

Annual Report 2022

agillic

Personalised communication to millions



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Agillic in numbers



Revenue

DKK 67M

Within guidance of 65-67M*



EBITDA**

DKK 1.1M

Within guidance of 0-3M*



Total ARR**

DKK 76.7M

Within guidance of 72-78M*

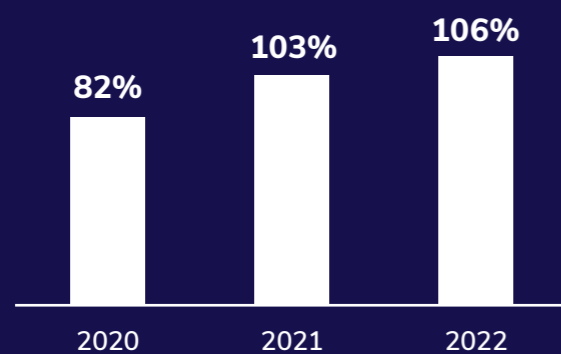


Change in Total ARR

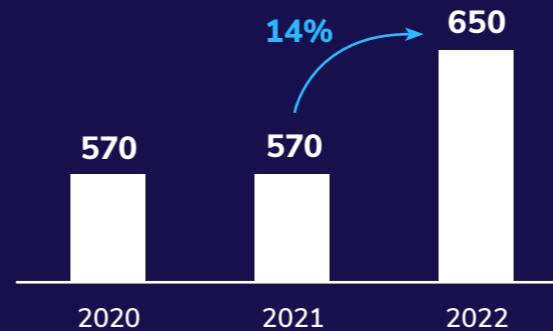
37.7%

Year-over-year

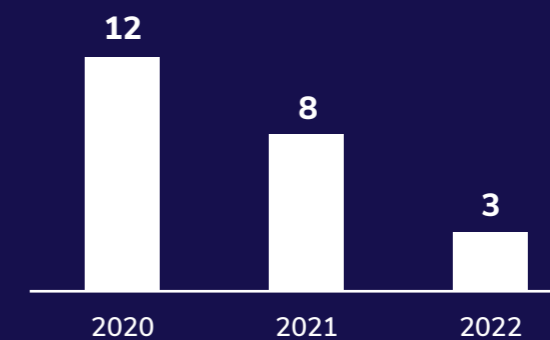
NRR



Average ARR (DKK '000)



Months to recover CAC**



* Guidance is latest confirmed on 19 December 2022 (Company Announcement no. 17)

** For definition of EBITDA, ARR and CAC please see definitions on page 46

Letter from the Chairman

Agillic continues to grow and expand internationally despite challenging conditions

The last two and a half years have not been easy. First a difficult period with Covid and lock-downs, followed by geo-political conflict. Inflation, increasing interest rates, and a looming economic recession have transformed many years of positive economic macro trends into a perfect negative storm.

Even so, Agillic has managed to grow. With resilience in our DNA and a product that continuously become more and more relevant for a growing number of businesses, we maintained our focus and worked hard to deliver. And we continue doing just that.

Closing strong on 2022, we are in a good place and even as we face challenging market conditions for a foreseeable future, we remain optimistic and, not least, ambitious on behalf Agillic, our partners, and our clients for 2023 and beyond.



Johnny Henriksen
Chairman of the Board of Directors



Letter from the CEO

Agillic is expanding from Nordics to Europe and beyond – profitably

Agillic delivered solid performance in 2022, with 37.7% total ARR growth YoY, 26.9% total Revenue growth YoY, positive cash flow from operations, and positive EBITDA for the third consecutive year. We also reached the EUR/USD 10M SaaS company benchmark with a Total ARR of DKK 76.7M in 2022.

We closed 2022 with strong financial results, a truly scalable international business model, and future readiness through a ready-to-integrate best of breed product. A special thanks go to the Agillic team, our partners, and clients for co-creating such strong performance.

The Agillic Omnichannel Marketing Automation Platform empowers brands to work with data-driven insights and content to create, automate, and send personalised communication to millions. Building lasting, meaningful, and profitable relationships. We work relentlessly to understand our clients, their customers and how our platform can help enrich these relationships. Our purpose is to develop our technology in marketing automation and personalisation through a relevant, timely and channel agnostic approach to eliminate communication pollution.

Agillic's growth strategy ensures resilience in the current macro environment

I am most proud to see the impact of our Reboot 2.1 growth strategy and its ongoing successful execution based on an international and scalable go-to-market strategy leveraging an ecosystem of partners – and with outstanding SaaS metrics. Now in its second year, we continued the implementation throughout 2022 with successful results, including:

- Internationalisation through geographic business expansion
- A two-pronged go-to-market strategy with direct sales teams and strategic partners
- Attracting new partners and extend collaboration with existing
- Continuous development of the Agillic technology platform to retain a best of breed position
- Investment in talent for international business growth on key markets

“Agillic is a growth engine for our clients”



We also delivered on three defined financial goals for business strategy impact:

- Double-digit percentage growth rate in annual recurring revenue (ARR)
- Positive cash flow from operations
- Positive EBITDA

