



**INVIBES ADVERTISING N.V.**

REIGERSTRAAT 8 – 9000 – GAND (Zwijnaarde) – Belgium

GENT (GENT – GAND), 0836 533 938

(Hereafter "INVIBES", the "Group" or the "Company")

<https://www.invibes.com/>

## INTERIM FINANCIAL REPORT

**Euronext GROWTH™**



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## **A. HALF-YEAR MANAGEMENT REPORT**

## Half-year results 2023: return to a positive EBITDA in H1

| <i>Consolidated data,<br/>Unaudited, in k€</i> | <b>H1 2023</b> | <b>H1 2022</b> | <b>Δ</b>      |
|--|----------------|----------------|---------------|
| <b>Turnover</b>                                | <b>12 441</b>  | <b>13 265</b>  | <b>-6%</b>    |
| Purchases and external expenses                | (7 136)        | (7 274)        | -2%           |
| Staff costs                                    | (5 113)        | (6 958)        | -27%          |
| <b>EBITDA</b>                                  | <b>192</b>     | <b>(967)</b>   | <b>+1 159</b> |
| Depreciation, amortisation and provisions      | (599)          | (630)          | -5%           |
| <b>Operating income (loss)</b>                 | <b>(407)</b>   | <b>(1 597)</b> | <b>+1 190</b> |
| Financial result                               | (36)           | (141)          | +74%          |
| Tax  | (3)            | (1)            | -             |
| <b>Net result (loss)</b>                       | <b>(446)</b>   | <b>(1 739)</b> | <b>+1 293</b> |

### Resilient sales for the first half of 2023, down 6% H1 YoY.

In the 1<sup>st</sup> half-year to 2023, Invibes recorded sales of €12.4m, down 6% on the comparative period in 2022, reflecting contrasting trends by country.

During the first six months, business in the **existing countries** where Invibes has been established for the longest (France, Spain, Switzerland) continued to be challenging.

Whilst **countries in the scale-up phase** (Germany, the UK, Italy, and Belgium) proved resilient, with sales up 23% over the period.

### Return to positive EBITDA in H1.

Faced with a significant slowdown in the advertising market in the summer of 2022, Invibes rapidly responded by taking immediate steps in the second half of the year to optimize its cost structure, notably by cutting its staff by 15% in the second half of 2022, with the aim of returning to profitability in 2023.

These rapid measures to cut costs enabled the Group to adapt its cost structure to the weaker economic environment, while maintaining the sales forces needed to pursue growth in all its strategic growth countries. These measures, in combination with a stringent control on other key parameters, such as gross margin, have enabled a return to positive EBITDA from 1st half 2023.

The breakdown of EBITDA by country maturity is as follows:

| Consolidated data,<br>Unaudited, in k€          | H1 2023    | H1 2022      | H1 2021    |
|---|------------|--------------|------------|
| <b>Existing countries</b> <sup>(1)</sup>        |            |              |            |
| Turnover  | 8 332      | 10 148       | 7 014      |
| EBITDA  | 2 543      | 3 316        | 2 078      |
| % EBITDA  | 31%        | 33%          | 30%        |
| <b>Scale-up</b> <sup>(2)</sup>                  |            |              |            |
| Turnover  | 3 584      | 2 918        | 1 691      |
| EBITDA  | 133        | (446)        | (283)      |
| % EBITDA  | 4%         | -15%         | -17%       |
| <b>New countries (start-ups)</b> <sup>(3)</sup> |            |              |            |
| Turnover  | 524        | 199          | 10         |
| EBITDA  | (392)      | (753)        | (40)       |
| % EBITDA  | -          | -            | -          |
| <b>Group overheads</b> <sup>(4)</sup>           |            |              |            |
|   | (2 094)    | (3 084)      | (1 252)    |
| <b>Consolidated EBITDA</b>                      | <b>192</b> | <b>(967)</b> | <b>503</b> |

(1) France, Spain, Switzerland and ML2GROW

(2) Germany, United Kingdom, Italy, and Belgium

(3) Sweden, Norway, Denmark, South Africa, Netherlands, UAE, Poland, and Czech Republic

(4) Excluding CAPEX

Despite a fall in activity in the countries where Invibes has been established for the longest (France, Spain, Switzerland), the EBITDA margin remained solid at over 31%, demonstrating the resilience of the model when a market is mature and established and all the fundamentals are activated, despite more difficult conditions.

In countries in the scale-up phase (Germany, the UK, Italy and Belgium), sales growth has been accompanied by an improvement in profitability, with EBITDA showing a positive trend over the period.

After considering a depreciation of €599k, Invibes posted an operating loss of €407k, more than quadruple the figure for the first half of 2022.

The net loss was also divided by almost 4 over the period, reaching €446k.

### A solid balance sheet to support growth.

With a gross cash position of €17.3m (including €5.3m of deconsolidating factoring), and a net cash position of €10.5m at 30 June 2023, the Group has the necessary capacity to finance its future development and maintain a high level of investment in R&D, with innovation remaining the key driver of the Invibes model.

### Intelligent targeting solutions that are ever more innovative and unique, offering a strong competitive differentiation.

The cost-cutting measures have been implemented with the aim of maintaining its capacity for innovation, which is essential if it is to continue to stand out in the digital advertising ecosystem and win new market share.

On the strength of this constant innovation, Invibes stands out from its competitors with a unique value proposition incorporating technological Services & Solutions tailored to

advertisers' business sectors and ever more new intelligent targeting solutions based on bigdata and innovative, high-impact in-feed formats.

To give an example, in the first half of the year, Invibes launched Invibes Survey, an interactive targeting solution which has proved very popular with advertisers - combining the power of branding with the collection of direct feedback from users on any subject to gather key data with a view to optimising future campaigns and improving the customer experience.

Upstream of a campaign, this new solution uses a survey of a group of people to accurately identify target audience segments based on characteristics similar to those of the survey respondents, making it possible to extend the reach of the advertising campaign and win over new customers.

At the end of a campaign, the advertiser can also launch a survey to measure its effectiveness and impact (awareness, image, purchase intentions, consumption habits, etc.).

Multiple advertisers have already successfully used this innovative solution in recent months, including Nissan, Universal Pictures and Amazon Prime Video.

### **Outlook: reaffirmation of target of positive EBITDA in 2023**

With a first half marked by a return to positive EBITDA, benefiting from the effect of the cost-cutting measures implemented at the end of 2022, Invibes is reaffirming its confidence in its objective of achieving positive EBITDA over the full 2023 financial year.

## **B. CONSOLIDATED FINANCIAL STATEMENTS**



**INVIBES ADVERTISING NV  
REIGERSTRAAT 8,  
9000 GHENT  
BELGIUM**

**CONSOLIDATED INTERIM ACCOUNTS**

**From January 1<sup>st</sup>, 2023 to June 30<sup>th</sup>, 2023**



## REPORT ON THE WORK PERFORMED

As agreed, we have conducted the preparation of the consolidated accounts of the INVIBES ADVERTISING NV for the period from 1 January 2023 to 30 June 2023.

These consolidated accounts, along with the additional notes, are attached to the present report on the work performed.

They were prepared using the accounts of the parent company and information provided by the services of the Group.

They are characterized as follows:

|   |              |
|---|--------------|
| - Total of the consolidated balance sheet       | 35 551 652 € |
| - Consolidated sales                            | 12 440 579 € |
| - Group equity                                  | 20 709 717 € |
| - Consolidated net income                       | -446 277 €   |
| - Net income attributable to the parent company | -433 264 €   |

Our due diligence was carried out in accordance with the professional standard of the Order of Chartered Accountants applicable to the accounting engagement, which is neither an audit nor a limited examination.

On the basis of our work, we have not identified any issues that call into question the consistency and plausibility of the consolidated accounts as a whole as appended to this report.

Laval

**RSM FRANCE**

Signé électroniquement le 19/09/2023 par  
Delphine Lemonnier



**Delphine LEMONNIER**

Expert-comptable Diplômée  
(Certified Public Accountant)

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## Consolidated balance sheet

|                                 | Note   | 30/06/2023    | 31/12/2022    |
|---------------------------------|--------|---------------|---------------|
| Goodwill                        | 3.2.1  | 2 104         | 2 104         |
| Other intangible assets         | 3.2.2  | 3 089         | 2 519         |
| Property, plant and equipment   | 3.2.3  | 303           | 363           |
| Right-of-use assets             | 3.2.4  | 783           | 890           |
| Long-term financial assets      | 3.2.5  | 694           | 845           |
| Deferred tax assets             | 3.2.6  | 627           | 625           |
| <b>TOTAL NON-CURRENT ASSETS</b> |        | <b>7 599</b>  | <b>7 346</b>  |
| Trade receivables               | 3.2.7  | 8 683         | 8 382         |
| Current tax assets              | 3.2.8  | 1 267         | 1 208         |
| Other current assets            | 3.2.9  | 578           | 508           |
| Cash and cash equivalents       | 3.2.10 | 17 339        | 20 364        |
| <b>TOTAL CURRENT ASSETS</b>     |        | <b>27 952</b> | <b>30 462</b> |
| <b>TOTAL ASSETS</b>             |        | <b>35 552</b> | <b>37 808</b> |

|  | Notes         | 30/06/2023    | 31/12/2022    |
|--|---------------|---------------|---------------|
| Share capital, share premiums                          | 3.2.11.1      | 28 692        | 28 630        |
| Reserves and retained earnings/accumulated loss (-)    |               | -7 119        | 790           |
| Treasury shares (-)                                    |               | -450          | -450          |
| Currency translation adjustments                       | 3.2.11.2      | 20            | 16            |
| Net income attributable to the parent company          |               | -433          | -7 908        |
| <b>TOTAL EQUITY ATTRIBUTABLE TO THE PARENT COMPANY</b> |               | <b>20 710</b> | <b>21 078</b> |
| Minority interests                                     |               | -16           | -29           |
| <b>TOTAL EQUITY</b>                                    | <b>3.2.11</b> | <b>20 693</b> | <b>21 049</b> |
| Long-term financial liabilities                        | 3.2.12        | 3 756         | 2 931         |
| Long-term lease liabilities                            | 3.2.13        | 467           | 577           |
| Other long-term liabilities                            | 3.2.12        | 83            | 83            |
| Deferred tax liabilities                               | 3.2.6         |               |               |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                   |               | <b>4 306</b>  | <b>3 591</b>  |
| Trade payables   | 3.2.14        | 3 655         | 4 738         |
| Short-term financial liabilities                       | 3.2.12        | 2 982         | 3 842         |
| Short-term Lease liabilities                           | 3.2.13        | 365           | 374           |
| Current tax liabilities                                | 3.2.15        | 2 001         | 1 924         |
| Other current liabilities                              | 3.2.16        | 1 562         | 2 290         |
| <b>TOTAL CURRENT LIABILITIES</b>                       |               | <b>10 553</b> | <b>13 168</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    |               | <b>35 552</b> | <b>37 808</b> |

## Consolidated income statement

|   | Notes | 30/06/2023  | 31/12/2022    | 30/06/2022    |
|---|-------|-------------|---------------|---------------|
| Revenue   | 3.3.1 | 12 441      | 27 966        | 13 265        |
| Other operating income  | 3.3.2 | 93          | 158           | 175           |
| Capitalisation of internally generated intangible assets                  | 3.3.3 | 846         | 2 138         | 1 090         |
| Operating expenses  | 3.3.4 | -7 354      | -18 023       | -8 251        |
| Personnel expenses  | 3.3.5 | -5 808      | -16 506       | -6 958        |
| Depreciation and amortization   | 3.3.6 | -599        | -3 185        | -630          |
| Other operating expenses  | 3.3.7 | -53         | -330          | -282          |
| <b>OPERATING PROFIT/LOSS (-), before non-recurring items</b>              |       | <b>-433</b> | <b>-7 782</b> | <b>-1 590</b> |
| Other non-recurring income  |       | 40          | 33            | 3             |
| Other non-recurring expenses  |       | -14         | -3            |               |
| <b>OPERATING PROFIT/LOSS (-)</b>  |       | <b>-408</b> | <b>-7 752</b> | <b>-1 597</b> |
| Finance costs   | 3.3.8 | -157        | -391          | -144          |
| Other financial items   | 3.3.8 | 121         | -78           | 3             |
| <b>PROFIT/LOSS (-) before taxes, before non-recurring financial items</b> |       | <b>-444</b> | <b>-8 221</b> | <b>-1 738</b> |
| <b>PROFIT/LOSS (-) before taxes</b>                                       |       | <b>-444</b> | <b>-8 221</b> | <b>-1 738</b> |
| Income tax expense (-) / income   | 3.3.9 | -3          | 250           | -2            |
| <b>PROFIT/LOSS FOR THE YEAR</b>   |       | <b>-446</b> | <b>-7 972</b> | <b>-1 740</b> |
| <b>Profit/loss(-) for the year attributable to:</b>                       |       |             |               |               |
| Owners of the parent  |       | -433        | -7 908        | -1 699        |
| Non-controlling interest  |       | -13         | -63           | -41           |
| <b>Earnings per share in euros</b>  |       |             |               |               |
| basic   |       | -0,097      | -1,778        | -0,382        |
| diluted   |       | -0,089      | -1,615        |               |

## Comprehensive income

|  | Note      | 30/06/2023  | 31/12/2022    | 30/06/2022    |
|--|-----------|-------------|---------------|---------------|
| <b>PROFIT/LOSS(-) for the year</b>   | <b>4.</b> | <b>-446</b> | <b>-7 972</b> | <b>-1 740</b> |
| <b>Items that will not be reclassified to profit or loss</b>                   |           |             |               |               |
| Translation differences  | 3.2.11.2  | 4           | 77            | -70           |
| Deffered taxes on items that will not be reclassified to profit or loss        |           | 2           | -18           | -5            |
| <b>Items that will be reclassified to profit or loss</b>                       |           |             |               |               |
| <b>Sub-total of losses and profits directly registered as equity after tax</b> |           | <b>7</b>    | <b>59</b>     | <b>-75</b>    |
| <b>COMPREHENSIVE INCOME</b>  |           | <b>-440</b> | <b>-7 912</b> | <b>-1 816</b> |
| attributable to the parent company   |           | -427        | -7 912        | -1 774        |
| attributable to minority interests   |           | -13         |               | -41           |

