



Interim Report

July - September 2022

SignUp Software AB (publ)
556570-9721



The period in summary

July - September 2022

- Annual recurring revenue (ARR) grew by
 - SEK 16.3m, 7.2 %, from the end of Q2 2022 and by
 - SEK 67.6m, 38.9 %, in the last 12 months.
- At the end of Q3, ARR amounted to SEK 241.2m (173.6).
- Net sales for the period amounted to SEK 60.6m (46.8) which correspond to a growth of 29.5 % compared to Q3 2021.
- EBITA margin 17.0 % (24.1).
- Net Profit SEK 7.7m (7.1).
- Earnings per share SEK 0.33.
- Earnings per share after dilution SEK 0.33.

January - September 2022

- Annual recurring revenue (ARR) grew by SEK 48.8m, 25.4 %, from the end of Q4 2021, compared to SEK 40.5m, 31.0 %, for the same period last year.
- Net sales for the period amounted to SEK 177.2m (133.9) which correspond to a growth of 32.3 % compared to the same period last year.
- EBITA margin 11.3 % (20.6).
- Net Profit SEK 9.8m (16.0).
- Earnings per share SEK 0.42.
- Earnings per share after dilution SEK 0.42.



Key Figures	2022 Jul-Sept	2022 Apr-Jun	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	LTM Oct-Sept	2021 Jan-Dec
ARR, end of period (SEKm)	241.2	224.9	173.6	241.2	173.6	241.2	192.4
Net sales (SEKm)	60.6	60.7	46.8	177.2	133.9	229.8	186.5
<i>Subscription revenue</i>	52.3	50.1	40.1	149.0	112.0	192.1	155.1
<i>Consulting revenue</i>	8.4	10.6	6.8	28.2	9.5	50.1	31.4
EBITDA (SEKm)	11.0	3.7	11.6	20.1	27.5	26.5	34.0
EBITDA (%)	18.1	6.0	24.7	11.3	20.6	11.6	18.2
EBITA (SEKm)	10.3	3.0	11.3	18.0	26.7	24.1	32.7
EBITA (%)	17.0	4.9	24.1	10.2	20.0	10.5	17.5
Net cash+/-debt- end of period (SEKm)	261.3	269.5	48.2	261.3	48.2	261.3	251.6



CEO's comments



During the third quarter of 2022, we continued our growth journey with an ARR growth of SEK 16.3m, 7.2 percent, and with SEK 67.6m, 38.9 percent, over the last 12 months. Due to our global reach, with 70 percent of the ARR being in foreign currencies, exchange rate fluctuations contributed positively to the ARR growth during the quarter.

We continue to grow on all markets and notice that the US subsidiary has closed several new clients and reporting the strongest relative growth within the group.

Although we saw increased subscription revenue during the quarter Net Sales were SEK 0.1m lower than in Q2 resulting from decreased consulting revenue due to the vacation period. Also, the vacation period resulted in temporarily lower cost levels leading to an EBITA margin of 17.0 percent (24.1) compared to 4.9 percent in Q2.

SignUp has historically not been significantly impacted by such challenging macro-economic factors as we can witness today. We are increasing focus on our operations and KPIs to be prepared to take margin-preserving actions if needed.

One important metric we are monitoring is the development of Microsoft Dynamics 365, which according to Microsoft, showed a revenue growth by 31 percent during the second calendar quarter of 2022. That means that the addressable market is developing favourably for SignUp.

The investments in new employees during 2022 and the newly formed subsidiaries (Singapore, Netherlands, and the US) have impacted the EBITA margin during the last quarters, in accordance with our growth plan. We will continue to invest in our marketing and delivery capabilities but will be prioritizing a return to higher profitability in the quarters to come.

Olof Hedin, CEO

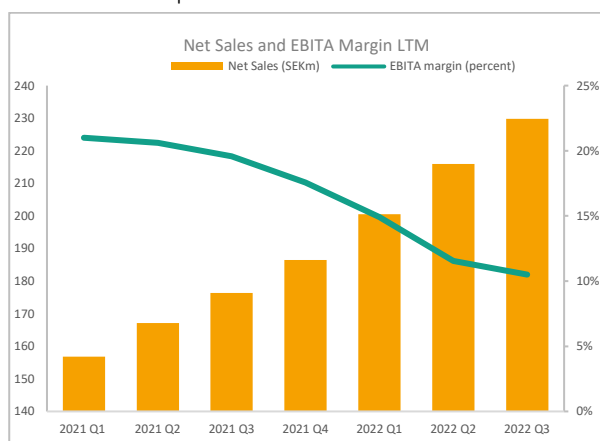
Group Development

Turnover and result

Net sales for the quarter amounted to SEK 60.6m (46.8), a 29.5 percent growth compared to the same period last year. The increased Net Sales derives from both new and existing customers (upsell) in all markets.

