

Annual report 2022

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The board of directors of Digizuite A/S has today reviewed and approved the Annual Report for 2022. The Annual Report is attached to this company announcement in its entirety and can also be found on the company's [website](#).

CEO, Kim Wolters:

"I am pleased to present Digizuite's annual report for FY 2022. Throughout the year, we remained focused on our long-term strategy for annual recurring revenue (ARR) growth. We achieved significant milestones in customer acquisition and retention, which contributed to a 25% growth in ARR from DKK 32.1 million to DKK 40.1 million.

Our key results for FY 2022 were impressive. We recorded a 70% growth in new customer acquisitions, with more than 50% of new customers won through strategic partnerships. We also saw a significant growth in revenue from expansion to existing customers, and our net revenue retention rate was 110%, which demonstrates the high satisfaction level of our customers. Our leading indicators for pipeline growth and sales efficiency also showed positive development in line with our strategy.

Due to additional one-time cost to M&A related activity and reorganization the negative EBITDA of DKK -31.7 million, exceed our guidance of negative DKK 25 - 30 million. The negative EBITDA is otherwise in accordance with our plan and is due to significant investments in marketing, sales, and product. The results are considered satisfactory.

We faced some challenges in the US market, where growth from new customer acquisitions was below our expectations. Despite positive development in lead generation, our sales leads conversion rate decreased. We have taken several measures, including a reorganization of our North America sales team in the second half of 2022, to improve our performance in 2023.

We also adjusted our strategy in December 2022 to increase our focus on improving earnings and achieving positive cash flow from the beginning of FY 2024. We have already taken the first step in this direction by implementing cost reductions from the first and second quarter of 2023 and later in 2023 we expect to optimize our product cloud operations, reducing direct cloud costs by more than 50%.

Our financial guidance for FY 2023 includes an ARR guidance of DKK 50-53 million, with an expected improvement in our negative EBITDA between DKK -9 to -12 million. We anticipate having negative cash flow in FY 2023 at approximately the same level as the guided EBITDA to ensure growth and a cash-positive business from 2024, in accordance with our adjusted strategy.

We remain committed to our long-term growth strategy and are confident in our ability to execute it successfully. We thank you for your continued support and look forward to delivering value to our shareholders."

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Attachments

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