



Invibes Advertising (“Invibes”)

Founders Letter

Dear Shareholders,

We would like to share with you the vision that has been driving us since we founded Invibes in May 2011, a conviction that digital advertising efficiency comes from being truly innovative and naturally engaging to users. With this belief, we set out to transform the way brands reach consumers, by placing impactful in-feed ads that create positive user attention within quality online media.

Through our previous experiences as Internet entrepreneurs in the early 2000s, we developed a deep understanding of Internet users, their behaviours, what attracts them, and how to enhance their loyalty. In addition, we realised that technological independence was essential to set-up a sound digital business in order to have full control over strategy execution.

Although we were coming from outside the advertising industry, our experience allowed us to identify inefficiencies in the digital business branding segment, with existing advertising solutions ill-suited to the evolution of Internet usage, and with additional challenges arising from the shift towards mobile applications. We identified two key opportunities for transformation:

- There appeared to be limited innovation focused on user experience for digital advertising across the publishing world.
- To compete with larger platforms like Apple, Google and Meta it was necessary to have a deeper understanding of technology and the digital tools needed to deliver effective online advertising.

Based on this analysis, we understood that there was an opportunity to be seized: the digital brand advertising of the future would not only be awareness-based, but also engagement-based. For that, new formats and targeting technologies were required in order to get the most out of the unique capabilities of the digital world. We decided to make it happen and founded a technology company able to develop creative and engaging in-feed advertising formats that generate positive attention and transform the way consumers interact with brands.

In-feed positioning

From the very beginning, we focused on formats inserted in the feed of articles of online media. The reason was simple: ever since the birth of media communication, advertisements have always been in the flow of content:

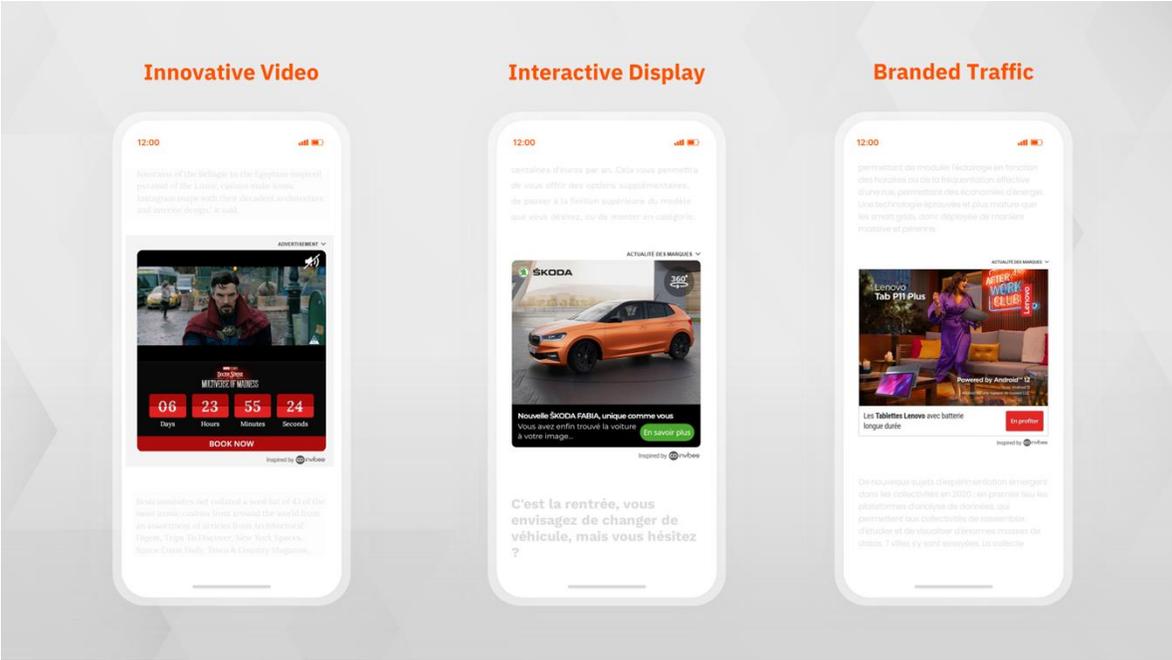
- TV: ads before/during/after films and shows;
- radio: ads before/after songs;
- press: ads before/during/after articles.

