

# H1 REPORT 2022

JANUARY 1, 2022 – JUNE 30, 2022

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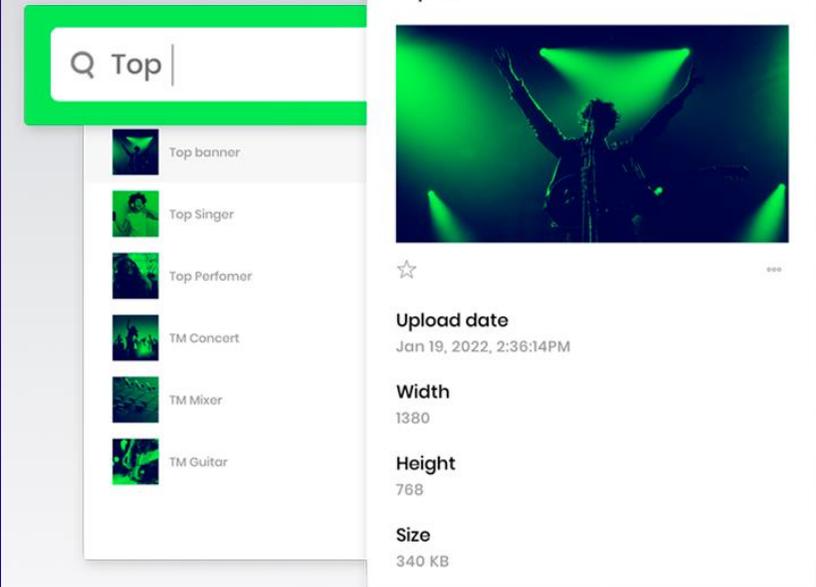
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# MANAGEMENT STATEMENT

# H1 2022 AT A GLANCE

**Annual Recurring Revenue**  
**37.4 MDKK**

**Full year guidance of 40-45 MDKK**

As of June 30, we achieved DKK 37.4M in Annual Recurring Revenue (ARR). This is an increase of 5.3 MDKK. The growth is in line with the guidance for 2022.

**Revenue**  
**19.5 MDKK**

**23% increase compared to H1 2021**

Realized revenue increased by 3.6 MDKK to 19.5 MDKK, compared to the same period last year. This corresponds to an increase of 23% growth in revenue.

**Profit / Loss**  
**-17,8 MDKK**  
**-12,8 MDKK in H1 2021**

Realized loss increased by 5.0 MDKK to 17.8 MDKK, compared to the same period last year.

**Annual Recurring Revenue**  
**34% Growth**

**Compared to 35% in H1 2021**

Annual Recurring Revenue (ARR) increased by 34% over the last 12 months.

**Net Revenue Retention**  
**118%**

**Compared to 107% in H1 2021**

Net Revenue Retention is significantly above 100%. Customer expansion, USD exchange rate and low churn had positive impact. The Net Revenue Retention is 118% over the last 12 months.

**Churn**  
**3 %**

**Compared to 7% in H1 2021**

Digizuite achieved a 3% churn of over the last 12 months. We attribute the low churn rate to high levels of customer satisfaction, as well as product-fit and stickiness.

# LETTER FROM THE CEO

Digizuite™ continues to focus on expanding the company's Annual Recurring Revenue (ARR), which has grown by 17%, from 32.1 MDKK in 2021 to 37.4 MDKK at the end of June 2022.

## Solid growth in Annual Recurring Revenue

During the first half of 2022, we made solid progress by growing our Annual Recurring Revenue with 5.3 MDKK, a new all-time high for H1. We acquired new customers and continued expanding the existing customer base. A strong US dollar had positive impact on the subscription value for the North American market, which is now 55% of total ARR.

We continue to show strong results in our Net Revenue Retention, which is at 118%, well above our 100% target. This shows our ability to retain and grow the existing customer base.

Despite the positive development on ARR growth, sales efficiency has not reached a desired level yet. A reorganized and strengthened sales force with sales management now reporting directly to CEO brings increased efficiency and cost savings.

Digizuite is well positioned to capture continued growth with a strong market position, strong growth in lead generation, a strengthened organization, new product launches and increasing engagement from our partner eco-system. Partners contribute with approx. 40% of net new ARR in 1H, which is very important for accelerating the total revenue.