## Statement of changes in equity

|   | Note     | Share capital | Consolidated reserves | Treasury shares | Translation differences | Deferred taxes on translation differences | Annual net profit | Total shareholders' equity (Group share) | Minority interests | Total equity |
|---|----------|---------------|-----------------------|-----------------|-------------------------|---|-------------------|--|--------------------|--------------|
| EQUITY AT 01/01/2022                        |          | 11 665        | -673                  | -450            | -58                     | 14  | 421               | 10 919                                   | 6                  | 10 925       |
| Income at 31/12/2022                        |          |               |                       |                 |                         |   | -7 908            | -7 908                                   | -63                | -7 972       |
| Net losses/incomes registered as equity     |          |               |                       |                 | 77                      | -18                                       |                   | 59                                       | -1                 | 59           |
| <i>Total registered expenses and income</i> |          |               |                       |                 | 77                      | -18                                       | -7 908            | -7 849                                   | -64                | -7 913       |
| Allocation of the net income to reserves    |          |               | 421                   |                 |                         |   | -421              |  |                    |              |
| Capital increase                            |          | 16 965        | -737                  |                 |                         |   |                   | 16 228                                   |                    | 16 228       |
| Treasury shares                             | 3.2.11.4 |               |                       |                 |                         |   |                   |  |                    |              |
| Put   | 3.2.11.5 |               |                       |                 |                         |   |                   |  |                    |              |
| Change in consolidation scope and other     |          |               | -57                   |                 |                         |   |                   | -57                                      | 29                 | -27          |
| EQUITY AT 31/12/2022                        |          | 28 630        | 790                   | -450            | 20                      | -4  | -7 908            | 21 079                                   | -29                | 21 050       |
| Income at 30/06/2023                        |          |               |                       |                 |                         |   | -433              | -433                                     | -13                | -446         |
| Net losses/incomes registered as equity     | 3.2.11   |               |                       |                 | 4                       | 2   |                   | 7  | -2                 | 5            |
| <i>Total registered expenses and income</i> |          |               |                       |                 | 4                       | 2   | -433              | -427                                     | -15                | -441         |
| Allocation of the net income to reserves    |          |               | -7 908                |                 |                         |   | 7 908             | -0                                       |                    | -0           |
| Employee share-based compensation           | 3.2.11.6 |               |                       |                 |                         |   |                   |  |                    |              |
| Capital increase                            | 3.2.11.1 | 63            |                       |                 | -3                      |   |                   | 60                                       | 27                 | 87           |
| Change in consolidation scope and other     | 3.2.11.3 |               |                       |                 |                         |   |                   |  |                    |              |
| EQUITY AT 30/06/2023                        |          | 28 692        | -7 118                | -450            | 21                      | -1  | -433              | 20 711                                   | -16                | 20 695       |

### Financial year 2023

There was a conversion of warrants on the 9<sup>th</sup> of March 2023 which caused an increase of capital K€ 62.7 and a further creation of 28.000 shares.

An operation of reconstitution of net equity on INVIBES SWITZERLAND has been realized in the first semester 2023, which result to a net increase of net equity of K€ 24 of which K€ 27 of minority interests.

As a result the total capital amounted to K€ 28 692 divided into 4 476 548 shares by the end of June 2023.

The loss of the period 2023 amounted to K€ -446.

### Financial year 2022

The Group benefited from a capital increase by private placement of K€ 16 776 at the start of 2022 in order to finance its future growth. The capital increase was carried out with waiver of the preferential right by private placement with qualified European investors, through an accelerated bookbuilding. A total of 932 000 new shares were issued for a total gross amount of K€ 16 776, representing 21.3 % of the outstanding shares of Invibes Advertising after the capital increase. The subscription price for the new shares (€ 18 per share) reflected a discount of 11.8 % compared to the closing price of the Company's share on January 26<sup>th</sup>, 2022 (€ 20,4 per share). As a result of this transaction, the share capital of Invibes Advertising was increased from K€ 11 664 to K€ 28 440, divided into 4 367 406 shares with a nominal value of € 6,51 each.

There was also a conversion of warrants on the 1<sup>st</sup> of March 2022 which caused an increase of capital of K€ 188 and a further creation of 81 142 shares.

As a result the total capital amounted to K€ 28 630 divided into 4 448 548 shares by the end of 2022.

The expenses related to the capital increase by private placement amounted to K€ 719 and to K€ 18 for the warrants conversion.

A total amount of K€ 1 837 is recognised as an expense in profit and loss (personnel expenses) with a corresponding credit to consolidated reserves. This equity-settled share-based payment transactions related to employee remunerations (cf note 3.2.11.5).

The purchase of minority stake in the subsidiary INVIBES ADVERTISING AG and in INVIBES SWITZERLAND represented a decrease of minority interests amounting to K€ -29 and an increase of shareholder's equity amounting to K€ 56.

The loss of the year 2022 amounted to K€ -7 972.

## Cash flow statement

|   | Note              | 30/06/2023    | 30/06/2022    |
|---|-------------------|---------------|---------------|
| <b>PROFIT/LOSS (-) FOR THE YEAR</b>   |                   | <b>-446</b>   | <b>-1 740</b> |
| Income (loss) from non-current assets disposal  |                   | 1             |               |
| +Income tax expense / income  | 3.3.9             | 3             | 2             |
| +Finance cost   | 3.3.8             | 157           | 144           |
| +Depreciation and amortization  | 3.3.6             | 599           | 630           |
| +Reversal of provisions   |                   |               |               |
| +Share-based payment expenses   | 3.2.11.6          |               |               |
| +Other non-cash adjustments   |                   | -53           |               |
| <b>Cash flow from operating activities before change in the working capital requirement</b> |                   | <b>261</b>    | <b>-964</b>   |
| Change in the working capital requirement   |                   | -2 133        | -1 919        |
| Income taxes paid   | 3.3.9             | -2            | -1            |
| <b>Net cash flow from operating activities</b>  |                   | <b>-1 874</b> | <b>-2 884</b> |
| <b>Investing activities</b>   |                   |               |               |
| Acquisition of fixed assets   | 3.2.2/3.2.3/3.2.5 | -1 106        | -1 546        |
| Proceeds from sale of fixed assets  | 3.2.2/3.2.3/3.2.5 | 263           | 192           |
| Effects of the changes in the scope   |                   |               | -55           |
| <b>Cash flow from investing activities</b>  |                   | <b>-842</b>   | <b>-1 408</b> |
| <b>Financing activities</b>   |                   |               |               |
| Proceeds from the issue of share capital  | 3.2.11.1          | 87            | 16 246        |
| Acquisition of treasury shares  |                   |               |               |
| Proceeds from financial liabilities   | 3.2.12            | 1 000         | 213           |
| Repayment of financial liabilities  | 3.2.12            | -1 050        | -1 003        |
| Repayment of financial lease liabilities  | 3.2.13            | -194          | -67           |
| Interest paid   |                   | -144          |               |
| <b>Cash flow from financing activities</b>  |                   | <b>-301</b>   | <b>15 389</b> |
| <b>Change in cash</b>   |                   | <b>-3 018</b> | <b>11 097</b> |
| Opening cash position   |                   | 18 951        | 7 519         |
| Closing cash position   |                   | 15 912        | 18 645        |
| Effect of the changes in the foreign exchange rates   |                   | -21           | 29            |
| <b>Change in cash</b>   |                   | <b>-3 018</b> | <b>11 097</b> |
| <b>Breakdown of the closing cash position</b>   |                   |               |               |
| Cash and cash equivalents   | 3.2.10            | 17 339        | 21 083        |
| Current bank overdrafts   | 3.2.12            | 1 427         | 2 438         |



## NOTES ON THE CASH FLOW STATEMENT

### Cash flows from operating activities

The income taxes expense (-)/income amounts to K€ -3 for the 2023 first semester compared to K€ -2 for the 2022 first semester.

The amortization on other intangible assets amount to K€ 398 in June 2023 compared to K€ 465 in June 2022. The depreciation on property, plant and equipment amounts to K€ 83 in June 2023 compared to K€ 56 in June 2022. The depreciation on right-of-use assets amounts to K€ 183 in June 2023 compared to K€ 106 in June 2022. There was an increase of provisions for risks of K€ 3 in June 2022 compared to a decrease of the provisions for risks of K€ 14 and a decrease of provision for doubtful debts of 52 K€ in 2023.

### Increase/decrease (-) in working capital

The cash flows are also affected in function of the increase/decrease (-) in working capital.

At group level in June 2022, the change in working capital of K€ -1.919 consist of a net change of operational receivables and payables for K€ -1.919.

At group level in June 2023, the change in working capital of K€ -2.133 consist of a net change of operational receivables and payables for K€ -2.133.

### Cash flows from investing activities

In June 2023, the investments in property, plant and equipment amount to K€ 21 and are mainly related to investments in rented buildings. Investments in software amount to K€ 954 and other intangible assets amounts to K€ 17. The main investments of the period were further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). The investments in financial assets amounted to K€ 113.

In June 2022, the investments in property, plant and equipment amount to K€ 143 and are mainly related to investments in rented buildings. Investments in softwares amount to K€ 1 200. The main investments of the year were further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). The investments in financial assets amounted to K€ 217.

### Cash flows from financing activities

The cash flows from financing activities in June 2023 consist of:

- a conversion of warrants of K€ 63,
- a net increase of net equity of INVIBES SWITZERLAND of K€ 24,
- commitment of new loans to K€ 1 000,
- the repayment of the interest-bearing financial liabilities amounting to K€ 1 050,
- the repayment of the lease liabilities by the application of IFRS 16 amounting to K€ 194.
- interest paid of K€ 144.

The cash flows from financing activities in June 2022 consist of:

- a capital increase of a net amount of K€ 16 246,
- commitment of new loans to K€ 213,

- the repayment of the interest-bearing financial liabilities amounting to K€ 1 003,
- the repayment of the lease liabilities by the application of IFRS 16 amounting to K€ 67.

### **Total cash and cash equivalents**

In June 2022, the cash and cash equivalents increased from K€ 7 519 to K€ 18 645. In June 2023, the cash and cash equivalents decreased from K€ 18 951 to K€ 15 912.

## **1 GENERAL INFORMATION**

### **1.1 General information, statement of compliance with IFRS and going concern assumption**

INVIBES ADVERTISING NV is a technology company that specializes in digital advertising. The Company solutions are supported by an in-feed format that's integrated into media content. Invibes is inspired by social network advertising and develops its own technology to help brands better communicate with consumers.

The company INVIBES ADVERTISING NV, head of the group, is a Belgian shareholding company. Its headquarters are located at the Reigerstraat 8, 9000 Ghent, Belgium. Its identification number is BE 0836.533.938.

The consolidated financial statements for the period ended June 30<sup>th</sup>, 2023 (including comparatives) were released for publication by the Board of Directors on September 20<sup>th</sup>, 2023.

The shares of INVIBES ADVERTISING NV are listed on the Euronext Growth Paris market under code ISN BE097299316. Shares are not listed on any other market.

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), the standards for financial reporting and the interpretations issued by the International Accounting Standards Board (IASB), as approved by the European Union, and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. They have been prepared under the assumption the Group operates on a going concern basis.

The going concern assumption was challenged, taken into account:

- The situation as of June 30<sup>th</sup>, 2023 of realizable net assets and current liabilities,
- Cash forecasts for the Company and its subsidiaries for the 12 months following closing.

The Board of Directors, after having examined these various elements, estimated that the company will be able to meet its cash requirements until December 31<sup>st</sup>, 2023 at least, and consequently that the consolidated accounts should be prepared on a going concern basis.

The consolidated accounts are expressed in thousands of euros (KEUR) unless otherwise specified.

### **1.2 New or revised standards or interpretations**

During the current financial year, the company applied all published new and revised standards and interpretations that are relevant to its activities and which are in force for the accounting period that started on January 1, 2023, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

For the preparation of the financial statements on June 30<sup>th</sup>, 2023 the group applied the rules and interpretations mandatory applicable from January 1<sup>st</sup>, 2023.

- Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of Accounting policies.
- Amendment to IAS 8 Accounting policies, Changes in Accounting estimates and Errors: definition of Accounting Estimates.
- Amendments IAS 12 Income taxes: Deferred Tax related to Assets Liabilities arising from a single transaction.
- IFRS 17 Insurance contracts (replacing IFRS 4), including amendments to IFRS 17.
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – comparative Information.

The application of the other new Standards, Interpretations and Changes has not resulted in any important changes to the group's principles for financial reporting.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB and endorsed by the EU. None of these Standards or amendments to existing Standards have been adopted early by the Group:

- Amendments IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current – deferral of Effective date.
- Amendments to IFRS 16 - Leaseback Rental Liabilities
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Agreements
- Amendments to IAS 7 – Cash flow statements
- IFRS 7 – Financial instruments: disclosure: Supplier Finance Agreements

The group did not carry out an early application of the new standards and changes to existing standards and interpretations that were not yet endorsed by the European Union:

- Amendments to IAS 12 – Income taxes: International tax reform – Rule template of pillar 2

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The group's financial statements have been prepared on an accruals basis and under the historical cost convention. Any exceptions to this historical cost convention will be disclosed in the measurement bases below.

