

2020 first-half earnings

Operating losses and asset write-downs with the impact of the global health crisis Actioning of Antevenio-Rebold synergies

Madrid, October 8, 2020, 8am - The [Antevenio](#) Group (ISIN ES0109429037, PEA-PME eligible), the marketing content and technology market leader in Southern Europe and the Americas, is today reporting its first-half earnings at June 30, 2020.

In million euros	At June 30, 2020	At June 30, 2019	Change %
Consolidated revenues	10.19	12.58	-%
Net revenues ⁽¹⁾	10.05	12.34	-19%
Gross margin	5.74	7.30	-21%
<i>Gross margin rate (% of net revenues)</i>	57%	59%	
Staff costs	(4.75)	(5.21)	-8.8%
Other operating expenses	(1.52)	(1.42)	+7.0%
Amortization	(0.39)	(0.32)	+22%
Provisions / depreciation	(0.09)	(0.09)	-
Non-recurring expenses	(0,33)	-	
EBIT	(1.34)	0.25	
<i>Operating margin rate (% of net revenues)</i>	-13.3%	2.0%	
Financial income and expenses	0.04	(0.03)	
Impairment	(3.83)		
Consolidated income before tax	(5.13)	0.22	
Tax expense	(0.01)	(0.17)	
Consolidated net income	(5.14)	0.05	

(1) Revenues less volume discounts on ad sales

Significant contraction in business over the first half of 2020

The Group's business contracted by 19% during the first half of 2020, impacted by the global health crisis, particularly for its Publishing and Digital Media Trading activities. However, Marketing Technology sales proved very resilient over the period.

The regional breakdown of revenues shows 46% of first-half sales were generated in Spain, 25% in Italy, 7% in France, 10% in Latin America (vs 23% for H1 2019) and 13% in North America.

Earnings

During the first half of the year, Antevenio recorded an 8.8% reduction in staff costs, reflecting the impact of the reorganization rolled out in 2019 and the first measures put in place this year to mitigate the effects of the crisis. However, operating expenditure was stable compared with the first half of 2019, due to non-recurring costs linked to the restructuring of the management teams and the business combination operation, resulting in an operating loss of €(1.34)m.

In addition, Antevenio had to write down certain assets, including the goodwill for its French and US subsidiaries, for a combined total of €3.83m. Cash-flow forecasts for those two subsidiaries have been revised significantly due to the impact of the crisis and improved understanding of the business forecasts for all the business units from the new Antevenio/Rebold scope. The acquisition goodwill represented €7.4m at June 30, 2020, compared with €11.2m at December 31, 2019.

Following this impairment, net income shows a loss of €(5.14)m, compared with a positive figure of +€0.05m for the first quarter of 2019.

Financial position still positive

As the majority of the half-year losses had no impact on cash flow and working capital requirements were stable, cash net of financial debt remained positive at end-June, with €1.05m, versus €2.8m at end-December 2019. Shareholders' equity came to €8.0m, compared with €13.2m at end-December.

Antevenio-Rebold business combination

The general meeting on September 4, 2020 unanimously approved the business combination between Antevenio, a digital advertising and performance marketing specialist, and Rebold, a communications and marketing data specialist. This combination of their complementary strengths is a robust response to the growing challenges - compounded by the COVID-19 crisis - facing digital marketing firms. This operation was carried out on September 8, with ISP Digital contributing 100% of Rebold's capital and Antevenio issuing 10,683,767 new shares in exchange, taking the number of shares comprising its capital up to 14,891,262.

The new combined structure's key pro forma indicators for the first half of 2020, assuming that the business combination was effective from January 1, 2020, are as follows:



Pro forma Rebold + Antevenio (in million euros, unaudited)	At June 30, 2020	At June 30, 2019	Change %
Consolidated revenues	34.7	41.8	-17%
Gross margin	18.3	21.4	-15%
EBITDA	0	1.5	-
Current operating income	(0.7)	0.9	-
EBIT	(1.3)	0	-
Impairment	(3.8)	0	-

These indicators show a good level of resilience faced with the crisis for Rebold, which successfully increased its gross margin rate to limit the contraction in its first-half gross margin to 11% (€12.6m vs €14.1m in H1 2019), while maintaining a positive current operating income of €0.35m (vs €0.7m in H1 2019).

Outlook

Antevenio/Rebold intends to capitalize on various synergies linked to the integration process and some of them have already been implemented. For instance, the commercial offering and sales teams are now fully integrated and a new marketing plan is in place for all of the regions. Strong progress has also been made with the process to integrate the Group's technologies.

In a still uncertain environment linked to the continuing COVID-19 epidemic, the Group is positioned to benefit from more positive market trends over the second half of the year, while maintaining a streamlined cost structure.

Publication of the half-year financial report

The 2020 half-year financial report is available to the public and was filed today with the French Financial Markets Authority (AMF). It can be consulted on the company's website at www.antevenio.com under "Financial Information / Consolidated Annual Accounts".

About Rebold

Rebold is a data-driven digital communication, marketing and advertising company that generates growth opportunities for brands based on a deep knowledge of consumers, marketing technologies and data ecosystems. Rebold is present in Spain, U.S.A. and LATAM and operates through 3 areas: (i) *intelligence* (listening, monitoring and analysis of brands, media and consumers); (ii) *analytics* (data and information analysis, data science and creation of predictive models to optimize the return on investment in marketing and advertising); and (iii) *activation* (omni-channel activation strategies for digital advertising campaigns based on data and deep consumer knowledge to guarantee relevant and personalized messages). Le Groupe a réalisé un chiffre d'affaires consolidé de 66,9 millions d'euros en 2019.

About Antevenio

Antevenio is an innovative publishing and marketing technology firm and the market leader for Southern Europe and the Americas. It helps brands to convey their value propositions to consumers through a comprehensive range of solutions that combine advertising, content marketing and cross-channel technology. These solutions are available as a service or a licensed cloud-based software with its MDirector suite. In 2018, Antevenio recorded consolidated revenues of €30 million. Antevenio has been listed on Euronext Growth Paris since February 15, 2007 (ISIN: ES0109429037).

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