Compared to previous quarter, Net Sales decreased with SEK 0.1m, with increasing subscription revenues and decreasing consultancy revenues due to the vacation period.

The EBITA during the quarter was SEK 10.3m (11.3). Compared to the previous quarter, EBITA increased with SEK 7.3m as a result of lower personnel cost due to the vacation period and lower external costs.



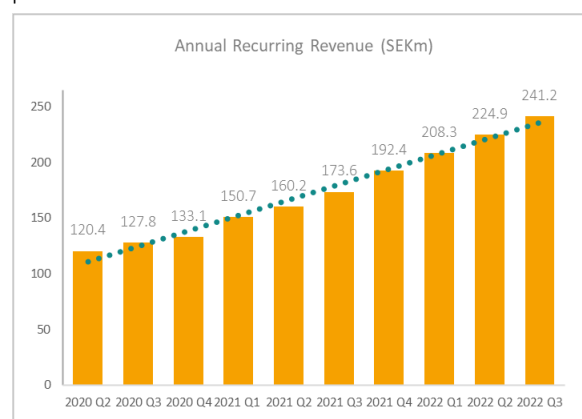
In total, 5 new employees joined SignUp during the third quarter and year to date the net increase of the number of employees is 20.

Approximately 70 percent of SignUp's subscription revenue is in other currencies than Swedish Krona. Subscription revenue is invoiced annually in advance and deferred over a twelve month period. This results in a delayed and a trailing impact of exchange rate changes, hence only marginally effecting subscription revenue in a specific quarter. However, exchanges rates fluctuations have direct impact on the reported ARR.

The investment in new employees during 2022 and the newly formed subsidiaries (Singapore, Netherlands, and the US) have impacted the EBITA margin negatively during the last quarters.

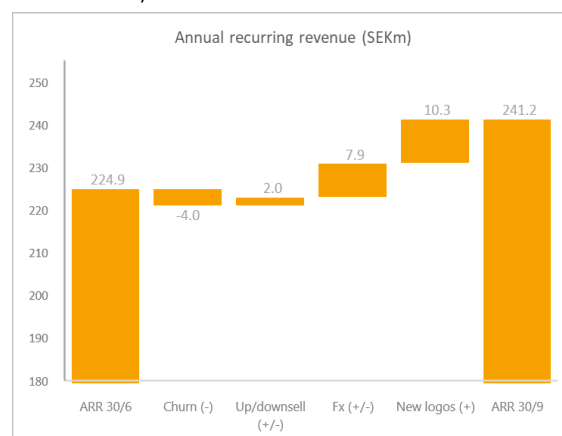
ARR at end of quarter

Annual Recurring Revenue (ARR) at the end of Q3 2022 amounted to SEK 241.2m. The growth in ARR in the last twelve months was SEK 67.7m, a growth of 38.9 percent.



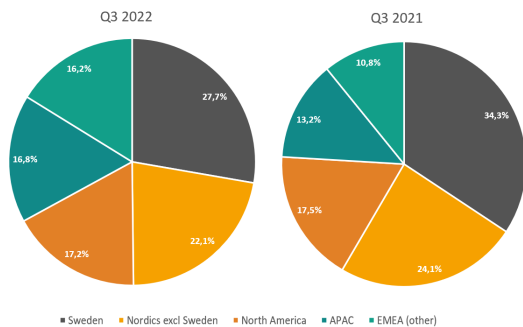
Build-up of new ARR

The total growth in ARR for Q3 2022 was SEK 16.3m primarily resulting from an inflow of new customers (SEK 10.3m). During the quarter the churn, customers cancelling their subscriptions, was 1.8%. This is primarily due to customers changing ERP system from Microsoft Dynamics 365.



ARR by region

The ARR has increased in all regions during the quarter, especially in North America and APAC. The markets outside Sweden are taking a larger share of total sales due to strong growth in these areas.



Financial Position, Cash Flow and Liquidity

At the end of the quarter SignUp had a cash position of SEK 261.3m and no interest-bearing debt, excluding debt related to leasing obligations.

No overdraft facilities exist, and the solidity is 63 percent. Cash flow from the operations before changes in working capital and after changes in working capital was SEK 11.8m and SEK -1.2m respectively.