The consolidated financial statements of the Company as at June 30<sup>th</sup>, 2023, include the financial statements of Invibes Advertising NV, the Parent company, and its subsidiaries. The whole constitutes the "Invibes Group". The consolidated financial statements are prepared before appropriation of the result of the parent company as proposed to the General Meeting of Shareholders.

## 2.2 *Basis of consolidation*

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 30<sup>th</sup> June 2023. All subsidiaries have a reporting date of 30<sup>th</sup> June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## 2.3 *Scope of the consolidation level*

In accordance with IFRS 10, subsidiaries are all controlled entities. Control, regardless of the level of interest held in an entity, is the result of the following three components: the holding of the power to direct the key activities (operational and financial activities), the exposure or the right to the associated variable returns participation, and the ability to exercise that power in ways that influence those returns. Only substantive rights, as conferred by shareholders' agreements, which can be exercised when decisions on key activities have to be made and which are not purely protective, are taken into account for the determination of power. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

Joint ventures are partnerships in which the Invibes Group and the other parties involved exercise contractually agreed joint control over the entity and have rights to its net assets.

Associates are entities in which the Group exercises significant influence: Invibes Group has the power to participate in financial and operational policy decisions without however exercising joint control or control. Significant influence is presumed when the Group holds, directly or indirectly, a stake greater than or equal to 20%.

The consolidation methods used are:

- Full consolidation method for subsidiary companies over which the Invibes group exercises control. Within consolidated equity, the share of minority interests in the equity of consolidated subsidiaries is presented under a specific line, as in the income statement and in the statement of comprehensive income.
- The equity method for joint ventures and associates. This method consists in retaining in the consolidated financial statements only the share of shareholders' equity corresponding to the percentage held by the Invibes Group. If the Invibes Group's share in the losses of an equity-accounted entity is greater than its interest in it, then the Invibes Group's share is reduced to zero. Additional losses are subject to a provision if the Invibes Group has a legal or implicit obligation in this regard.

The list of companies fully consolidated and accounted for using the equity method is presented below.

| Consolidation perimeter                    |   |                       |            |        |
|--|---|-----------------------|------------|--------|
| Name                                       | Headquarter   | Identification number | % interest | Method |
| <i>Top :</i>                               |   |                       |            |        |
| INVIBES ADVERTISING NV                     | REIGERSTRAAT 8, 9000 GHENT  | BE0836533938          |            | Top    |
| <i>Subsidiaries :</i>                      |   |                       |            |        |
| INVIBES SERVICES SRL                       | Str. Grigore Cobălcescu 46, Camera 7, Etaj 2, Sector 1, 010196 BUCHAREST                          | RO30562825            | 100,00%    | FC     |
| INVIBES ADVERTISING SAS                    | 24 rue des Petites Ecuries 75010 PARIS  | FR5374500140          | 100,00%    | FC     |
| INVIBES ADVERTISING INC                    | 1177 Avenue of the Americas, 7th Floor New York. NY 10036   | 6020943               | 100,00%    | FC     |
| INVIBES SPAIN SL                           | Paseo de la Castellana 137, 4ª planta, 28046 MADRID   | B37563434             | 100,00%    | FC     |
| INVIBES ADVERTISING AG                     | Steuerberatungsgesellschaft Theaterstraße 45, 80333 MÜNCHEN                                       | DE320810302           | 99,12%     | FC     |
| INVIBES SWITZERLAND AG                     | Langstrasse 11, 8004 ZÜRICH   | CHE-302.303.944       | 98,40%     | FC     |
| INVIBES FINANCE SA                         | Place de Paris 2314 Luxembourg  | B42153                | 100,00%    | FC     |
| ML2GROW                                    | REIGERSTRAAT 8, 9000 GHENT  | 676644086             | 62,33%     | FC     |
| INVIBES ITALY SRL                          | MILANO VIA GIOSUE CARDUCCI 31 CAP 20123   | IT10919160969         | 100,00%    | FC     |
| INVIBES ADVERTISING UK LTD                 | 5 Underwood Street, N1 7LY LONDON   | GB 330 1273 54        | 100,00%    | FC     |
| INVIBES BENELUX BV                         | Prins Boudewijnlaan 5 Boite 10 2550 KONTICH   | BE0747.591.173        | 100,00%    | FC     |
| INVIBES NETHERLANDS BV                     | KNSM-laan 171<br>1019LC AMSTERDAM   | NL861951438801        | 100,00%    | FC     |
| INVIBES SAAS OÜ                            | Soprupe pst 145, Kristiine district<br>Harju county, 13417 TALINN                                 | EE 102307368          | 100,00%    | FC     |
| INVIBES NORDICS AB                         | c/o Leinonen, Sankt Eriksgatan 63B, 112 34,<br>STOCKHOLM  | 559314-9254           | 100,00%    | FC     |
| INVIBES NORWAY AS                          | Arbins Gate 4, 0253 OSLO  | 928094251             | 100,00%    | FC     |
| INVIBES DENMARK APS                        | c/o Baker Tilly Revisionspartnerselsk., Poul<br>Bundgaards Vej 1, 1, 2500 VALBY                   | 42726745              | 100,00%    | FC     |
| INVIBES TURKEY                             | MECIDIYÖY MAH. BÜYÜKDERE CAD. İBRAHİM POLAT<br>HOLDING BLOK NO: 87İç KAPI NO:5 SISLI - İSTANBUL   | 4651257218            | 100,00%    | FC     |
| INVIBES ADVERTISING FZ-LLC                 | SEO100 BLDG 08-CO Work, DUBAI MEDIA CITY<br>10 Buffalo Road, Gallo Manor Sandton, 2196<br>GAUTENG | 100559210800003       | 100,00%    | FC     |
| INVIBES ADVERTISING SOUTH AFRICA (PTY) LTD |   | 4690300811            | 100,00%    | FC     |
| INVIBES POLAND                             | Ul. Przykopowa 33, 01-208 WARSAW  | PL 5272966038         | 100,00%    | FC     |
| INVIBES CENTRAL EUROPE                     | Ovocny trh 1096/8, stare Mesto, 11000 PRAHA   | 1421676               | 100,00%    | FC     |
| ADSPARK                                    | Steuerberatungsgesellschaft Theaterstraße 45,<br>80333 MÜNCHEN                                    | HRB 273516            | 100,00%    | FC     |
| INVIBES BUCHAREST                          | Str. Grigore Cobălcescu 46, Camera 7, Etaj 2, Sector 1,<br>010196 BUCHAREST                       |                       | 100,00%    | FC     |

FC: Full consolidation, EM: Equity method

All the companies of the scope close their accounting year on December 31st.

The Group does not hold any unconsolidated structured entity.

### 2.3.1 Entry in the consolidation scope

There was no entry in the consolidation scope during the accounting period.

### 2.3.2 Exit from the consolidation scope

There was no exit from the scope during the accounting period.

## 2.4 Translation of the accounts and the operations denominated in a foreign currency

### 2.4.1 Translation of the financial statements of the foreign subsidiaries

The accounts of the foreign subsidiaries are kept in their functional currency.

Assets and liabilities of subsidiaries located outside the euro area are converted into euro using the exchange rate at the closing date. The elements of the income statement are translated into euros at the rate approaching the exchange rates at the dates of transactions, or at the average rate of the period if there are not important fluctuations in the rate. Equity is presented at historical rate. Exchange differences resulting from translations are presented in the translation reserves in equity until the date of sale of the subsidiary.

#### 2.4.2 Translation of the transactions denominated in a foreign currency

The transactions denominated in foreign currencies are translated at the current foreign exchange rate at the date of the transaction.

At the closure of the accounting year, the monetary assets and liabilities denominated in foreign currencies are translated at the closing foreign exchange rate. The resulting foreign exchange differences are registered as foreign exchange gains or losses in the income statement for the transactions linked to the activity.

The functional currency of the foreign subsidiaries is the local currency.

## 2.4.3 Foreign exchange rates used for the preparation of the consolidated accounts

| <b>Euro against foreign currencies rate</b>          | <b>AED</b> | <b>CHF</b> | <b>CZK</b> | <b>DKK</b> | <b>GBP</b> | <b>NOK</b> |
|--|------------|------------|------------|------------|------------|------------|
| <b>Closing rate</b>                                  |            |            |            |            |            |            |
| Rate at 31 December 2021                             | 4,1763     | 1,0331     | 24,7390    | 7,4364     | 0,8403     | 9,9888     |
| Rate at 31 December 2022                             | 3,9299     | 0,9847     | 24,1160    | 7,4365     | 0,8869     | 10,5138    |
| Rate at 31 June 2023                                 | 4,0096     | 0,9788     | 23,7420    | 7,4474     | 0,8583     | 11,7040    |
| <b>Average rate</b>                                  |            |            |            |            |            |            |
| Average rate from 1 January 2021 to 31 December 2021 | 4,3333     | 1,0799     |            | 7,4368     | 0,8584     | 10,1639    |
| Average rate from 1 January 2022 to 31 December 2022 | 3,8665     | 1,0017     | 24,5378    | 7,4396     | 0,8548     | 10,1122    |
| Average rate from 1 January 2023 to 31 June 2023     | 3,9814     | 0,9883     | 23,6277    | 7,4468     | 0,8733     | 11,4622    |
| <b>Euro against foreign currencies rate</b>          | <b>PLN</b> | <b>RON</b> | <b>SEK</b> | <b>TRY</b> | <b>USD</b> | <b>ZAR</b> |
| <b>Closing rate</b>                                  |            |            |            |            |            |            |
| Rate at 31 December 2021                             | 4,5969     | 4,9490     | 10,2503    | 15,2335    | 1,1326     | 18,0625    |
| Rate at 31 December 2022                             | 4,6808     | 4,9495     | 11,1218    | 19,9649    | 1,0666     | 18,0986    |
| Rate at 31 June 2023                                 | 4,4388     | 4,9635     | 11,8055    | 28,3193    | 1,0866     | 20,5785    |
| <b>Average rate</b>                                  |            |            |            |            |            |            |
| Average rate from 1 January 2021 to 31 December 2021 |            | 4,9251     | 10,1562    | 10,8104    | 1,1816     | 17,5922    |
| Average rate from 1 January 2022 to 31 December 2022 | 4,6868     | 4,9340     | 10,6571    | 17,4566    | 1,0500     | 17,2127    |
| Average rate from 1 January 2023 to 31 June 2023     | 4,6081     | 4,9422     | 11,4152    | 22,1849    | 1,0810     | 19,9452    |

## 2.5 Goodwill

All business combinations are measured and recognised in accordance with the revised IFRS 3:

The consideration transferred (acquisition cost) is measured at the fair value of the assets delivered, issued equity and liabilities incurred at the date of acquisition. Costs directly attributable to the acquisition are expensed.

The group uses the full goodwill method, which is the difference between the sum of the acquisition cost of the business combination and the fair value of the minority interests, and the net amount of the assets. Assets and liabilities assumed measured at fair value at the acquisition date.

Goodwill is determined at the acquisition date of the acquired entity and is not subject to any subsequent adjustment beyond the measurement period; the subsequent acquisition of non-controlled interests does not give rise to the recognition of additional goodwill.

The accounting for a business combination must be completed within 12 months of the acquisition date. This period applies to the valuation of identifiable assets and liabilities, the consideration transferred and uncontrolled interest.

If the fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of an acquisition, the difference is immediately recognised in the income statement.

Goodwill is tested for impairment annually or more frequently if events or changes indicate that the carrying amount of the goodwill may have been impaired. When an impairment loss is recognised, the difference between the carrying amount and its recoverable amount is recognised as an operating expense on the "asset impairment" line and is irreversible.

Goodwill is allocated to the relevant cash-generating unit for purpose of impairment testing.

## 2.6 Other intangible assets

### 2.6.1 Internally developed software

Expenditure on the research phase of projects to develop new customized software for IT and telecommunication systems is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

- the development costs can be measured reliably,
- the project is technically and commercially feasible,
- the Group intends to and has sufficient resources to complete the project,
- the Group has the ability to use or sell the software, and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalization are expensed as incurred. Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

### 2.6.2 External purchased software and other intangible assets

These intangible assets acquired by Invibes Group are recognised at cost.



### 2.6.3 Subsequent measurement

All finite-lived intangible assets, including capitalized internally developed software, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

- Software: 5 years
- Other intangible assets: 5 years

At each reporting date, the group reviews whether there is any indication that assets may be impaired. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of an asset is the higher of its net selling price and its value in use. The value in use is the net present value of any cash flows arising from the use of an asset or a cash-generating unit. For an asset to which no cash flows can be directly attributed, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. If an asset's recoverable amount is less than the carrying amount, the latter is reduced to the recoverable amount. The impairment is recognised directly in the income statement. If a previously recorded impairment is no longer justified, the impairment is reversed.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other operating expenses.

## 2.7 Property, plant and equipment

In accordance with the IAS 16 "Tangible assets" rule, only the elements whose cost can be determined in a reliable way and for whose it is likely the future economic benefits will benefit to the group are registered as tangible assets.

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Invibes Group's management.

The different components of a tangible asset are registered separately when their estimated useful life, and therefore their depreciation period, are significantly different. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

| Nature                | Depreciation period |
|-----------------------|---------------------|
| Equipment             | 5 years             |
| Other tangible assets | 2 to 5 years        |

These depreciation periods are reviewed and modified in case of a significant change; these changes are applied prospectively.

At each reporting date, the group reviews whether there is any indication that assets may be impaired. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of an asset is the higher of its net selling price and its value in use. The value in use is the net present value of any cash flows arising from the use of an asset or a cash-generating unit. For an asset to which no cash flows can be directly attributed, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. If an asset's recoverable amount is less than the carrying amount, the latter is reduced to the recoverable amount. The impairment is recognised directly in the income statement. If a previously recorded impairment is no longer justified, the impairment is reversed.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other operating expenses.

