



*Avidly Plc's*  
**BUSINESS REVIEW**  
*for 1 January – 30 September 2021*

**AVIDLY**

AVIDLY PLC COMPANY ANNOUNCEMENT 29 OCTOBER 2021 9.00 AM

**Avidly's growth continued: January–September revenue increased by 19.9%, gross profit was up by 18.8% and adjusted operating result<sup>1</sup> increased to 1.1 million euros (0.1 million euros)**

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



## JULY–SEPTEMBER 2021

- Revenue was 6,441 thousand euros (5,117), an increase of 25.9%.<sup>2</sup> The growth was driven by both favorable market development and low volumes in the comparison period.
  - International portion of revenue was 25.4% (25.7%).
- Gross profit was 4,545 thousand euros (4,019), an increase of 13.1%.
  - International portion of gross profit was 30.1% (26.8%).
  - Continuous services accounted for approximately 48% (45%) of gross profit.
- The Group's operating result was 120 thousand euros (289), or 1.9% of revenue (5.6%). The profitability development was mainly due to lower personnel costs in the comparison period, which were the result of temporary layoffs implemented during that period. In addition, expenses associated with the management's share-based incentive plan were higher during the review period than in the comparison period.
- Adjusted operating result<sup>1</sup> totalled 249 thousand euros (384), also reflecting the lower personnel costs in the comparison period.

## JANUARY–SEPTEMBER 2021

- Revenue was 21,679 thousand euros (18,080), an increase of 19.9%.<sup>2</sup>
  - International portion of revenue was 23.4% (22.9%).
- Gross profit was 15,859 thousand euros (13,345), an increase of 18.8%.
  - International portion of gross profit was 27.7% (25.6%).
  - Continuous services accounted for approximately 46% (44%) of gross profit.
- The Group's operating result was 16 thousand euros (-114), or 0.1% of revenue (-0.6%).
- Adjusted operating result<sup>1</sup> improved to 1,065 thousand euros (95).

## OUTLOOK FOR 2021 REPEATED (PUBLISHED ON 27 AUGUST 2021)

Avidly estimates that its revenue in 2021 will be between 28 and 30 million euros (revenue in 2020: 25.0 million euros) and that its adjusted operating result will be profitable (adjusted operating result in 2020: 0.3 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.

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



## CEO JESSE MAULA:

|| Avidly's growth continued in the third quarter. Our revenue increased by 25.9 percent to EUR 6.4 million and the gross profit, which measures the volume of our own operations, increased by 13.1 percent to EUR 4.5 million. The slower growth in gross profit than in revenue was due to the increase in the relative share of pass-through invoiced media advertising and subcontracting from the comparison period. Avidly's revenue and gross profit are seasonally at their lowest in Q3 due to holidays.

The operating environment remained good in all our markets. Outside Finland, demand was particularly focused on digital services that accelerate sales and marketing automation, while in Finland the demand was more spread between our various martech services. We continued to grow our existing client accounts, in addition to which new customers accounted for approximately a quarter of the period's order intake. New customers won include among others ABB Robotics (Global) and Lappset Group in Finland, Cotes in Denmark, designfunktion in Germany, ePassi in Sweden and ShipNet in Norway. The share of continuing services of gross profit rose to 48 percent (45).

Our Q3 operating result was EUR 120 thousand (289) and our adjusted operating result<sup>1</sup>, which describes the operational performance of our operations, was EUR 249 thousand in Q3 (384), or 3.9 percent of revenue (7.5). Our operating result for the first nine months turned positive and totalled 16 thousand euros (-114), and our adjusted operating result<sup>1</sup> in January–September increased to 1.1 million euros (0.1).

We expect growth to continue in the last quarter of 2021. Alongside organic growth, we continue to explore growth and partnership opportunities within the Martech ecosystem, and continue to develop our internal processes. In line with our strategy, we will continue to focus on growth and development of our service platform rather than optimizing short-term profitability. ||



## KEY FIGURES

1,000 EUR	7-9 2021	7-9 2020	Change %	1-9 2021	1-9 2020	Change %	1-12 2020
Revenue	6,441	5,117	25.9	21,679	18,080	19.9	24,970
International portion of Revenue	1,639	1,313	24.8	5,079	4,147	22.5	5,627
Gross Profit	4,545	4,019	13.1	15,859	13,345	18.8	18,649
International portion of Gross Profit	1,369	1,078	27.0	4,391	3,416	28.5	4,797
Continuous services, % of Gross Profit	48%	45%		46%	44%		42%
Operating Result	120	289	-58.5	16	-114	114.0	-61
Adjusted Operating Result (EBITA) *	161	349	-53.9	152	60	153.3	168
Adjusted Operating Result **	249	384	-35.2	1,065	95	1,021.1	337
Average number of Personnel	236	220	7.3	235	228	3.1	228

\* EBITA = Operating result (EBIT) adjusted for allocated depreciations and impairments on acquisitions.

\*\* 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.

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## RECONCILIATION STATEMENT FOR ADJUSTED OPERATING RESULT:

1,000 EUR	7-9 2021	7-9 2020	1-9 2021	1-9 2020	1-12 2020
<b>ADJUSTED OPERATING RESULT:</b>					
Operating Result	120	289	16	-114	-61
Depreciations and impairments on acquisitions	41	60	136	174	229
Adjusted Operating Result (EBITA) *	161	349	152	60	168
Expenses associated with the share-based incentive scheme pursuant to IFRS	88	35	913	35	169
Adjusted Operating Result **	249	384	1,065	95	337

## FINANCIAL INFORMATION

Aidly's Financial Statements Release 2021 will be published on Friday 4 March 2022.

Helsinki, 29 October 2021

## AVIDLY PLC

## BOARD OF DIRECTORS

## ADDITIONAL INFORMATION:

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*Aidly 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 more than 235 navigators and explorers, makers and shakers in 16 locations in Finland, Sweden, Norway, Denmark and Germany. Read more: [investors.avidlyagency.com/en](https://investors.avidlyagency.com/en)*



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