ARTEFACT

VALUE BY DATA

2020 Full Year Results, 1st Quarter 2021 Gross Margin
And 2025 Strategic Plan Overview

Opening the 2021-2025 chapter

Thursday 22 April 2021

ARTEFACT

Speakers

—

François de la Villardière

Chairman of the Board

Guillaume de Roquemaurel
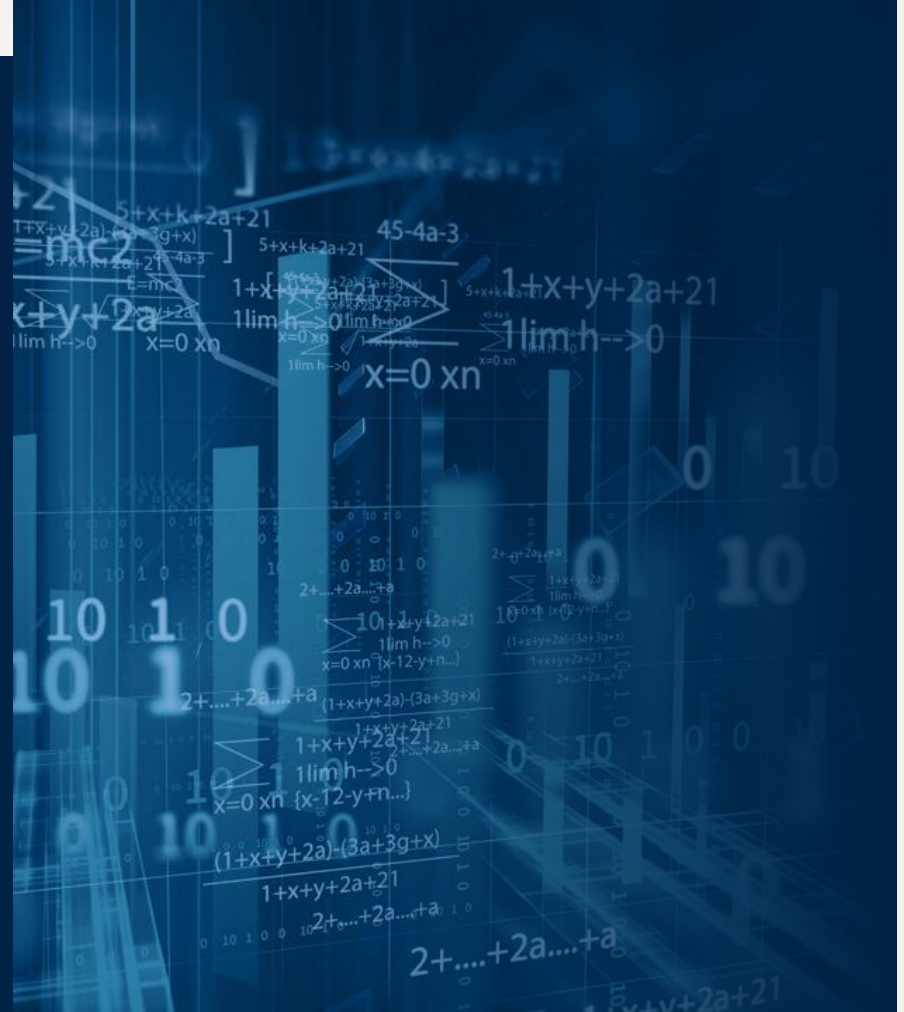
Co-CEO

Vincent Luciani

Co-CEO

Hayette Soltani

Group CFO

Key Figures.

ARTEFACT

Sharp increase in results & fast-pace growth.

+10%
2020 growth vs 2019

(proforma)

+12%
Q1 2021 growth vs Q1 2020

(proforma & constant rate)

€9m
adjusted Net Income vs €(-4.3)m in 2019

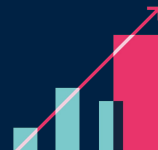## Target FY 2021:
>€80m Gross Margin

(+15% growth)

[22%-25%] EBITDAr

€14m
EBITDAr in 2020
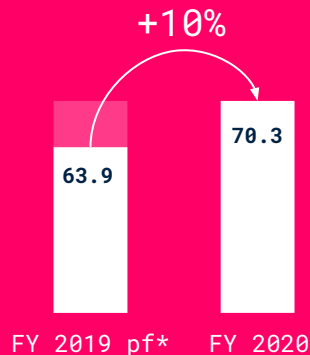
20%
of Gross Margin

4

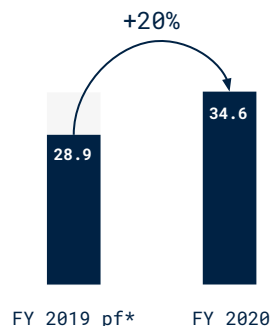ARTEFACT

Double-digit growth in 2020.

Driven by:

- the Group's successful refocusing on high added-value offers

- structural evolution of market to digital transformation (E-commerce acceleration)

- "consumer centricity" as strategic Brand's goal

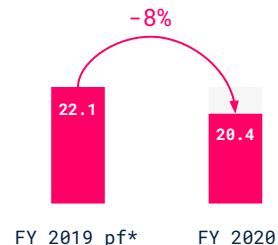Evolution of proforma Gross Margin, in million euros

+10%

FY 2019 pf*	FY 2020
63.9	70.3

TOTAL GROUP:
H1 + 10% and H2 +11.0%

- Sequential acceleration H2 vs H1
- Strong performance in Q4 (+17%) - return to "pre covid" growth levels

+20%

FY 2019 pf*	FY 2020
28.9	34.6

TOTAL
FRANCE

−8%

FY 2019 pf*	FY 2020
22.1	20.4

TOTAL
REST OF EUROPE

+19%

FY 2019 pf*	FY 2020
12.8	15.2
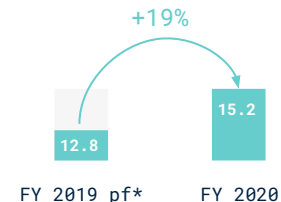
TOTAL
OTHER MARKETS

*After restatement for closures in the Nordic countries and Italy and deconsolidated company (Media Diamond)

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Major increase in the group's profitability:

Artefact's performance has genuinely reached a turning point.

in million euros	EBITDAr* 2020	EBITDAr* 2019 proforma	CHANGE
France	**9.8**	**3.6**	**+6.2**
EBITDAr margin	28.2%	12.3%	+15.9 points
Rest of Europe	**2.0**	**(1.7)**	**+3.8**
EBITDAr margin	9.9%	(7.9)%	+17.8 points
Other Markets	**2.1**	**0.8**	**+1.3**
EBITDAr margin	14.0%	6.4%	+7.6 points
TOTAL GROUP	**13.9**	**2.6**	**+ 11.3**
EBITDAr margin	**19.8%**	**4.1%**	**+15.7 points**

*EBITDAr : EBITDA is restated from:
– IFRS 2 impact of share-based payment (free shares and preferential shares),
– IFRS 3R impact of remuneration for post-combination services,
– IFRS 16 impact of adjustment for leases

Success of the group's reconfiguration strategy:

- Structuring the Group's support services and overheads

- Return on investment in rolling out Data Consulting / Marketing teams

- Refocusing on high potential geographic region

Strong profitability in all three areas with a very high rate of EBITDAr margin in France

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Income statement:

Strong profitability driven by growth and leverage on the cost structure.

in million euros	2020	2019pf
Gross margin	**70.3**	**63.9**
Employee expenses	(48.7)	(50.0)
Other operating expense	(7.7)	(11.2)
EBITDAr	**13.9**	**2.6**
Amortization and depreciation	(0.9)	(4.1)
Other non-recurring income	(1.2)	(1.8)
Operating income adj.	11.8	(3.3)
Net financial income adj.	(1.0)	(0.5)
Tax expense	(1.9)	(0.5)
Net income from continuing operations adj.*	**8.9**	**(4.3)**
Net income from discontinued operations	(0.9)	(6.8)
Non-controlling interests	(0.2)	(0.2)

* Net income adjusted from :
- *Impact of share-based payment (free shares and preferential shares), - IFRS 2*
- *Impact of remuneration for post-combination services - IFRS 3r*
- *Changes in fair value of derivative instruments through P&L*
- *Valuation of income tax assets resulting from losses carryforward*
- *Amortization of intangible assets related to acquisitions (PPA)*
- *Net Impact of adjustment for leases - IFRS 16*

Optimization of support functions:
Employee expenses: €(48.7)m
Decreasing by €(-1,3)m despite strong recruitment of billed teams.

