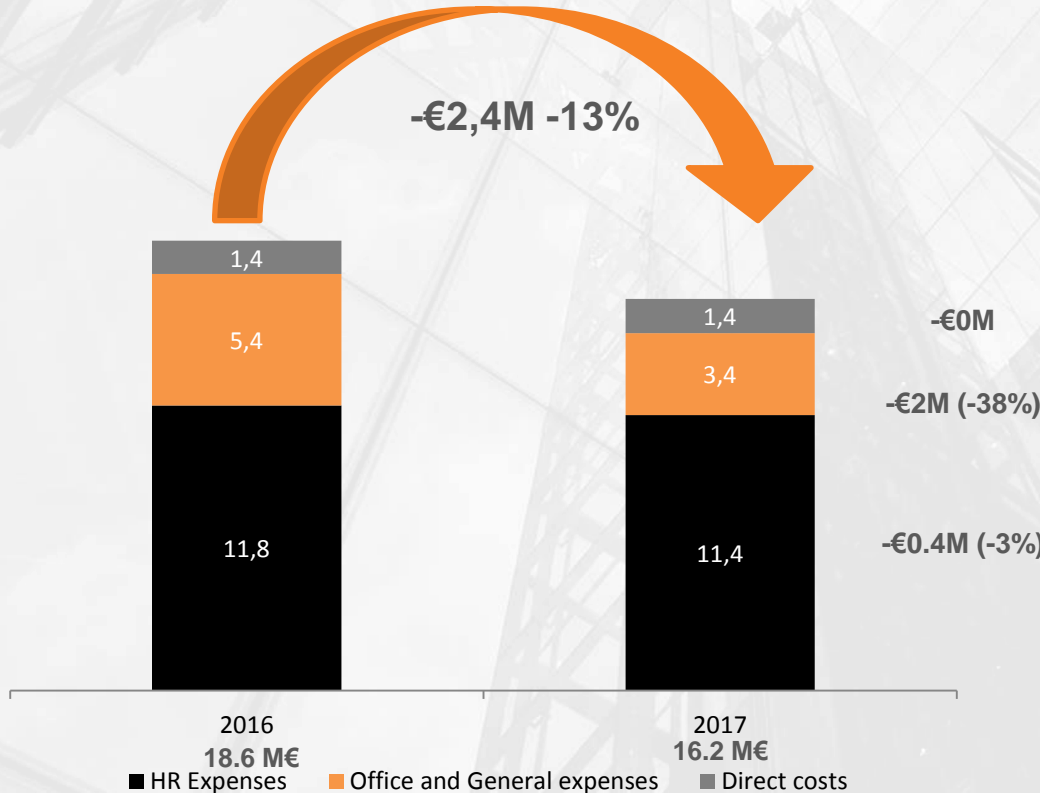
□ 10 €M revenue with other businesses

□ (2,8) €M net income from discontinued operations includes :

- Loss related to Spanish goodwill (6,3) €M
- Impact of the Latam sale +2,2 €M

→ The final price for the historical Italian activity would be definitive before the end of June 2018

Consolidated costs are decreasing and under control

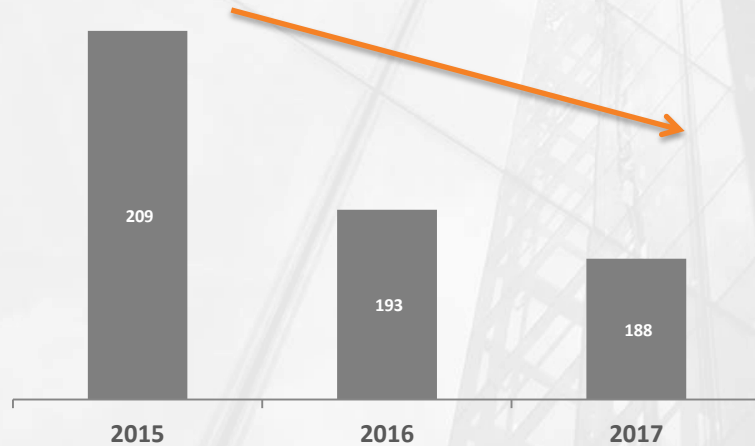


€16M FY 2017 vs. €18,5M FY 2016

- -€2.4M (-13%) between 2017 & 2016
- Direct costs (advertising/hosting) are stabilized
- HR costs have been decreased by -€0,4M (-3%). The headcount has been reduced on the other businesses whereas Quantum and Apdulse team have been reinforced
- Office & General (rental charges, marketing, audit and legal fees, travel and representation...) costs have been reduced by -€2M (-38%). A million is explained by a change in the holding company's property lease.

Headcount has been optimized and the workforce is scalable at reasonable cost

188 people in 2017 vs. 193 people in 2016 (restated)



- A strong reduction in the global headcount
- IT and backoffice teams have been organized in lower labour cost countries
- Deployment of Quantum and Admoove in new geographical area

Cash Flow synthesis

M€	2015	2016	2017
Cash - period start	48,7	7,4	5,7
Cash from operations	-18,0	-6,3	-4,1
Cash from investment activities	-6,5	3,0	3,6
Current	-1,4	-1,3	-1,6
Non current	-3,0	-0,2	0,1
Acquisition of a subsidiary and Disposal after deduction of cash transferred	-2,1	4,5	5,0
Bank loans	0,0	1,6	-0,6
Cash affected to HiPay spin off	-16,8		
Cash - end of the period	7,4	5,7	4,6

- Working capital: substantial decrease
- Capex : an average of €1.5M per year
- 5M€ of disposal/acquisition of subsidiaries
- HiPay valuation at €0,4M as of December, 31st 2017
- Tax loss carryforward for €64M mainly in France

Business trends for 2018

- ▶ Revenue growth for the 3 main businesses which should represent around 85% of the 2018 top line:
 - Native, still double digits growth
 - Social Marketing, still double digits growth
 - Drive To Store, different phasing but growth anticipated for 2018 too
- ▶ Less contraction for the other businesses than 2017 vs. 2016
- ▶ Steady gross margin rate on an average of 40%
- ▶ Direct costs & HR costs evolution following the opening countries for Quantum and the development of the core businesses

Growth in the top line should impact positively the bottom line

Investment will continue on the same trend to sustain our technological assets



MOVING FORWARD

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A clear roadmap for growth

- ▶ **NATIVE** experiences **a strong growth**

- ▶ **DRIVE TO STORE** will **recover growth alongside the new GDPR paradigm**

- ▶ **SOCIAL PUBLISING** grows fast and will get scale **with new broadcasting channels**

With a stronger financial profile

- ▶ New perimeter allows a **stronger growth profile**

- ▶ Long term EBITDA **margin shall reach 10% and more**

And already anticipating next moves

- ▶ **DSP and SSP** technologies will be more complimentary and integrated

- ▶ **Instore ROI measurement** will drive retailer's investment

- ▶ **Conversational marketing** will bring a new frontier for advertisers



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user experience

quantum

adpulse

admoove