Employees

The average number of full time equivalents during the third quarter was 109. At the end of the period the number of employees within the group was 115, which is a growth of 5 employees during the quarter.

Equity and shares in Subsidiaries

During the period, SignUp CEO exercised warrants under the warrant program 2021/2022, as described in the Annual Report 2021. This increased the number of outstanding shares with 200 000 to 22 715 625 and increased share capital with SEK 5 000 to SEK 568 000.

The Parent Company increased its ownership in the subsidiary SignUp Software Pty Ltd in Australia from 90% to 95%. Also, the outstanding call option representing 5% of SignUp Software Pty Ltd, as described in the Annual Report 2021, was terminated.

Significant events during and after the end of the period

No significant events have occurred during and after the end of the period.



Group income statement in summary

SEKt	2022 Jul-Sept	2022 Apr-Jun	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	LTM Oct-Sept	2021 Jan-Dec
Total Revenue							
Subscription revenue	52 262	50 068	40 074	148 995	112 028	192 055	155 088
Consulting revenue	8 356	10 636	6 769	28 176	21 874	37 719	31 417
Net sales	60 618	60 704	46 843	177 171	133 902	229 774	186 505
Other operating income	640	147	333	1 861	1 180	3 156	2 475
	61 258	60 851	47 176	179 032	135 082	232 930	188 980
Operating expenses							
Sales costs	-14 000	-13 591	-11 853	-40 548	-31 237	-56 767	-47 456
Other external costs	-9 314	-10 881	-5 101	-30 770	-18 115	-35 258	-22 603
Personnel cost	-26 613	-32 487	-18 411	-86 518	-57 285	-112 421	-83 188
Depreciation/amortisation	-3 072	-3 165	-2 881	-9 406	-8 566	-12 511	-11 671
Other operating expenses	-367	-220	-250	-1131	-911	-1939	-1 719
	-53 366	-60 344	-38 496	-168 373	-116 114	-218 896	-166 637
Operating profit	7 893	506	8 680	10 659	18 968	14 034	22 343
Profit/loss from financial items	2 411	1 946	152	4 378	698	4 517	837
Profit after financial items	10 303	2 451	8 832	15 035	19 666	18 549	23 180
Pre-tax profit	10 303	2 451	8 832	15 035	19 666	18 549	23 180
Tax on profit	-2 982	-1 891	-2 056	-6 350	-4 777	-6 639	-5 066
Deferred tax	371	1 112	370	1 112	1 112	-34	-34
Net profit	7 692	1 673	7 146	9 798	16 002	11 876	18 080
Attributable to owners of the parent	7 538	1 500	7 006	9 369	15 684	11 323	17 638
Attribute to non-controlling interests	154	173	140	419	318	543	442
Earnings per share prior dilution (SEK)*	0.33	0.06	0.35	0.42	1.88	0.51	1.53
Earnings per share after dilution (SEK)*	0.33	0.06	0.35	0.42	1.88	0.51	1.53

*The average number of outstanding shares has increased from 2 000 to 22 515 625 during Jun-Dec 2021 making the earnings per share decrease as number of shares increase.



Group balance sheet in summary

SEKt	2022 30-Sept	2021 30-Sept	2021 31-Dec
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Franchise, patents, licenses, trademarks and other similar rights	976	2 270	1 920
Software assets ExFlow	16 508	24 123	22 219
Goodwill	7 061	5 712	7 783
	24 545	32 105	31 922
<i>Tangible fixed assets</i>			
Equipment, tools and installations	7 337	2 439	7 952
	7 337	2 439	7 952
<i>Financial fixed assets</i>			
Participations in associated companies and jointly controlled companies	4 000	4 000	4 000
Other long-term receivables	2 480	1 648	1 923
	6 480	5 648	5 923
Total fixed assets	38 362	40 192	45 797
Current assets			
<i>Current receivables</i>			
Accounts receivables	32 985	26 242	34 844
Current tax receivables	51	0	0
Other receivables	1 030	2 467	3 692
Prepaid expenses and accrued income	8 563	4 674	6 101
	42 629	33 383	44 637
<i>Cash on hand and in bank</i>	261 255	48 240	251 623
Total current assets	303 884	81 623	296 260
TOTAL ASSETS	342 245	121 815	342 057



Group balance sheet in summary, cont.