Conclusion of structuring efforts:
Other operating expense: €(7.7)m
11% of GM vs 18% of GM in 2019

Amortization: €(0.9)m
Impairment of Spanish Goodwill in 2019 €(3.1)

Non recurring expenses: €(1.2)m
Mainly residual restructuring cost in Germany

Tax expense: €(1.9)m
Mainly french income tax €(1.4)m

Adjusted Net Income:
€8.9m improving by +€13.2m vs 2019

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Balance sheet:

Robust financial structure to support growth.

in million euros	2020	2019
Non-current assets	**62.7**	**65.8**
o/w goodwill	45.0	46.6
o/w rights of use - IFRS 16 impact	3.5	6.1
Current assets (excluding cash)	**58.3**	**58.4**
o/w receivables	54.6	53.9
Cash and cash equivalents	**27.9**	**14.7**
Assets held for sale		**1.1**
TOTAL ASSETS	**149.0**	**140.0**
Equity	**49.2**	**45.2**
Financial liabilities	**33.9**	**24.5**
o/w rent-related debt - IFRS 16 impact	3.7	6.3
Non-financial liabilities	**66.0**	**68.8**
o/w payables	56.8	62.1
Liabilities held for sale		**1.5**
TOTAL LIABILITIES	**149.0**	**140.0**

Cash: €28.0m
vs €14.7m as of 31 Dec 2019

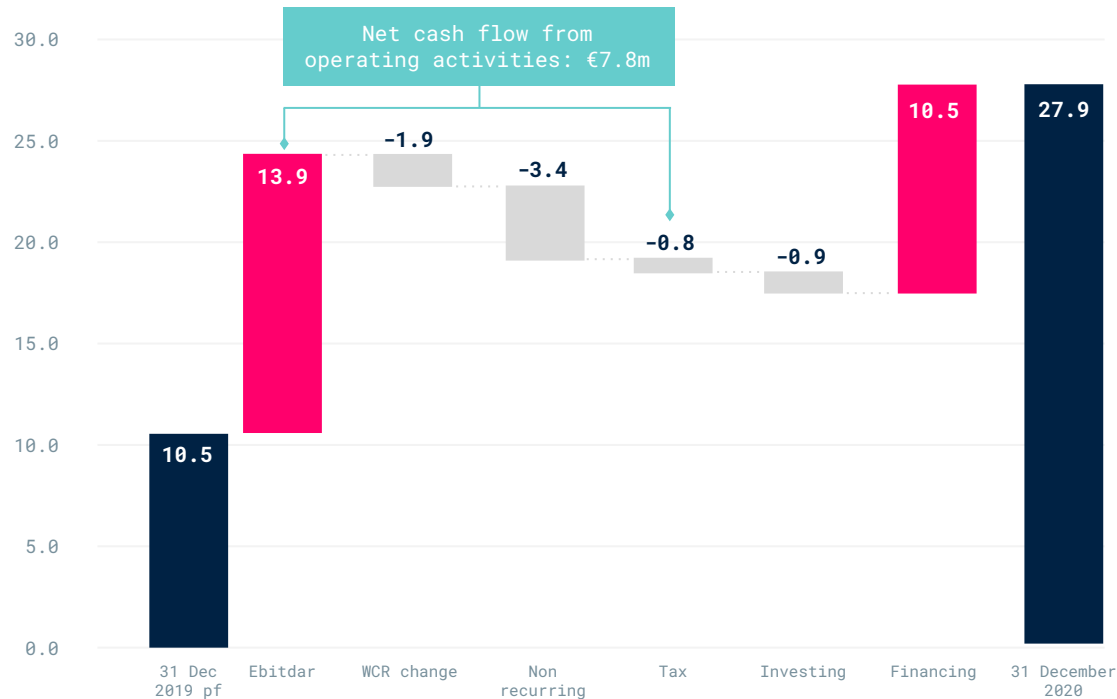**Financial liabilities: €30.2m**
vs €18.2m as of 31 Dec 2019 including €21m raised in debt redeemable at maturity and a state-guaranteed loan (PGE) for €6m

Net debt: €2.2m
vs €3,5m as of 31 Dec 2019

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Cash flow:

Very healthy generation of operating cash flows.

Operating: €7.8.m

vs an adjusted net income at €8.9m
WCR under control despite the growth context

Investing: -€0.9m

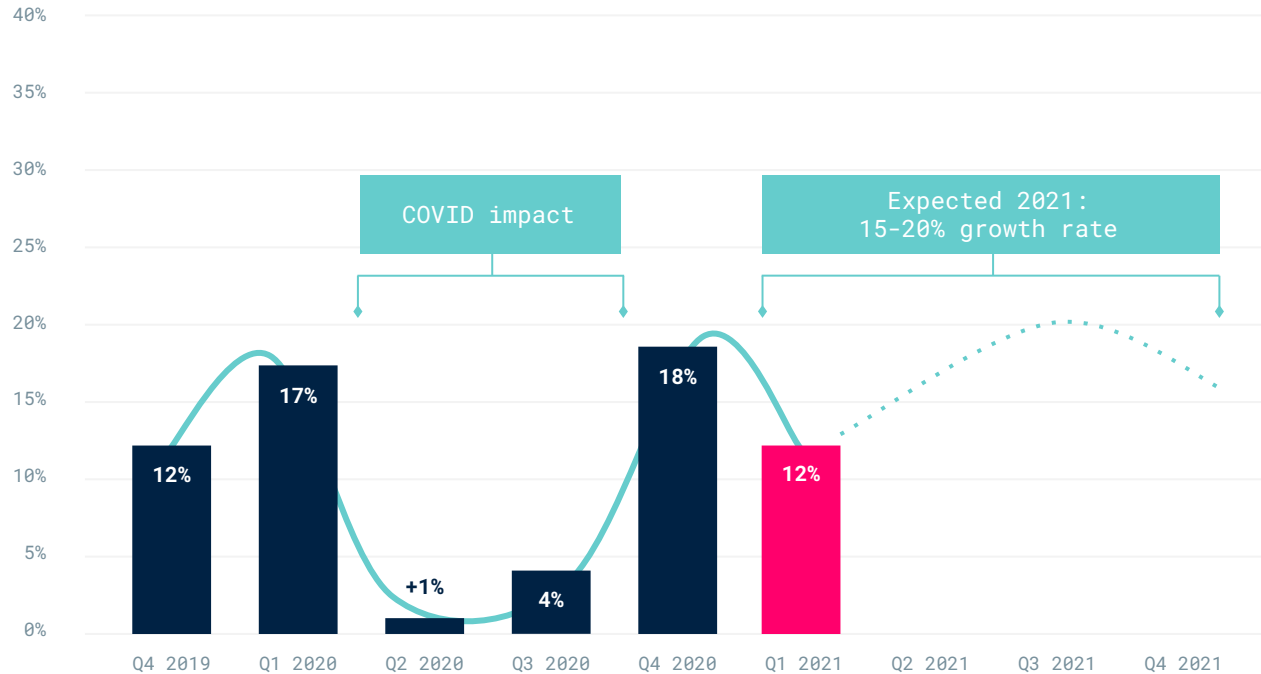Earn out under chinese acquisition

Financing: €10.5m

- Net impact of €21m raised in Dec 2020 and repayment of the residual long-term debt €(11.4)m

