



Half-year results 2021: Revenue and performance up in first half of 2021

Revenue of EUR 55,472,017, up 14%;
EBITDA of EUR 4,179,700, up 19%

BRUSSELS, 30 SEPTEMBER 2021 (EMBARGO → (8.30 am CET) – Emakina Group (Euronext Growth Brussels: ALEMK) announces its half-year results for 2021 today.

1. Key figures half year 2021

| In thousands of EUR | H1 2021 | H1 2020 | Variation |
|---|----------------|----------------|------------------|
| Revenue | 55,472 | 48,769 | + 14% |
| Earnings before interest, taxes depreciation and amortisation (EBITDA) | 4,180 | 3,502 | + 19% |
| Operating margin % | 7.5% | 7.2% | |
| Result before tax | 594 | 298 | + 296 |
| Net result | 326 | 23 | + 303 |

2. Key events in the first half of 2021

a) Growth, new offices and internationalisation of activities

Emakina Group consolidated revenue recorded an increase of +13.7% (+12.1% at constant scope) **for the first half of 2021**, compared with the same period in 2020,

This growth dynamic is underpinned by the organic international growth, which is gaining pace, with international revenues now accounting for 70% of the half-year consolidated revenues in 2021, compared with 66% for the same period in 2020, and in particular the sustained growth in activities in the Middle East, the Netherlands and Central Europe in terms of e-commerce and associated services.

In 2021, Emakina established a number of new offices in England, Germany, South Africa, Lebanon and in India in order to assist international clients but also to prospect for potential new clients and benefit from access to new production capacities.

Emakina now operates in 20 countries on 4 continents.

The internationalisation of the group's activities is set to continue in the months to come bearing in mind the commercial strategy around new offices and the commercial business currently in progress.

b) Impact of COVID-19 – Relevance of the service range

The first half of 2021 was marked by renewed uncertainty linked to the development of the pandemic, wide-ranging public vaccination efforts and a further surge in the demand for digitalisation services and infrastructures. The leading economic players, including Emakina Group clients, have now irrevocably taken on board the idea that it is vital to apply hybrid business models combining traditional and digital channels, office-based and distance working, local procurement and international purchases, etc.

This has prompted a **market dynamic that is very favourable to the activities of Emakina Group agencies** which have seen widespread confirmation of a steadfast demand for agency services and assistance with digitalisation, from design to implementation. **The Group has therefore continued, amplified and enhanced the sophistication of its digital platform deployment and digital commerce services.** The Group has continued to invest in deepening and expanding its technological partnerships so as to be able to offer its clients the solutions best suited to their strategic and commercial objectives.

c) Impact of COVID-19 – Balance between teleworking (WFH) and working in the office

In a context of intensive teleworking, the use of high-performance videoconferencing and online collaboration tools ensures continuity and quality of service. Since September 2021, **a plan for the partial and gradual return to the group's offices has been drawn up** on a case-by-case basis in collaboration with staff in order to recreate a social dynamic while complying with the legal provisions in the various countries in which the group operates.

The new balance between working at the office and teleworking provides food for strategic thought regarding the relevance of the size and the layout of the group's offices, including in particular the use of a 'flex desks' model for workers.

d) Human capital and production

The management continues to pay particular attention to the well-being of its staff. The intensive vaccination campaign during the first half of 2021 now offers real prospects for emerging from the crisis and returning to more office-based work, which means a resumption of social life in the company.

Investments in protection, psychological support and high-performance videoconferencing and online collaboration tools have made it possible to maintain quality of interaction both internally and with clients, despite the pandemic. The teleworking and protection measures taken proved fully effective in limiting cases of infection within the group.

In terms of production, the 'Global One Team' strategy continued to demonstrate its relevance in the first half of 2021: to bring in the best talents, the best technological expertise, regardless of their geographic location, in order to offer clients the best user experience with our solutions.

The management would like to thank all the staff again for their contribution to the group's results.

e) New business

In 2021, many national and international companies chose an Emakina agency as their digital transformation partner.

These include, among others: Al Malki Group, André, Dolby Middle East, DPG Media, Dropkick, Fedrus International, Fraser, Guinot - Mary Cohr, Labors.at, Linköping Kommun, Logitech, Mamas & Papas, Mindware, Moët Hennessy Netherlands, Nice.com, Palmers, Rentes Genevoises, Rivoli (Swatch Group), Skandinavisk, Solis, Under Armour Middle East, V and B, Vanelli, Visit Brussels, and Vlerick Business School.

f) Integration and processes

In the first half of 2021, Emakina Group continued to invest in integration within its network. All the Belgian and Central European entities successfully switched to the new project management platform combined with the new ERP, the former at the start of 2021 and the latter in September this year. Deploying these centralised platforms across the group remains a priority in order to promote collaboration and increase productivity.

g) Partnerships

Through its commercial partners, Emakina Group continues to offer its clients a wide geographic scope combined with in-depth local knowledge.

h) Prizes and awards

During the first half of 2021, Emakina Group won a number of international awards. Salesforce honoured Emakina with the 'Sales Excellence Partner Award' and the 'Implementation Partner Award' for the Middle East. Kentico also recognised the group, giving Emakina the 'Website of the Year' and the 'Consumer Goods Website of the Year' awards for Julius Meinl and the 'Website of the Month' award for Comet Group. Other awards included the 'Dutch Interactive Award' for Bugaboo Business, DotComm awards with the Fondation Saint-Luc for the 'Best Viral Campaign' and the 'Best Pro Bono Campaign', and with Hartlauer for the 'Best B2B Website', while the International Viddy Awards added prizes for Walibi for the 'Best Video Series' and the 'Best Informational Video'.