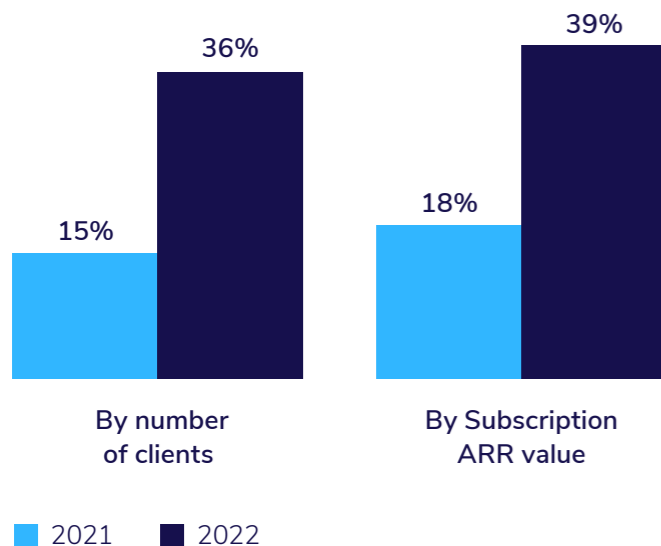
The above financial goals are now expanded to include positive cash adjusted EBITDA by 2024.

In 2022 we have achieved a Total ARR of DKK 76.7M, which is an increase of 37.7% YoY, and an all-time high total number of clients at 118.

39% of our ARR growth in new clients came from international markets in 2022 – up from 18% in 2021.

Agillic's international and scalable go-to-market strategy leverages an ecosystem of partners to ensure speed to market, client retention and universal appeal
Partnerships is a key pillar in our Reboot 2.1 strategy and our partnership programme offers the partners an attractive value proposition, a high level of commitment, and extensive upselling opportunities. In 2022, the programme and our internationalisation strategy started to show results by increasing the number of partners within

International client wins



our ecosystem as well as strengthening their capabilities with the Agillic platform, and in the form of new clients, a strong pipeline, and increasing loyal client base.

We are committed to building our business internationally together with our partners via co-marketing, co-innovation, co-solutioning, co-selling, and co-growing. And we are committed to be a “growth engine” for our partners and together for our clients. It has been our intention to establish a strong win-win-win model where our clients, partners, and Agillic benefit from our joint commercial engagements. Naturally, the most important part of our collective success is our clients' business results.

Agillic is a growth engine for its clients

We strive to build the world's best best-of-breed marketing automation platform that delivers business results and improved customer experiences for long lasting relationships. We celebrate our client's business success and cannot think of anyone better to explain the value of Agillic. In 2022 we launched a series of video stories where our clients present their business and transformation, and how Agillic contributes to their growth. We believe success can be highly inspiring and carry ideas across borders to new markets, industries, and segments.

From my perspective, regardless of the macro market developments, companies need to re-prioritise their investments. There is a great need for companies to think about efficiency, automation, and short time to value creation. Brands must cultivate the power of their first-party data because it creates a relevant customer experience and loyalty, which in turn results in better ROI short term and higher, long-term customer-life-time value.

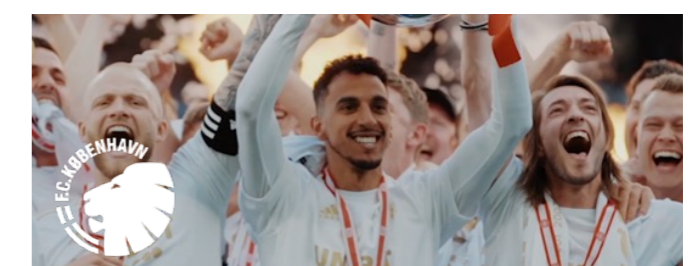
Agillic strongly positioned to win the fast-growing mid-market segment in Europe

The global marketing automation software market is growing +18% and is expected to reach EUR 10.1bn by 2027. According to Forrester Consulting study commissioned by Agillic, 80% of companies have yet to unlock the full business potential of omnichannel marketing. Combine this with Agillic's unique “Made in Europe” competitive advantage of being a fully GDPR compliant marketing automation platform, and we see strong opportunities for growth.

Agillic's growth strategy is based on five key pillars

- **Expand market presence**
- **Partner program acceleration**
- **Pricing strategy**
- **Increase platform utilisation**
- **Product strategy supporting growth**

Watch our client stories
agillic.com/client-stories



Financial outlook for 2023

Financial outlook is described on page 19



* Subscription part of ARR DKK 66-70 million
Transaction part of ARR DKK 23-25 million

Agillic launched 'Centre of Excellence' unit in 2022

We have launched a 'Centre of Excellence' to embody our core best-in-class solution advisory with best-in-class team members. The new unit will collaborate with all our internal functions as well as our clients, partners, and prospects. The strategy is to strengthen our international go-to-market approach, gather powerful insights, and help enable Sales, Customer Success, Marketing, product teams, and our partners for growth. While our partners are still driving the professional services around Agillic's technology, the Centre of Excellence will lead knowledge sharing and inspiration via the Agillic Academy, where we build the next generation Agillic users.

Agillic publishes its first ESG report covering 2022

Agillic's ESG Report concerns the financial year 2022 and constitutes a baseline for future progress and target setting.

Our purpose is to help companies build and reinforce sustainable relationships based on unique customer experiences. The Agillic Manifesto express our vision to use the power of data, content, and our platform's personalisation capabilities to eliminate communication pollution and thereby optimise the experience for the individual.

With this first ESG Report, we aim to be transparent and explicit about our commitment to a more sustainable development of our society.

We support the UN Sustainable Development Goals and UN Global Compacts Ten Principles, and although we are a small company, we take our role and responsibility very seriously.