- State-guaranteed loans in France (€6.0m)

- Factoring variation

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Promising 1st Q1 2021:

Confirmation of the growth trajectory

Chart data:
- Q4 2019: 12%
- Q1 2020: 17%
- Q2 2020: +1%
- Q3 2020: 4%
- Q4 2020: 18%
- Q1 2021: 12%

COVID impact

Expected 2021:
15-20% growth rate

Q1 2021 : +12%
(constant rate)

Other Markets:
+22%

Rest of Europe:
+16%

France:
+6%

ARTEFACT

Artefact' edges:

Pioneer positioning in data marketing
Artefact is a recognized pathfinder in the data marketing practice

A global impact
Ability to rollout large transformation at global scale

Technological edge
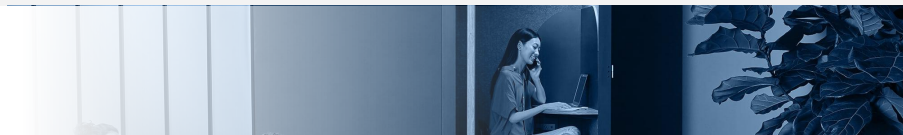Master and contributor to the buoyant ecosystem of AI and data technos

Thorough client leadership with Brands
Multi-million businesses with multi-billions companies

Top-notch talents and organisation
Second-to-none talent pool organised to serve clients best

ARTEFACT

A pioneer positioning on data x marketing.

ARTEFACT

Artefact Mission: WHY

Transforming organisations into consumer centric leaders thanks to data.

ARTEFACT

Vision **HOW** we do it:
the Artefact way

To transform our clients into consumer centric organization, we offer a unique alliance of:

- **Digital** (where the consumer is),
- **Data** (what do we know about him)
- **Consulting** (how to solve its problem)

Digital Marketing & Creativity

Consulting & Product

ARTEFACT

Data Skills & Engineering
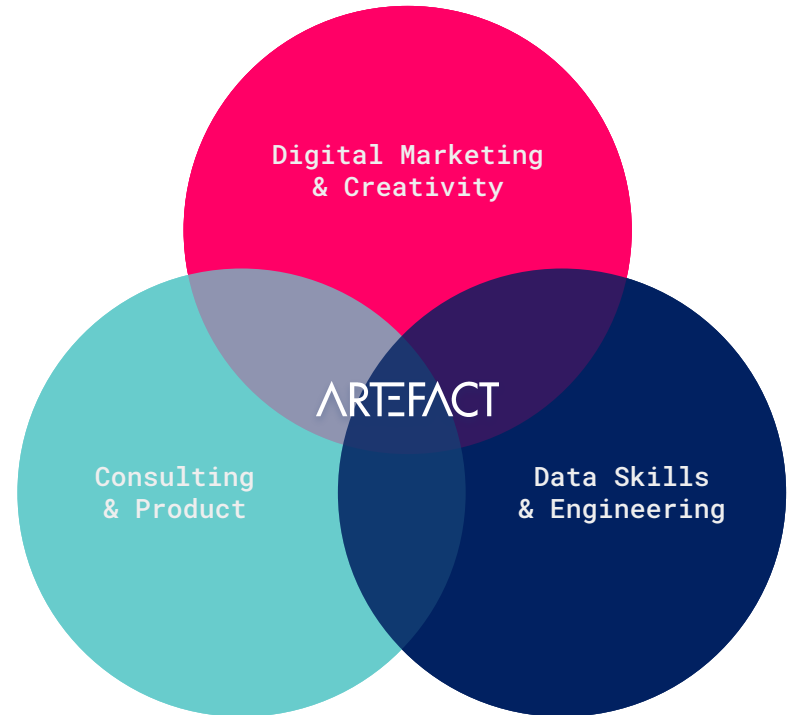
Our services:

DATA TRANSFORMATION:

Build the data foundations

- **Data strategy**: vision & design
- **Data Governance & Platforms**
- **Data Factories:** people, methodologies & technologies
- **Data Science solutions:**
  - Call center AI
  - Demand forecasting
  - Trend detection

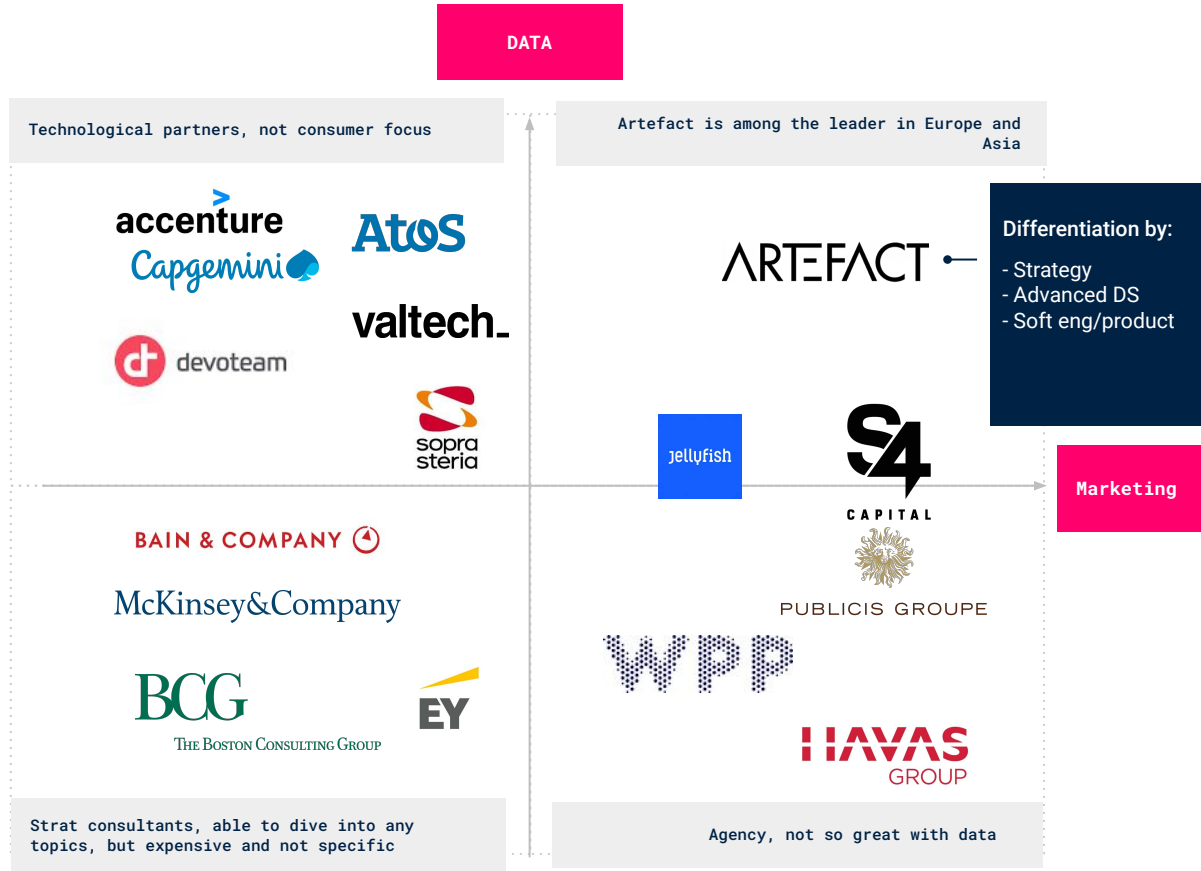## DATA for MARKETING & SALES:

Create a customer centric environment

- **Data collection**: 1st party environment, CDP, 2nd party data partnerships
- **Adtech-Martech Tools:** (CDP, GMP stack …)
- **Advanced analytics** by specialties
- Custom **Optimization engines**: advertising, promotion MROI, audience engine…

DIGITAL MARKETING:

Engage with customer in the digital world

- **E-commerce**: from strategy to operations. In and out platforms (including outside Europe with Ali-Tmall)
- **Digital Media:** strategy and data driven campaigns
- **Social, CRM & Influence** (From social campaigns to social CRM, social E-commerce)

ARTEFACT

A unique positioning in a very competitive environment.