## Increasing profit with signification potential

Gross profit increased by 17% in H1, from 8.1 MDKK to 9.5 MDKK. We estimate a potential to reduce Cloud costs by 20-40% over next 1-2 years period with some positive effect already in 2H22. This will have positive impact on gross margin and cash flow going forward. This focus area is prioritized in our product roadmap, with the refactoring of services.

## Expectations and guidance

Market conditions continue to be attractive as more organizations adopt DAM technology. We need to be aware that the world economic situation, in general, will increase future uncertainty. As a result of the uncertainties and the company's limited capital resources, we have put in place further cost and cash management measures.

The company guidance for 2022 remains at 40-45 MDKK in Annual Recurring Revenue.



# STATEMENT FROM THE CHAIRMAN

Since the IPO in 2021, Digizuite has focused on building momentum for accelerated growth and realization of the company's global potential.

## Strategy execution

We have so far executed successfully on large parts of the strategy and Digizuite's pipeline and product portfolio are stronger than ever before. Building the company has required substantial investments in all parts of the business. We have now reached a point where the organization has the power and the capabilities to deliver on accelerated growth, which were one of the main goals from the IPO.

The growth strategy from the IPO indicated that profitability would not be achieved before the end of 2024 because of heavy investments in the go-to-market activities, the product and the global footprint.

During the last 1½ years, we've seen changes in the economic situation due to Covid and the war in Ukraine. Both which have increased global supply chain challenges and brought on the fear of a recession. At the same time, we see that the capital market has experienced much more uncertainty.

## Cashflow

We expect to manage the cash flow in 2022 within our existing capital resources and external credit facilities. In addition, the majority of customers subscriptions are renewed at the end of the year, delivering a positive cash flow in the beginning of 2023.

The Board is expecting execution on a plan to reach positive EBITDA and cash at least 1 year before the original plan, which means end of 2023.

The foundation of Digizuite is build upon a great and passionate team, an amazing and very competitive DAM product, fantastic customers and partners and finally strong and supporting investors. I want to thank all of them for their continued support.

Going forward, we continue to pursue the growth ambition and guidance for 2022 and the years to come.



# STRONG PIPELINE GROWTH

Leading indicator for pipeline growth doubled in 1H22 compared to 2H21

- New Sales Qualified Leads doubled in 1H22 compared to 2H21
- Investments in digital presence, scaling of our BDR team contributed to the significant growth in number of new leads
- During 2H22 partner events are expected to further accelerate new leads and growth.

## Growth and scalability through partners

- Strong partnerships are a key part of the growth strategy, as it unlocks increased scalability and access to growth potential
- 50% of new customers in 1H22 acquired through our partner ecosystem

Partner events are back on the calendar. We expect this to further increase leads.

- Pre-Covid, partner events were an important route to market and a first touchpoint for some of our current largest customers
- In addition to the current lead channels, that are growing, we are confident the partner events will further increase lead generation on top.
- In 2H22 Digizuite are attending 4 EMEA and 3 North America events, with a large number of potential customers participating
- The expected continued acceleration of leads during 2H22 fuels our pipeline and growth potential 2023.

Solution partners with new joint customers in 1H 2022

The logo for IMPACT, featuring the word "IMPACT" in a bold, black, sans-serif font centered on a bright yellow rectangular background.

IMPACT™

The logo for DEPT, featuring the word "DEPT" in a bold, white, sans-serif font centered on a black rectangular background.

DEPT®

The logo for CONSID, featuring a circular icon with a red and white design to the left of the word "CONSID" in a black, sans-serif font.

CONSID

The logo for EXSQUARED, featuring a blue 3D cube icon with a white diagonal line to the left of the word "EXSQUARED" in a bold, blue, sans-serif font.

EXSQUARED

# NEW SALES RECORD

## Record number of new customers

- 60% new customers in Europe, 25% new in North America among the largest home builders
- First new customer in APAC region

## Significant expansion potential

- Majority of new customers are large international or global enterprises, with significant expansion potential.

## Adoption of Digizuite across industries

- New customers span a wide variety of industries, showing the large addressable market for Digizuite technology.

## New customers announced:



### DIGIZUITE WELCOMES PWT TO ITS DIVERSE MANUFACTURING CUSTOMER COMMUNITY

Today Digizuite, the global provider of enterprise Digital Asset Management (DAM) SaaS software, has announced an agreement with Scandinavians leading menswear company, PWT.



