

Entering the German mid-market can add €40M revenue by 2028

Strategy team

Executive Summary

Entering Germany now captures a €40M window before two rivals scale

Insights

Our UK mid-market business grew 18% a year since 2022 and now funds itself: the product is proven in a regulated market

Context/Issues

Two well-funded competitors are preparing German launches in 2027, and switching costs make early share sticky

Resolution

Enter Germany in 2027 through a partner-led model, scaling direct sales only after 40 reference clients

Decision requested: Approve a €5M phase 1 budget and the partner shortlist at this meeting

Reference data: Source: Strategy team internal study, Oct 2025

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02 Entering Germany now captures a €40M window before two rivals scale

Key Figures

The UK business is profitable, growing and ready to fund a second market

Revenue FY2025

€42M

▲ +18% YoY

Mid-market share 60% of growth

Operating margin

23%

▲ +3.1 pts

highest in four years

Net revenue retention

112%

▲ +4 pts

Expansion within existing accounts

Free cash flow

€9M

▲ +€2.6M

Covers phase 1 without new capital

Reference data: Source: Northwest Engagement Fund/2025

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03 The UK business is profitable, growing and ready to fund a second market

Key Figures

The German mid-market is three times our UK base and still under-served

Addressable mid-market firms, thousands

UK

Germany

France

Netherlands

Sweden

Germany is the largest prize

• The top vendor holds under 12% share, no one owns the segment well

• Two rivals plan 2027 launches — early references will decide share

Reference data: Source: Strategy team internal study, Oct 2025

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04 The German mid-market is three times our UK base and still under-served

The Recommendation

A partner-led entry beats direct build and acquisition on speed and risk

Direct build

Partner-led

Acquire

Time to first revenue

18 months

7 months

4 months

Capital at risk

€1.5M

€5M

€25-40M

Control of customer

Full

Shared in years 1-2

Full

Reversibility

Low — sunk cost

High — exit gates

Very low

Verdict: Partner-led keeps €5M at risk with quarterly exit gates and still reaches revenue in 2027

Reference data: Source: Strategy team internal study, Oct 2025

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05 A partner-led entry beats direct build and acquisition on speed and risk

The Recommendation

Partners cut time to first revenue from 18 to 7 months

Months from decision to first recurring revenue, comparable vendors

Partner-led (avg)

Direct build (avg)

Acquired subsidiary

Speed wins the window

• Partners bring warm pipelines and local compliance know-how

• Seven-months guide us first before both rivals launch

Reference data: Source: The recommended build starts in Germany, Oct 2025

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06 Partners cut time to first revenue from 18 to 7 months

The Recommendation

Germany adds €40M by 2028 on top of a growing UK base

Revenue bridge FY2026 — FY2028, €M

UK growth

Germany pipeline

Germany direct

Phase changes

Other

FY2028

Germany is 40% of new revenue

• €28M of the €40M comes through partners in years 1-2

• Direct sales add €12M only after Gate 2

Reference data: Source: Strategy team internal study, Oct 2025

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07 Germany adds €40M by 2028 on top of a growing UK base

Key Milestones

Localisation is the critical path; direct sales scale only after Gate 2

Timeline

Partner selection

Localisation

Pilot clients

Gate reviews

Direct sales

Reference data: Source: Strategy team internal study, Oct 2025

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08 Localisation is the critical path; direct sales scale only after Gate 2

Key Risks

Three risks matter most, and each has an owner and an early signal

Risk

Level/Signal

Impact

Mitigation

Owner

Partners under-deliver pipeline

Medium

High

Two partners with quarterly targets and exit clauses

Strategy

Localisation slips past Q2 2027

Medium

High

Dedicated squad; scope frozen at German L1 and testing

Product

Rivals undercut on price

High

Medium

Lead on compliance and service; price floor agreed with CFO

Sales

Reference data: Source: Strategy team internal study, Oct 2025

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09 Three risks matter most, and each has an owner and an early signal

Decision

Decision today: approve phase 1 so partners can be signed by January

Decision requested by

Approve the €5M phase-1 budget and the shortlist of two German partners

1

Sign letters of intent with the two shortlisted partners

Timeline: 10 days

2

Stand up the localisation squad and freeze scope

Timeline: 5 days

3

Register the German entity and open accounts

Timeline: 10 days

4

First quarterly gate review with the board

Timeline: 10 days

Reference data: Source: Strategy team internal study, Oct 2025

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10 Decision today: approve phase 1 so partners can be signed by January