## **2.8 Right-of-use assets**

At lease commencement date, the Invibes Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Invibes Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

## **2.9 Financial assets**

Financial assets include deposits and securities, receivables related to non-consolidated participating interests and the other receivables. They are valued at their historical value.

When their value is lower than their probable recovery value, an impairment is recorded.

## **2.10 Accounts receivable**

The accounts receivables include the invoices related to service delivery contracts according to the following principle:

The invoiced receivables are estimated at their fair value when they are initially registered. They are the subject of an impairment according to their probability of recovery if necessary.

The group enters into debtfactoring contracts with external factorparties as a result of which, part of the trade receivables portfolio is recurrently sold to the factor.

The debt factoring arrangement results in de-recognition if it qualifies as a transfer in accordance with either IFRS 9 and the group transfers substantially all the risks and rewards of ownership of the financial asset (account receivable). A transfer is a qualifying transfer if:

- the contractual rights to the cash flows are transferred; or
- the contractual rights to the cash flows are retained but the company assumes an obligation to pay them on to the factor in a manner that meets the conditions in IFRS 9 being that we have no obligation to pay any amounts to the factor unless we receive the cash flows from the customers, we cannot sell or pledge the receivables to a third party and the company has to remit the cash flows it collects without material delay.

## **2.11 Other current assets**

The other current assets mainly exist out of other receivables. The other receivables are estimated at their fair value when they are initially registered. They are the subject of an impairment according to their probability of recovery if necessary.

## **2.12 Cash and cash equivalents**

Cash and cash equivalents include funds in the cash register and demand deposits, generally under 3 months, easily available or transferable on the very short term, convertibles into an amount of cash and presenting no material risks of changes in value.

The bank overdrafts repayable on demand which are an integral part of the group cash management constitute a component of cash and cash equivalents for the needs of the cash flows table.

## **2.13 Equity, reserves and dividend payments**

Share capital represents the nominal value of shares that have been issued. Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Reserves and retained earnings / accumulated loss (-) – comprises all current year and prior period retained profits.
- Treasury shares (-) – comprises the value of the call option the Invibes Group has on its own shares.
- Currency translation adjustments – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into EURO.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Retained earnings includes all current and prior period retained profits, treasury shares and share-based employee remuneration (see Note 3.2.11.5).

## **2.14 Financial liabilities**

The financial liabilities include the loans, other financing elements and bank overdrafts.

Loans and borrowings are initially recognised at their fair value, plus or minus transaction costs. They are subsequently valued at amortized cost using the effective interest rate method. Any difference between the consideration received (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loan (effective interest rate method).

## **2.15 Financial instruments**

Except as otherwise disclosed in the annual report, management believes that the financial assets and liabilities measured at amortized cost approximate fair value.

The group did not subscribe to hedging instruments.

See also note 3.2.11.4 about treasury shares.

## 2.16 Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Invibes Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Invibes Group.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The Group has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

To respond to business needs, particularly in the demand for office space, the Group will enter into negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group is able to increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is in line with the stand-alone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group is able to negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease, both of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

## 2.17 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when:

- (a) There exists a present obligation resulting from a past event;
- (b) It is probable that an outflow of resources representative of economic benefits will be required to end the obligation;
- (c) The obligation can be reliably measured.

This obligation may be legal, regulatory, or contractual. It can also result from Invibes Group practices or public commitments that created a reasonable expectation among the third parties in question that the Invibes Group will assume certain responsibilities.

The estimated amount shown in provisions represents the outflow of resources which is probable the Invibes Group will have to bear to end its obligation. If no reliable estimate of the obligation can be made, no provision is recorded, and a disclosure is made in the notes.

Contingent liabilities correspond to possible obligations resulting from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the

control of the Invibes Group or present obligations for which it is not probable that an outflow of resources will be required. They are disclosed in the notes and are not accounted.

Obligations from restructuring plans are recognised and recorded as a provision when they have been documented in a detailed plan and announced or when their implementation has been launched before the closing date.

### **2.18 Trade payables**

Trade payables are measured at nominal value.

### **2.19 Other liabilities**

Other liabilities are measured at nominal value.

### **2.20 Pension liabilities**

There are only defined contribution contracts concerning pensions. There are no defined benefits contracts in place.

Contributions to defined contribution plans are recognised as an expense in the income statement for the year to which they are related. For any contributions already paid prior to the end of the reporting period, which are in excess of the payable contribution for services, the surplus is recognised as an asset under prepaid expenses and accruals. If contributions to a defined contribution plan are not fully due within 12 months after the end of the period in which the employees perform the related services, they are discounted to their present value.

### **2.21 Share-based employee remuneration**

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to consolidated reserves. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital.

## 2.22 Revenue

The business of the Invibes Group is the delivery of digital advertising services through the Invibes platform, there are different invoicing units all based on delivery of certain KPI's.

To determine whether to recognize revenue, the Invibes Group follows the following process:

- Identifying the contract with the customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognised either at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

Revenue from sales is recognised when the invoiceable units are delivered. This can be measured reliable based on the input from the Invibes Platform.

## 2.23 Finance cost other financial items

Finance cost include interests on loan.

Other financial items include gains or losses on disposals of unconsolidated securities, changes in the fair value of financial instruments (assets, liabilities, and derivatives), currency exchange gains and losses, and other financial income and expenses.

## 2.24 Taxes

The income tax (expense or income) includes the payable tax expense (income) and the deferred tax expense (income). Tax is recognised in profit or loss unless it relates to items that are directly recognised in other components of comprehensive income and loss, in which case it is recognised in other components of comprehensive income and loss.

### 2.24.1 Current tax liability

The current tax liability is the estimated amount of the tax due in connection with the taxable profit for a period, determined by using the tax rates that have been adopted at the closing date.

The tax rate used by the group's companies is in compliance with the local tax rate in the different markets.

### 2.24.2 Deferred tax assets/liability

Deferred taxes are determined using a liability method, which is a balance sheet approach, for most of the temporary differences between the book value of assets and liabilities and their tax bases.

The measurement of deferred tax assets and liabilities is based on how the Group expects to recover or pay the carrying amount of the assets and liabilities by using tax rates adopted at the closing date.

A deferred tax asset is posted only insofar as it is likely that the group will record future taxable profits to which this credit can be charged. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The effect of any changes in tax rates is recognised in profit or loss unless it relates to items that are directly recognised in equity.

## **2.25 Earnings per share**

The Group reports both basic and diluted earnings per ordinary share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the parent company by the weighted average number of common shares outstanding during the period. Treasury shares are not treated as outstanding and are therefore deducted from the number of shares outstanding.

Diluted earnings per share are determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of common shares outstanding during the period for the impact of all common shares that have a potentially dilutive effect, which include in particular convertible instruments.

## **2.26 Determining accounting estimates and judgements**

As part of the preparation of the consolidated financial statements, Management makes judgments and uses estimates and assumptions that may have an impact on the amount of assets, liabilities, income and expenses recorded in the consolidated financial statements, as well as in the notes.

These estimates and the underlying assumptions are constantly established and reviewed on the basis of the past experience and other factors considered as reasonable given the circumstances. Thus, they are used as a basis to the practice of the judgment necessary for the determination of the book value of assets and liabilities, which cannot be obtained from other sources. The actual values can be different from the estimated values.

The following are the judgements made by management in applying the accounting policies of the Invibes Group that have most significant effect on these consolidated financial statements:

- Capitalisation of internally developed intangible assets:  
Distinguishing the research and development phase of a software project and determining whether the recognition requirements for the capitalization of development costs are met requires judgement. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.
- Recognition of deferred tax assets.  
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgement is required assessing the impact of any legal or economic limits or uncertainties in various jurisdictions.

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Impairment of non-financial assets and goodwill**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2022 and 2023, the Invibes Group recognised no impairment losses.

- **Useful lives and residual values of depreciable assets**

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets.

- **Leases – determination of the appropriate discount rate to measure lease liabilities**

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.

The accounting methods were applied in a uniform way by the entities of the group.

No significant change regarding the estimating methods was set up over the period.



### 3 NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1 Operating segment information

The main operating decision maker has access to financial data for each legal entity. The legal entities' business is the delivery of digital advertising services.

There is no specific type of customer for each type of service. There is no specific type of service for each legal entity.

In fact the performance assessment and the allocation of resources of the Group by the main operating decision maker is based on an analysis of performance indicators without any difference between the legal entities and have the same economic characteristics regardless of the legal entity.

The Group therefore considers operating on a single sector, digital advertising services.

#### Performance indicators per market

The group has only one significant product and thus segment. The key performance indicators are as follows:

| In €                        | ESTABLISHED<br>D<br>MARKETS* | EMERGING<br>MARKETS<br>** | START<br>UPS*** | CENTRAL<br>GROUP | CONSOLIDATED |
|-----------------------------|------------------------------|---------------------------|-----------------|------------------|--------------|
| Revenue                     | 8 331 994                    | 3 584 112                 | 524 473         | 0                | 12 440 579   |
| Purchases                   | 3 882 891                    | 1 830 911                 | 459 390         | 1 002 268        | 7 175 462    |
| Personnel expenses          | 1 872 058                    | 1 643 517                 | 452 788         | 1 839 803        | 5 808 166    |
| EBITDA                      | 2 542 928                    | 133 380                   | -391 751        | -2 093 576       | 190 981      |
| %                           | 31%                          | 4%                        | -75%            |                  | 2%           |
| Profit/loss(-) for the year | 83 495                       | -1 179 185                | -596 182        | 1 245 595        | -446 277     |

\* ESTABLISHED MARKETS consist out of Invibes SAS, Invibes Spain, Invibes Switzerland and ML2GROW

\*\* EMERGING MARKETS consist out of Invibes UK, Italy, Benelux and Advertising AG

\*\*\* START UPS consists of ADSpark, Invibes CET, Invibes Netherlands, Denmark, Norway, Poland, Sweden, Turkey, South Africa, UAE

Established markets are the markets that are already well known in their market.

Emerging markets are markets that are seeing an initial traction in their market.

Start Ups are markets that have recently been founded and don't have traction in their market yet.

Central group consists out of all supporting activities (finance, legal, talent acquisition, sales support, ...).

Purchases consist out of the sum of operating expenses, other operating income and other operating expenses.

EBITDA is calculated as follows: Revenue minus purchases (including capitalised internally generated intangible assets and personnel expenses).

The Group's non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets, post-employment benefit assets and long term financial assets are not included) are located into the following geographic regions:

| En €               | Established markets | Emerging markets | Start ups | Central group | Consolidated |
|--------------------|---------------------|------------------|-----------|---------------|--------------|
| Non-current assets | 255 045             | 70 030           | 20 345    | 3 828 903     | 4 174 324    |

Non-current assets are allocated based on their physical location.

### 3.2 Notes on the consolidated balance sheet

#### 3.2.1 Goodwill

|  | Switzerland  | Spain     | Belgium    | Poland   | TOTAL        |
|--|--------------|-----------|------------|----------|--------------|
| <i>Gross value at 1 january 2022</i>   | 1 932        | 65        | 102        |          | 2 100        |
| Scope variations                       |              |           |            | 4        | 4            |
| <b>Gross value at 31 december 2022</b> | <b>1 932</b> | <b>65</b> | <b>102</b> | <b>4</b> | <b>2 104</b> |

|                                       | Switzerland | Spain | Belgium | Poland | TOTAL |
|---------------------------------------|-------------|-------|---------|--------|-------|
| <i>Impairment at 1 january 2022</i>   |             |       |         |        |       |
| <b>Impairment at 31 december 2022</b> |             |       |         |        |       |

|                                      | Switzerland  | Spain     | Belgium    | Poland   | TOTAL        |
|--------------------------------------|--------------|-----------|------------|----------|--------------|
| <i>Net value at 1 january 2022</i>   | 1 932        | 65        | 102        |          | 2 100        |
| Scope variations                     |              |           |            | 4        | 4            |
| <b>Net value at 31 december 2022</b> | <b>1 932</b> | <b>65</b> | <b>102</b> | <b>4</b> | <b>2 104</b> |

|                                      | Switzerland  | Spain     | Belgium    | Poland   | TOTAL        |
|--------------------------------------|--------------|-----------|------------|----------|--------------|
| <i>Gross value at 1 january 2023</i> | 1 932        | 65        | 102        | 4        | 2 104        |
| <b>Gross value at 30 june 2023</b>   | <b>1 932</b> | <b>65</b> | <b>102</b> | <b>4</b> | <b>2 104</b> |

|                                     | Switzerland | Spain | Belgium | Poland | TOTAL |
|-------------------------------------|-------------|-------|---------|--------|-------|
| <i>Impairment at 1 january 2023</i> |             |       |         |        |       |
| <b>Impairment at 30 june 2023</b>   |             |       |         |        |       |

|                                    | Switzerland  | Spain     | Belgium    | Poland   | TOTAL        |
|------------------------------------|--------------|-----------|------------|----------|--------------|
| <i>Net value at 1 january 2023</i> | 1 932        | 65        | 102        | 4        | 2 104        |
| <b>Net value at 30 june 2023</b>   | <b>1 932</b> | <b>65</b> | <b>102</b> | <b>4</b> | <b>2 104</b> |

Taking into account the requirements of IFRS 8, the majority of goodwill for an amount of K€ 1 932 can be attributed to the cash-generating unit Switzerland. The goodwill attributable to other Cash generating units is not significant.

The recoverable value of this asset tested using a combination of the DCF method (80% weight) and the EBITDA (20% weight) amounts to K€ 12 727 as of December 31st,2022 .

Management's key assumptions include:

- The calculations use projections of the future free cash flows for 5 coming financial years, combined with a continuing annual growth rate (terminal growth) of 1%.
- Growth rates used are a reflection of the continuous growth in line with the expectations of the group.
- Decreasing cost of goods sold and overhead based on scaling effect.