We have commenced our ESG journey, and over the next couple of years, we will steadily progress in terms of assessing and improving our impact on society.

On behalf of Agillic, I am very pleased to announce our first ESG report, which you will find at agillic.com/esg.

Thank you!

Emre Gürsoy
CEO

Key figures and ratios

DKK million	2022	2021	2020	2019	2018
Income statement					
Revenue	67.0	52.8	50.5	53.8	39.0
Gross profit	49.6	45.1	44.2	41.7	29.4
Operational costs	48.5	44.4	43.9	57.1	48.5
EBITDA	1.1	0.7	0.3	(15.4)	(19.1)
Net financials	(2.8)	(2.1)	(2.3)	(1.6)	(1.4)
Net profit (loss) for the year	(10.6)	(10.5)	(8.0)	(25.1)	(25.8)
Balance sheet					
Total assets	52.8	61.6	63.8	37.8	47.4
Equity	(15.0)	(4.5)	(5.8)	(20.6)	3.5
Cash	7.4	20.6	16.3	1.2	12.3
Cash flow					
Cash flow from operations	3.1	6.1	3.1	(10.3)	(4.5)
Investments in tangible assets	-	-	0.9	0.4	-
Key ratios					
Gross margin	74%	85%	88%	78%	75%
Clients end of period	118	97	82	81	73
Average number of employees	48	47	55	59	42
SaaS metrics*					
ARR subscriptions	54.1	45.7	40.7	45.5	39.6
ARR transactions	22.6	10	5.8	9.6	10.5
Total ARR	76.7	55.7	46.5	55.1	50.1
Change in ARR (%)	37.7%	20%	(16%)	10%	51%
Average ARR	0.65	0.57	0.56	0.66	0.65
CAC	0.1	0.3	0.5	0.8	0.5
Months to recover CAC	3	8	12	18	11
Share performance (listed 22 March 2018)					
Outstanding shares end of period ('000)	10,260.9	10,187.8	9,435.5	8,286.9	8,286.9
Share price end of period (DKK)	23.7	25.8	19.6	30.5	24.5
Market cap (million)	243	263	185	253	203
ARR multiple (times)	5.7x	4.7x	4.0x	4.6x	4.1x

* See key definitions on page 46

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Our business

The Agillic Manifesto

We see a world where the idea of communicating to the masses is seen as alien.

Where unwanted or inaccurate communication is actually regarded as pollution. Wasteful and unsustainable.

Where less will be something everyone wants more of.

Where the data with which we are entrusted by customers will be treasured as if it were a set of fingerprints or a photograph.

So we can build realistic, familiar, first-hand knowledge of more and more people.

And create millions and millions of individual, personalised messages.

Messages that will seem like a welcome whisper in an ear, rather than a shout from afar.

Communication that motivates. Or creates a smile in the mind.

Sometimes momentous.

Sometimes frivolous or fun.

Always respectful. Always personal.

We can already see a world where there is the ingenuity to begin doing all of this.

The more we innovate, the more quickly this will become a reality.

And we will be empowered to eliminate communication pollution altogether.

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Personalised communication to millions

Equity story

Delivering impactful, meaningful, and profitable customer experiences.

Agillic is a Danish software company offering brands a platform through which they can work with data-driven insights and content to create, automate and send personalised communication to millions, offering advantages such as:

- Higher conversion rates
- Enhanced customer satisfaction
- Better retention and win-backs
- Increased customer lifetime value

Designed for an ecosystem of strategic partnerships across CDP, CMS, CRM, Customer Service, eCommerce, and Business Intelligence, the platform continuously integrates best-of-breed technologies to accelerate the implementation process and deliver fast time to value. Agillic holds a leading position in the Nordics and is increasing its international presence. Agillic is scaling up its business through strategic partnerships and direct sales from Denmark, Norway, Germany, and Sweden.

Business model

Agillic is a subscription business. Clients pay a yearly license for access to the Agillic platform and pay an additional fee for transactions sent, such as email and SMS.

The Agillic stock

Agillic was listed on Nasdaq First North Growth Market Denmark in March 2018. Agillic's market value amounted to DKK 243 million at the end of 2022, compared to DKK 263 million at the end of 2021. Ticker: AGILC

Agillic partner strategy

Our partner strategy contains three different types of partnerships:

Business development partners: We find new business in collaboration with sales partners on our target markets.

Solution partners: We start collaborations with global partners, and build relationships through our Solution Partner Program.

Technology partners: We integrate with leading tech companies within their fields to form dynamic, compatible strategic partnerships.

We work closely with partners in a number of international markets (in alphabetical order): Czech Republic, Germany, Lithuania, Norway, Poland, Sweden, Switzerland, the UK, and the USA.

ESG Report 2022

We are pleased to announce that we have published our first ESG report covering the year 2022. The report is available here: agillic.com/esg.

2022 financial performance



* Subscription part of ARR DKK 54.1 million
Transaction part of ARR DKK 22.6 million

Proven business cases



In 2021, Agillic was certified as a 'Nasdaq ESG Transparency Partner', highlighting our engagement in market transparency and in raising environmental standards.