Technological partners, not consumer focus

Artefact is among the leader in Europe and Asia

accenture
Capgemini
Atos

valtech_

devoteam

sopra steria

ARTEFACT

Differentiation by:
- Strategy
- Advanced DS
- Soft eng/product

jellyfish
S4 CAPITAL

Marketing

BAIN & COMPANY

McKinsey&Company

PUBLICIS GROUPE

BCG
The Boston Consulting Group

EY

WPP

HAVAS GROUP

Strat consultants, able to dive into any topics, but expensive and not specific

Agency, not so great with data

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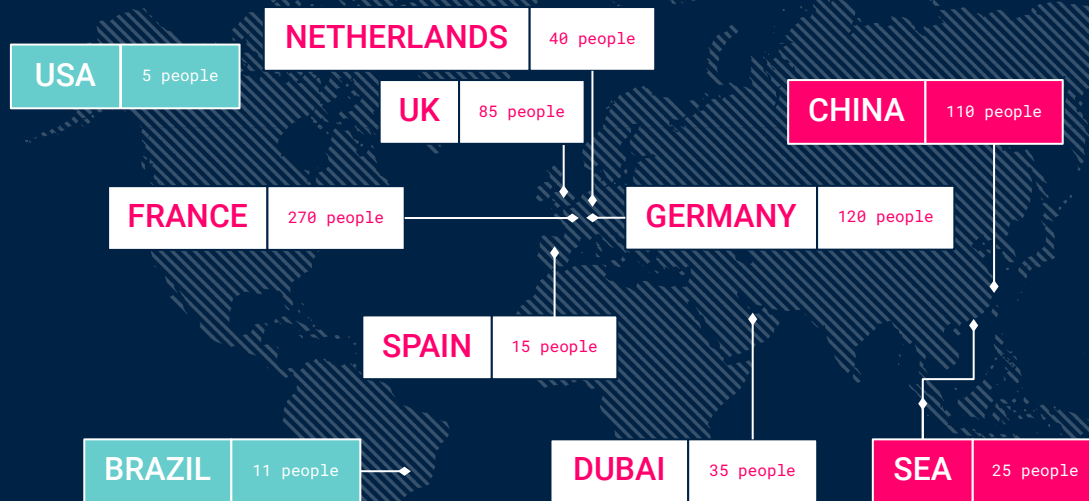
Global impact.

ARTEFACT

We are global.

Presence on high growth
& potential territories.

Homogenous methodology
and offerings.

Understand emerging
trends & latest
technologies.

USA — 5 people

NETHERLANDS — 40 people

UK — 85 people

CHINA — 110 people

FRANCE — 270 people

GERMANY — 120 people

SPAIN — 15 people

BRAZIL — 11 people

DUBAI — 35 people

SEA — 25 people

3 main regions:
EMEA, APAC & USA

11 offices in
main market

700+ employees

- EMEA
- APAC
- America

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The United States is the largest market for digital and data marketing activities, with strong local business drivers.

$191 billion

expected US digital ad spend in 2021, **40% of the global market** [1]

+26% growth

expected US digital ad spend in 2021[1], **vs. +13% growth in Europe** [2]

Growing digital commerce
The penetration of e-commerce among the US population reach 77% in 2020 for an ARPU of $1686, vs. 56% and $878 in Europe.

Presence of global brands
The US hosts many CPG headquarters, who make up 14% of US digital marketing spend (third largest industry after retail and financial services).

Mature ad landscape
Digital advertising will reach $191 billion in 2021 in the US, ie. more than 60% of total ad spend[1];

Strong digital leadership
Of the world's top 100 digital firms, only 16 are from Europe. Two thirds of the top 15 are American, among which the GAFAM

ARTEFACT

The US market values specificity - Focus on business-centric programs that are on-trend.

PREPARE FOR THE COOKIELESS WORLD
Optimize your marketing activations & measurement without user-level signals.

PREDICT IN A POST-COVID ERA
Leverage 1st party and open data to enhance forecasting capabilities.

WIN THE E-COMMERCE RACE
Implement data intelligence and ML capabilities to win across all platforms.

ASSESS MY DATA MATURITY
Use Artefact's benchmarks and methodology to improve your data readiness.

ARTEFACT

Our competitive edges for a successful market launch.

In the past 2 years, we have proven that we can scale our business model from scratch and create synergies to deliver bigger projects.

Evolution of semestrial GM since launch of new offices

Legend: Average | France | MENA | China | UK
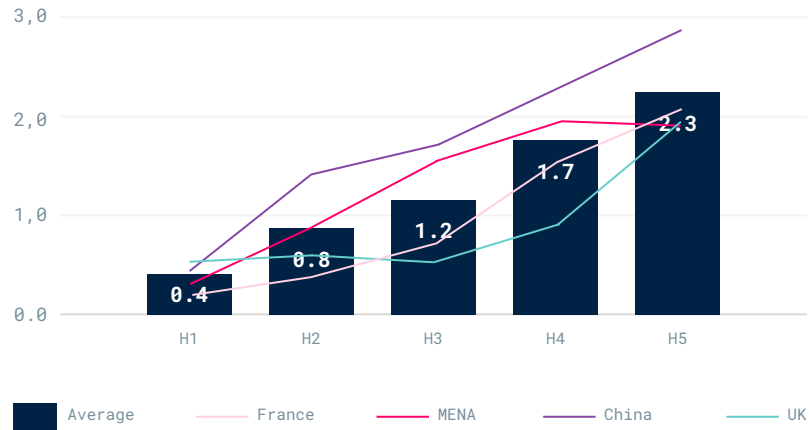
All of our existing Global clients have HQs in North America and this region is one of their top markets

Three growth drivers of our expansion:

- Cross-sell
- Local contacts
- Synergies

"The US expansion of Artefact will strengthen our existing relationship with the company in Europe and Asia. Their presence in North America is key at a time when L'Oréal is accelerating its delivery of global data and AI-based projects," Stephane Lannuzel, Beauty Tech Program Director at L'Oréal.

ARTEFACT

A core team of experts with a strong track record in digital transformation.

> "This is the start of an exciting new chapter for Artefact and we have big plans to help US brands complete long-term transformational business and marketing strategies by leveraging our digital and data ecosystems.
> I am looking forward to the months ahead."