3. General comments

Revenue and Operating performance up (EBITDA)

The Covid pandemic has established digital at the centre of clients' strategy, creating a market dynamic that is favourable to Emakina's activities. The growth recorded in the first half of 2021 reflects a volume effect of hours invoiced combined with a slight increase in the average selling price, which has a positive impact on the development of the margin.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 4,179,700 (EUR 3,916,372 at constant scope) in the first half of 2021, compared with EUR 3,502,205 during the same period in 2020, representing an increase in absolute terms of 19.3%. Expressed as a percentage of total sales, EBITDA passed from 7.2% to 7.5% (7.2% at constant scope) between the first half of 2020 and 2021.

The positive trend in the operating margin in the first half of 2021 is the result of good growth management combined with (i) the strengthening of selling prices, (ii) the good resource occupation level and (iii) staff costs under control, in a context marked by competitive pressure.

Sharp increase in current and net result

The **sharp increase in the current profit before tax in the first half of 2021** (EUR 1,230,329) compared to the same period in 2020 (EUR 455,285) may be attributed to (i) the positive trend in operating profitability, (ii) a financial result under control and (iii) the lack of depreciation of trade receivables in 2021.

The net profit (EUR 325,795) may be attributed to (i) the development of the current result, (ii) a stable tax burden and (iii) a non-recurrent result (EUR -636,616), linked mainly to capital losses on the disposal of shares and to reorganisation costs.

4. Financial health

As at 30 June 2021, the group's financial health improved thanks to the increase in EBITDA, a positive net profit, an increased equity base, growth in the working capital requirement under control, a level of financial indebtedness under control and the availability of appropriate credit lines. The management constantly monitors the working capital requirement and in particular the aging balance.

5. Major event in the second half of 2021: voluntary Takeover Bid on the Emakina Group shares by EPAM Systems

As a reminder, on 18 August 2021, **Emakina Group SA** announced that **EPAM Systems, Inc.**, a Delaware-based company listed on the New York stock exchange and specialising in product development, digital platform engineering and digital product design, **filed a prospectus with the Belgian financial services and markets authority with a view to launching a voluntary Takeover Bid** on all 3,893,353 shares issued by the Company. The bid is intended to provide the Company with better access to an even more diversified client base.

The Board of Directors of the Company believes that the terms and conditions of this friendly takeover bid are favourable and has unanimously decided to recommend the shareholders to tender their shares to EPAM. To date, in the context of this bid EPAM Systems, Inc. has received binding commitments from shareholders to tender 3,713,520 Company shares, representing 95.38% of all the shares with voting rights issued by the Company, including the Company's own shares.

The process is ongoing with the Belgian financial services and markets authority.

6. Outlook for 2021

In a context marked by the gradual emergence from the Covid pandemic thanks in particular to intensive vaccination campaigns and bearing in mind the current commercial indicators, Emakina's position and the existing scope, the Emakina management anticipates a double-digit growth in sales over the whole of 2021, in line with the first semester.

7. Directors' statement

The Board of Directors of the company declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at 30 June 2021, established in accordance with Belgian accounting standards, give a true and fair view of the assets, financial status and results of the Emakina Group. The half-year financial report contains an accurate description of the information that must be included in it.

8. Miscellaneous

Auditor's report

The auditor has confirmed that his limited review of the consolidated accounts is complete in terms of substance and has not revealed any significant adjustment to be made to the accounting data presented in the half-year report.

Belgian accounting standards

All the consolidated figures given in the appendices have been established in accordance with Belgian accounting standards. These figures provide a summary of the financial results presented in detail in the 2021 half-year report. As a reminder, the compulsory systematic amortisation of goodwill over a ten-year period (booked in financial charges and imposed by Belgian accounting law) weighs significantly on the group's consolidated net profit.

Financial calendar

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|--|---------------|
| Press release on annual results 2021 : | 25 March 2022 |
| Annual report 2021 : | 1 April 2022 |
| Ordinary general shareholders' meeting : | 22 April 2022 |

About Emakina Group

Emakina Group (ALEMK) is a leading independent European digital agency group with global reach.

Every day over 1,000 experts in technology and marketing based in 20 countries collaborate with clients to grow their business and brand value. Its agencies advise and guide international players in shaping their transition to digital and deliver solutions and services to support optimal execution, from cutting-edge applications to websites, to digital commerce capabilities and creative campaigns.

Emakina Group is listed on Euronext Growth Brussels (ISIN BE0003843605) and reported sales of EUR 99,0 million in 2020.

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In accordance with the Euronext Growth Brussels regulations, all regulated information is included in the Emakina Group half-yearly financial report 2021, available on our website www.emakina.group ("Investor Relations" section).