### SENNHEISER BECOMES NEWEST DIGIZUITE MANUFACTURING CUSTOMER

Digizuite announces an exciting customer agreement with Sennheiser, one of the world's leading manufacturers of headphones, speakers, microphones, and wireless transmission systems.



### DIGIZUITE'S GLOBAL GROWTH EXTENDS TO ANOTHER CONTINENT WITH NEW AUSTRALIA-BASED CUSTOMER

Digizuite has officially secured its first-ever customer in Australia. Based in Sydney, the client is a research and development organization that works to modernize and optimize Australia's horticulture.

## Selected other new customers:

The logo for FOSS, consisting of the word 'FOSS' in a bold, dark blue, sans-serif font.

The logo for postnord, featuring a blue circular icon with a white crown and a blue figure, followed by the word 'postnord' in a blue, lowercase, sans-serif font.

The logo for BEIJER GROUP, with 'BEIJER' in a bold, dark blue, sans-serif font and 'GROUP' in a bold, green, sans-serif font below it.

# NEW PRODUCTS DRIVE SALES AND CUSTOMER ROI

## New products increase Annual Contract Value

- New products are priced separately, which impact positively on average contract value and customer expansion.

## Faster time-to-market with new integrations

- Integration capabilities are a key competitive advantage. They offer additional upsell capabilities to increase in average contract value and customer expansion.
- With the new integration toolbox, both Digizuite and our partners can build new connectors faster and with less cost

## Maximize value creation through Brand Portals

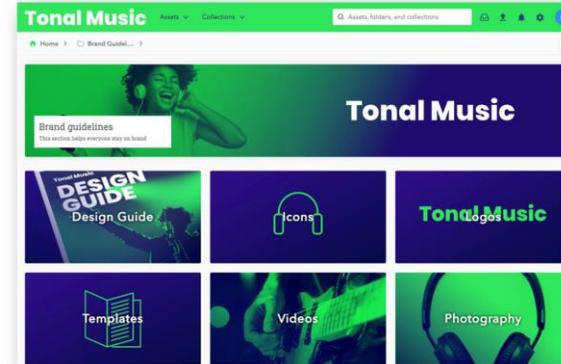
- The most requested feature is now released, adding show rooms that can be tailored to express customer brand identity.

### MANY NEW AND UPDATED INTEGRATIONS



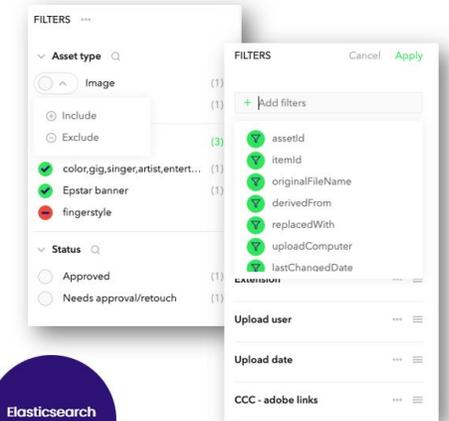
### BRAND PORTALS

- Asset Showroom
- Brand Guidelines
- Any portal for sharing assets
- Self service configuration
- Create Portals & Folders