SEKt	2022 30-Sept	2021 30-Sept	2021 31-Dec
EQUITY AND LIABILITIES			
Equity			
<i>Equity attributable to owners of the parent</i>			
Share capital	568	500	563
Other capital contributions	195 944	0	187 016
Reserves	1 759	2 431	1 759
Other equity incl. this year's profit	11 065	17 895	19 943
	209 335	20 587	209 281
<i>Equity attributable to non-controlling interests</i>			
Equity attributable to non-controlling interests	0	0	0
Total equity	209 335	20 826	209 281
<i>Provisions</i>			
Provisions for deferred tax	7 796	6 279	7 425
	7 796	6 279	7 425
<i>Long-term liabilities</i>			
Other liabilities	179	223	215
	179	223	215
<i>Current liabilities</i>			
Accounts payable	6 686	5 525	14 318
Current tax liabilities	1477	1852	959
Other liabilities	7 559	6 011	5 314
Accrued expenses and deferred income	109 214	81 099	104 545
	124 935	94 487	125 136
TOTAL EQUITY AND LIABILITIES	342 245	121 815	342 057



Group cash flow analysis

SEKt	2022 Jul-Sept	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	2021 Jan-Dec
<i>Current activities</i>					
Profit after financial items	10 303	8 832	15 035	19 666	23 180
Adjustments for items not included in the cash flow	3 072	2 881	9 406	8 566	11 671
Tax paid	-1 601	-2 093	-4 793	-5 888	- 7 070
Cash flow from operating activities before change in working capital	11 774	9 620	19 648	22 344	27 781
<i>Cash flow from change in working capital</i>					
Change in accounts receivable	-6 576	-10 571	1 860	-2 396	- 11 029
Change in current receivables	557	1 106	176	-2 551	- 5 171
Change in accounts payable	-5 687	-581	-7 632	1 314	10 108
Change in current liabilities	-1 285	2 978	5 747	1 968	21 865
Cash flow from operating activities	-1 217	2 552	19 799	20 679	43 554
Cash flow from investment activities	-15 114	-676	-17 031	-2 155	- 8 726
Cash flow from financing activities	9 336	0	8 897	-10 000	177 079
Cash flow	-6 995	1 876	11 665	8 524	211 907
Liquid assets, opening balance	269 471	46 364	251 623	39 716	39 716
Translation differences	-1 221	0	-2 033	0	0
Liquid assets, closing balance	261 255	48 240	261 255	48 240	251 623



Parent company income statement

SEKt	2022 Jul-Sept	2022 Apr-Jun	2021 Jul-Sept	2022 Jan-Sept	2021 Jan-Sept	LTM Oct-Sept	2021 Jan-Dec
Net sales	45 972	47 074	39 038	138 586	113 795	181 591	156 800
Other operating income	542	15	279	1 532	946	2 703	2 117
	46 514	47 089	39 316	140 118	114 741	184 293	158 916
Operating expenses							
Sales costs	-11 664	-11 431	- 6 310	- 33 926	- 26 184	-47 867	-40 125
Other external costs	-7 474	-8 648	- 8 378	- 24 768	- 17 187	-27 226	-19 645
Personnel cost	-16 922	-21 320	- 14 450	- 57 893	- 47 167	-77 512	-66 786
Depreciation/amortisation	-2 778	-2 881	- 2 673	- 8 550	- 7 939	-11 195	-10 584
Other operating expenses	-209	34	- 167	- 600	- 644	-1 292	-1 336
	-39 048	-44 246	- 31 978	- 125 738	- 99 121	-165 094	-138 477
Operating profit	7 465	2 843	7 338	14 379	15 620	19 198	20 439
<i>Profit/loss from financial items</i>	2 651	2 032	140	4 942	737	5 218	1 013
Profit after financial items	10 117	4 875	7 478	19 322	16 357	24 417	21 452
Appropriations	0	0	0	0	0	- 7 365	-7 365
Pre-tax profit	10 117	4 875	7 478	19 322	16 357	17 052	14 087
Tax on profit	- 2 006	- 1 075	- 1 199	- 4 103	- 3 422	-5 233	-4 552
Deferred tax	371	1 112	- 742	1 112	0	2 595	1 483
Net profit	8 481	4 912	5 537	16 330	12 935	14 413	11 018