Ghadi Hobeika

Pro. experience

10+ years of Marketing and Digital leadership

6+ years of Management consulting

Education

MBA, Finance, Strategy at ESSEC Business School

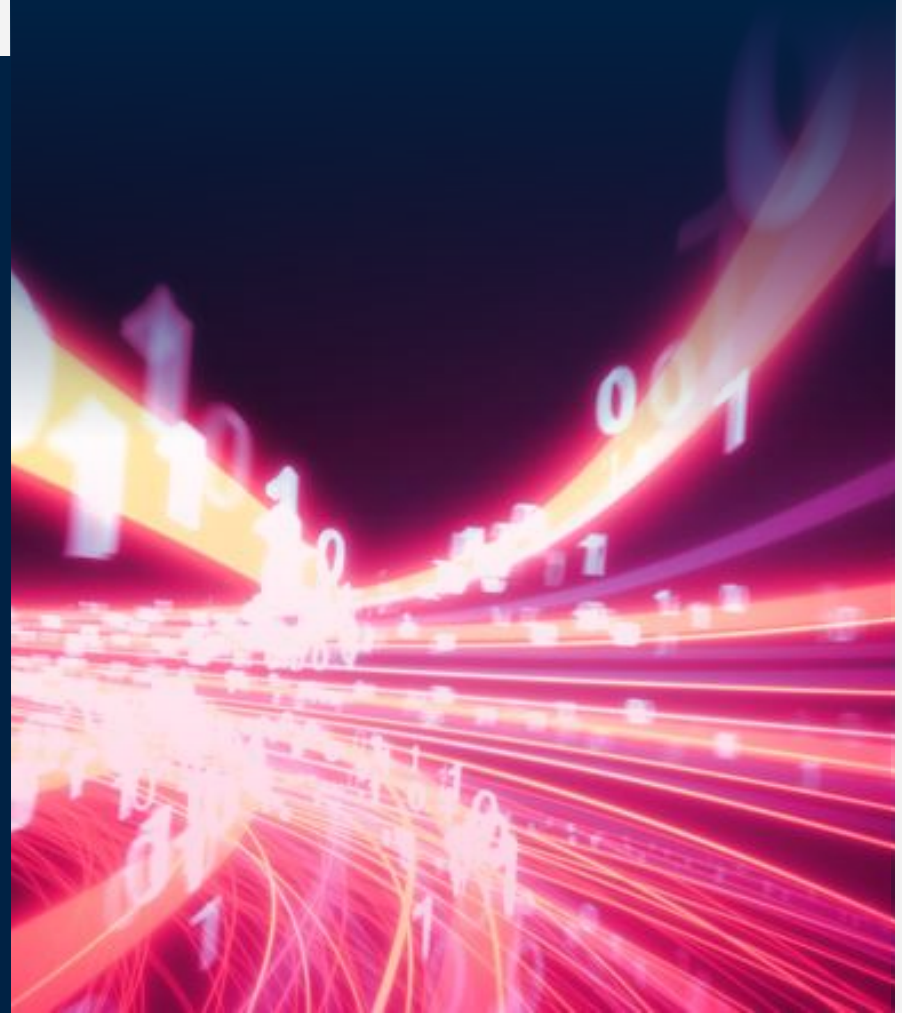**Strengths**

Consulting, marketing and data background.

Sophie Gallay
Director

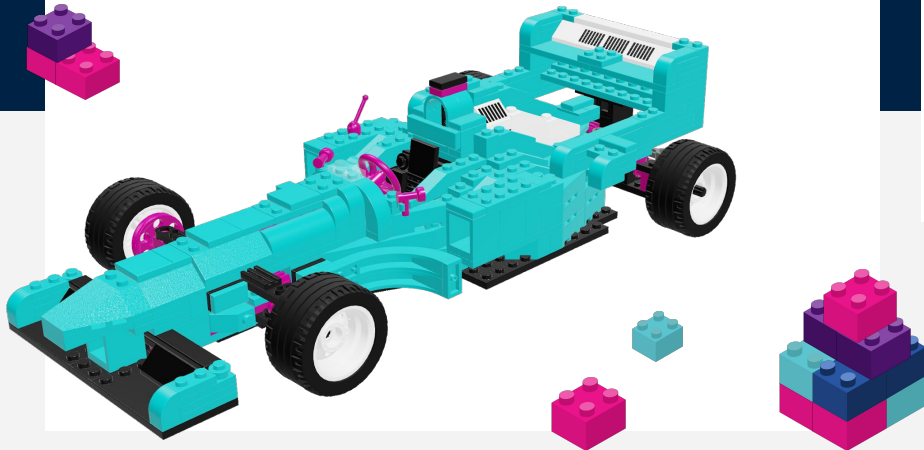**Tristan Silhol**
Senior Manager

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Technological edge.

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We build open AI applications on top of consistent data platforms:

AI applications are like legos:
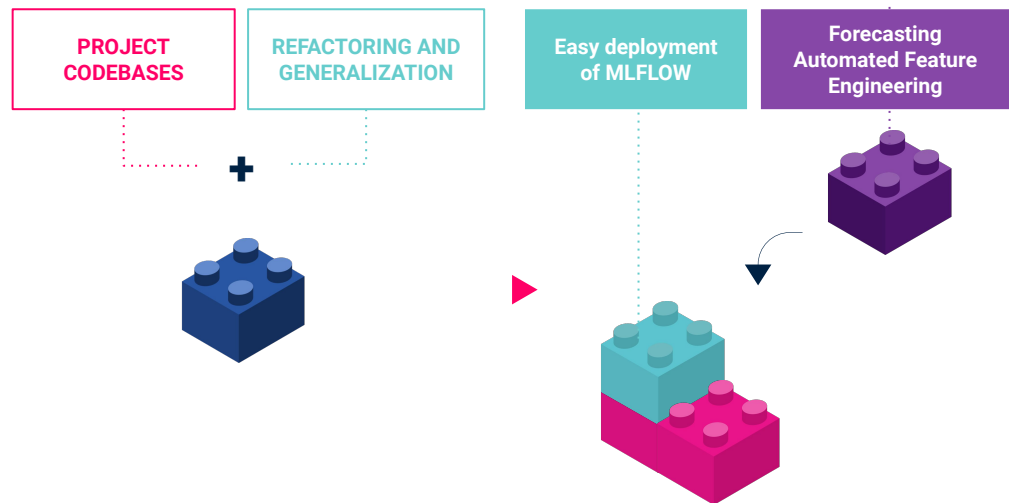we assemble critical part of software to customize the end result

Artefact 5 golden rules

1. Data based
2. Transfer IP & Full Custom
3. Adding Open source bricks like lego
4. White box & Ethical
5. Evolutive & Scalable with Cloud (Google - Microsoft - Amazon)

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ARTEFACTORY:

We are committed to **package our knowledge and project codebases** into generic and valuable libraries, **ready to be shared**.

PROJECT CODEBASES

REFACTORING AND GENERALIZATION

Easy deployment of MLFLOW

Forecasting Automated Feature Engineering

Project code and experience are refactored and package into generic stand-alone libraries...

… that can then be assembled to save time and bootstrap new projects

Our repository of ai enablers

Data creation: ready-to-use interface assisting in text, speech, image labelling

Data ingestion and storage: helpers to ingest and store data from different sources

Feature engineering: automation of several features creation in forecasting *(see next slide)*, nlp, vision

Performance measurement: easy benchmarking of multiple models to assist in model selection

ARTEFACTORY is carefully maintained by our community

Expertise owners: our department is structured into machine learning expertises (NLP, Forecasting, …) fostering innovation and knowledge

Codebase Committee Review: our code is reviewed by the community during public committees to gather feedback and share best practices

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Illustration:

We have consolidated all our **forecasting codebase** into one library, **ready to be used on your use cases**.

