

AIM: KBT

12 January 2023

K3 BUSINESS TECHNOLOGY GROUP PLC
("K3" or "the Group" or "the Company")

Provider of business-critical software solutions focused on fashion and apparel brands.

Trading Update

K3, which provides business-critical software solutions focused on fashion and apparel brands, is pleased to announce an update on trading for the financial year ended 30 November 2022.

The Group continued to make very encouraging progress against its strategic plan and K3's second half performance is in line with management expectations.

Group revenue for the year is expected to be ahead of last year, with recurring and predictable revenue also higher. A key measure is the total annualised recurring contract value of software licences from Strategic Products, and this has made a significantly higher contribution year-on-year; we looking forward to giving more detail at the time of the final results release. This rise reflects existing customers expanding the number of their product licences as well as new customer wins.

Adjusted EBITDA for the financial year FY 2022 is expected to be no less than £5.0m (2021: £4.4m). The net cash position is expected to close at c. £7.1m (2021: £9.0m). Cash flows in the second half benefited from a 98% renewal rate of product licence and maintenance and support renewals (2021: 98%).

The new financial year has started well, especially for Strategic Products, with both new logos customers and expansion, and cash generation is trending higher year-on-year.

Final results for FY 2022 are expected to be published towards the end of March 2023.

Enquiries:

K3 Business Technology Group plc www.k3btg.com	Marco Vergani, Chief Executive Officer Robert Price, Chief Financial Officer	T: 0161 876 4498
finnCap Limited (NOMAD & Broker)	Julian Blunt (Corporate Finance) Sunila De Silva (Corporate Broking)	T: 020 7220 0500
KTZ Communications	Katie Tzouliadis/ Dan Maloney	T: 020 3178 6378

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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