When the digital advertising market started, ads were positioned above and/or next to the content. Ads were not being seen, so the market started to push more visible formats like interstitials that cover the entire screen. But these were too intrusive and people developed the habit of immediately closing them without a look, or even installing ad blockers. All of this was creating negative attention and a lose-lose situation: the users were irritated and the advertisers were not getting results.

This is why we decided to focus on in-feed ads, as they encapsulate the essence of successful media advertising: visible but non-intrusive. If a user is not interested, they just need to scroll to skip the ad. If they are interested, they click on the ad, and the advertiser is invoiced per number of clicks. This model creates positive attention and is a win-win formula for everyone:

- Users are not forced to endure ads they don't want to see
- Advertisers achieve greater efficiency in their online communication campaigns
- Publishers increase their revenues.

We believe that digital advertising efficiency comes from being truly innovative and naturally engaging for users. Unlike paper or TV ads, where the reader/viewer is passive, the formats we have developed encourage an active, positive response from the Internet user. We could say that Invibes provides the same type of advertising that people can see on social media platforms, but we do it in premium media contexts through a network of more than 1,600 publishers across Europe, South Africa, UAE and USA. So far, more than 800 brands have become our clients, integrating the Invibes in-feed technology into their digital strategy.



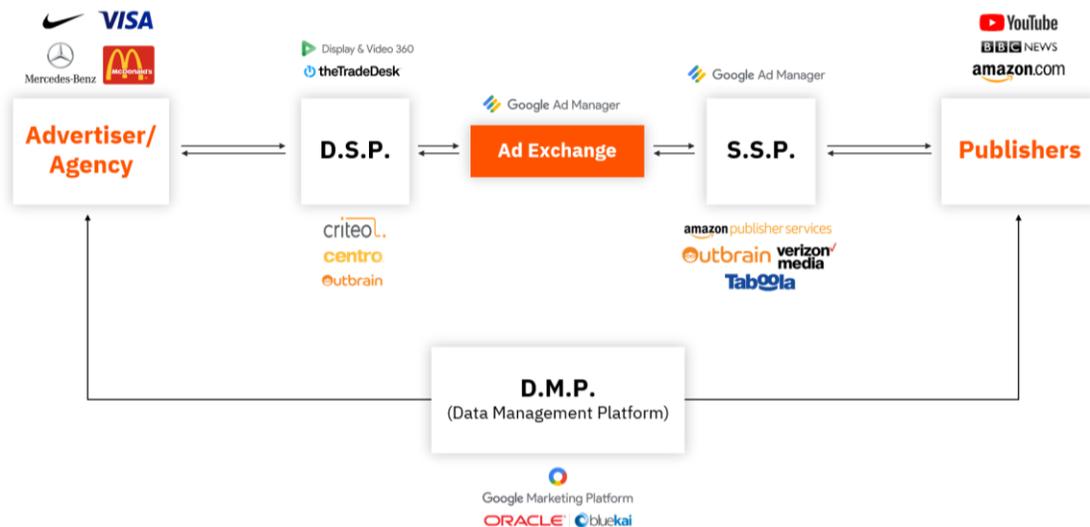
The digital advertising ecosystem

Digitalisation has had a major impact on the advertising industry, with the development of Programmatic Advertising. Whereas advertisers used to have direct relationships with publishers, the explosion in the number of media websites has resulted in the apparition of many intermediaries:

- First, Ad Networks started aggregating advertising slots across a number of publishers.
- As these Ad Networks multiplied, Ad Exchanges emerged, functioning as automated market places where advertising slots can be sold/bought in real time.
- Again the increasing number of players resulted in the creation of aggregators, both on the buy side (Demand Side Platforms) and on the sell side (Supply Side Platforms).
- With the bidding process happening within milliseconds between the moment when an Internet user clicks on a link and the moment when the content is displayed, technical innovation and programming have become absolutely essential.

In addition to that process, the use of data to target ads towards users has proven increasingly important. Thus Data Management Platforms appeared, specialised in aggregating and exploiting users data to improve the efficiency of communication campaigns.