Exploratory Data Analysis

Our set of data visualizations makes it easy to **discover hidden patterns and relevant features** in your data

Easily spot seasonality, trends or shelf out leveraging our **autocorrelation, decomposition and gap analysis plots**

Accelerate data investigation with our **click & deploy data exploration interface**

Data Preparation

Our data preparation utilities **reduce time to modelling**
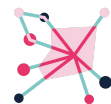
Save time leveraging our **features creation functions** *(custom grouped lags, calendar processing, easy substitution detection)*

Quickly test and select the most relevant features thanks to our **feature selection plots and algorithms**

Modelling

Our prepackaged wrappers **ease simultaneous benchmarking of multiple models**
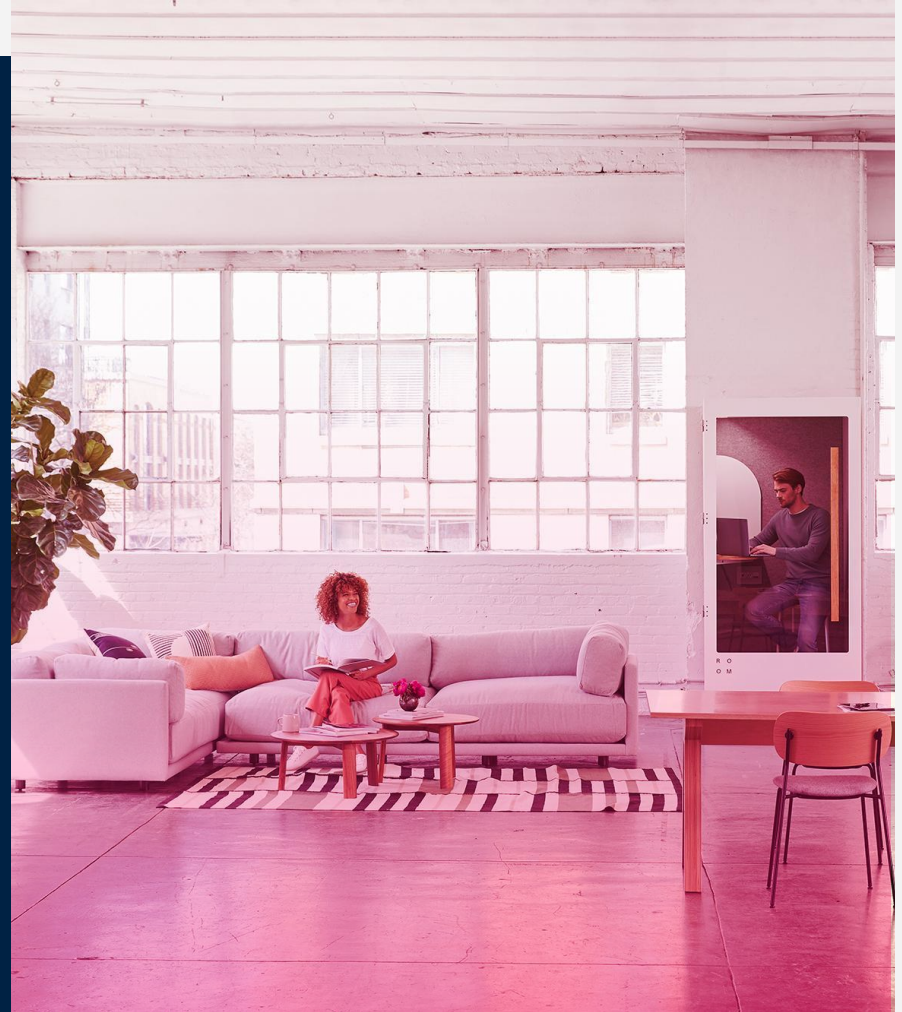
Explore multiple modelling options with our **pre-built models wrappers**

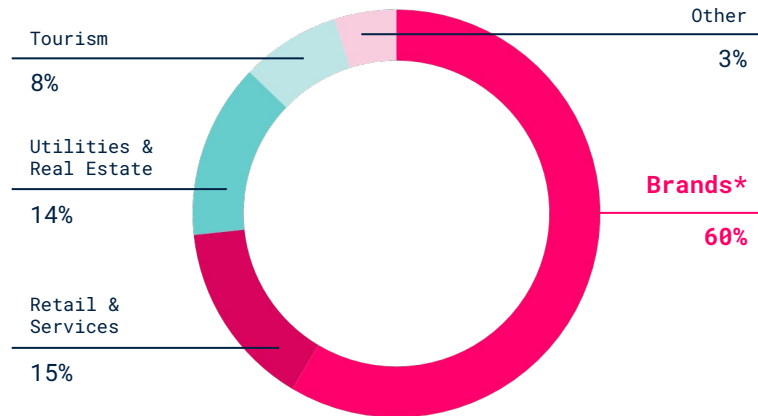Quickly expose your results to the business with our **ready to deploy model evaluation interface**

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Thorough client leadership with Brands.

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Consumer-centric Brands are Artefact prime target.

Gross Margin and %

- Other — 3%
- Brands* — 60%
- Retail & Services — 15%
- Utilities & Real Estate — 14%
- Tourism — 8%

* "Brands" include FMCG, Luxury, High-tech and Pharmaceuticals companies (excl.digital pure-players).

Pernod Ricard · ABInBev · Reckitt Benckiser · SERVIER · GrandVision · DANONE · LVMH · L'ORÉAL · SAMSUNG · SANOFI · HEINEKEN · sodexo · Carrefour

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An expanding client base:

Fostering multi-million clients.

	2018			2020		
	N° of Clients	% Of Revenue	Cumulative % Revenue	N° of Clients	% Of Revenue	Cumulative % Revenue
Above 3M€	1	8%	8%	5	30%	30%
1M€ - 3M€	5	17%	26%	8	17%	47%
0.2M€ - 1M€	56	46%	72%	65	37%	83%

Average Gross Margin by Client (M€)

- Top 5
- Top 25
- Top 100
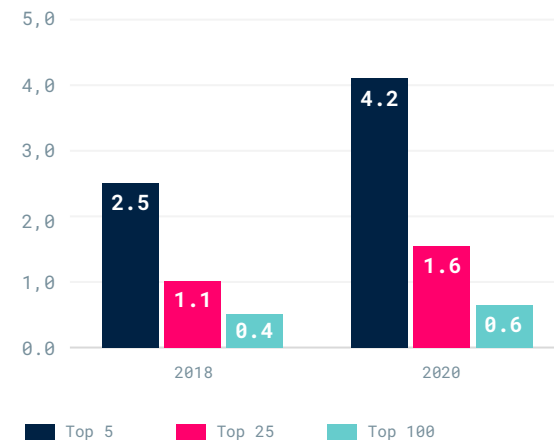
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Top-notch talents.

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Partnership at the core of Artefact structure:

PARTNERSHIP (GROWTH TRIBE)

By country Partners & Directors focusing on Client development and success across Artefact offer (Transformation, Data Marketing, Digital Marketing)

	Sodexo	L'Oreal	Danone	...
Consulting				
Data Marketing				
Data Science				
Software engineering				
E-retail				
Affiliates				
Display				
PPC / SEA				
SEO				
Social Media				
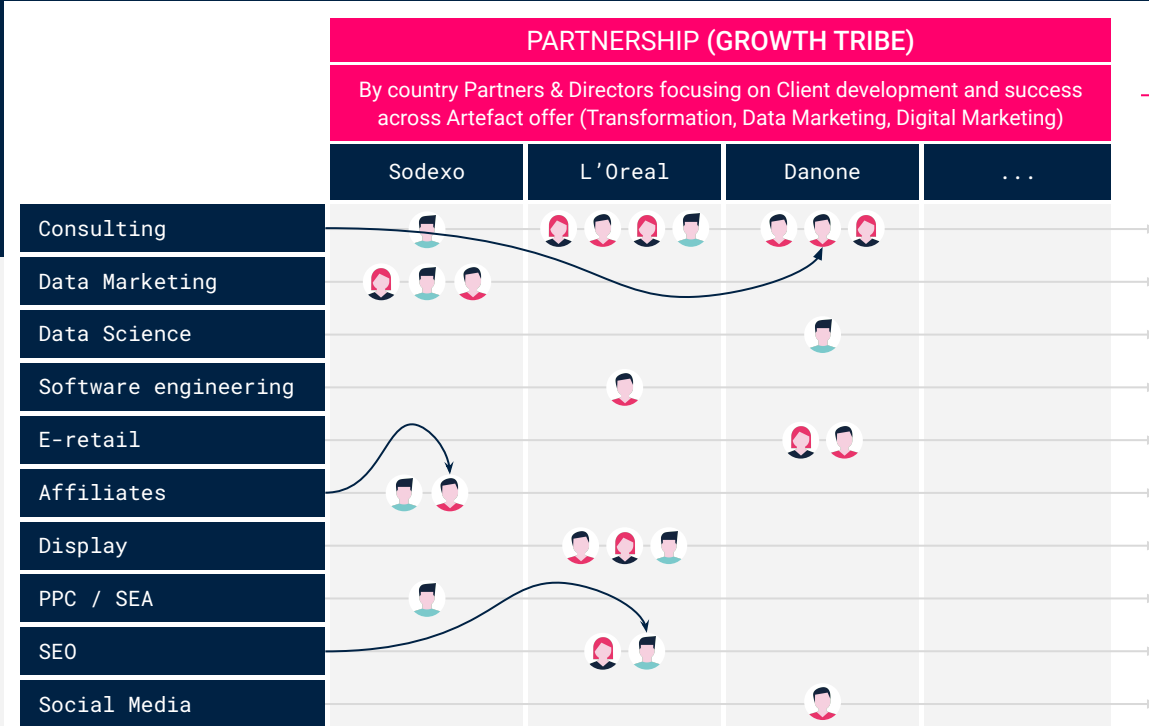
Standard Partner profile