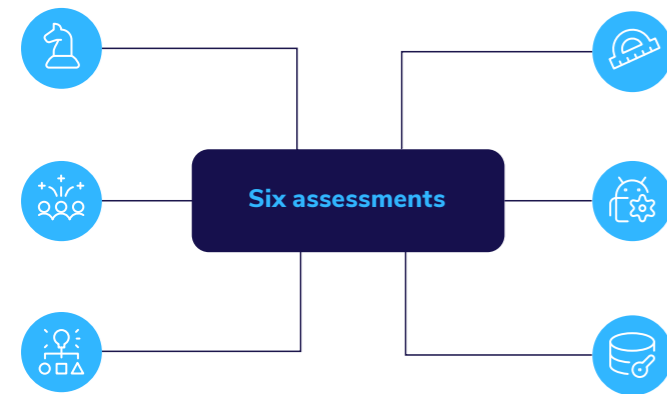


68% of consumers say **personalisation increases brand satisfaction** significantly

Benchmarking market maturity in Europe

Agillic commissions independent research study by Forrester

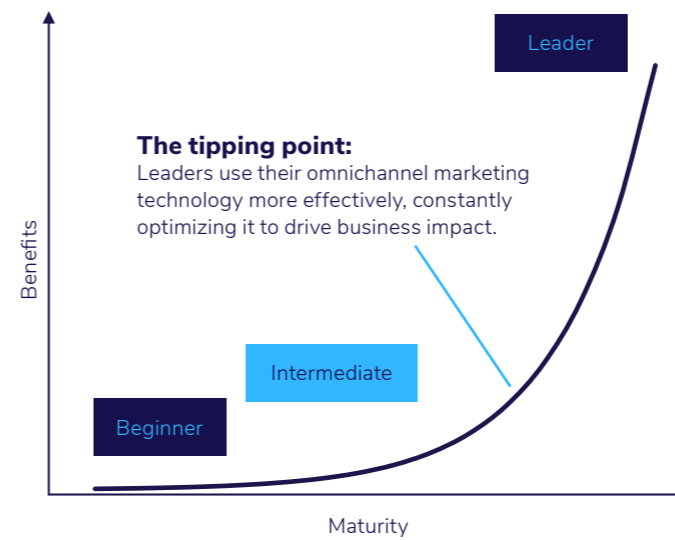
In Spring 2022, Agillic commissioned Forrester Consulting to survey senior people in commercial leadership and marketing technology roles in 306 European companies. These businesses had revenues ranging from \$50M to \$1B and customer databases, the majority of which had between 50,000 and 50,000,000 entries. Only 20% of the sample qualified as Leaders. Meaning that 80% of the market has the opportunity to make improvements.



Four key findings

The more mature, the greater the returns

- 1. Good intentions. Disappointing delivery.**
Although faith in omnichannel marketing automation is widespread, very few businesses in the Beginner or Intermediate sectors deliver great user experiences for customers.
- 2. Greater maturity. Exponential growth.**
The cure of success between Beginner and Leader is not consistent. There's a tipping point after which there is a demonstrable surge in growth.
- 3. Spend on tech. Invest in people.**
Beginners focus more on technology. The greater the maturity, the more emphasis is placed on hiring technical experts who can take full advantage of it.
- 4. Win, win. Business, consumer.**
Omnichannel marketing automation is more than a sales generation technique. It increases loyalty and revenue by improving the experience the customer has with your brand



Five habits of successful omnichannel leaders

Behaviours captured clearly by the Forrester study

- 1. They build on the platform.**
They look for sophisticated capabilities from platform ecosystem partners.
- 2. They don't go it alone.**
They invest in both in-house talent and implementation partners to maximise utilisation of the technology.
- 3. They get personal, then scale.**
They magnify what they know about their customer by using the technology to speak meaningfully to millions of them.
- 4. They have long term relationships. Not flings.**
They focus on the value of long-term customer relationships.
- 5. They relate ROI to customer KPIS, too...**
They measure success through the eyes of their customers, not just their colleagues in sales.



40% Beginners
Making superficial, disconnected efforts whilst struggling with strategic and technology needs. Attracted by short term conversion wins.

40% Intermediates
Making good progress towards embedding omnichannel marketing automation into business-wide strategy. In the process of orchestrating the customer experience for the longer term.

20% Leaders
Proactively pursuing connected, multifaceted strategies that maximise investment in technology, people and customer experience for the long haul

Download the full study

agillic.com/forrester-study





Personalisation leaders saw a **1.5x greater increase in revenue per customer and loyalty metrics** compared to brands with low personalisation maturity

Select 2022 news



"We opted for Agillic as it aligned with our business growth and operational service strategy. Our growth trajectory is rapid, and we needed a platform that can scale from thousands to hundreds of thousands. Agillic also neatly integrates with Zendesk and our web and mobile applications, so we can centralise, manage and automate rich, triggered communications workflows behind a single pane of glass."

Chris Maynard, Founder & CEO



"With Exerp already managing our subscriptions and collecting data on our customers' training habits, we knew it was time to take our customer communication to the next level. We are thrilled to have Agillic's help taking all this data to help our customers build better habits."

Martine Sanne-Skaget, Marketing Manager



"We are on a growth journey and adding Tealium and Agillic to our tech stack is key to improving customer experience and boosting revenue. With Knowit Experience and Web2Media as our implementation partners, we are already well on our way towards harnessing the power of these great tools."