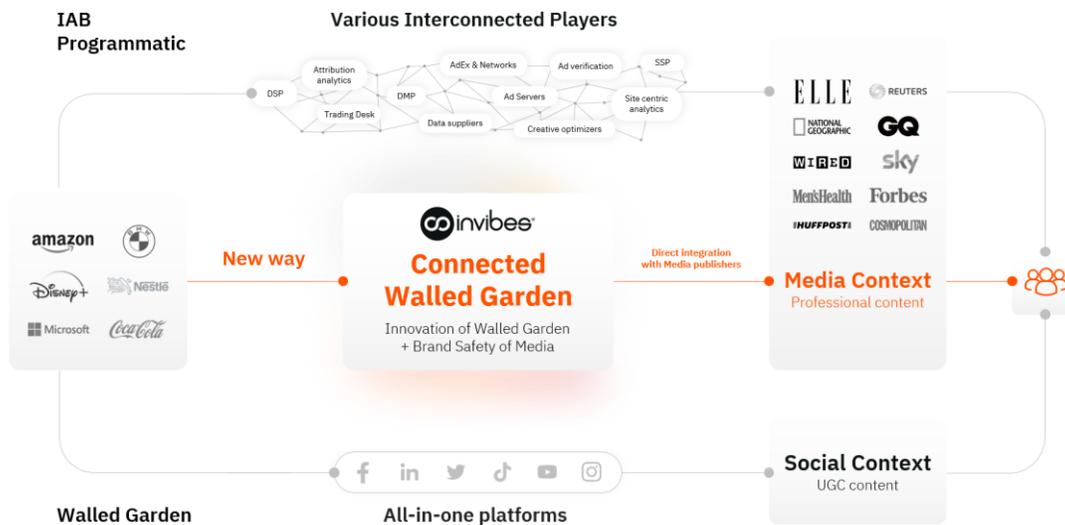
All this resulted in a complex network of players.



Invibes proprietary technology platform

Rather than participating in Programmatic Advertising, we made the choice of designing an integrated technology platform - a “connected walled garden” - to control the entire value chain from advertiser to publisher. Our platform offers our clients access to a large network of premium media websites with all the advantages of Programmatic Advertising (brand safety, ad verification transparency, use of external data), but with the same quality of service as big social media platforms (innovation, efficiency, simplicity).

This connected walled garden makes Invibes a unique player in the digital advertising ecosystem. A key differentiator in the open web, our fully integrated model has proven attractive to more than 800 brands so far.



The core of our business is our integrated technology platform, which combines proprietary advertising algorithms and cutting-edge machine learning technologies. This is the result of years of R&D investments (10% of revenues on average) as well as our 2019 acquisition of a majority stake in ML2Grow, a company specialising in Artificial Intelligence for industrial clients. Going forward we will continue to invest in our platform as innovation is essential to maintain our technological edge.

Invibes Platform

Infinite data

Context

- URL (domain, page)
- PageCat
- Page length, weight
- Environment (web, AMP, FB app)

Users profile

- Interests
- Scrolls, time, CTR
- Socio-demo
- Clients / Partners data

Other

- Device
- Browser
- Day, hour
- Weather

+ various other criteria



Real time decision algorithms

Since 2011, Invibes has invested several million euros in its platform to optimize inventory purchase, brand KPIs and Invibes margin.



Introduction of AI components

Since 2019, with the acquisition of 51% of ML2GROW, who works on industrial Big Data projects.

Inspired in-feed

KPIs

- Brand safety
- DAR reach
- Visibility
- Video completion
- Attention / Interaction
- CTR
- Bounce rate / visits
- Time spent / pages views
- Actions (post view)

Guarantees / Invoicing units

- CPM
- vCPM
- CPVV
- vCPVV

The three key success factors of our platform are its Reach, its Formats and smart use of Data:

- Reach: Invibes offers access to 250 million unique monthly visitors on the websites of more than 1,600 publishers across Europe, South Africa, UAE and USA.
- Formats: we have developed more than 80 exclusive advertising experiences that naturally capture the attention of readers, while respecting the recommendations of the Coalition for Better Ads.
- Data: contextual and behavioural data analysis ensures the most relevant ads are presented to a user.



Profitable growth

Invibes' organic growth is supported by the structural evolution of the advertising market, increasingly shifting towards digital advertising. Our addressable market is large and has been rapidly growing. Within that market, our choice to stay away from Programmatic Advertising has allowed us to grow more strongly than most ad-tech companies. In addition, we are pursuing an international expansion plan. Supported by these fundamental trends, Invibes achieved solid growth even during the Covid-19 pandemic. Going forward, we expect to continue growing strongly in a market boosted by further digitalisation.

