

RNS Miscellaneous

Trading Update and Directorate Change

BIDSTACK GROUP PLC

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1 February 2021

Bidstack Group Plc

("Bidstack" or "the Company")

Trading Update and Directorate Change

Further to its announcement on 17 December 2020, Bidstack Group Plc (AIM: BIDS.L), the native in-game advertising platform, is pleased to provide the following trading update for the year ended 31 December 2020 ("FY-2020").

The Company confirms that, subject to non-cash adjustments and audit, Bidstack has exceeded market expectations in respect of revenues.

Subject to audit, the Company's results for the year ended 31 December 2020 are expected to include:

- revenues for the year ended 31 December 2020 of c.£1.70m (2019: £140k);
- a loss before tax for the year ended 31 December 2020 of c.£7.18m (2019: £5.36m);
- available cash resources as at 31 December 2020 of c.£2.35m (2019: £3.15m);
- net assets as at 31 December 2020 of c.£2.45m (2019: £3.61m); and
- total headcount as at 31 December 2020 of 69 (2019: 20).

Following receipt of a substantial non-trading cash payment in January, at the end of January 2021 the Company had available unaudited cash resources of c.£2.76m.

Bidstack continues to work closely with global agencies and brands in optimising spend in the gaming ecosystem.

Over the second half of 2020 Bidstack's sales network has ramped up significantly in core markets with a focus on key accounts such as Dentsu, WPP, Publicis, Omnicom, Interpublic, Accenture and Havas. Key advertising brands have included Burberry, PUIG, Duracell, KFC, Doritos, BMW, VW, Acer and Wargaming, broadly distributed across the consumer staples, luxury, automotive, technology and food sectors.

As previously announced, advertising briefs received by Bidstack are evolving from 'test spend' to 'on plan', as advertisers increasingly recognise native in-game advertising as a dynamic media channel in their efforts to reach the lucrative video gaming audience.

Over the same period Bidstack's Approved Partner Network has grown to approximately 25 member agencies globally, focussed on monetising non-core markets. The substantial growth of the Approved Partner Network enables regional and local brands to access in-game advertising in relevant geographic markets.

Bidstack has now run native in-game campaigns in over 30 countries. While this undoubtedly proves the system works, in 2020 fill rates for native in-game advertising remained in low single digits. As the Bidstack sales team matures there remains significant scope for organic growth.

Bidstack's strategy to focus on the world's largest video games developers and publishers is progressing well. The Company has exclusivity over an increasing number of titles in which its technology is integrated. Bidstack maintains strong working relationships with its key AAA games publishers including Sega, Codemasters and Ubisoft which has resulted in organic growth across the portfolio. The pipeline across AAA publishers and independent publishers remains robust despite typically long sales cycles.

However, given recent experiences, the Board believes that the current pandemic may well result in a further lengthening of sales cycles. To address this, Bidstack's strategy will be to concentrate on the appropriate implementation of its technology even if this is at the expense of some short term opportunities.

The Board believes that Bidstack is now the leader in the field of native in-game advertising, both in terms of technology and revenue generation. It is vital for Bidstack to consolidate its pole position and keep its focus on the significant economic success which the Board believes is available to it in the medium to longer term.

Further updates concerning both the Company's business strategy and further innovations which are under way will be made at the time of the publication of Bidstack's audited full year results for 2020.

Bidstack has made strong progress in promoting and standardising the native in-game advertising format. The Company understands the importance of educating stakeholders in the drive to grow the market and Bidstack plays an active role in the IAB's 'In-Game Advertising Working Group'.

Bidstack's recent collaboration with Moat by Oracle on general invalid traffic (GIVT) supports our commitment to ensure integrity, trust and brand safety of native in-game advertising. It is also supported by Bidstack's certification by other leading media measurement platforms, Nielsen and Comscore, for mobile traffic. Together these developments open up advanced brand uplift measurement for native in-game advertisements.

The total headcount at the end of 2020 stood at 69 (2019: 20) across the US (San Francisco and New York), UK (London) and Latvia (Riga). Bidstack continues to strengthen its team and has recently made four senior commercial hires to drive business objectives, innovation and to accelerate its new initiatives. Members of the team bring experience from companies including AWS, Unity, Sony, Bandai Namco, EA, ESL Gaming, Nike, Google and Mizuho resulting in a wealth of industry knowledge and networking capabilities which support Bidstack's publisher acquisition strategy, business development, IP-licensing and strategic partnerships.

The Company announces it has accepted the resignation of Derek Wise from the Board. The Board has agreed that Derek's resignation will take immediate effect to allow him to pursue other business interests. Derek joined the Board on the 2 July 2019 and has provided invaluable assistance to Bidstack during his tenure. The Company will commence the search for a new Non-Executive Director and further announcements will be made in due course.

James Draper, CEO of Bidstack, said:

"In 2020, Bidstack has made strong and tangible progress towards our ambition to become the global leading advertising and monetisation platform for interactive entertainment. Bidstack has proven its initial concept through bringing premium advertisers into the world of gaming, securing exclusive contracts with household name game developers and building the technology infrastructure to enable both sides to seamlessly transact.

"Our native in-game strategy has been to take no shortcuts from a technological or commercial perspective. This is now paying off, with clients planning around our inventory and with our technology they're able to report transparently on the performance of campaigns via AdConsole, our proprietary tools, or via their DSP of choice, such as The Trade Desk.

"I believe that it is now vital that we stick to this strategy. With the commercial, operational and technological proprietary data, software and intelligence we have at hand, I believe we are perfectly positioned to not only identify the end-goal ahead of us but also to accelerate the journey that takes us there.

"The Board intends to be able to give more guidance about our plans for 2021 and beyond with the publication of our full year results for 2020.

"I would also like to thank Derek Wise for his advice and assistance during his period on the Board of Bidstack. We wish him well in his future business endeavours."

-ENDS-

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Notes to editors**About Bidstack**

Bidstack is an advertising technology company which provides dynamic, targeted and automated native in-game advertising for the global video games industry across multiple platforms. Its proprietary technology is capable of inserting adverts into natural advertising space within video games. Bidstack's customers are games publishers and developers (on the supply side), and advertising agencies, brands and programmatic advertising platforms (on the demand side).

Bidstack contracts exclusive access to the native in-game advertising spaces within video games from their developers or publishers and sells that advertising space either directly to specific brands and their agencies or through programmatic advertising platforms

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