

This is an excerpt from the Polish version of DM BOŚ SA's research report prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

394/2022/AR

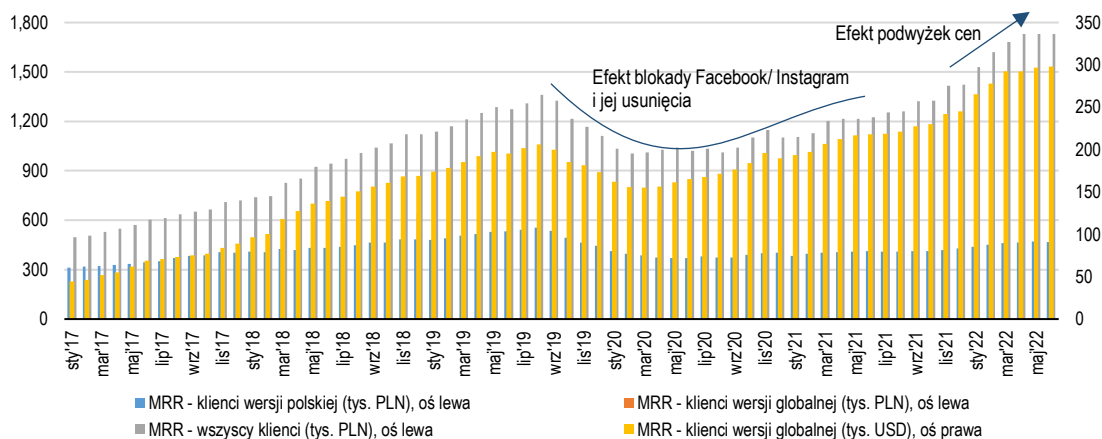
Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Brand24	Not rated	30.5	Not rated	Sobieslaw Pająk, CFA

Event: Selected 2Q22 KPIs

On July 15 (at noon) Brand 24 released selected operating data for 2Q22.

At the end of 2Q22 monthly recurring revenues (**MRR**) stood at PLN 1.732 million (US\$ 408,000) which implies c. PLN 500,000 more than a year ago (up 41% yoy) and PLN 66,000 more than a quarter before (up 4% qoq). As compared to 1Q22, the qoq MRR growth materially slowed (4% vs 21%) which stems mainly from the price rises for the existing clients introduced in the beginning of this year: their effect was largely reflected in the MRR level at the end of 1Q22 (the abovementioned slowdown of a qoq MRR growth does not surprise us; we deem it as neutral).

Brand24; Miesięczne powtarzalne przychody z abonamentów (MRR)

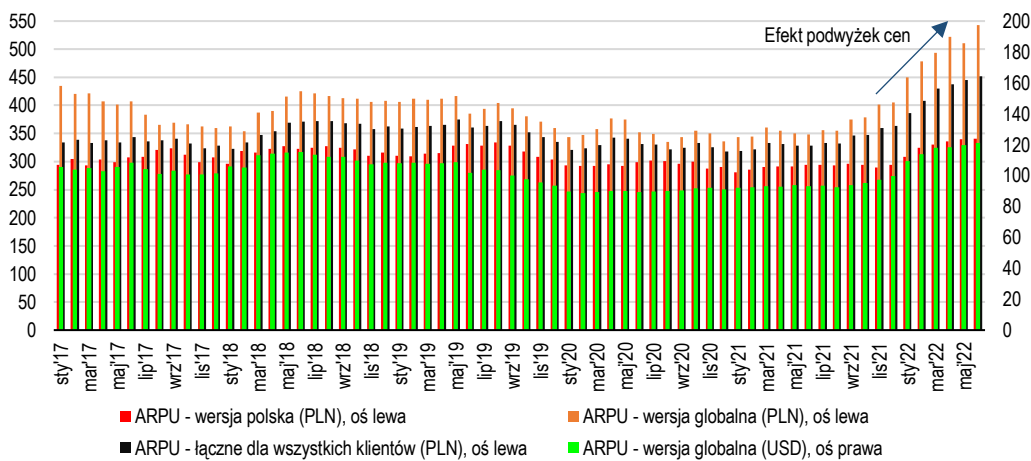


Źródło: Spółka, szacunki DM BOŚ SA.

At the end of 2Q22 **ARPU** (average revenue per user) reached PLN 452 (US\$ 106) which implies a qoq increase by PLN 22 (+5%) (and a 37% yoy increase being – again – largely the effect of price rises for the existing clients introduced in the beginning of this year); a slowdown of a qoq ARPU dynamic (from 22% in 1Q22 to 5% in 2Q22) does not surprise us and we deem it as neutral.

Additionally, the Company informed that ARPU per a new subscriber (acquired in 2Q22) (so called **Initial ARPU**) stood at PLN 528 (US\$ 124) which is 17% above the ARPU for all clients (we remind that in 1Q22 Initial ARPU reached PLN 495 (US\$ 120) exceeding by c. 15% ARPU for all the subscribers in this period, so in 2Q22 this indicator grew 7% (3%) qoq in PLN (US\$)). We deem both, the Initial ARPU higher than the ARPU for all the subscribers and ARPU qoq growth for new subscribers as positive; this proves that Brand24' clients portfolio moves gradually towards bigger brands.