Birgitte Kold Ingwersen, CMO



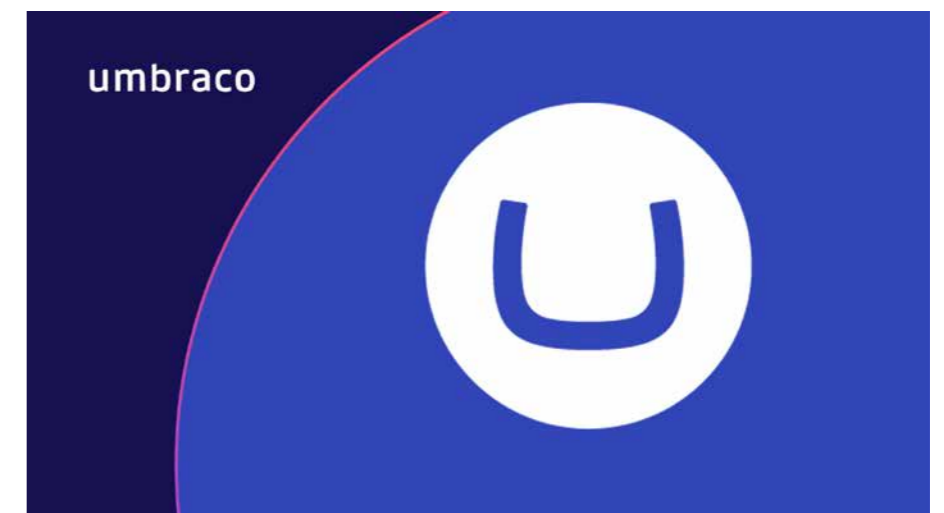
"As the largest union in Norway for engineers and technologists, we have members with various needs and we would like to provide the best possible solution & services for them, via personalised data-informed marketing communication for each in an automated way for our internal efficiency. After a thorough investigation, Agillic is our Omnichannel Marketing Automation Platform choice to fulfil our needs."

Beate Bortne, Head of CRM



"With the technology we have today, we wouldn't be able to achieve the full potential that we know we have. Putting the customer first is important for us – and it has to be easy to personalise customer dialogs in a user-friendly user interface. With Agillic, we get a solution that meets our needs to create customer dialogs"

Pia Nørland, Head of CX



"Making sure that our clients can build and scale a customised digital experience with a CMS at the core – that connects all their tools without friction – is a core focus for Umbraco. The partnership with Agillic is a perfect example of this, giving our joint and future clients a powerful recipe to win."

Jonas Thykjær Poulsen, Tech Partner Manager

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Financial review

Financial review

Agillic achieved a positive EBITDA for the third year in a row, an increase in Total ARR of DKK 19.9 million leading to an increase in Revenue of 26.9% to DKK 67 million and an increase in number of clients with 22% ending 2022 with 118 clients.

Income statement

The impact of the increasing number of new clients in 2022 and a net retention rate of 106% has led to a growth in revenue of 26.9% amounting to DKK 67 million compared to DKK 52.8 million in 2021. The subscription part of Agillic's revenue increased by 10.8% to DKK 49.9 million (DKK 45.0 million), and gross profit increased by 10% to DKK 49.6 million (DKK 45.1 million), compared to 2021. Both revenue from subscriptions and gross profit were at an all-time high in 2022.

Gross margin decreased to 74% in 2022 from 85% in 2021 due to the increase in transactions which are associated with a lower margin than subscriptions.

The organisation remains streamlined and yet focused on delivering on the product strategy as well as on sales and marketing efforts. As a consequence, the average number

of employees increased from 47 in 2021 to 48 in 2022. Adjusted for employee costs transferred to capitalised development costs, staff costs increased from DKK 29.1 million in 2021 to DKK 32.2 million in 2022.

Other external costs increased from DKK 15.3 million in 2021 to DKK 16.3 million in 2022, mainly due to increased cost related to external service, increased cost prices due to higher inflation rates and to other external costs.

Total operating costs amounted to DKK 48.5 million compared to DKK 44.4 million in 2021.

EBITDA

For the third year in a row, Agillic obtained a positive EBITDA. EBITDA for 2022 amounted to DKK 1.1 million, an increase of 0.4 million compared to the EBITDA of DKK 0.7 million in 2021.

This positive EBITDA comes from a combination of a streamlined organisation and cost-conscious behaviour balanced with investments in the organization focused on internationalisation and future growth .

Profit/loss for the year

As a consequence of the continued investment in developing the Agillic Omnichannel Marketing Automation Platform, depreciation on software increased to DKK 10.8 million compared to 10.3 million in 2021. Total depreciation increased to DKK 12.2 million compared to DKK 11.8 million in 2021. Consequently, EBIT amounted to DKK -11.1 million on par with 2021.

Profit before tax was DKK -13.9 million versus DKK -13.3 million in 2021. The positive tax income in 2022 was DKK 3.2 million (2021: DKK 2.7 million) as the expected tax credit related to IT development costs.

Assets

Investment in the development of the Agillic Omnichannel Marketing Automation Platform continued in 2022. The development costs included capitalised salary costs and costs from external consultants. Development costs during 2022 amounted to DKK 13.5 million capitalised (2021: DKK 10.9 million).

Cash position

As of 31 December 2022, cash at bank amounted to DKK 7.4 million compared to DKK 20.6 million in 2021.

The decrease in cash is mainly driven by the investment in intangible assets of DKK 13.5 million, interest of DKK

2.8 million and repayments of loans for DKK 2.9 million. Cash flow from operations was DKK 3.1 million compared to DKK 6.1 million in 2021 in line with our financial goal of generating positive cash flow from operations. The decrease in cash flow from operations is explained by the postponed payment from tax credit in 2022 regarding 2021 according to note 2.