Tier 1 School

ÉCOLE POLYTECHNIQUE   HEC PARIS   MINES ParisTech   ESCP BUSINESS SCHOOL

Outstanding experience in Digital/ Consulting

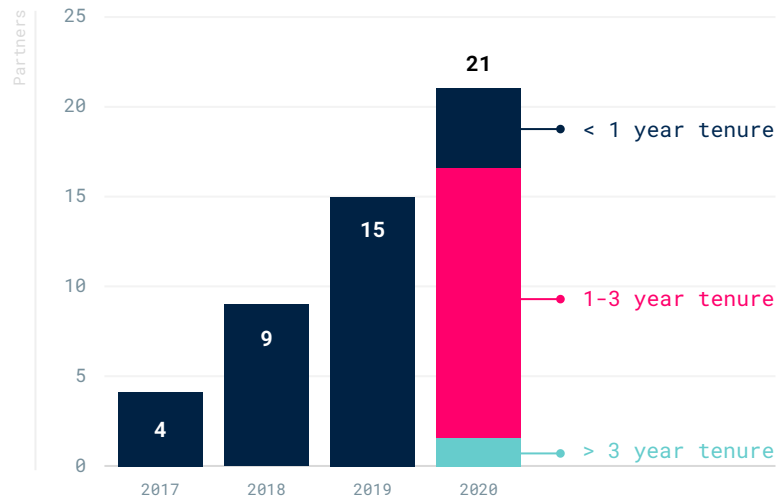McKinsey & Company   G   BCG   Roland Berger

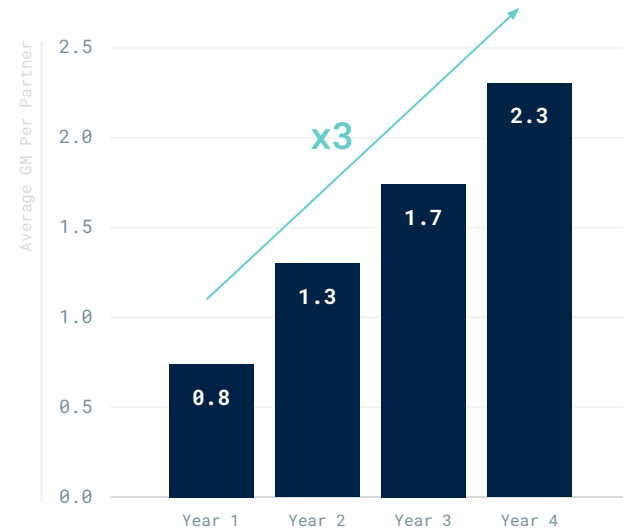### Examples of recent elections & hire

Justine Nerce
Partner Artefact France

Pierre Bosquet
Partner Artefact FR

Oussama Ahmad
Partner Artefact Mena

Ghadi Hobeika
Partner Artefact USA

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Partner's role:
sales machine first and foremost!

Number of Artefact Partners per year

- < 1 year tenure
- 1-3 year tenure
- > 3 year tenure

Ramp up of new Partners GM

x3

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CSR.

ARTEFACT
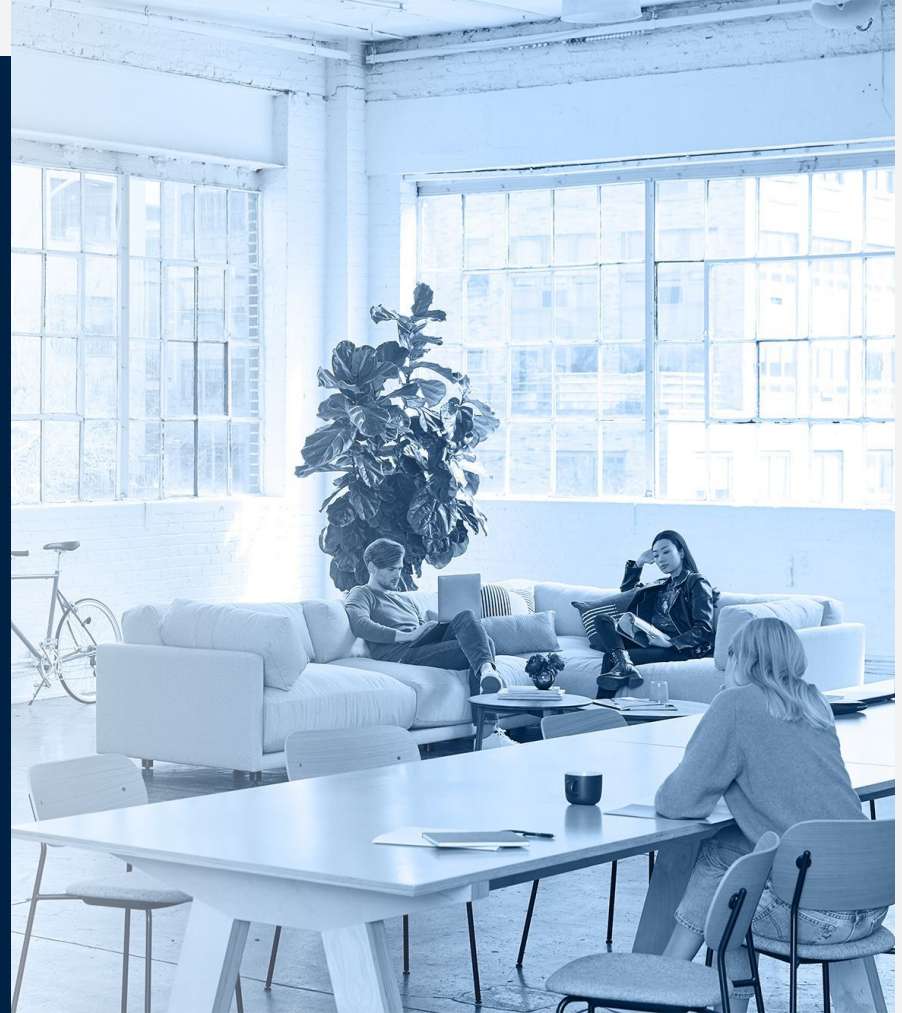
Artefact is strongly engaged towards data for diversity and sustainability.

The Artefact way: we lead by example, already changing our own culture.

Things we want to change because we are lagging behind: WOMEN@ ARTEFACT

Things we want to change because we feel that we are lacking behind (diversity is a good example)

Things we are already good at: GREENFACT BY ARTEFACT

Things we are already good at, but want to improve (our carbon footprint)

Things where we are outstanding and we want to inspire :

AI & Ethics

WOMEN@ARTEFACT:

Our mission is to make Artefact a more inclusive place to work by tackling gender inequality.

It all starts with representation: our goal is to help increase gender diversity in Artefact's management.

