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AudioValley confirms its promise of accelerated growth:

- **+50% in revenues in the first half of the year and +51% in Q3¹**
- **gross margin up to 47.2%**
- **recruitment of new talent**

AudioValley, an international specialist in B2B digital audio solutions, (ISIN code: BE0974334667 / ticker symbol: ALAVY) is today publishing its results for the first half of 2021 and its turnover for the third quarter of 2021. The half-yearly accounts for the period ending 30 June 2021 were approved by the Board of Directors on 15 October 2021.

As stated on 13 July, **the turnover for the first half of 2021 shows a remarkable level of growth of 50%** (at constant exchange rates) compared to the first half of 2020, amounting to **€12.3m** (vs. €8.5m in 2020). This reflects the strong recovery felt from the beginning of the year in the Targetspot audio content monetisation division. This is despite the fact that COVID is still having a negative impact on certain European countries.

Targetspot, which accounts for 91% of the AudioValley Group's business², achieved **half year revenues of €11.2m, up 56.3%** at cer on H1 2020. Several months of record growth were recorded in Q2 in the US, the main driver of this growth. Advertiser spend budgets resulted in excellent half year revenues in the US, up 72% at cer compared to H1 2020. In our view, this is a clear signal of the accelerating trend towards digital audio in advertising spend.

The division's European business also performed very well, with growth of 27.5% compared to H1 2020.

Jamendo, the music licensing and rights management business, was still feeling the impact of the pandemic heavily in Q1, but recovered strongly in Q2 to end the **half year up 5.1%** on H1 2020, at **€1.2m**. Several talented individuals have been hired to work on the division's commercial growth strategy.

FINANCIAL RESULTS FOR THE FIRST HALF OF 2021

¹ Compared to the first half and the third quarter of 2020, at constant exchange rates (cer).

² on 31/12/2020.

IFRS Consolidated Statement of Income			
<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	Variation
Turnover	12,332	8,676	+42.1%
Cost of sales	(6,511)	(4,631)	+40.6%
Staff costs	(4,471)	(2,780)	+60.8%
Other administrative and commercial costs	(1,763)	(1,483)	+18.9%
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(413)	(218)	- €195k
Amortisation and depreciation	(2,055)	(2,279)	-9.8%
Current operating income after depreciation and amortisation	(2,468)	(2,497)	+ €29k
Other revenues	-	-	
Other costs	(2)	(15)	+ €13k
Operating income	(2,470)	(2,512)	+ €42k
Financial performance	(818)	(808)	- €10k
Income before tax	(3,288)	(3,320)	+ €32k
Taxes on income	(2)	(10)	+ €8k
Net result for the financial year	(3,290)	(3,330)	+ €40k

In addition to the very strong growth in revenue, the Group recorded an improvement in its **gross margin** rate, representing **47.2% of revenue** compared to 46.6% in H1 2020.

The increase in staff costs is largely due to COVID-related mechanisms (COVID-related unemployment, working time reduction) implemented in 2020, which had an impact of €1.2m in H1 2020.

Investments in preparation for the future

The Group recorded a current operating income before depreciation and amortisation (EBITDA) of **-€0.4m**, compared to -€0.2m in the first half of 2020. However, this is difficult to compare for the reasons given above.

Sébastien Veldeman, CFO: "The slight decline in profitability is mainly due to the human factor, with staff costs increasing from €2.8m in H1 2020 to €4.5m in H1 2021. This increase is largely due to the introduction of COVID-related mechanisms in

2020, which had an impact on H1 2020 staff costs of €1.2m. This should be taken into account when comparing the EBITDA between the two years.

We have also invested in the future by hiring talent to support the growth of Targetspot and to work on preparing new revenue streams alongside this division. For example, in the Jamendo division, we have created a new business – Bridger – for music rights management. And we have also been working on the technical side of our other brands, Shoutcast and Winamp.”

In addition, developments in the Jamendo division had a negative impact on the Group's EBITDA (€273k).

Other items

The successful **capital increase** of **€8.6m** carried out with qualified investors in April 2021 is specifically intended to support the Group's international growth and **provide it with the necessary liquidity**.

Depreciation and amortisation decreased by €0.2m, from €2.3m to €2.1m. This includes €1m of amortisation of the Group's proprietary technology platforms, which has no cash effect, €0.6m of amortisation of intangible assets (capitalised tech salaries) and €0.4m of amortisation of tangible assets (mainly lease costs, IFRS 16).

The financial performance of -€0.8m is mainly made up of interest on bonds and convertible bonds of -€0.4m

Alexandre Saboundjian, CEO: “We will continue our efforts to be a global player in our market with enthusiasm and ambition. We remain confident of continued strong growth in the second half of 2021. We are also actively preparing the organisation of our company for the launch of new products in 2022 that will contribute to the evolution of the group.”

TURNOVER FOR Q3 2021

Continuing growth of 50%

Turnover for Q3 is **up by 51%** compared to Q3 2020 (at constant exchange rates; cer), at €7.5m.

This very satisfactory result was driven by the **Targetspot division, which achieved a turnover of €7.0m, up by 57.1% at cer**, compared to €4.5m in Q3 2020. This growth is mainly due to the US (+80.3% at cer), Europe still being somewhat impacted by the pandemic (+16%).

On the other hand, the Jamendo division posted **revenues of €0.5m, a stable result compared to T3 2020 (+0.4%)**.

Turnover in €k - non-audited	T3 2021	% of rev. 2021	T3 2020	Variation 2021/2020	CER variation ³
Targetspot	7,002	93%	4,519	54.9%	57.0%
Jamendo	525	7%	522	0.4%	0.4%
Total for Group	7,527		5,041	49.3%	51.2%

³ At CER: at constant exchange rate.

FUTURE UPDATES

2021 revenues

27 January 2022, before market close

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About AudioValley

Based in Brussels in the heart of Europe, AudioValley has been a pioneer and leader in digital audio since 2007. Active across the entire value chain of its sector, and with a global network, AudioValley offers its customers and partners solutions to develop their business through digital audio, both locally and internationally.

The Group brings together iconic brands: Targetspot, for digital audio monetisation; Jamendo Licensing, for marketing of creative works; Bridger, for music rights management; Shoutcast, for streaming technologies and podcast management; and Winamp, the iconic audio player.

The audio industry is undergoing an unprecedented digital revolution, with ultra-connected consumers who want to access the best audio content anywhere, any time. To address these new consumer habits, AudioValley is developing technologies that enable the benefits of digital audio to be enjoyed instantly; and services that connect brands and consumers, publishers and their audiences, publishers and brands, and artists and music lovers. AudioValley is operational in 9 countries and employs around 100 people worldwide. www.audiovalley.com