With reference to note 2 on tax credit payment, the cash balance as 31 December 2022 was DKK 7.4 million and cash flow from operations was DKK 3.1. These amounts included a tax credit of DKK 0.0 million (2021: DKK 2.8 million).

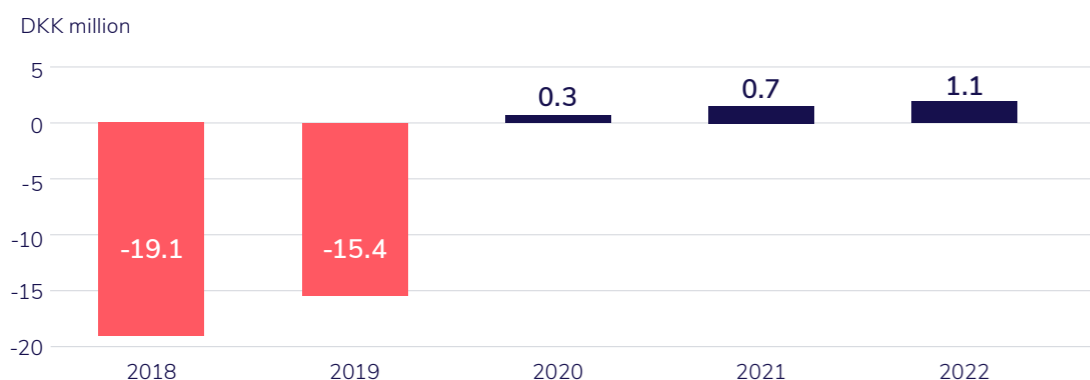
On 7 April 2022, according to Agillic's Articles of Association appendix 3.3B, two current leading employees exercised 73,130 warrants and acquired the same number of shares of nominally DKK 0.10 in Agillic, as stated in Company Announcement no. 5 2022. Agillic's liquidity increased with DKK 151,379.10 due to the transaction.

Equity

As of 31 December 2022, total equity amounted to DKK -15 million.

Before the exercise of warrants into shares, the share capital amounted to DKK 1,018,781.70 consisting of 10,187,817 shares of nominally DKK 0.1 each. After the capital increase, Agillic's share capital amounted to, consisting of 10,260,470 shares of nominally DKK 0.10 each.

EBITDA 2018-2022



Liabilities and deferred income

The total borrowings to The Danish Growth Fund amounted to DKK 24.3 million (2021: DKK 27.3 million).

According to International Financial Reporting Standards (IFRS), Agillic recognises revenue over the subscription period starting from when the client commences using the Agillic Omnichannel Marketing Automation Platform. Clients typically subscribe for one year and are invoiced the full amount when signing the agreement. The invoiced amount is recognised as deferred income when paid and then released proportionally over the subscription period. On 31 December 2022, deferred income amounted to DKK 22.3 million (2021: DKK 19.6 million).

Cash flow

During 2022, cash flow from operations amounted to DKK 3.1 million (2021: DKK 6.1 million), and cash flow from investments amounted to DKK -13.5 million (2021: DKK -11.4 million). Cash flow from investments mainly consisted of investments in developing the Agillic Omnichannel Marketing Automation Platform. The cash deficit from operating and investment activities were financed by Agillic's own cash funds.

Net change in cash amounted to DKK -13.3 million (2021: DKK 4.3 million), and as of 31 December 2022, cash at bank amounted to DKK 7.4 million (2021: DKK 20.6 million).

SaaS metrics

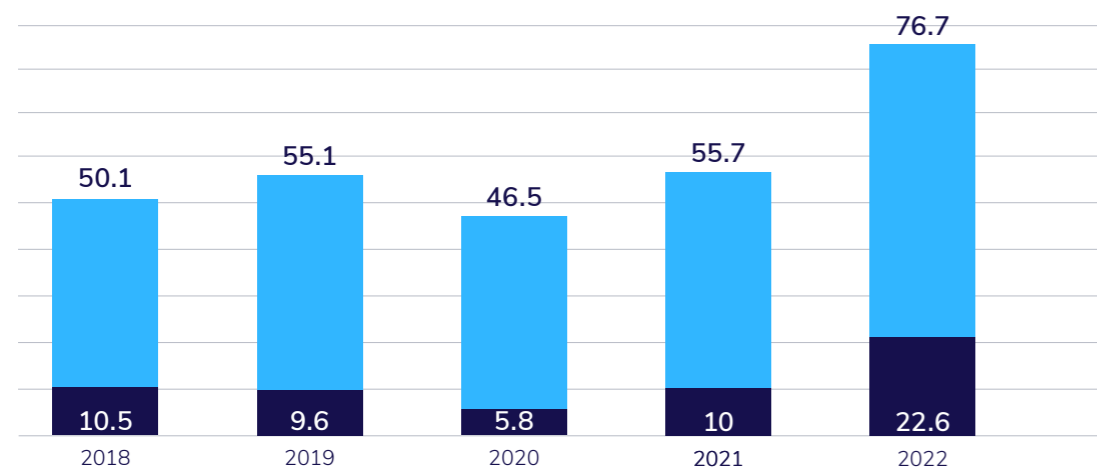
The general key performance figure for Software-as-a Service (SaaS) companies, annual recurring revenue (ARR), illustrates the annualised value of a client's subscription agreement and transactions processed by the clients via the platform.