- Replacements investment.

The projections used in the DCF and EBITDA method are based on experience in the past and have been approved by the Board of Directors.

The EBITDA method is based on the expected EBITDA in 2023 and uses a multiple of 10.8.

The Group's management believes this is the best available input for forecasting these markets. Cash flow projections reflect stable profit margins achieved immediately before the most recent budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Projected cash flows are calculated from the business plans covering 5 years (excluding the current year). The aforementioned business plans are carried out in accordance with the same principles as those applied to the budget process, that is, drawn up on the basis of the best possible knowledge of the operational aspects of past experience, market developments and techniques, are reviewed by Group management to ensure consistency with the strategy followed and the resulting investment policy:

- A terminal value is determined over the sixth year, extrapolating the flow of year 5 on the basis of an infinite growth rate. The indefinite growth rate used is 1% at December 31st, 2022;
- The WACC is an after-tax rate applied to after-tax cash flows. This rate reflects current market assessments of the average cost of capital. Its use results in the determination of recoverable values identical to those obtained using pre-tax rates at tax-free cash flows in accordance with IAS 36 "Impairment of assets". It was 9.76% at December 31st, 2022.

The perpetuity growth rate is the most sensitive assumption for the assessment of impairment tests. A decrease of 0.5 basis point in the perpetuity growth rate would have the effect of reducing the fair value of the cash flows of the CGU by K€ 405. An increase of 1 basis point in the WACC rate would have the effect of reducing the fair value of the cash flows of the CGU by K€ 602. In these two cases, this would not lead to the recognition of impairment.

## 3.2.2 Other intangible assets

|                                      | Software     | Other intangible assets | Total        |
|--------------------------------------|--------------|-------------------------|--------------|
| <b>Gross value at 1 January 2023</b> | <b>6 569</b> | <b>87</b>               | <b>6 655</b> |
| Additions/Increases                  | 954          | 17                      | 971          |
| <b>Gross value at 30 June 2023</b>   | <b>7 523</b> | <b>103</b>              | <b>7 626</b> |

|                                       | Software     | Other intangible assets | Total        |
|---------------------------------------|--------------|-------------------------|--------------|
| <b>Amortization at 1 January 2023</b> | <b>4 109</b> | <b>27</b>               | <b>4 136</b> |
| Increases                             | 327          | 74                      | 401          |
| <b>Amortization at 30 June 2023</b>   | <b>4 436</b> | <b>101</b>              | <b>4 537</b> |

|                                       |              |          |              |
|---------------------------------------|--------------|----------|--------------|
| <b>Net book value at 30 June 2023</b> | <b>3 086</b> | <b>3</b> | <b>3 089</b> |
|---------------------------------------|--------------|----------|--------------|

|  | Software     | Other intangible assets | Total        |
|--|--------------|-------------------------|--------------|
| <b>Gross value at 1 January 2022</b>   | <b>5 881</b> | <b>48</b>               | <b>5 929</b> |
| Additions/Increases                    | 2 374        | 39                      | 2 412        |
| Disposals/Decreases                    | -1 686       |                         | -1 686       |
| <b>Gross value at 31 December 2022</b> | <b>6 569</b> | <b>87</b>               | <b>6 655</b> |

|   | Software     | Other intangible assets | Total        |
|---|--------------|-------------------------|--------------|
| <b>Amortization at 1 January 2022</b>   | <b>3 189</b> | <b>11</b>               | <b>3 200</b> |
| Increases                               | 2 606        | 16                      | 2 622        |
| Decreases                               | -1 686       |                         | -1 686       |
| <b>Amortization at 31 December 2022</b> | <b>4 109</b> | <b>27</b>               | <b>4 136</b> |

|   |              |           |              |
|---|--------------|-----------|--------------|
| <b>Net book value at 31 December 2022</b> | <b>2 460</b> | <b>60</b> | <b>2 519</b> |
|---|--------------|-----------|--------------|

The main investments of the year 2022 are further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). Depreciations of 2022 amount to K€ 2 622.

Some of the new improvements have made some of the older Invibes platform's assets obsolete, which have been scrapped for a total amount K€ 1,686 in 2022.

The main investments of the year 2023 are further developments and new features to the already existing Invibes Platform. These have been capitalized on a cost principle basis (cf note 3.3.3). Depreciations of 2023 amount to K€ 401.

The investments in the Invibes platform in 2022 mainly consist out of:

#### AdDelivery features

The ability to identify the user and be able to filter out the right target audience is an essential element of the platform. Several new features were launched to further extend and support this, including filters for ISP and device brand, capping on user level, user identification on header bidding, support of header bidding on native ads... Continued efforts were done to enhance the platform's core logic both in performance and capabilities.

Our further internationalization was supported by timezone-specific algorithm optimizations for campaign distribution across geographies.

#### Billing Extensions & Innovation

Delivering on the innovative invoicing types, the platform was extended to support engagements on time spent on the advertiser landing page and related optimizations to better identify the right target audience.

#### Data cloud

Supporting the evolution of the Invibes Data Cloud, multiple features were added to the platform, unification of data segments across multiple data partners, extensions on data segment boosting and prioritization, reporting on campaign audiences as well as system extensions to support future user growth. The extension of the Invibes Analytics features has made it possible to gain insights into the common users of the Invibes Data Cloud and the advertiser's websites, in full support of the multiple consent management systems of advertisers.

#### Group - Data Intelligence / Data Lab

Building on Invibes' unique ecosystem, we have created the first of many smart data targeting, based on behavioral and contextual activity on the network, allowing to create uniquely added value to advertisers looking for spot-on targeting of users. The groundwork was done in 2022, with the availability of the first commercially applied results in the second half of the year.

#### Products Research

Over twelve new formats were released in 2022, from instant-messaging-like communication formats to graphically eye-catching ones and a post-view survey format in which the retargeted user is invited to answer a few questions concerning the brand with full reporting on campaign level. Further notable is the creation of a format that displays in real-time the live scoring of sports games such as football, handball, baseball. Examples include the FIFA World Cup as applications, and the setup is based on a fully redundant API integration with fallback systems to assure that the live game is always updated within seconds.

The Invibes Carbon-Neutral Label has been developed on the platform supporting sustainable digital advertising. Developments allowing the calculation of the CO<sub>2</sub>-emissions of campaigns lie at its basis.

The investments in the Invibes platform in the first half of 2023 mainly consist out of:

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#### AdDelivery features

Updates to support changing TCF requirements were released. The LiveScore feature now supports additional sports such as Rugby, Football and Tennis competitions.

Additional page article crawlers were made in order to support more inventory for which the page article is known, which is used eg brand safety reasons, where new granular filters were created on campaign level.

#### Billing Extensions & Innovation

The IOP platform now supports the setup and management of cross-market campaigns.

Full new reporting for final campaigns was developed and taken into use.

#### Data cloud

The new Invibes Analytics as unique Invibes tools for implementation on the advertiser's website in order to gather events/stats following multiple legal/consent modes.

Invibes Data Clean Room has been created: an application where advertisers can hash user data as well as upload previously hashed data with full usage monitoring.

#### Group - Data Intelligence / Data Lab

Multiple new smart segments were created, such as eye-sight users, extensions of travelers, creation of first party data segments.

#### Products Research

Ten new formats were created and released in multiple declinations: Invibes Survey, AirTicket, Poll, LiveScore version for Rugby, Football, Tennis, Sharing features such as add to calendar with support on multiple formats.

## 3.2.3 Property, plant and equipment

|                                      | Buildings | Technical installations | Other tangible assets | Total      |
|--------------------------------------|-----------|-------------------------|-----------------------|------------|
| <b>Gross value at 1 January 2023</b> | <b>44</b> | <b>168</b>              | <b>422</b>            | <b>634</b> |
| Additions/Increases                  |           | 0                       | 21                    | 21         |
| Disposals/Decreases                  |           | -2                      | -24                   | -26        |
| Exchange rate variation              |           | -0                      | 0                     | -0         |
| <b>Gross value at 30 June 2023</b>   | <b>44</b> | <b>165</b>              | <b>419</b>            | <b>628</b> |

|                                       | Buildings | Technical installations | Other tangible assets | Total      |
|---------------------------------------|-----------|-------------------------|-----------------------|------------|
| <b>Depreciation at 1 January 2023</b> | <b>16</b> | <b>60</b>               | <b>195</b>            | <b>271</b> |
| Increases                             | 6         | 28                      | 45                    | 80         |
| Decreases                             |           | -2                      | -23                   | -25        |
| Exchange rate variation               | -0        | -1                      | 1                     | -0         |
| <b>Depreciation at 30 June 2023</b>   | <b>22</b> | <b>86</b>               | <b>218</b>            | <b>325</b> |

|                                       |           |           |            |            |
|---------------------------------------|-----------|-----------|------------|------------|
| <b>Net book value at 30 June 2023</b> | <b>22</b> | <b>79</b> | <b>201</b> | <b>303</b> |
|---------------------------------------|-----------|-----------|------------|------------|

|  | Buildings | Technical installations | Other tangible assets | Total      |
|--|-----------|-------------------------|-----------------------|------------|
| <b>Gross value at 1 January 2022</b>   | <b>17</b> | <b>95</b>               | <b>275</b>            | <b>387</b> |
| Additions/Increases                    | 27        | 80                      | 136                   | 243        |
| Disposals/Decreases                    |           | -6                      | -18                   | -24        |
| Exchange rate variation                |           | -0                      | 29                    | 28         |
| <b>Gross value at 31 December 2022</b> | <b>44</b> | <b>168</b>              | <b>422</b>            | <b>634</b> |

|   | Buildings | Technical installations | Other tangible assets | Total      |
|---|-----------|-------------------------|-----------------------|------------|
| <b>Depreciation at 1 January 2022</b>   | <b>9</b>  | <b>19</b>               | <b>99</b>             | <b>127</b> |
| Increases                               | 7         | 48                      | 84                    | 139        |
| Decreases                               |           | -6                      | -18                   | -24        |
| Exchange rate variation                 | -0        | -0                      | 29                    | 29         |
| <b>Depreciation at 31 December 2022</b> | <b>16</b> | <b>60</b>               | <b>195</b>            | <b>271</b> |

|   |           |            |            |            |
|---|-----------|------------|------------|------------|
| <b>Net book value at 31 December 2022</b> | <b>28</b> | <b>107</b> | <b>228</b> | <b>363</b> |
|---|-----------|------------|------------|------------|

The main investments of 2023 and 2022 in technical installations were related to servers. The investments in other tangible assets were mostly laptops, computers, desks, chairs and other small investments.

### 3.2.4 Right-of-use assets

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the 2023 consolidated statement of financial position:

| Right-of-use asset | No of right-of-use assets leased | Range of remaining term | Average remaining lease term | No of leases with extension options | No of leases with options to purchase | No of leases with variable payments linked to an index | Nb of leases with termination option |
|--------------------|----------------------------------|-------------------------|------------------------------|-------------------------------------|---------------------------------------|--|--------------------------------------|
| Buildings          | 4                                | 2-3 years               | 3 years                      | 1                                   | 0                                     | 0  | 0                                    |
| Vehicles           | 14                               | 1-4 years               | 3 years                      | 0                                   | 14                                    | 0  | 0                                    |

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the 2022 consolidated statement of financial position:

| Right-of-use asset | No of right-of-use assets leased | Range of remaining term | Average remaining lease term | No of leases with extension options | No of leases with options to purchase | No of leases with variable payments linked to an index | Nb of leases with termination option |
|--------------------|----------------------------------|-------------------------|------------------------------|-------------------------------------|---------------------------------------|--|--------------------------------------|
| Buildings          | 4                                | 2-3 years               | 3 years                      | 1                                   | 0                                     | 0  | 0                                    |
| Vehicles           | 12                               | 1-4 years               | 3 years                      | 0                                   | 12                                    | 0  | 0                                    |



|                                      | Buildings  | Vehicles   | Total        |
|--------------------------------------|------------|------------|--------------|
| <b>Gross value at 1 January 2023</b> | <b>962</b> | <b>330</b> | <b>1 292</b> |
| Additions/Increases                  |            | 77         | 77           |
| Disposals/Decreases                  |            | -16        | -16          |
| Other                                |            |            |              |
| Exchange rate variation              | -2         |            | -2           |
| <b>Gross value at 30 June 2023</b>   | <b>960</b> | <b>391</b> | <b>1 351</b> |

|                                       | Buildings  | Vehicles   | Total      |
|---------------------------------------|------------|------------|------------|
| <b>Depreciation at 1 January 2023</b> | <b>255</b> | <b>147</b> | <b>402</b> |
| Increases                             | 152        | 32         | 183        |
| Decreases                             |            | -16        | -16        |
| Other                                 |            |            |            |
| Exchange rate variation               | -1         |            | -1         |
| <b>Depreciation at 30 June 2023</b>   | <b>405</b> | <b>163</b> | <b>568</b> |

|                                       |            |            |            |
|---------------------------------------|------------|------------|------------|
| <b>Net book value at 30 June 2023</b> | <b>555</b> | <b>228</b> | <b>783</b> |
|---------------------------------------|------------|------------|------------|

|  | Buildings  | Vehicles   | Total        |
|--|------------|------------|--------------|
| <b>Gross value at 1 January 2022</b>   | <b>608</b> | <b>321</b> | <b>930</b>   |
| Additions/Increases                    | 746        | 22         | 768          |
| Disposals/Decreases                    | -391       | -40        | -431         |
| Other                                  |            | 26         | 26           |
| Exchange rate variation                | -1         |            | -1           |
| <b>Gross value at 31 December 2022</b> | <b>962</b> | <b>330</b> | <b>1 292</b> |

|   | Buildings  | Vehicles   | Total      |
|---|------------|------------|------------|
| <b>Depreciation at 1 January 2022</b>   | <b>346</b> | <b>116</b> | <b>462</b> |
| Increases                               | 227        | 77         | 304        |
| Decreases                               | -320       | -24        | -344       |
| Other                                   |            | -21        | -21        |
| <b>Depreciation at 31 December 2022</b> | <b>255</b> | <b>147</b> | <b>402</b> |

|   |            |            |            |
|---|------------|------------|------------|
| <b>Net book value at 31 December 2022</b> | <b>707</b> | <b>183</b> | <b>890</b> |
|---|------------|------------|------------|

The net carrying amount of the right-of-use assets is K€ 783 as at June 30<sup>th</sup>, 2023 compared to K€ 890 in 2022.