Brand24; Średni miesięczny przychód operacyjny na użytkownika subskrypcyjnego (ARPU)

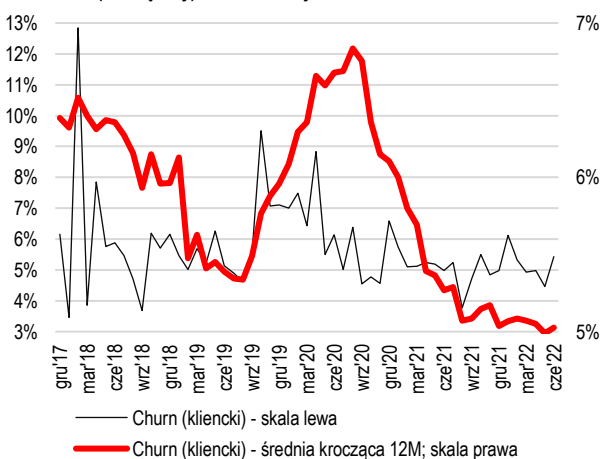


Źródło: Spółka, szacunki DM BOŚ SA.

Starting from the previous quarter, Brand24 has not revealed a **number of subscribers** at the quarter end as it claims that this indicator no longer belongs to the important KPIs; instead the Company focused on the variables such as MRR or ARPU. Though the Company's argumentation is right (that MRR and ARPU are more indicative than a number of subscribers), we believe a showing of the number of subscribers should be continued as it would be a valuable piece of information for at least some investors.

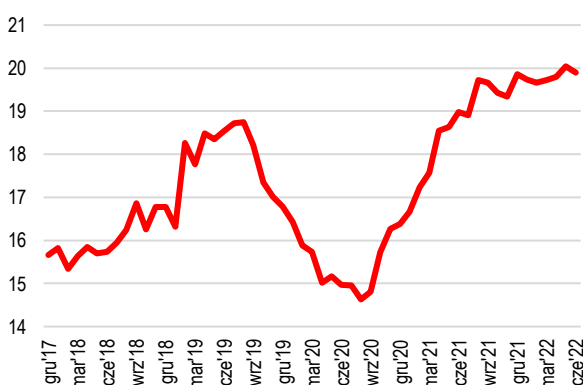
In 2Q22 the **customer churn** oscillated at 4.5-5.4% (the 12M moving average at 5%). In 2Q22 the **statistical subscriber remained the Company's client for almost 20 months** which is a historical high level.

Brand24; (miesięczny) wskaźnik odejść klientów



Źródło: Spółka, szacunki DM BOŚ SA.

Brand24; ilość miesięcy, przez jaką statystyczny aktywny użytkownik pozostaje klientem Spółki*

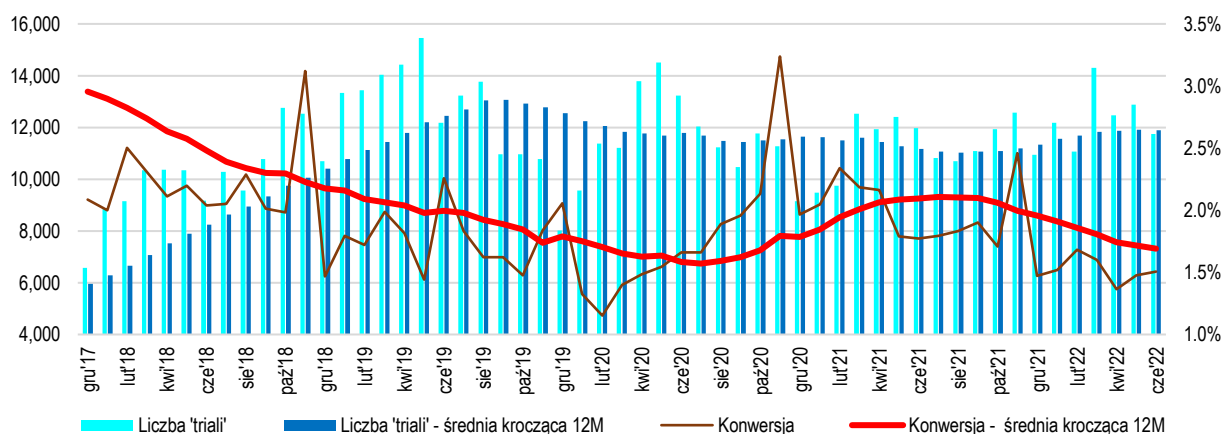


* średnie ruchome, 12M

Źródło: Szacunki DM BOŚ SA (w oparciu o dane wejściowe dotyczące miesięcznego churnu klienckiego Spółki).

Between April and May a **number of trials** was still higher yoy (albeit slightly, by c. 2%), but the conversion ratio deteriorated yoy (for the third consecutive quarter), by c. 20%.

Brand24; Liczba klientów w okresie testowym (oś lewa) i konwersja na wersję płatną (oś prawa)



Źródło: Spółka, szacunki DM BOŚ SA.

All in all, we consider the set of KPIs for 1Q22 as **neutral**. (given the material (Initial ARPU as positive while the falling conversion ratio and only marginally yoy higher trials number as negative with the remaining KPIs (MRR, ARPU, churn) as neutral).

Based on the revealed KPIs, we would expect **the Company's 2Q22 revenues in the range of PLN 5.3 -5.4 million** (up c. 40% yoy and up 7-9% qoq).

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.