As of 31 December 2022, total ARR was DKK 76.7 million, compared to 55.7 million as of 31 December 2021, an increase of DKK 19.9 million corresponding to an increase of 37.7%. The increase in Total ARR is associated with the increase in number of clients, bringing the number of clients to an all-time high of 118 clients.

Agillic expects a further increase in Total ARR from DKK 76.7 million in 2022 to a range of DKK 89-95 million in 2023.

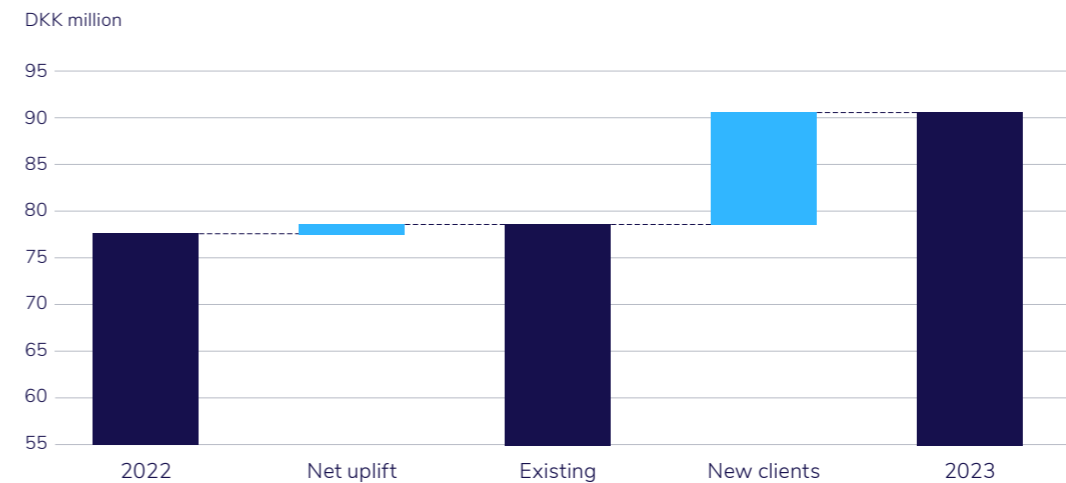
Months to recover CAC decreased for the third year in a row, from 8 months in 2021 to 3 months in 2022.

**ARR development 2018-2022
Subscriptions & transactions (DKK million)**



■ ARR transactions ■ ARR total

Expected development in annual recurring revenue (ARR)



Factors impacting the ARR-development

- Upselling to existing clients:
 - Clients increase the number of communication transactions
 - Clients deploy additional communication channels and/or AI
- When clients churn and when less transactions take place temporarily, ARR decreases
- Sales of subscriptions to new clients increases the ARR
- As long as the value of upselling to existing clients and the sales to new clients exceeds the value of the churning clients, the ARR will increase

Personalisation leaders saw a nearly **2x increase in customer engagement** compared to brands with low personalisation maturity



Source: 'Embrace meaningful personalisation to maximise growth', Deloitte Digital

Financial outlook and guidance

The Agillic Reboot 2.1 strategy introduced in January 2021 continues in 2023 with the aim of winning new clients, retaining and growing existing clients, and growing together with an international partner network. In 2023, Agillic expects double-digit growth in Total ARR amounting to DKK 89-95 million building on a 2022 that has shown 37.7% growth in Total ARR.

Based on the current pipeline, new international partnerships and market trends, Agillic expects to increase the number of clients from the all-time high number of clients of 118 end of 2022 and thereby increase both the subscription and transaction part of the annual recurring revenue (ARR).

Agillic focuses on organisational development with the objective of becoming the most Danish tech company for all employees and future talent, and also to retain good talent and attract more international talent. Agillic will continue to invest in marketing and sales to win new clients and deliver growth in ARR. Agillic will continue to invest in developing the Agillic Omnichannel Marketing Automation Platform to improve the clients' user experience and enhance ROI.

Financial guidance

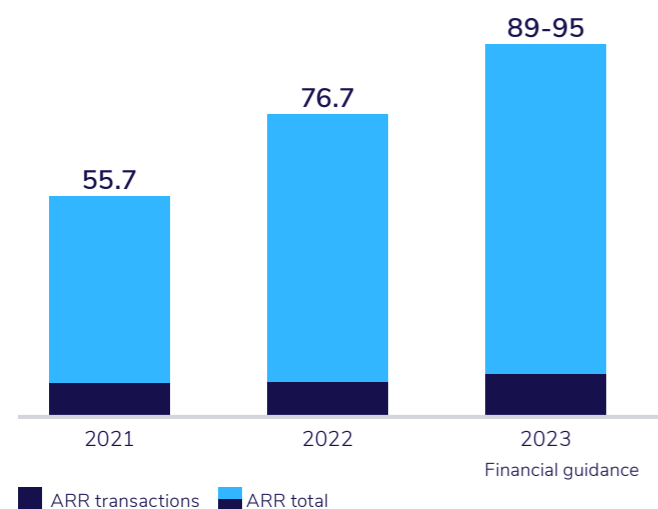
The financial outlook is based on several assumptions, including that macroeconomic trends will not significantly change the business conditions for Agillic, nor the company's clients, during 2023.

