

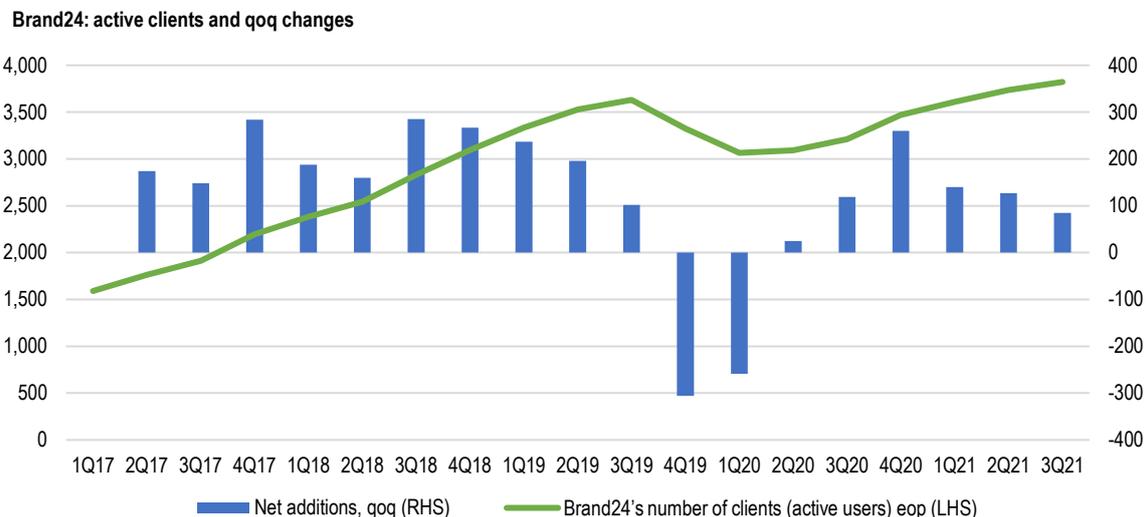
536/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Brand24	Not rated	31.3	Not rated	Sobieslaw Pajak, CFA +48 22 504 32 72

Event: Client net additions in 3Q21.

On October 15, after the market close, Brand24 informed that at the end of September the number of clients stood at 3,822.

Between 4Q19 and 1Q20 the number of clients was falling due to the stop of data monitoring on Facebook and Instagram, then the number of active clients returned to the growth path, however the range of quarterly net increases is lower than before the data stoppage, except the seasonally strong 4Q20. The data from 3Q21 generally confirm this inference, as in the said quarter the Company acquired 85 clients (net) which is noticeably below the lower bound of the management target quarterly net additions range of 150-300 as well as below our expectations at 100 clients.



A quarterly net additions volume is subject to the impact of the intra-year seasonality. In 4Q (with *Black Friday* featuring) we observe a seasonal high, but 3Q (summer vacations) constitutes a seasonal low. On the other hand, we notice that in a seasonally comparable 3Q20 net additions were higher than in 3Q21 and reached 119 clients (hence, implying a 29% yoy slide in 3Q21). This may, at least partially, stem from the fact that last year's vacations were somehow 'cancelled', as the pandemic restrictions were more rigorous, but this year the situation was almost back to normal and the vacations 'materialized'.

Expected impact: *Slightly negative. We expect the coming quarter (seasonally the strongest with Black Friday) to bring about a material qoq increase in the Company's net additions allowing for the FY21 net additions to reach at least 600 clients (which means an average minimum of 150 clients per quarter in 1-4Q21) – any figure below this level (implied required net addition in 4Q21 at c. 250 vs 260 a year ago) would be disappointing to us ceteris paribus.*

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.