INSPIRE

Shine a light on female role models to help women see themselves in management positions

RAISE AWARENESS

Create an inclusive culture where everyone can express their potential

SUPPORT

Support women in their progression towards management positions

INFLUENCE

Help implement best practices in all company processes

Want to launch a Women@Artefact antenna in your local office? Go ahead! And feel free to contact us at women@artefact.com

GREENFACT
BY ARTEFACT

> " Our mission is that Artefact Group becomes exemplary on Carbon impact by the end of 2022. "

Artefact

Reduce CO2 emission of Artefact operating model

People @Artefact

Encourage a responsible way of life for collaborators

Partners

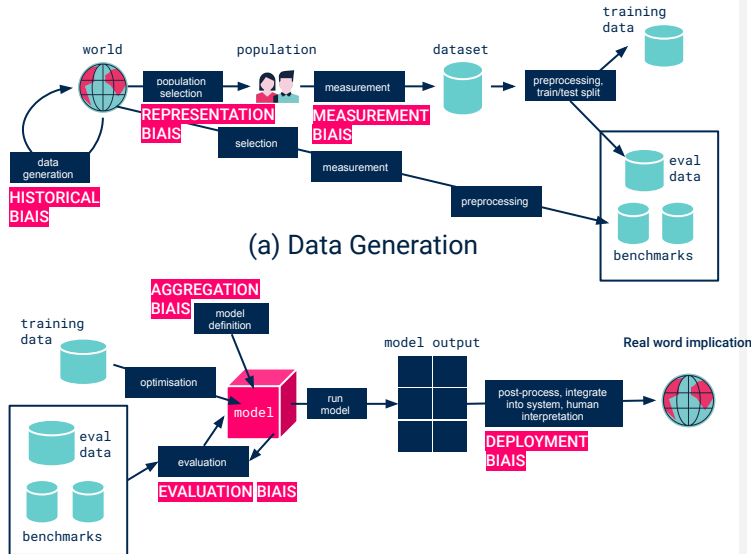Empower the transformation of our business partners

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Fairness can be measured and guaranteed throughout your machine learning projects.

Fairness: A fair algorithm should produce results that are not discriminatory or biased for any person or group

Many types of ethical biases can rise from different sources during each step of the process of model building and implementation

(a) Data Generation

We can define many metrics in order to measure these biases, for example:

Statistical Parity Difference

The difference of the rate of favorable outcomes received by the unprivileged group to the privileged group.

Equal Opportunity Difference

The difference of true positive rates between the unprivileged and the privileged groups. The true positive rate is the ratio of true positives to the total number of actual positives for a given group.

Theil Index

Computed as the generalized entropy of benefit for all individuals in the dataset. It measures the inequality in benefit allocation for individuals.

There are many methods and algorithms to mitigate these biases in each step of the process

Pre-processing bias mitigation example

Reweighing: weighs each observation according to their (group, label) combinations.

In-processing bias mitigation example

Adversarial Debiasing: This algorithm learns a "predictor" maximizing the accuracy while reducing the ability of an "adversary" to predict the sensitive attribute from the labels (true and predicted)

Post processing bias mitigation example

Equalized Odds: This algorithm solves a linear program to find probabilities, according to their (group, predicted label) combinations, with which to change output labels to optimize equalized odds (FPR and FNR).

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Future.

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Future:

Heading for an accelerated and profitable growth

Full Year 2021:

Gross margin > 80M€
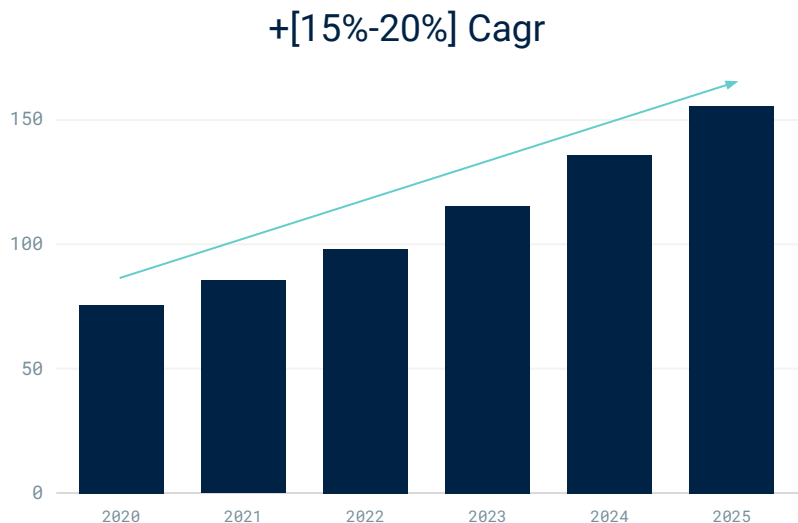Range of EBITDAr margin: [22%-25%]

2025 Plan overview:

Gross Margin Growth : [15%-20%]
Range of EBITDAr margin: [22%-25%]

ARTEFACT

Our 2025 Ambition: x2 in 5 years through organic growth.

+[15%-20%] Cagr

Target profitability: [22%-25%]

3 main pillars:

- Grow our partnership and client base in existing territories
- Further develop our average client portfolio through new offerings (Training, GMP…)
- Successfully launch the US office (the biggest digital market on earth)
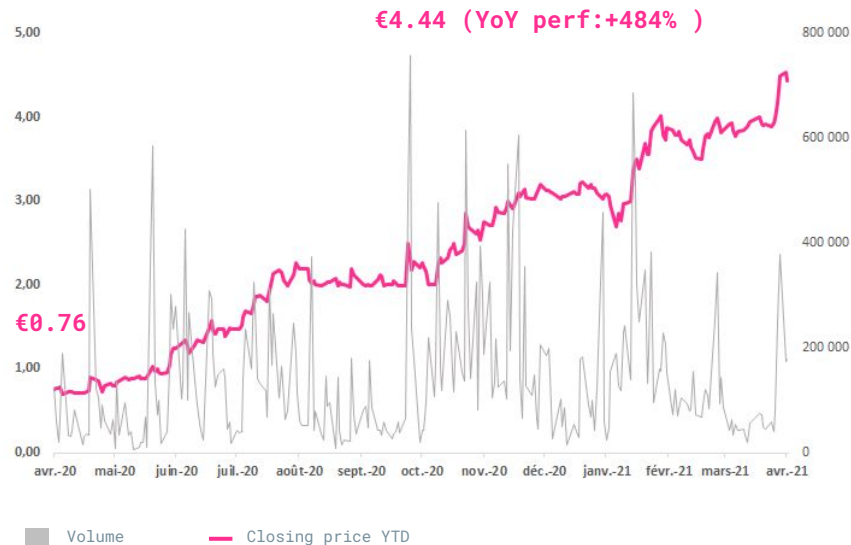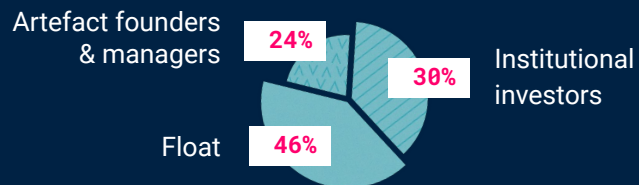
The growth path could also be accelerated by M&A opportunities:

- Reinforce our existing geographies
- Cultural compatibility
- Reasonable size to accelerate integration
- Niche capabilities (e.g., training and capability building, product owner, Google resellers, e-commerce, data developers, …)

ARTEFACT

Artefact share:

ISIN code	FR0000079683
Number of shares	34 180 033
Average volume (20 trading days)	89.6 K
Price (as of 20 Apr 2021)	€4.44
Performance YTD	+41%
Market cap. (as of 20 Apr 2021)	148 M€

Share ownership as of 31 Dec 2020

Artefact founders & managers **24%**

Institutional investors **30%**

Float **46%**

€4.44 (YoY perf:+484%)

€0.76

Volume — Closing price YTD

ARTEFACT