Parent company balance sheet

SEKt	2022 30-Sept	2021 30-Sept	2021 31-Dec
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Franchise, patents, licenses, trademarks and other similar rights	976	2 270	1 920
Software assets ExFlow	16 508	24 123	22 219
	17 484	26 393	24 139
<i>Tangible fixed assets</i>			
Equipment, tools and installations	6 740	2 124	7 528
	6 740	2 124	7 528
<i>Financial fixed assets</i>			
Participations in group companies	24 969	7 468	9 968
Receivables from group companies	19 155	2 589	5 860
Participations in associated companies and jointly controlled companies	4 000	4 000	4 000
Other long-term receivables	1 127	1 116	1 116
	49 251	15 173	20 944
Total fixed assets	73 476	43 690	52 611
Current assets			
<i>Current receivables</i>			
Accounts receivables	18 282	19 325	23 421
Receivables from group companies	2 808	1 777	1 335
Current tax receivables	890	0	0
Other receivables	594	1 815	3 608
Deferred expenses and accrued income	7 107	3 749	5 032
	29 681	26 666	33 396
Cash on hand and in bank	227 179	31 477	233 540
Total current assets	256 860	58 143	266 936
TOTAL ASSETS	330 336	101 833	319 546



Parent company balance sheet cont.

SEKt	2022 30-Sept	2021 30-Sept	2021 31-Dec
EQUITY AND LIABILITIES			
Equity			
<i>Restricted reserves</i>			
Share capital	568	500	563
Statutory reserve	2 040	2 040	2 040
	2 608	2 540	2 603
<i>Non-restricted equity</i>			
Shares premium fund	195 944	588	187 016
Retained earnings or losses	27 608	13 195	11 278
	223 552	13 783	198 294
Total Equity	226 160	16 323	200 897
Untaxed reserves	14 445	7 080	14 445
<i>Provisions</i>			
Provisions for deferred tax	3 338	4 820	4 450
	3 338	4 820	4 450
<i>Current liabilities</i>			
Accounts payable	5 996	4 879	13 327
Liabilities to group companies	890	343	39
Current tax liabilities	4 559	1 422	942
Other liabilities	291	4 236	2 867
Accrued expenses and deferred income	75 547	62 730	82 579
	86 393	73 610	99 754
TOTAL EQUITY AND LIABILITIES	330 336	101 833	319 546



Notes

Accounting and valuation principles

The interim report is prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3). The accounting principles remain unchanged as compared to the previous year.

Number of shares

The number of shares September 30 2022 was 22 715 625 (2 000). Average number of shares during Q3 2022 was 22 627 746 (2 000) and average number of shares full year 2021 was 11 524 673 (2 000).

Earnings per share

The calculation of earnings per share has been made by dividing the net result attributable to owners of the parent divided with the number of outstanding shares at the end of the period.

Earnings per share after dilution

The calculation of earnings per share has been made by dividing the net result attributable to owners of the parent divided with the sum of the number of outstanding shares at the end of the period and potentially newly issued shares as a result from outstanding warranty programs as described in the latest annual report.

Risks and uncertainty factors

The risk and uncertainty factors for the group and the parent company, including business and financial risks, are described in the annual report for the last financial year. There have not been any changes in the risk and uncertainty factors for the group and the parent company since the publication of the last annual report.

Definitions

Annual Recurring Revenue (ARR)

Total value of contracted annual recurring fees at a given time

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization

EBITDA % or EBITDA margin

EBITDA expressed as a percentage of Net Sales

EBITA

Earnings Before Interest, Tax and Amortization

EBITA % or EBITA margin

EBITDA expressed as a percentage of Net Sales



About

SignUp

SignUp is a fast-growing software company offering an end-to-end solution, ExFlow, for electronic accounts payable (AP) and invoice process automation, built into Microsoft Dynamics ERP. The company has established itself as a global player with several large companies as clients and several partnerships with resellers of Microsoft's ERP. SignUp was founded in 1999 and is a global company with 115 employees, headquarter in Stockholm and with additional subsidiaries in Denmark, Australia, the Netherlands, USA, and Singapore.

Legal structure

SignUp Software AB (publ) with corporate identity number 556570-9721 is the parent company within the group.

The Parent Company is incorporated in Sweden. Since the 24 November 2021, the company is listed on Nasdaq First North Growth Market.



Other information

Financial Calendar

Year End Report 2022

February 16, 2023

Annual Report 2022

March 16, 2023

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The CEO's assurance

The CEO hereby confirm that the interim report gives a true and fair view of the development of the company's activity, position and result and describes materiality and risk and factors of uncertainty that the company

Solna 21 October 2022

Olof Hedin

CEO

Auditing

The interim report has not been reviewed by auditor.

After publication, the report is available on the company's website:

<https://ir.signupsoftware.com/reports-and-presentations/>



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