DIGIZUITE

### ELASTICSEARCH + ENHANCED FILTERS

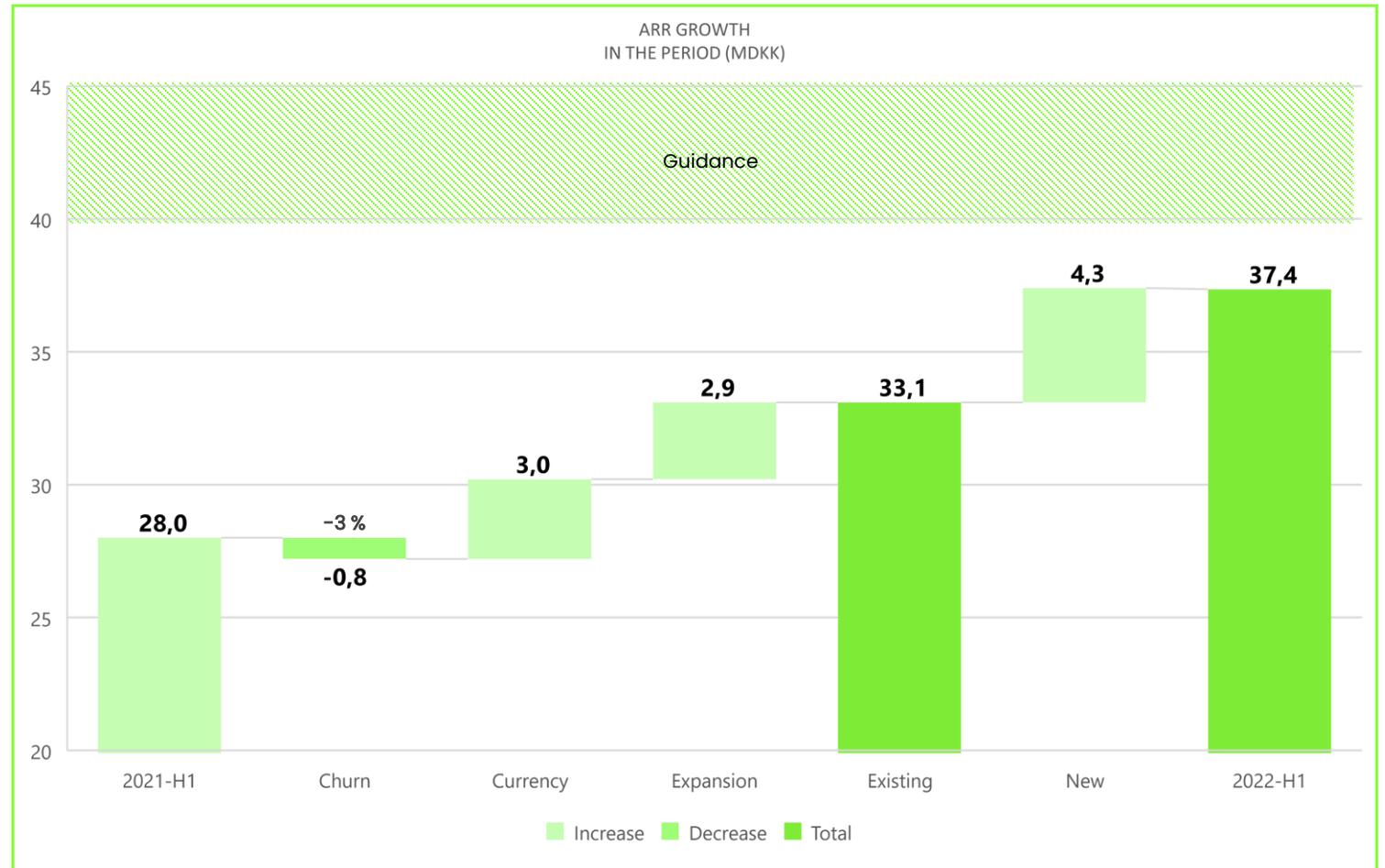


# ANNUAL RECURRING REVENUE



Digizuite continued previous years' positive development throughout first half of 2022 and delivered ARR growth of 9.4 MDK, equivalent to 34% over the last 12 months. Expansions, currency gains and low churn generate an ARR growth of 5.1 MDKK equivalent to a Net Revenue Retention on 118% over the last 12 month.

*The annual development represents the development from 2021-H1 to 2022-H1 and is measured on the last day of both periods.*



# ANNUAL RECURRING REVENUE



*The annual development represents the development from 2017 to 2022-H1 and is measured on the last day of periods.*