These assets were included in accordance with IFRS 16 - Leases, which applies to financial years starting on or after January 1st, 2019.

The corresponding assets are measured at cost price and depreciated using the estimated useful life on a straight-line basis.

In 2023 investments in right-of-use assets amount to K€ 77 and are related to vehicles and offices. Depreciation for the period amounts to K€ 183.

In 2022 investments in right-of-use assets amount to K€ 768 and are related to vehicles and offices. Depreciation for the period amounts to K€ 304.

### 3.2.5 Long term financial assets

|                          | Other non-current assets | Net value  |
|--------------------------|--------------------------|------------|
| <b>At 1 January 2023</b> | <b>845</b>               | <b>845</b> |
| Additions/Increases      | 113                      | 113        |
| Disposals/Decreases      | -263                     | -263       |
| Exchange rate variation  | -1                       | -1         |
| <b>At 30 June 2023</b>   | <b>694</b>               | <b>694</b> |

|                            | Other non-current assets | Net value  |
|----------------------------|--------------------------|------------|
| <b>At 1 January 2022</b>   | <b>760</b>               | <b>760</b> |
| Additions/Increases        | 276                      | 276        |
| Disposals/Decreases        | -192                     | -192       |
| Other                      |                          |            |
| Exchange rate variation    | 2                        | 2          |
| <b>At 31 December 2022</b> | <b>845</b>               | <b>845</b> |

The main part of long term financial assets consists of guarantee deposits and granted loans with maturity between 1 and 5 years.

### 3.2.6 Deferred tax assets and liabilities

|                     | 30/06/2023 | 31/12/2022 |
|---------------------|------------|------------|
| Deferred tax assets | 627        | 625        |

In 2023, the Board of Directors has assessed that on the one hand the group would be able to use tax losses in the future on countries which are generating taxable profits (Belgium and Switzerland). As result an additional deferred tax was recorded based on the budgeted figures and the fiscal planning (+K€ 483). On the other hand, deferred taxes on losses for France, Italy, Spain and ML2Grow, are no longer retained because of the evolution of the figures

and the fact that sufficient taxable profit will be available in the foreseeable future to benefit from the tax benefit (-K€ 202).

In 2022, based upon management assumptions, the Board of Directors has assessed that the group would be able to use some of the tax losses in the future. Therefore, deferred taxes on losses have been booked in the 2022 financial statements for K€ 339. 2022 was the first year these deferred tax assets have been expressed.

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

|                               | 01/01/2023  | Recognised in other comprehensive income | Reclassification | Recognised in profit or loss | 30/06/2023  |
|-------------------------------|-------------|--|------------------|------------------------------|-------------|
| <b>Deferred tax liability</b> |             |  |                  |                              |             |
| FX translation                |             |  |                  |                              |             |
| <b>Deferred tax asset</b>     |             |  |                  |                              |             |
| Unused tax losses             | -622        |  |                  | -1                           | -622        |
| FX translation                | -4          |  |                  |                              | -4          |
| <b>At 30 June 2023</b>        | <b>-625</b> |  |                  | <b>-1</b>                    | <b>-626</b> |

Deferred taxes on losses that have been recorded in the 2023 financial statements amount to K€ -1.

The tax losses carried forward for which no deferred tax asset was recognised, amounted to K€ 10 024 in the 2023 financial year. No deferred tax asset was recognised for these losses, because the deferred tax assets were calculated based on the cash flow projections based on the 2023 budgets and the projections for the next five years. These projections show it is unlikely there would be enough taxable profit to be able to benefit from these deferred taxes.

The tax losses carried forward without time limitation amount to K€ 9 820 in 2023. The tax losses carried forward with time limitation, which expire in 2028, amount to K€ 204.

The deferred tax assets were also subject to sensitivity analyses in accordance with IAS 1.129. If the tax rate increases by 1%, the tax assets would amount to K€ 639. If the tax rate would decrease by 1%, the tax assets would amount to K€ 589.

The board of directors is of the opinion that there is no reason for sustainable impairment of deferred tax assets.

|                               | 01/01/2022  | Recognised in other comprehensive income | Reclassification | Recognised in profit or loss | 31/12/2022  |
|-------------------------------|-------------|--|------------------|------------------------------|-------------|
| <b>Deferred tax liability</b> |             |  |                  |                              |             |
| FX translation                | 14          | -14                                      |                  |                              |             |
| <b>Deferred tax asset</b>     |             |  |                  |                              |             |
| Unused tax losses             | -339        |  |                  | -283                         | -622        |
| FX translation                |             | -4                                       |                  |                              | -4          |
| <b>At 31 December 2022</b>    | <b>-325</b> | <b>-18</b>                               |                  | <b>-283</b>                  | <b>-625</b> |

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations.

In 2022 deferred taxes on losses have been recorded in the 2022 financial statements for K€ 283.

The tax losses carried forward for which no deferred tax asset was recognised, amounted to K€ 10 024 in the 2022 financial year. No deferred tax asset was recognised for these losses, because the deferred tax assets were calculated based on the cash flow projections based on the 2022 budgets and the projections for the next four years. These projections show it is unlikely there would be enough taxable profit to be able to benefit from these deferred taxes.

The tax losses carried forward without time limitation amount to K K€ 9 820 in 2022. The tax losses carried forward with time limitation, which expire in 2028, amount to K€ 204.

In 2022, the deferred tax assets were also subject to sensitivity analyses in accordance with IAS 1.129. If the tax rate increases by 1%, the tax assets would amount to K€ 639. If the tax rate would decrease by 1%, the tax assets would amount to K€ 589.

The board of directors is of the opinion that there is no reason for sustainable impairment of deferred tax assets.

### 3.2.7 Trade receivables

|                              | 30/06/2023   | 31/12/2022   |
|------------------------------|--------------|--------------|
| Gross trade receivables      | 8 760        | 8 511        |
| Impairment losses            | -77          | -129         |
| <b>Net trade receivables</b> | <b>8 683</b> | <b>8 382</b> |

All trade receivables are short-term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

Apart from the overdue trade receivables for which a provision for impairment loss has been accounted, the Invibes Group considers that it is not exposed to any risk of non-recovery.

The Invibes group contracted and signed factoring contracts with FactoFrance GE and Bibby Financial Services as a result of which, part of the trade receivables portfolio are recurrently sold to the factor. At the end of June 2023 the amount of receivables sold within this factor program amounted to K€ 5 305 compared to K€ 6 381 at the end of 2022.

The trade receivables increase is coming from the lower factoring debt at the end of June compared to the end of December 2022.

### 3.2.8 Current tax assets

|                                | 30/06/2023   | 31/12/2022   |
|--------------------------------|--------------|--------------|
| VAT receivables                | 1 262        | 1 185        |
| Current income tax receivables | 6            | 16           |
| Other tax receivables          | 0            | 6            |
| <b>Current tax assets</b>      | <b>1 267</b> | <b>1 208</b> |

The VAT position is more or less in line with last year.

### 3.2.9 Other current assets

|                                   | 30/06/2023 | 31/12/2022 |
|-----------------------------------|------------|------------|
| Advance and prepayments on orders | 8          | 31         |
| Social receivables                | 142        | 77         |
| Miscellaneous debtors             | 185        | 126        |
| Prepaid expenses                  | 192        | 274        |
| <b>Other current assets</b>       | <b>578</b> | <b>508</b> |

The other current assets mainly consist out of other receivables. The other receivables are mainly pre-paid expenses and miscellaneous debtors.

### 3.2.10 Cash and cash equivalents

|                                  | 30/06/2023    | 31/12/2022    |
|----------------------------------|---------------|---------------|
| Cash and cash equivalents        | 17 339        | 20 364        |
| <b>Cash and cash equivalents</b> | <b>17 339</b> | <b>20 364</b> |

Cash and cash equivalents decreased with K€ 3.025 (cf note cash flow statement).

### 3.2.11 Net equity

#### 3.2.11.1 Share capital

The share capital of Invibes Advertising NV on 2023, June 30<sup>th</sup> is composed of 4 476 548 shares with a nominal value of 6.41 euros fully paid.

The share capital of Invibes Advertising NV on 2022, December 31<sup>st</sup> was composed of 4 448 548 shares with a nominal value of 6.44 euros fully paid.

There was a conversion of warrants on the 9<sup>th</sup> of March 2023 which caused an increase of capital of K€ 63 and a further creation of 28.000 shares.

The Group benefited from a capital increase by private placement of approximately K€ 16.776 at the start of 2022 in order to finance its future growth. The capital increase was carried out with waiver of the preferential right by private placement with qualified European investors, through an accelerated bookbuilding. A total of 932 000 new shares were issued at a unit price of € 18 for a total gross amount of K€ 16.776, representing 21.3 % of the outstanding shares of Invibes Advertising after the capital increase. The subscription price for the new shares (€ 18 per share) reflected a discount of 11.8 % compared to the closing price of the Company's share on January 26<sup>th</sup>, 2022 (€ 20.4 per share). As a result of this transaction, the share capital of Invibes Advertising was increased from K€ 11.664 to K€ 28.440, divided into 4 367 406 shares with a nominal value of € 6,51 each.

There was also a conversion of warrants on the 1<sup>st</sup> of March 2022 which caused an increase of capital of K€ 188 and a further creation of 81.142 shares.

As a result the total capital amounted to K€ 28.630 divided into 4.448.548 shares by the end of 2022.

The 2022 expenses related to the capital increase by private placement amounted to K€ 719 and to K€ 18 for the warrants conversion.

### **3.2.11.2** Currency translation adjustments

The change in translation differences from the conversion of equity of subsidiaries outside the euro area amount to K€ 4 in 2023. It amounted to K€ 77 in 2022. The deferred taxes on the translation differences amount to K€ -4 in December 2022 and K€ -1 in June 2023.

### **3.2.11.3** Change in consolidation scope

In 2022, the number of shares held on Invibes Advertising AG and Invibes Switzerland AG increased. These movements represent a decrease of minority interests amounting to K€ -29 and an increase of shareholder's equity amounting to K€ 56.

### **3.2.11.4** Treasury shares

With the capital raise of April 20<sup>th</sup>, 2021, Invibes Advertising NV has been granted an irrevocable right to purchase a total of 526 324 shares from the participants in the raise.

The call option grants to Invibes Advertising NV an irrevocable right to purchase all or part of the new ordinary shares (526 324) issued by the company as a result of the capital increase of April 20<sup>th</sup>, 2021. Invibes Advertising NV needs to pay K€ 37 per quarter for the call option. K€ 292, of which K€ 75 in 2023, has already been paid for the option. K€ 37 is booked as a short term other current liability and K€ 83 as a long term other current liability. The call option entails an IRR (Internal Rate of Return) of 14% on the moment of exercising. Invibes Advertising NV has the option to use the call in 2023 and 2024, the maximum amount of options that can be exercised in 2024 is capped to 55% of the total options, no such cap exists in 2023.

### **3.2.11.5** Share-based employee remuneration

As at December 31<sup>st</sup>, 2022, the Group maintained three share-based payment schemes for employee remuneration, the Board Plan and the Staff plan. Each plan is in its turn divided in two plans: all programmes will be settled in equity.

The Board plan is part of the remuneration package of the Group's board members. The Staff plan is part of the remuneration package of the Group's senior management. Options under these programmes will vest over time as long as participants are employed until the end of the agreed vesting period. Upon vesting, each option allows the holder to purchase one ordinary share at a fixed exercise price, which is below the market price at June 30<sup>th</sup>, 2023.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

|                           | 2019 Programme   |   | 2020 Programme   |   | 2022 Programme   |   |
|---------------------------|------------------|---|------------------|---|------------------|---|
|                           | Number of shares | weighted average exercise price per share | Number of shares | weighted average exercise price per share | Number of shares | weighted average exercise price per share |
| Outstanding at 31/12/2021 | 154 075          | 2,88                                      | 231 104          | 3,06                                      | 0                |   |
| Granted                   | 0                |   | 0                |   | 143 100          | 5,00                                      |
| forfeited                 | 0                |   | 107 172          | 3,00                                      | 9 523            | 5,00                                      |
| Exercised                 | 76 142           | 2,66                                      | 3 000            | 3,00                                      | 0                |   |
| Outstanding at 31/12/2022 | 77 933           | 3,09                                      | 120 932          | 3,63                                      | 133 577          | 5,00                                      |
| Granted                   | 0                |   | 0                |   |                  |   |
| forfeited                 | 70 933           | 3,06                                      | 0                | 0,00                                      | 0                | 0,00                                      |
| Exercised                 | 3 000            | 5,00                                      | 25 000           | 3,07                                      | 0                |   |
| Outstanding at 30/06/2023 | 4 000            | 3,09                                      | 95 932           | 3,12                                      | 133 577          | 5,00                                      |
| Exercisable at 31/12/2022 | 77 933           | 3,09                                      | 120 932          | 3,11                                      | 0                | 0,00                                      |
| Exercisable at 30/06/2023 | 4 000            | 2,24                                      | 95 932           | 3,12                                      | 0                | 0,00                                      |

The fair values of the options granted were determined using a binomial approach and a Black & Scholes approach. The binomial approach consists of estimating the potential values of the share price at exit using a lognormal distribution applied to the value of the initial investment. The expected value of the option at exit is determined on the basis of the probabilities associated with each year of potential exit.

