



Qwamplify

Strong increase in operating profitability in the first half of 2018 :

- **Gross operating surplus (GOS): €1 416k (+52%)**
 - **Operating profit (EBIT): €929k (+26%)**
- **Consolidated net income Group share: -€426k (-9%)**

Levallois-Perret, June 12th, 2018

Qwamplify announces today its unaudited results for the first half of fiscal year 2018 (October 2017 - March 2018) :

in Thousands of Euros

	H1 2018	H1 2017	Variation
Turn Over	11 758	10 548	+11,5%
Gross Operating Surplus	1 416	932	+52%
<i>in % of TO</i>	12,0%	8,8%	
Operating Income	929	737	+26%
<i>in % of TO</i>	7,9%	7,0%	
Financial Result	75	553	-86,4%
<i>in % of TO</i>	0,6%	5,2%	
Current result before tax	1 005	1 290	-22,1%
<i>in % of TO</i>	8,5%	12,2%	
Extraordinary Result	- 984	- 868	-13,3%
<i>in % of TO</i>	-8,4%	-8,2%	
Corporate Tax	- 253	- 489	-48,2%
Consolidated Net Income	- 182	- 27	-574,0%
<i>in % of TO</i>	-1,5%	-0,3%	
Consolidated Net Income Group share	- 426	- 391	
<i>in % of TO</i>	-3,6%	-3,7%	

NB: Following the deconsolidation of Highten on 30 September 2017, the 2017 accounts have been restated for Highten's results.

STRONG GROWTH IN REVENUES: +11,5%

As announced, Qwamplify's revenue increased by 11.5%, driven by the Media division (+ 64%) following the acquisition of Advisers on September 28, 2017. The historic Activation division stabilized faster than expected. During the first half of the year, the company continued to market its new Group offer and has already signed the first contracts.

OPERATING RESULTS IN HIGH GROWTH

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As anticipated, the company proceeded with a major restructuring of its historical division, enabling it to achieve € 1 million in savings over the full year. Personnel costs and other operating expenses were contained.

The GOS came out strongly by 52% to € 1416k, against € 932k in the first half of 2017 showing a GOS margin of 12%.

The operating result was impacted by depreciation related to the Mobile CRM platform for an amount of € 441,000. It stands at € 929k against € 737k last year, up 26% and the operating margin comes out to 8% of sales.

Following the acquisition of Audience + in February 2017, the company, which is adapting its platform to the new Group offer, has decided to write off a € 1 million impairment on the Mobile CRM platform, generating an exceptional result in - € 984k.

In addition, the financial result fell sharply this semester (-86.4%) mainly due to an unfavorable base effect in H1 2018.

All of these elements generate a negative consolidated net income group share at € -426k, down 9% compared to 2017.

HEALTHY FINANCIAL STRUCTURE

At March 31, 2018, the company has a solid financial structure with net cash of € 7.8 million. As indicated above and following the very good performance of Advisers, the company paid a price supplement of € 4.8 million after closing including € 4.4 million in cash.

As a reminder, the company still holds 26.18% of the capital of Bilendi which securities are recorded in its financial fixed assets. In addition, Qwamplify has proposed to the vote of the General Assembly of Bilendi to be held on June 21, 2018, the appointment of Julien Braun as administrator.

OUTLOOK FOR 2018

The Group remains confident about the increase in its results, given the strong growth of the Media division, the return to organic growth of the CRM Marketing division and the reduction in operating costs. The depreciation of the Mobile asset will also lead to a significant improvement in operating income over the next two years, despite the expenses related to the adaptation of the platform for the Activation division. The Group expects a return to a positive net result in the second half of the year.

Cédric Reny, PDG, comments : « The Group is significantly improving its results, in particular compared to the second half of 2017. The Group's new positioning with its dynamic and the recovery of the Activation activities margins gives us confidence that our results will improve for the 2018 financial year. »

About Qwamplify (formerly Custom Solutions)

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Qwamplify is a European digital & data marketing group serving major brands and e-tailers to develop their sales. The Group offers digital recruitment solutions on web (emailing, SEA & SMA) and mobile (via push notifications), innovative promotional solutions and CRM (digital platforms). For 21 years, Qwamplify has gained a strong reputation among more than 800 advertisers, including: Butagaz, Delonghi, Kärcher, Manitou, Michelin, Nokia, SoLocal, Sony, Coca-Cola, Daxon, Pandora, Hager or Tinder.

Qualified as an "Innovative Company" by Bpi France, the Group, listed on Euronext Growth since 2010, headquartered in Levallois-Perret, is also located in Paris, Bordeaux, Nice, Marseille and Aix-en-Provence and, in Europe, Italy, UK, Finland and Sweden. Last year, at the end of September 2017, it achieved sales of € 19.3 million, up 7.8%, with REX of €0,25 M. The Group had a net cash position of € 6.7m as of September 30, 2017. Qwamplify is also the largest shareholder of Bilendi with 26.2% of the share capital.

CONTACTS

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Eligible to PEA-PME

Labelized « Innovative Company » - BPI France 2017 – 2020.