# ANNUAL RECURRING REVENUE

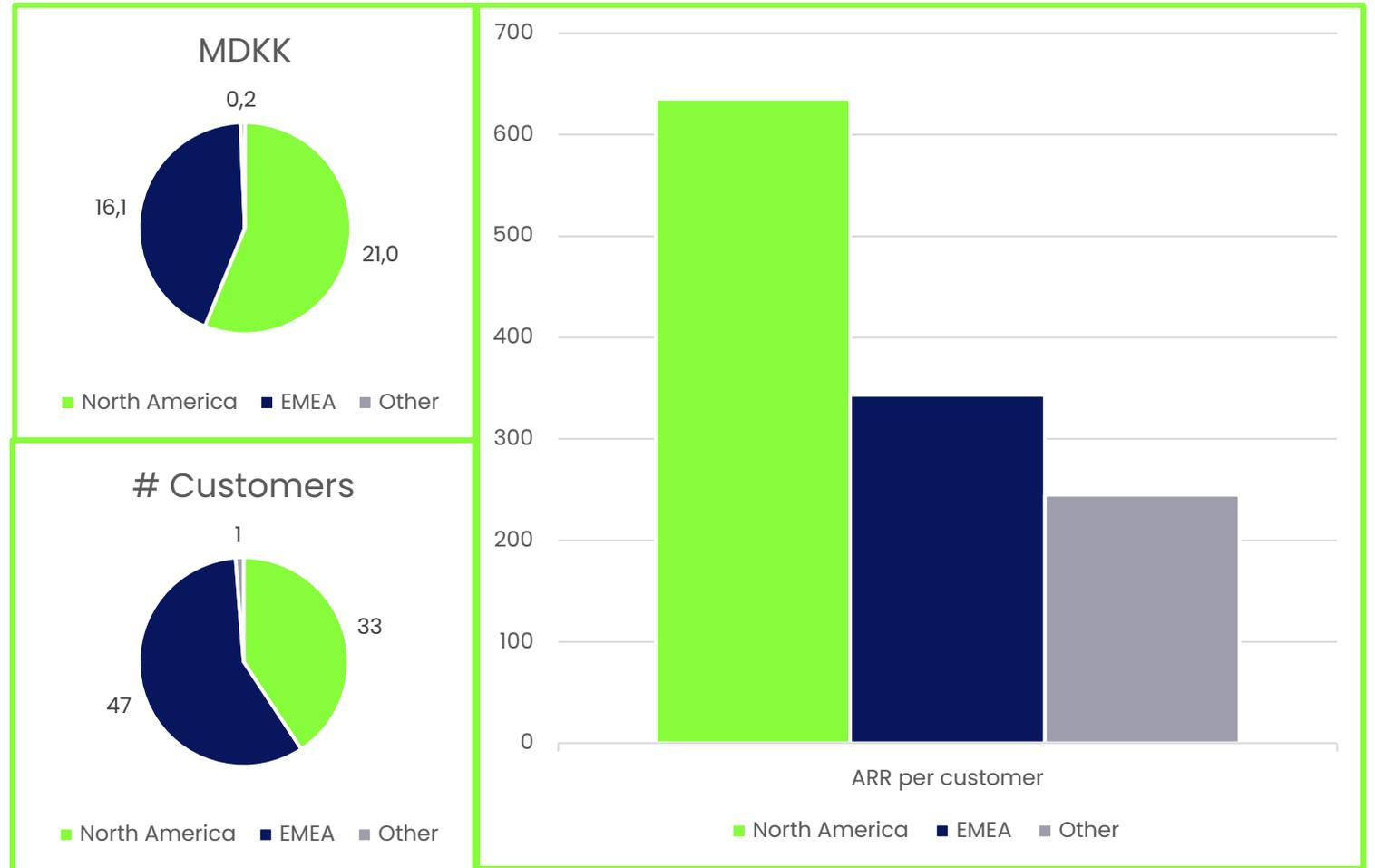


Customers included in the statement are subscription customers only.

North America market is largest market with 56% of ARR

58% of customers in EMEA market

Avg ARR per customer is 85% higher in North America compared to EMEA.



# THIS IS DIGIZUITE

## Transformation to omnichannel

Customers expect their solutions to be synchronized and personalized, across channels and adjusted to their needs. In order to meet these needs, and secure growth in the client base and the revenue, many companies choose to implement an omnichannel strategy. This transformation to omnichannel requires an efficient handling of many different formats of content, such as movies, texts, pictures, graphic, sound and increasingly also VR- and AR-files.

With Digizuite's DAM, all companies get the opportunity to administer and distribute content onto many channels, such as websites, e-commerce sites, social media, client portals, e-mails, sales activating platforms, or even to shops, just by having one central solution to all content. In this way all companies get the opportunity to optimize the entire content process, from product to distribution, improve the content governance and secure quicker product launches and faster time to market.

Three out of four companies desire a specialized and fully open solution, with the ability to handle large amounts of media content, such as videos, movies, AR and VR. For most larger companies, a dedicated DAM-platform, which can be integrated to internal and external systems like PIM, MDM, CMS without any problems, are the preferred solution. A platform like Digizuite's.