The Black & Scholes approach is also based on a lognormal distribution, applied to the value of the Strike as a function of the volatility of the share price.

The following principal assumptions were used in the valuation:

|   | 2022 Programme Board    | 2022 Programme Staff    |
|---|-------------------------|-------------------------|
| Grant date                                  | 28/09/2022              | 21/04/2022              |
| Vesting period ends                         | 28/09/2026              | 30/06/2027              |
| Share price at date of grant                | 10,45                   | 18,35                   |
| Number of options                           | 14 000                  | 129 100                 |
| Volatility                                  | 42,70%                  | 40,20%                  |
| Option life                                 | 4                       | 5,2                     |
| Dividend yield                              | 0                       | 0                       |
| Risk-free investment rate                   | 1,27%                   | 0,29%                   |
| Fair value option at grant date (KEUR)      | 5,94                    | 14                      |
| Exercise price at grant date                | 5                       | 5                       |
| Exercisable from / to                       | 28/09/2022 - 28/09/2026 | 30/06/2025 - 30/06/2027 |
| Weighted average remaining contractual life | 3,74                    | 4,5                     |

The volatility of the share price was determined on the average delevered volatility observed on Invibes Advertising NV share prices.

The gearing of the Company was nil as of April 21<sup>st</sup>, 2022 and as of September 28<sup>th</sup>, 2022. The gearing is supposed to be nil at the exit date.

In total in 2022, K€ 1 837 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to consolidated reserves.

### 3.2.11.6 Calculation of the profit/loss per share

The results and actions used to calculate the basic and diluted results per share are presented below:

|  | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|--|------------|------------|------------|
| Number of Shares   | 4 476 548  | 4 448 548  | 4 448 548  |
| Weighted average number of shares                            | 4 466 029  | 4 363 714  | 4 301 237  |
| Weighted average number of shares entitled to dividend       | 4 466 029  | 4 363 714  | 4 301 237  |
| Number of shares on convertible instruments                  | 418 499    | 446 893    | 446 499    |
| Weighted average number of shares on convertible instruments | 429 018    | 459 837    | 476 027    |

|  | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|--|------------|------------|------------|
| Profit/loss (-) attributable to equity holders of the parent                                 | 433 264    | -7 908 080 | -1 699 098 |
| Per share based on the total amount of shares (in €)   | -0,097     | -1,778     | -0,382     |
| Per share based on the weighted average amount of shares (in €)                              | -0,097     | -1,812     | -0,395     |
| Per share based on the weighted average amount of shares entitled to dividend (in €)         | -0,097     | -1,812     | -0,395     |
| Diluted per share based on the total numbers of shares (€)                                   | -0,089     | -1,615     |            |
| Diluted per share based on the weighted average amount of shares (€)                         | -0,089     | -1,639     |            |
| Diluted per share based on the weighted average amount of shares entitled to dividend (in €) | -0,089     | -1,639     |            |

The Group reports both basic and diluted earnings per ordinary share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of common shares outstanding during the period for the impact of all common shares that have a potentially dilutive effect, which include in particular convertible instruments.

The weighted average number of shares are calculated as follows:

| Date       | Number of shares | Number of days |
|------------|------------------|----------------|
| 28/01/2022 | 4 367 406        | 32             |
| 01/03/2022 | 4 448 548        | 305            |
| 31/12/2022 | 4 448 548        | 68             |
| 09/03/2023 | 4 476 548        | 113            |
| 30/06/2023 | 4 476 548        |                |

|                 |           |
|-----------------|-----------|
| Average 2022    | 4 363 714 |
| Average S1 2023 | 4 466 029 |



## 3.2.12 Long term and short term financial liabilities

|                                    | 01/01/2023   | +            | -             | Reclassification | Others   | 30/06/2023   |
|------------------------------------|--------------|--------------|---------------|------------------|----------|--------------|
| Financial liabilities              | 5 360        | 1 000        | -1 050        |                  | 1        | 5 311        |
| Short-term bank overdrafts         | 1 412        | 14           |               |                  |          | 1 427        |
| Miscellaneous financial debts      | 83           |              |               |                  |          | 83           |
| <b>Total Financial liabilities</b> | <b>6 856</b> | <b>1 014</b> | <b>-1 050</b> |                  | <b>1</b> | <b>6 821</b> |

The Invibes group has subscribed a new loan in 2023 causing an increase of K€ 1.000 of the financial liabilities. Loans were further repaid during 2023 resulting in a decrease of K€ 1.049 of the financial liabilities. The increase of short-term bank overdraft amounts to K€ 77 in 2023. Due to these movements the total financial liabilities increased from K€ 6 706 in 2022 to K€ 7 002 in 2023.

|                                    | 01/01/2022   | +            | -             | Reclassification | Others | 31/12/2022   |
|------------------------------------|--------------|--------------|---------------|------------------|--------|--------------|
| Financial liabilities              | 3 629        | 3 069        | -1 406        | 67               |        | 5 359        |
| Short-term bank overdrafts         | 2 575        |              | -1 162        |                  |        | 1 413        |
| Miscellaneous financial debts      | 150          |              |               | -67              |        | 83           |
| <b>Total Financial liabilities</b> | <b>6 354</b> | <b>3 069</b> | <b>-2 568</b> |                  |        | <b>6 855</b> |

The Invibes group has subscribed several new loans in 2022 causing an increase of K€ 3 069 of the financial liabilities. Loans were further repaid during 2022 resulting in a decrease of K€ 1 406 of the financial liabilities. The decrease of short-term bank overdraft amounts to K€ 1 162 in 2022. Due to these movements the total financial liabilities increased from K€ 6 354 in 2021 to K€ 6 855 in 2022.

Loans from other financial institutions and short-term bank overdrafts are secured by a pledge on business assets (cf Note 4.2.2 Current assets pledged).

|                                    | 30/06/2023   | Current      | Non-current  | Fixed rates  | Variable rates |
|------------------------------------|--------------|--------------|--------------|--------------|----------------|
| Financial liabilities              | 5 311        | 1 604        | 3 707        | 5 311        |                |
| Short-term bank overdrafts         | 1 427        | 1 427        |              |              | 1 427          |
| Miscellaneous financial debts      | 83           |              | 83           | 83           |                |
| <b>Total Financial liabilities</b> | <b>6 821</b> | <b>3 031</b> | <b>3 790</b> | <b>5 394</b> | <b>1 427</b>   |

|                                    | 31/12/2022   | Current      | Non-current  | Fixed rates  | Variable rates |
|------------------------------------|--------------|--------------|--------------|--------------|----------------|
| Financial liabilities              | 5 360        | 2 423        | 2 936        | 5 360        |                |
| Short-term bank overdrafts         | 1 412        | 1 412        |              | 1 412        |                |
| Miscellaneous financial debts      | 83           |              | 83           | 83           |                |
| <b>Total Financial liabilities</b> | <b>6 855</b> | <b>3 836</b> | <b>3 019</b> | <b>6 855</b> |                |

Short term bank overdrafts are included within financial liabilities presented in the above table.

Maturities of financial liabilities are as follows:

|                                    | 30/06/2023   | - 1year      | 1 to 5 years | + 5 years |
|------------------------------------|--------------|--------------|--------------|-----------|
| Financial liabilities              | 5 311        | 1 604        | 3 707        |           |
| Short-term bank overdrafts         | 1 427        | 1 427        |              |           |
| Miscellaneous financial debts      | 83           |              | 83           |           |
| <b>Total Financial liabilities</b> | <b>6 821</b> | <b>3 031</b> | <b>3 790</b> |           |

|                                    | 31/12/2022   | - 1year      | 1 to 5 years | + 5 years |
|------------------------------------|--------------|--------------|--------------|-----------|
| Financial liabilities              | 5 360        | 2 423        | 2 936        | 0         |
| Short-term bank overdrafts         | 1 412        | 1 412        | 0            | 0         |
| Miscellaneous financial debts      | 83           | 0            | 83           | 0         |
| <b>Total Financial liabilities</b> | <b>6 855</b> | <b>3 836</b> | <b>3 019</b> | <b>0</b>  |

Around half the financial liabilities are due within a year as they relate to short term overdrafts and loans who have reached their maturity date. The remaining part of the financial liabilities are due between 1 and 5 years.

In 2023 Group Invibes has repaid loans for K€ 1 050 and closed a new loan of K1 000 at 4,26% interest, repayable in sixty monthly instalments over 60 months.

Outstanding loans are made on the following terms:

- loan of K€ 1 000 with a rate of 4,26 %
- loan of K€ 2 500 with a rate of 2,45 %
- loan of K€ 856 with a rate of 0,25 %
- Line of K€ 750 with a variable rate
- Loan of K€ 500 with a rate of 3,58 %
- some small loans with rates between 1,99 % and 6,5 %.

### 3.2.13 Lease liabilities

|                   | 01/01/2023 | Additions | Reimbursement | Others | 30/06/2023 |
|-------------------|------------|-----------|---------------|--------|------------|
| Lease liabilities | 951        | 77        | -194          | -1     | 832        |

|                   | 01/01/2022 | Additions | Reimbursement | Others | 31/12/2022 |
|-------------------|------------|-----------|---------------|--------|------------|
| Lease liabilities | 518        | 817       | -382          | -2     | 951        |

|                   | 30/06/2023 | Current | Non-current | Fixed rates | Variable rates |
|-------------------|------------|---------|-------------|-------------|----------------|
| Lease liabilities | 832        | 365     | 467         | 832         |                |

|                   | 31/12/2022 | Current | Non-current | Fixed rates | Variable rates |
|-------------------|------------|---------|-------------|-------------|----------------|
| Lease liabilities | 951        | 374     | 577         | 951         |                |

|                   | 30/06/2023 | - 1year | 1 to 5 years | + 5 years |
|-------------------|------------|---------|--------------|-----------|
| Lease liabilities | 832        | 365     | 467          |           |

|                   | 31/12/2022 | - 1year | 1 to 5 years | + 5 years |
|-------------------|------------|---------|--------------|-----------|
| Lease liabilities | 951        | 374     | 577          |           |

The main increase of lease contracts in 2022 is coming from Romania: a new floor that has been rented and the existing rents were modified which resulted to an increase of lease liabilities amounting to K€ 743.

Reimbursements of the year 2022 amount to K€ 382 and to K 194 in 2023.

The lease liabilities are secured by the related underlying assets. Future lease payments at closing date, 2023 and 2022 were as follows:

| 30/06/2023               | Total      | - 1 year   | 1 to 5 years | + 5 years |
|--------------------------|------------|------------|--------------|-----------|
| Lease payment            | 863        | 384        | 479          |           |
| Finance expenses         | -31        | -19        | -12          |           |
| <b>Net present value</b> | <b>832</b> | <b>365</b> | <b>467</b>   | <b>0</b>  |

| 31/12/2022               | Total      | - 1 year   | 1 to 5 years | + 5 years |
|--------------------------|------------|------------|--------------|-----------|
| Lease payment            | 992        | 397        | 595          |           |
| Finance expenses         | -40        | -23        | -17          |           |
| <b>Net present value</b> | <b>951</b> | <b>374</b> | <b>577</b>   | <b>0</b>  |

|                          | 30/06/2023 | 31/12/2022 | 30/06/2022   |           |
|--------------------------|------------|------------|--------------|-----------|
| 30/06/2022               | Total      | - 1 year   | 1 to 5 years | + 5 years |
| Lease payment            | 471        | 239        | 232          |           |
| Finance expenses         | -19        | -11        | -7           |           |
| <b>Net present value</b> | <b>452</b> | <b>228</b> | <b>224</b>   | <b>0</b>  |

The lease contracts are related to either leases of cars or long-term rental contracts of offices. They have decreased from K€ 951 in 2022 to K€ 758 in 2023.

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to payments not included in the measurement of the lease liability is as follows:

|                                       | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|---------------------------------------|------------|------------|------------|
| Short-term leases and low value items | 423        | 952        | 469        |
| <b>Total</b>                          | <b>423</b> | <b>952</b> | <b>469</b> |

The short-term leases consist out of short term rental contracts for offices and short term car rentals. These have decreased from K€ 469 per 30 June 2022 to K€ 423 in 2023.

### 3.2.14 Trade payables

|                       | 30/06/2023   | 31/12/2022   |
|-----------------------|--------------|--------------|
| Trade payables        | 3 655        | 4 738        |
| <b>Trade payables</b> | <b>3 655</b> | <b>4 738</b> |

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

The decrease in trade payables is due to the decreased activity in Q2 of 2023.

## 3.2.15 Current tax liabilities

|  | <b>30/06/2023</b> | <b>31/12/2022</b> |
|--|-------------------|-------------------|
| Tax liabilities excluding corporate income tax | 1 998             | 1 924             |
| Corporate income tax liabilities               | 3                 | 0                 |
| <b>Current tax liabilities</b>                 | <b>2 001</b>      | <b>1 924</b>      |

The increase in tax liabilities (corresponding to VAT only) is more or less in line with 2022.

## 3.2.16 Other current liabilities

|  | <b>30/06/2023</b> | <b>31/12/2022</b> |
|--|-------------------|-------------------|
| Advances, prepayments, deferred income | 196               | 431               |
| Social liabilities                     | 1 067             | 1 374             |
| Miscellaneous liabilities              | 300               | 484               |
| <b>Other current liabilities</b>       | <b>1 562</b>      | <b>2 290</b>      |

The social liabilities have also decreased due to the decrease in the workforce.

