

Avidly's revenue and profitability improved clearly in Q1 2022

This business review is not an interim financial report in accordance with IAS34 and the financial information presented in it is unaudited.

JANUARY-MARCH 2022

- ▶ Revenue was 8,566 thousand euros (7,143), an increase of 19.9%.¹
 - Other countries segment's portion of revenue was 33.3% (22.3%).
- ▶ Gross profit was 6,510 thousand euros (5,514), an increase of 18.1%.
 - Other countries segment's portion of gross profit was 37.2% (25.8%).
 - Continuous services accounted for approximately 48% (41%) of gross profit.
- ▶ The Group's operating result was 413 thousand euros (-1), or 4.8% of revenue (0%).
- ▶ Adjusted operating result² improved to 595 thousand euros (469).

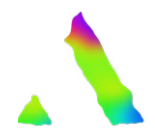
1) Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e. the same period last year.

2) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.



Avidly Plc's
BUSINESS REVIEW
for 1 January – 31 March 2022

AVIDLY



CEO JESSE MAULA:

|| Avidly's strong growth continued in Q1 2022. Our revenue increased by 19.9 percent year-on-year to EUR 8.6 million, of which organic growth accounted for 12 percent. The gross profit, which measures the volume of our own operations, was up by 18.1 percent to EUR 6.5 million. Our operating result reached EUR 0.4 (0.0) million, while the adjusted operating result¹, which describes the operational performance of our operations, increased by 26.9 percent to EUR 0.6 million.

The favourable operating environment in all our operating countries contributed to the good performance. International growth was boosted in particular by the acquisition of Digital 22 Online at the beginning of the year.

In our international business, demand continued to focus on digital services that accelerate sales and marketing automation. In Finland, demand covered all of the marketing technology services we offer, but also in this market the demand was strongest in

digital services. The share of continuing services in gross margin increased to 48 (41) percent.

As a whole, the implementation of our strategy progressed well during the review period. Our customer base expanded with new interesting customers such as Tikkurila in Finland, Opternus in Germany, Advania in Norway/Sweden and techspert.io in UK. At the HubSpot 2021 Impact Awards, we received the Global Partner of the Year award for the third year in a row. We also received Google's 2022 Premier Partner Status. The campaign we created for our client Saka Finland won bronze in the Effie Finland competition, which measures the effectiveness of advertising, and a commercial we designed for Saka Finland won silver at the Voitto Gala, where the best commercial films of 2021 were awarded. The reorganization of our operations in Finland, Norway and Sweden, and Germany towards the end of 2021 also contributed to the Q1 performance.

The integration of the Digital 22 Online team into Avidly got off to a good start in Q1. We also

developed our operations by organising our local HubSpot, Wordpress and integration developers into one international tech team. In addition, we launched work to identify material corporate responsibility topics related to Avidly's business so that we can better serve our customers on sustainability issues in the future.

Our focus is strongly on achieving the goals of our strategy period reaching to 2025. We actively seek new growth and partnership opportunities within the Martech ecosystem and pilot new collaboration models. We continue step by step towards the profitability goals set.

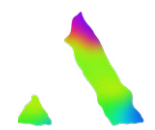
To date, the impacts of Russia's attack on Ukraine have not been reflected in the demand for our services, but the situation of our customers may change rapidly. For now our outlook is unchanged. I am confident in Avidly's ability to take our business and customers forward in line with our strategic goals, and I would like to thank all Avidlyans for their commitment to developing our customers and our own business, and our customers for their trust in Avidly.

OUTLOOK FOR 2022 UNCHANGED (PUBLISHED ON 4 MARCH 2022)

Avidly estimates that its revenue in 2022 will be between 34 and 36 million euros (revenue in 2021: 30.0 million euros) and that its adjusted operating result will increase (adjusted operating result in 2021: 1.1 million euros).

The adjusted operating result refers to the operating result (EBIT) that has been adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

¹) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.



KEY FIGURES

1,000 EUR	1-3 2022	1-3 2021	Change %	1-12 2021
Revenue	8,566	7,143	19.9	29,972
Other countries segment's portion of Revenue	2,856	1,596	78.9	7,099
Gross Profit	6,510	5,514	18.1	21,596
Other countries segment's portion of Gross Profit	2,419	1,424	69.9	5,953
Continuous services, % of Gross Profit	48%	41%		47%
Operating Result	413	-1	41,400.0	-57
Adjusted Operating Result (EBITA)*	526	49	973.5	121
Adjusted Operating Result**	595	469	26.9	1,074
Average number of Personnel	282	232	21.6	237

RECONCILIATION STATEMENT FOR ADJUSTED OPERATING RESULT:

1,000 EUR	1-3 2022	1-3 2021	1-12 2021
ADJUSTED OPERATING RESULT:			
Operating Result	413	-1	-57
Depreciations and impairments on acquisitions	113	50	178
Adjusted Operating Result (EBITA)*	526	49	121
Acquisition costs	173	0	0
Expenses associated with the share-based incentive scheme pursuant to IFRS	-104	420	953
Adjusted Operating Result**	595	469	1,074

FINANCIAL INFORMATION

Avidly's financial reports will be published as follows:

- Half-Year Report January–June 2022:
26 August 2022
- Business Review January–September 2022:
28 October 2022

Helsinki, 29 April 2022

AVIDLY PLC

BOARD OF DIRECTORS

ADDITIONAL INFORMATION:

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About Avidly

Avidly is a leading martech service provider listed on the Nasdaq First North Growth marketplace in Helsinki. We offer holistic digital marketing and sales services, and customer experience, data and technology are closely entwined into our impact-driven growth strategy. We are a team of approximately 280 navigators and explorers, makers and shakers in 18 locations in Finland, Sweden, Norway, Denmark, Germany, UK and Canada.

Read more: investors.avidlyagency.com/en

*¹) EBITA = Operating result (EBIT) added with depreciations and impairments on acquisitions.

**²) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