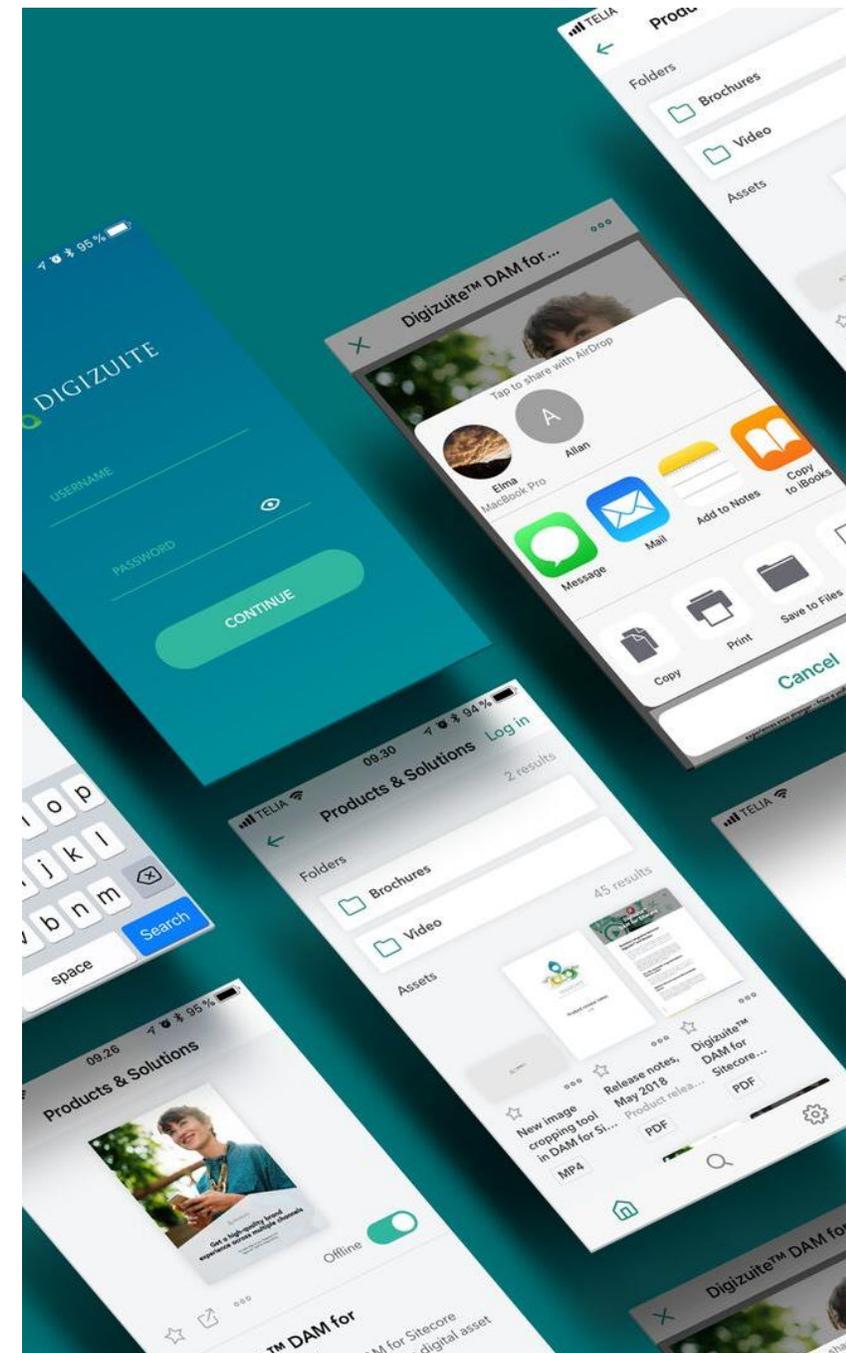
## Strong performer in The forrester Wave

In The Forrester Wave™ 2022 for Digital Asset Management for Customer Experience (DAM), Digizuite has been acknowledged as a "Strong Performer", who among other things, offers strong integrations. Another Forrester Total Economic Impact report from 2021, shows that Digizuite's customers achieve a ROI (Return of investment) on 185%.

## Strong performer

The Digizuite platform is so easy to apply, that all it takes is a simple demonstration without any programming or training. Furthermore, the Digizuite platform is created to operate and optimize customer experiences on all channels for all companies, no matter the size. This way, Digizuite helps many larger and global production companies, by giving them an omnichannel solution that turns into a competitive advantage.

The emphasis above combined with more than 20 years of DAM experience, make it possible to educate, guide and support all global companies in the implementation and use of the Digizuite DAM platform.