Our development roadmap is based on the following strategic levers:

- Accelerate in existing countries, where Invibes still has strong growth potential.
- Open new countries to seize additional sources of growth and reinforce our cross-market offering.
- Launch new value-added services to enhance our relationships with existing clients and acquire new ones.
- Strengthen our technology platform through sustained R&D investment, as well as potentially through partnerships or acquisitions.
- Develop ML2Grow's business services for Big Data and artificial intelligence projects.

This ambitious strategy should enable Invibes to reach €100 million revenues by 2024, up from €23 million in 2021 and €1 million in 2014, mostly through organic growth, and possibly in part through external growth.

While growing, we carefully manage our cost structure to achieve positive operational margins. Based on our experience of launching activities in more than 15 countries, we are able to precisely model the return on investment of each new country to ensure it contributes to the group's bottom line in just a few months, aiming for similar levels of profitability as the high ones achieved in our established markets.

We are convinced that sacrificing profitability to growth is not sustainable. Therefore, we endeavour to find the right balance between these two aspects, as our long-term objective is to build a global technology player with a strong advertising business. Our solid balance sheet gives us the financial resources to pursue our ambitious goal.

Our values

Outside of commercial and financial performance, we have aimed to build a business we can be proud of: where employees are happy to work, that is valued by its clients, and which makes a positive contribution to the world.

We recognise that the values according to which we have been running our business since its launch matter greatly to our shareholders, our clients, and of course our employees. This is why we have formalised Invibes' Environmental, Social and Governance policy, and published it on our website. Indeed, we believe there can be no real success without a healthy environment outside our company and what we like to call "good vibes" inside our company.

A particularly important element for us is that Invibes is rich of its diverse workforce, including 25 different nationalities and 50% of female employees (as of 31/01/2023). We are convinced this has greatly contributed to our success and aim to maintain this amazing situation.

We believe positivity is fundamental to the success of Invibes. We want our employees to be happy. Creating a positive and healthy culture for our team rests on a few major principles:

- Entrepreneurial Spirit – An attitude of resourcefulness fostering out-of-the-box thinking.
- Constructive Feedback – Openly giving and receiving it.
- Unconditional Collaboration – Providing support for one another. Inspiring one another.
- Passion – We love our work so much that we are not tired of it.
- Fearlessness – Become the person that your 13-year-old self dreamt about.
- Non-Stop Learning – Our ego can sometimes prevent us from learning. In the Invibes family, no one is too important to take out the trash.

Invibes products generate positive advertising experiences. We believe we managed to create an ideal advertising world where advertisers get better campaign results through in-feed technology, publishers gain greater value through our non-intrusive advertising solution, and we help both build consumer loyalty, by offering a meaningful experience to the users.

Our challenges

While the global sanitary and geopolitical context could result in challenging economic conditions in the short-term, we feel confident that we are well positioned to tackle them based on the resilience that Invibes has already demonstrated in the pandemic context.

We see the main challenges ahead of us as the following:

- Finding and hiring talent is essential to our development. While the job market is very competitive, we have built a fantastic team and expect to be able to continue attracting great talent by offering quality jobs and a positive working environment.
- A global economic downturn might affect overall advertising spending, but the shift towards digital advertising should continue, maintaining a certain level of growth in our addressable market. The Covid-19 crisis has shown that our business model is able to outperform in tough conditions.
- Technology is a fast evolving world. We are conscious that innovation is essential to our continued success and think it presents even more opportunities than challenges. We invest in R&D (10% of revenues on average) and constantly aim to further strengthen our technology platform.
- Regulations as well as expectations of Internet users can change. Anticipating fundamental evolutions and adapting to new contexts are essential to Invibes' future success. For example, cookies are progressively disappearing, but Invibes is ready for the cookieless future thanks to our platform's fully integrated model that allows us to analysis other sources of data for further smart targeting.
- Geopolitical events can impact stock markets. Despite turbulent circumstances, we believe the potential of our company to grow strongly and profitably should create long-term value for our shareholders.

As a conclusion, we would like to thank all our shareholders for their support, our clients for their trust, and our employees for their talent and great spirit.

We look forward to further building the success of Invibes and to sharing our achievements with you.

Two handwritten signatures in black ink. The first signature on the left is 'Pollet' with a stylized arrow-like shape above it. The second signature on the right is 'Kris Vlaemynck' with a long horizontal stroke extending to the right.

Nicolas Pollet & Kris Vlaemynck

Founders and co-CEOs

Invibes Advertising