The other amounts relate to different liabilities, credit notes that need to be made related to 2023, expenses of staff that need to be prepaid, costs that need to be accounted for in 2023 but run over longer periods of time.

K€ 120 of the miscellaneous creditors is related to a call option on shares of Invibes advertising NV (cf note 3.2.11.4) and K€ 197 is related to deferred income.

### 3.3 Notes on consolidated income statement

#### 3.3.1 Revenue

The group's activities are reported under one operating segment.

The Invibes group's operational entities (cf note 2.3) all offer in-feed advertising services to advertisers. The nature of these services is therefore comparable.

The revenue decreased from K€ 13 265 in June 2022 to K€ 12 441 in June 2023.

In the 1st half of 2023, Invibes recorded a turnover of €12.4m, down 6% year-on-year for the period compared with H1 2022.

During the first six months, business in the countries where Invibes has been established the longest (France, Spain, Switzerland), continued to be penalised by France, which is still suffering from the slowdown in the digital advertising sector. Unlike the countries in the scale-up phase (Germany, UK, Italy, and Belgium) proving resilient, with an increase in sales of 23% over the same period.

#### 3.3.2 Other operating income

The other operating income mainly consist out of miscellaneous other income (K€ 93).

#### 3.3.3 Capitalisation of internally generated intangible assets

Internal salary costs of the R&D team working on the Invibes Platform together with related external purchases are capitalised as an asset. These amount to K€ 846 in 2023 compared to K€ 1 090 in 2022 due to the reduction of the R&D team in 2023 to adapt to the degraded economic context.

Those expenses meet the recognition criteria for activation in accordance with IAS 38.57. More information can be found under the intangible assets (cf Note 3.2.2).

#### 3.3.4 Operating expenses

The operating expenses increased by 11% in 2023 compared to 2022. This increase is due to the decrease in expenses as a result of the measures taken in 2022 to swiftly adapt the cost structure to the degraded economic context.

#### 3.3.5 Personnel expenses

|                           | 30/06/2023   | 31/12/2022    | 30/06/2022   |
|---------------------------|--------------|---------------|--------------|
| Salaries                  | 5 025        | 12 753        | 6 090        |
| Social charges            | 783          | 1 916         | 868          |
| <b>Personnel expenses</b> | <b>5 808</b> | <b>16 506</b> | <b>6 958</b> |

The personnel costs activated as R&D amount to K€ 846 in June 2023.

The personnel costs activated as R&D amount to K€ 1 090 in June 2022.

In 2022, personnel expenses also include employee remuneration expense related to share-based payments amounting to K€ 1 837 (all of which related to equity-settled share-based payment transactions) (cf note 3.2.11.5).

Average workforce:

|                  | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|------------------|------------|------------|------------|
| Employees        | 160        | 197        | 185        |
| Managerial staff | 10         | 14         | 13         |
| <b>Total FTE</b> | <b>170</b> | <b>211</b> | <b>198</b> |

The total number of FTE's fell down from 198 to 170. This is caused by the degraded economic context adaptation.

Compensation of executive corporate officers:

For the 2023 financial year, the amount of compensation allocated to executive corporate officers is K€ 160:

|   | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|---|------------|------------|------------|
| Fixed   | 154        | 351        | 177        |
| Car   | 6          | 9          | 6          |
| <b>Total compensation allocated to executive corporate officers</b> | <b>160</b> | <b>360</b> | <b>183</b> |

Each member of the board receives 2 000 Invibes advertising NV stock options per year.

### 3.3.6 Depreciation and amortisation

|   | 30/06/2023 | 31/12/2022   | 30/06/2022 |
|---|------------|--------------|------------|
| Intangible assets                                     | 398        | 2 615        | 465        |
| Tangible assets                                       | 83         | 146          | 56         |
| Right-of-use assets                                   | 183        | 304          | 106        |
| <b>Total amortization expenses</b>                    | <b>664</b> | <b>3 065</b> | <b>627</b> |
| Net increase/decrease in current assets provisions    | -52        | 106          |            |
| Net increase/decrease of provisions                   | -14        | 14           | 3          |
| <b>Total Increase in provisions</b>                   | <b>-66</b> | <b>120</b>   | <b>3</b>   |
| <b>Total Increases in amortization and provisions</b> | <b>599</b> | <b>3 185</b> | <b>630</b> |

The amortization expenses have increased from K€ 627 to K€ 664, this is caused by the increased investments in the past of the Invibes platform.

### 3.3.7 Other operating expenses

In 2023, the other operating expenses mainly relate to costs for 2022 but taken into result in 2023 (K€ 53).

In 2022, the other operating expenses mainly relate to non-deductible VAT 2022 and other costs.

## 3.3.8 Financial result

|                                 | 30/06/2023  | 30/06/2022  |
|---------------------------------|-------------|-------------|
| Costs of debt                   | -157        | -144        |
| <b>Finance costs</b>            | <b>-157</b> | <b>-144</b> |
| Currency exchange gains         | 120         | 50          |
| Other                           | 125         | -50         |
| <b>Other financial income</b>   | <b>245</b>  |             |
| Currency exchange losses        | -119        | -24         |
| Other                           | -5          | 24          |
| <b>Other financial expenses</b> | <b>-124</b> | <b>0</b>    |
| <b>Total Financial result</b>   | <b>-36</b>  | <b>-144</b> |

The financial result has increased from K€ -141 in June 2022 to K€ -36 in June 2023 due to the other financial revenue 2023 compared to 2022.

## 3.3.9 Tax expenses

|                    | 30/06/2023 | 30/06/2022 |
|--------------------|------------|------------|
| Income tax payable | -2         | -1         |
| Deferred tax       | -1         | -1         |
| <b>Income tax</b>  | <b>-3</b>  | <b>-2</b>  |

Tax proof:

| Reconciliation between the effective tax rate and the applicable tax rate in K€ | 30/06/2023  | 30/06/2022    |
|---|-------------|---------------|
| Profit / Loss for the year  | -446        | -1 740        |
| Income tax expense (-) / income (+)   | -3          | -2            |
| <b>Income before tax</b>  | <b>-444</b> | <b>-1 738</b> |
| <i>Theoretical tax rate applicable</i>  | 3,00%       | 7,00%         |
| <b>Taxes calculated at the theoretical tax rate</b>                             | <b>-13</b>  | <b>-122</b>   |
| Impact of non-deductable expenses   |             | -41           |
| Impact of non-deductable revenue  |             |               |
| Impact of utilised tax losses   |             | -185          |
| Impact of tax incentives  |             |               |
| Surplus/deficit (-) taxes previous financial years                              |             |               |
| Difference in tax rates foreign subsidiaries                                    | -16         | 103           |
| Other   |             |               |
| Actual income taxes   | -2          | -1            |
| Impact of deferred taxes  | -1          | -1            |
| <b>Total Tax expense</b>  | <b>-3</b>   | <b>-2</b>     |

The 'Theoretical tax rate' is 7% in 2022 and 3% in 2023.

The 'Theoretical tax rate' is calculated by means of the weighted average of the national theoretical tax rates that apply to the profits of taxable entities in the relevant tax jurisdiction. 'Taxes calculated at the theoretical tax rate' are

calculated by multiplying the profits of those legal entities that made a profit with the tax rate of the relevant tax jurisdictions.

## 4 ADDITIONAL INFORMATION

### 4.1 Remuneration of the statutory auditor

Invibes Advertising NV's Statutory Auditor, Grant Thornton Bedrijfsrevisoren CVBA, represented by Mr Elie Janssens, was appointed by the General Meeting of Shareholders of October 25<sup>th</sup>, 2021 for a period of 3 years. The Statutory Auditor received a remuneration of K€ 43 for its mandate in 2023. Apart from these amounts, no remunerations or benefits in kind were granted. There were also no payments made to persons with whom the Statutory Auditor entered into a cooperation agreement.

### 4.2 Off-balance sheet commitments

#### 4.2.1 Call options on Invibes Advertising AG and Invibes Switzerland shares

The companies Invibes Advertising AG and Invibes Advertising NV and Mister Alexander OESCHGER have agreed on November 19<sup>th</sup>, 2018 a call option under which:

- Mister Alexander OESCHGER grants to Invibes Advertising AG an irrevocable right ("the call option") to purchase from him all of his remaining Invibes Switzerland shares. The call option may only be executed between January 1<sup>st</sup>, 2022 and January 1<sup>st</sup>, 2025.
- Mister Alexander OESCHGER grants to Invibes Advertising NV an irrevocable right ("the call option") to purchase from him all of his remaining Invibes AG shares. The call option may only be executed between November 19<sup>th</sup>, 2018 and December 31<sup>st</sup>, 2028.

Management has assessed that the value of these call options is not significant and the likelihood of exercising them is very low, therefore the value of these options is not expressed in the financial statements and are only disclosed.

#### 4.2.2 Other commitments

|   | 30/06/2023   | 31/12/2022   |
|---|--------------|--------------|
| <b>Commitments received</b>               |              |              |
| Ongoing from the deconsolidated Factoring | 5 305        | 6 381        |
| Loans                                     | 3 270        | 3 381        |
| <b>TOTAL</b>                              | <b>8 575</b> | <b>9 762</b> |

|                          | 30/06/2023   | 31/12/2022   |
|--------------------------|--------------|--------------|
| <b>Commitments given</b> |              |              |
| Current assets pledged   | 5 000        | 4 500        |
| Pledge on business       | 700          | 700          |
| <b>TOTAL</b>             | <b>5 700</b> | <b>5 200</b> |



**Ongoing from the deconsolidated factoring:**

The group contracted and signed factoring contracts with FactoFrance GE and Bibby Financial Services as a result of which, part of the trade receivables portfolio are recurrently sold to the factor. At the end June 2023 the amount of receivables sold within that this factor program amounted to K€ 5 305 compared to K€ 6 381 at the end of 2022.

**Guarantees received on loans**

The invibes group received guarantees on loans from BPI for K€ 881, from Fonds National de garantie for K€ 400 and from the European guarantee fund covid19 guarantee facility, given by the European investment fund (EIF) a guarantee of K€ 2.100.

**Current assets pledged:**

The Invibes group has a pledge on its assets of K€ 5 000 in favour of ING and Belfius Bank and a mandate for a pledge on the business of K€ 700 as a collateral for its financial liabilities it has with these banks.

**4.3 Related parties****Transactions with the company**

Except for transactions between consolidated companies, which are eliminated by consolidation, and compensation granted to key management personnel for which reference is made to note 4.4 Personnel expenses, the transactions and outstanding balances of other related parties are negligible for both 2023 and 2022.

**4.4 Risk factors****4.4.1 Credit risk**

Credit risk is the risk of a financial loss for the Group if a customer or counterparty to a financial instrument defaults on their contract commitments. The risk comes primarily from trade receivables and investment securities.

**Trade and other receivables**

The group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. The statistical profile of the customer portfolio, particularly the default risk for the business sector and country where customers operate, is without any real impact on credit risk.

The Group determines a level of depreciation which represents its valuation of losses related to trade and other receivables and investments. The main cause of depreciation corresponds primarily to specific losses related to significant individualized risks. In December 2022 the amount of depreciation amounted to K€ 129 and in June 2023, the amount of depreciation amounted to K€ 77.

The Group has implemented procedures and systems for monitoring its customer receivables and claiming unpaid claims and the quality of customers before accepting them. The payment terms are depending on the market and client but are always between 30 and 90 days.

The majority of the receivables are externally insured in case of default or non-payment and thus resulting in lowering this risk.

## **Factoring**

The main evolutions and information about the factoring are disclosed in Note 3.2.7 Trade receivables.

### 4.4.2 Liquidity risk

Liquidity risk is the risk the Group may have difficulty paying its debt when they fall due. To the greatest extent possible, the Group manages the liquidity risk by ensuring that it has sufficient available or accessible cash to cover its liabilities when they fall due, under normal or « tight » conditions, without incurring unacceptable losses or impairing the Group's reputation.

Generally, the Group makes sure to have a sufficient sight deposit to cover operational costs expected for a period of 60 days, including the generated debt servicing payments. This excludes the potential impact of extreme circumstances, such as natural disasters, that one cannot be reasonably predict. In addition, the Group maintains its credit lines.

The main evolutions and information about the liquidity risk are disclosed in Note 3.2.12 Long term and short term financial liabilities.

### 4.4.3 Market risk

Market risk is the risk of variation in market prices, such as exchange rates, interest rates and equity prices, affecting the Group result or the value of financial instruments held. Managing market risk involves controlling market risk and maintaining it within acceptable limits.

This risk is however reduced considering the fact that the majority of the turnover and costs are in euro and the markets which operate in a different currency are not significantly contributing to the group yet.

### 4.4.4 Exchange rate risk

The Company publishes its consolidated financial statements in euros. As the Company operates mainly in a euro environment, the exchange rate risk is extremely limited. The current main exchange rate risks relate to the British Pound and the Swiss franc. The exchange rate fluctuations are not covered by forward contracts, nor by currency options. As a result, exchange rate fluctuations of these currencies may be advantageous or disadvantageous for the Invibes group.

An increase/decrease of the euro/non-euro currencies by +10% or -10% (main rate = average rate for 2023) would have an impact on the result before tax K€ 79 or K€ -97 respectively as at June 30<sup>th</sup>, 2023. An increase/decrease by +10% or -10% (main rate = closing rate for 2023) would have an impact on the book value of K€ -498 or K€ 608 respectively as at June 30<sup>th</sup>, 2023.

Purchases and sales in the non-euro markets are done in the local currencies, which causes a natural hedging system.

### 4.4.5 Interest rate risk

The Group is primarily exposed to the interest rate risk on its variable-rate debt and on its financial investments.

The Group's financial indebtedness is mainly based on fixed interest rates.

To date no specific hedge has been arranged at Group level for this type of risk.

#### **4.5 Events after closing**

None