# GOVERNANCE

# COMPANY INFORMATION

## THE COMPANY



Digizuite A/S  
Østergade 61  
5000 Odense C  
Denmark

CVR.: 25499522

Accounting period:  
01.01.2021 – 31.12.2021

## EXECUTIVE BOARD



Kim Wolters  
CEO

## MEMBERS OF THE BOARD OF DIRECTORS



Søren Skovbølling, CoB

Michael Koehn Milland  
Annette Lang Skovbølling  
Johan Jardevall  
Line Christa Amanda Sørensen

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Søren Skovbølling,  
Chairman of the board  
Tlf: +45 25 31 07 20  
[ssk@digizuite.com](mailto:ssk@digizuite.com)

# MEMBERS OF THE BOARD OF DIRECTORS

**Søren Skovbølling**

*Chairman*

Experienced serial entrepreneur in the IT- and software business, specialized in leadership, strategy, sales and business development. Has successfully executed sales of several companies.



**Line Christa Amanda Sørensen**

*Boardmember*

International leader with 15 years of experience in leadership from global companies. Focuses on Enterprise sales, digital innovation, marketing, product-management, acquisitions and business development.



**Michael Koehn Milland**

*Boardmember*

25 years of international experience from top management positions in IT, communications and software companies, of which 2 are listed on Nasdaq USA. Have successfully completed several M&A's.



**Annette Lang Skovbølling**

*Boardmember*

Serial entrepreneur with investments in several IT and software companies for more than 20 years. Experienced manager within the shipping, medical, IT and software industries, both start-ups and transformation of established companies.



**Johan Jardevall**

*Boardmember*

15 years of experience from top management positions in consulting and software companies and has extensive knowledge of SaaS. Has been involved in several successful sales of software companies.



# FINANCIAL REPORT

## H1 2022

# MANAGEMENT STATEMENT

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The company's activity includes the development and sale of SaaS subscriptions to Digizuite™ DAM (Digital Asset Management), as well as consultancy and support services. Digizuite SaaS is marketed globally, both directly and through partners, and the most important markets are Europe and North America.

Digizuite has increased its revenue by 3.6 MDKK to 19.5 MDKK compared to the same period last year, which corresponds to a growth of 23%.

In accordance with the company's strategy, the growth comes solely from subscriptions to new and existing customers, which collectively increased by 34% over the last 12 months. Consulting services are increasingly left to the company's partner channel. The expectations for an accelerated turnover in 2022 are maintained and supported by a strong growth in the number of qualified leads from the company's marketing activities.

The increase in production costs is primarily due to the establishment of an improved and scalable implementation and support function. Among other things, a local support function has been established in the North American market to ensure improved presence and a continued low churn.

The distribution costs are increased by 6,7 MDKK to 15,5 MDKK, corresponding to an increase of 76%. Massive investments have been made in Digizuite's global sales and marketing organization and partner channel to ensure the planned growth and scaling.

Administrative costs will increase by 7% as last year's establishment of a strengthened management and finance function will have full effect in 2022. The costs for research and development will be maintained to ensure Digizuite's product development.

## Expected development

Continued positive development in the company's revenue is expected, driven by both new customers and additional sales to existing customers. It is still expected to result in a significant growth in ARR in 2022 of 25-40%, corresponding to a set ARR guidance of 40-45 MDKK.

# INCOME STATEMENT

	Notes	2022-H1 DKK	2021-H1 DKK
<b>INCOME STATEMENT</b>			
Revenue		19.484.856	15.846.633
Production costs		-10.032.545	-7.796.084
<b>Gross profit</b>		<b>9.452.311</b>	<b>8.050.548</b>
Distribution costs		-15.471.331	-8.800.483
Administration costs		-6.876.578	-6.423.774
Research and development costs		-4.988.642	-5.525.039
<b>Profit/Loss before financials</b>		<b>-17.884.240</b>	<b>-12.698.748</b>
Income from capital shares in affiliated companies		84.072	129.429
Financial income		102.950	290
Financial expenses		-78.484	-208.471
<b>Profit/Loss before taxes</b>		<b>-17.775.700</b>	<b>-12.777.499</b>
Income tax		0	0
<b>Profit/Loss</b>		<b>-17.775.700</b>	<b>-12.777.499</b>

