

Configit generated strong results in 2021 after conversion to subscription-based business

Configit delivers business-critical software for the configuration of complex products in advanced manufacturing. In 2021, the company grew annual recurring revenue (ARR) by 42% and accelerated the transition to subscription-based business by doubling license sales volume. Configit expanded in existing and new markets, entered new partnerships, secured a larger pipeline and raised capital from existing shareholders and key employees to continue the fast-paced growth in the coming years.

The progress in 2021 was driven by customers' increased investment in Configuration Lifecycle Management (CLM), which is increasingly replacing the traditional *Configure, Price and Quote* (CPQ) solutions. Configit's efforts to strengthen subscription-based license sales contributed significantly to the positive development, which was underlined by the Configit Ace® solution accounting for 80% of new agreements in 2021 compared to 20% in 2020.

In addition to the successful transition to subscription-based business, Configit made headway in the North American market – which accounted for 37% of new agreements in 2021 compared to 4% in 2020 – as the company entered into several long-term cooperation agreements with leading global brands. Configit furthermore entered its first contract in Asia with a leading automotive manufacturer, and the company also expanded to new markets in the Middle East and China. At the same time, Configit saw increasing demand from partners such as Accenture and Cognizant building practices based on the company's technology.

"2021 was a busy and good year for Configit as we continued to execute on our 2023 strategy and generated strong results from the efforts to convert our business to a subscription-based model, which enables long-term strategic customer relationships with the largest global brands, while securing a strong foundation for Configit's continued growth. The year was characterized by geographic expansion and new partnerships with strong players such as PwC in Germany and with Unity to add visualization capabilities to our technology by combining our best configuration software with Unity's leading visualization technology," said Johan Salenstedt, CEO of Configit.

On the back of revenue growth, Configit lifted gross profit to DKK 87 million (2020: DKK 76 million) and improved operating profit (EBITDA) moderately to DKK -21 million (2020: DKK -22 million) driven by good cost control in a year marked by continued investment in the transformation of the business. The strong growth in the number of customers, license agreements and subscription-based revenue secures good prospects for Configit, and existing shareholders and key employees contributed to a capital increase, which in combination with a loan from Vaekstfonden lay the foundation for a continuation of the transition to subscription-based business.

"Configit continued the positive development in 2021 and generated growth and impressive momentum in the efforts to convert the business to a subscription-based model, which provides customers with the best solutions and simultaneously secures long-term contracts and significant value creation for Configit. We are pleased to be able to support the positive business development, which was in line with the outlook for 2021 and creates good prospects for the coming years where we look forward to continued growth based on a strong pipeline and strategic investment in sales, marketing and new products," said Allan Bach Pedersen, member of the Board of Directors of Configit and partner at Polaris.

In 2022, Configit expects continued growth and an increased activity level based on the investments and initiatives already executed as well as a continued transitioning to the subscription-based business model. On that background, Configit still expects a positive operating result (EBITDA) at the end of 2023.



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About Configit

Configit is the global leader in Configuration Lifecycle Management (CLM) solutions and a supplier of business-critical software for the configuration of complex products. All Configit products are based on the patented Virtual Tabulation® technology, which has redefined product configuration by offering greater speed and better handling of complexity. Virtual Tabulation® enables Configit to deliver powerful, easy-to-use configuration solutions to market-leading global enterprises.

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