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Access Intelligence plc
("Access Intelligence", the "Group" or the "Company")

Trading Update

Access Intelligence (AIM: ACC), the technology innovator delivering Software-as-a-Service (SaaS) solutions for the global marketing and communications industries, is pleased to announce an update on trading for the year ended 30 November 2023.

Year to 30 November 2023

During 2023, Access Intelligence focussed its efforts in two key areas: the continued advancement of its market leading products including the release of the Group's next generation platform into the APAC region; and further refinement of the Group's operating model to improve EBITDA margins and free cash flow conversion.

The Group's Annual Recurring Revenue ("ARR") increased by £2.7m¹ in the period, demonstrating clear progress in growth momentum across the Group when compared to flat year on year ARR¹ in 2022. This growth was underpinned by both improved renewal rates and new business win performance year on year.

Each region within the Group contributed to the ARR growth during the year, with a strong turnaround being delivered in APAC where the first ARR growth has been delivered since the acquisition of Isentia. The Group's audience intelligence proposition is resonating well where the combination of global media monitoring and world class social listening has secured major new wins. In addition the Group has seen a number of very encouraging winbacks from competitors in the period as customers that had left Isentia prior to its acquisition by Access Intelligence have now returned to benefit from the Group's market-leading technology and services.

ARR	FY21	FY22 Change	FY22	FY23 Change	FY23
EMEA & North America (Constant Currency)	£26.9m	+£2.5m	£29.4m	+£1.1m	£30.5m
EMEA & North America (Reported)	£26.9m	+£2.5m	£29.4m	+£1.1m	£30.5m
APAC (Constant Currency)	£31.7m	-£2.5m	£29.2m	+1.6m	£30.8m
APAC (Reported)	£32.0m	-£1.4m	£30.6m	+0.2m	£30.8m
Group (Constant Currency)	£58.6m	+£0.0m	£58.6m	+£2.7m	£61.3m
Group (Reported)	£58.9m	+£1.1m	£60.0m	+£1.3m	£61.3m

The Board expects total revenue for the financial year to be approximately £62.4m (2022: £65.7m reported, £63.9m¹). A clear focus on optimisation of the Group's operating model during the year has helped the Group to deliver year on year Adjusted EBITDA growth of 204%, and improvement in Adjusted EBITDA margin from 3%¹ in 2022 to 11% in 2023. It is expected that Adjusted EBITDA will be approximately £7.0m (2022: £2.3m reported, £2.2m¹), slightly ahead of consensus expectations².

Overall headcount (FTE) was reduced as the Group's AI led technology platform has enabled automation of some previously manual services, improving overall client experience through enhanced accuracy and speed of delivery, whilst duplicate roles have been removed across the Group as the business has become more globally integrated.

Net cash at 30 November 2023 was approximately £2.2m, reflecting the additional non-recurring restructuring costs incurred during the second half as part of the Group's effort to optimise its overall cost base leading into 2024. A new £3.0m financing facility has been put in place by the Group to provide additional working capital headroom during 2024

as management continues to focus on improving margins and cash generation.

Accelerating ARR growth in APAC

A strong turnaround has been delivered in the APAC region during the year with first period of ARR growth since the acquisition of Isentia being delivered during the first half (£0.3m) and an acceleration in ARR growth during the second half (£1.3m). The overall ARR growth of £1.6m for the year represents a £4.1m¹ improvement compared to the prior year where ARR in APAC declined by £2.5m¹. The combination of Isentia's established media monitoring and insights services in the region alongside Access Intelligence's audience intelligence offering has led to a notable improvement in renewal rates alongside much stronger new business performance and winbacks against the competition across various sectors, including government, finance and retail.

A focus on profitable, long-term customer contracts alongside a reduction in one-off campaign revenue has led to recurring revenue increasing to over 93% for the year in the region compared to less than 90% in 2022.

New client wins and client winbacks in the APAC region during the second half include: Bulgari, Chubb, Hyundai, Independent Parliamentary Expenses Authority, Mazda, National University of Singapore, New South Wales Government, Office of the Chief Minister, Paramount (Channel 10), Queensland Rail, Services Australia, Western Power, and University of Auckland.

Continued growth in EMEA & North America

Performance in Europe continues to remain on track with ARR and margin both increasing year on year. The previously reported slowdown in decision making at the Enterprise level in North America has continued albeit a healthy pipeline of opportunities continues to be developed in this market and a number of leading global agencies including Havas and McCann have adopted our combined audience intelligence proposition during the year. Overall ARR growth in the EMEA & NA region for the year was £1.1m.

New client wins in the EMEA & NA region during the second half include: Brooklyn Museum, CBRE, Colt Technology, Driver and Vehicle Standards Agency, Essar Group, Financial Conduct Authority, GB Railfreight, Guardian Life, Kraft Heinz, Marie Curie, National Grid, Natural History Museum, Phoenix Group, Royal College Of Surgeons, Save The Children, Tesco, and UK Infrastructure Bank.

Overall ARR for the year across all regions increased by £2.7m¹ (2022: £0.0m¹), resulting in a total ARR at 30 November 2023 of £61.3m (2022: £58.6m¹).

Outlook

In 2024 management will continue to focus on enhancing product functionality for customers, building on the Group's market leading audience intelligence proposition and driving further acceleration in ARR growth across both the APAC and EMEA & North America regions.

The introduction of the Group's next generation product into the APAC market during 2023 has already created significant upsell and cross-sell opportunities. This is expected to gain momentum in 2024 as additional features become available for customers.

In Europe, the Company also expects to see an increase in ARR growth compared to 2023 whilst in North America, the Group's streamlined team will continue to concentrate on a select number of high value, high margin deals through developing enterprise corporate accounts to improve long term ARR.

Enhancing operational efficiency to improve margins has been a significant priority in 2023 and will continue to be a core focus throughout 2024. As the Group continues to integrate global systems more effectively, additional opportunities to realise margin improvement and free cash flow generation are expected. The focus on ensuring that the business operates from a lean cost base should support further margin enhancement and positive cash flow during 2024 and beyond.

Christopher Satterthwaite, Non-Executive Chairman of the Company, said:

"Access Intelligence's integrated audience intelligence proposition is pioneering an innovative approach to marketing and communications and has been adopted by leading global agencies who forge strategies for the world's largest brands and organisations.

In 2023, a notable acceleration in ARR growth and improved Adjusted EBITDA margins has been delivered despite the challenges posed by a difficult macro-economic environment. The turnaround in the APAC region has been particularly remarkable, as the Group's market leading products and services have been well-received by existing, former and new customers. This growth in ARR in the year provides confidence of revenue growth¹ being delivered during 2024.

The Board is pleased with the progress made during 2023 to deliver profitable, global ARR growth and remains confident about the opportunity for the Group to deliver improved margins and free cash flow generation in 2024 and beyond."

- 1 On a constant currency basis.
- 2 The Board understands that consensus expectations for the Company's Adjusted EBITDA for 2023 is £6.7m.

For further information:

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The Group's Nominated Adviser and Broker, finnCap Ltd, has now changed its name to Cavendish Capital Markets Limited following completion of its own corporate merger.

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