# BALANCE SHEET AT 30.06

	Notes	2022-H1 DKK	2021-H1 DKK
<b>ASSETS</b>			
Development projects		17.992.386	15.675.037
Property, plant and equipment		95.418	175.068
Financial assets		468.869	737.815
<b>Fixed assets</b>		<b>18.556.673</b>	<b>16.587.920</b>
Trade receivables		7.735.600	8.835.022
Work in process		0	178.893
Receivables to associates		1.046.464	675.270
Deferred tax		1.620.137	1.620.137
Income tax receivables		2.545.807	2.157.174
Other receivables		87.960	0
Prepayments		176.389	734.297
<b>Receivables</b>		<b>13.212.357</b>	<b>14.200.793</b>
Cash		4.656.656	39.764.702
<b>Current assets</b>		<b>17.869.013</b>	<b>53.965.495</b>
<b>Assets</b>		<b>36.425.686</b>	<b>70.553.415</b>

# BALANCE SHEET AT 30.06

	Notes	2022-H1 DKK	2021-H1 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		29.214.944	29.214.944
Other capital reserve		462.886	354.875
Reserve for development		14.034.062	12.226.529
Retained earnings		-41.283.932	-5.407.727
<b>Equity</b>		<b>2.427.960</b>	<b>36.388.621</b>
Interest bearing liabilities		5.849.350	5.849.350
Payables to associates		0	0
Other payables		1.700.851	1.700.851
<b>Non-current liabilities</b>		<b>7.550.201</b>	<b>7.550.201</b>
Interest bearing liabilities		0	0
Deferred income		18.212.508	15.622.854
Work in process		1.669.818	2.237.278
Trade payables		1.608.220	2.343.915
Payables to associates		0	0
Other payables		4.956.979	6.410.546
<b>Current liabilities</b>		<b>26.447.525</b>	<b>26.614.593</b>
<b>Equity and liabilities</b>		<b>36.425.686</b>	<b>70.553.415</b>

# CASH FLOW STATEMENT

	Notes	2022-H1 DKK	2021-H1 DKK
<b>CASH FLOW STATEMENT</b>			
Operating profit/loss		-17.884.240	-12.698.748
Depreciation, amortization and impairment losses		3.682.281	3.069.146
Changes in working capital		4.144.516	2.360.106
<b>Cash flow from operating activities</b>		<b>-10.021.590</b>	<b>-7.269.496</b>
Investments in intangible assets		-5.768.100	-2.733.755
Investments in property plant and equipment		0	-42.426
Deposits		-24000	-10.931
<b>Cash flow from investing activities</b>		<b>-5.792.100</b>	<b>-2.787.112</b>
Proceeds from borrowings		0	1.450.000
Cash increase from capital		0	55.000.000
- Costs related to cash increase from capital		0	-5.101.174
<b>Cash flow from financing activities</b>		<b>0</b>	<b>51.348.826</b>
<b>Net cash flow</b>		<b>-15.849.543</b>	<b>41.292.218</b>
Cash and cash equivalents 1 January		20.506.199	-1.527.516
<b>Cash and cash equivalents 30 June</b>		<b>4.656.656</b>	<b>39.764.702</b>

# EQUITY

	Share capital DKK	Share premium account DKK	Other capital reserve DKK	Reserve for development DKK	Retained earnings DKK	Total DKK
Equity 1 January 2021	22.254.189	0	225.446	12.601.851	-40.564.192	-5.482.706
Debt conversion	4.750.000	0	0	0	0	4.750.000
Capital increase	2.210.755	52.789.245	0	0	-5.101.174	49.898.826
Net profit/loss for the period	0	0	129.429	-375.322	-12.531.606	-12.777.499
Transfer to reserve	0	-52.789.245	0	0	52.789.245	0
<b>Equity 30 June 2021</b>	<b>29.214.944</b>	<b>0</b>	<b>354.875</b>	<b>12.226.529</b>	<b>-5.407.727</b>	<b>36.388.621</b>
Equity 1 January 2022	29.214.944	0	378.814	12.352.401	-21.742.499	20.203.660
Capital increase	0	0	0	0	0	0
Net profit/loss for the period	0	0	84.072	1.681.661	-19.541.433	-17.775.700
Transfer to reserve	0	0	0	0	0	0
<b>Equity 30 June 2022</b>	<b>29.214.944</b>	<b>0</b>	<b>462.886</b>	<b>14.034.062</b>	<b>-41.283.932</b>	<b>2.427.960</b>