2023

- Revenue: DKK 79-83 million
- EBITDA: DKK 1-4 million
- Total ARR: DKK 89-95 million
 - ARR subscriptions DKK 66-70 million
 - ARR transactions DKK 23-25 million

ARR development 2021-2023

Actual and 2023 guidance
Subscriptions and transactions (DKK million)



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Governance

Risk management

In the highly competitive and rapidly changing tech market where Agillic operates risks are plenty. Our risk management focus is on data security, investment in innovation and internationalisation to keep ahead of competition, as well as on attracting and keeping talent.

Agillic is subject to a number of risks and uncertainties, with potential short-term and long-term implications for our business. The purpose of our risk management approach is to address these in an effective and timely manner. It is essential to ensure that Agillic stays competitive and compliant with data legislations and maintains a solid cash position to support the internationalisation and expected two-digit growth in ARR, as described in the Agillic Reboot 2.1 growth strategy.

Risk management organisation

The Board of Directors is ultimately responsible for risk management. It has appointed the Audit Committee and Information Security Committee to act on its behalf in monitoring the effectiveness of Agillic's risk management. While recurring risks are evaluated on a running basis, monitoring is mainly performed in connection with board meetings. The responsibility of the Audit Committee and Information Security Committee is to adopt guidelines for critical areas of risk, monitor developments, and ensure that plans are in place to manage individual risks, including strategic, operational, financial and compliance risks.

Competition

The martech market is characterised by large international vendors investing heavily in winning market share and allocating significant resources in sales and marketing. Our competitors also include emerging fast-growing vendors with innovative solutions. To mitigate the risk of increased competition impacting the business negatively, Agillic has a constant focus on developing an innovative and unique marketing automation platform and investing in customer success, sales and marketing.

Product development

Agillic depends on innovation and must continually dedicate resources to development. Should Agillic not be able to maintain its capacity to innovate, the company and its offering are at risk of becoming obsolete in regard to clients' requests for functionality. Agillic is in the process of applying for a patent on the Agillic platform's method for computer-implemented large-scale data communication.

Attracting and keeping new talent

As a growing company continuous recruitment of additional competencies is necessary. Skilled backend and frontend programmers are in high demand and it can be challenging to attract and retain these profiles. If Agillic cannot attract highly qualified employees, it may have consequences for Agillic's innovation capability and growth rate. The risk is mitigated by working actively with recruitment as well as developing and maintaining an attractive working environment for all employees.

Internationalisation

International operations and the liquidity required to build the new international partner network structure are monitored by centralised financial controlling systems and guidelines.

Liquidity risk

On 31 December 2022, cash amounted to DKK 7.4 million. In accordance with the Reboot 2.1 strategy, Agillic is investing in resources to grow the business. This is financed by a positive net retention rate on existing clients and new business. Based on the forecast for 2023 additional financing is not needed in the next period.

Currency risk

Currency risk is the risk that arises from changes in exchange rates, affecting Agillic's results. The general objective of Agillic's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows, thus increasing the predictability of the financial results. Agillic also aims to balance incoming and outgoing payments in local currency and monitors the development in exchange rates and adjusts price lists when required. The most significant currency exposure in Agillic is to NOK.

Handling of personal data

To ensure compliance with GDPR and other relevant regulation Agillic applies a strict Information Security Management System (ISMS). Improvements to the ISMS are considered and reviewed regularly by Agillic's Information Security Committee and presented to Executive Leadership and the Board of Directors for approval. Operational procedures and guidelines are regularly reviewed from a risk perspective and aligned with the ISMS. Agillic's handling of personal data is audited in accordance with the ISAE 3000 standard on an annual basis.

Cyber security

As for all SaaS companies, cyberattacks and viruses present serious potential threats to Agillic. To reduce any risk Agillic maintains a very secure IT infrastructure and strong anti-virus protection. Our security protocols and vulnerability tests are reviewed on a monthly basis. All employees are trained in our strict IT-policies both upon employment and on an annual basis.

Data security

Agillic has established an industry-standard security programme, dedicated to providing a high level of documented data security and allowing clients to have confidence in our custodianship of their data. The security programme is aligned with the ISO 27001 standard to ensure that Agillic operates in compliance with relevant legal requirements and agreements and is audited by an external auditing company according to ISAE 3000.

Agillic does not allow for sub-processors outside of the EU/EEA to handle any client data, but we do use Amazon Web Services (AWS), an American owned company, with its data centre located in Ireland. To mitigate any potential legal concern in this regard all data is fully encrypted and the decryption key is kept secure outside AWS in accordance with the guidance on the use of cloud services from the Danish Data Protection Authority.

Business continuity

If an incident occurs, Agillic has processes in place to handle the situation effectively. As part of the process, Agillic's client data is backed up every day to prevent data-loss scenarios. All back-ups are encrypted, both in transit and at rest, using strong industry encryption techniques. All backups are geographically distributed to maintain redundancy in the event of a natural disaster or a location-specific failure.

Governance structure

Good corporate governance is an important focus area at Agillic. We continuously develop our practices with the objective of supporting and securing processes and procedures.

The ultimate authority over Agillic sits with the shareholders. At the annual general meetings, shareholders approve the annual report and any amendments proposed to Agillic's Articles of Association. Shareholders also elect board members and the independent auditor.

The Board of Directors, the Executive Leadership and Management

The management of Agillic is distributed between the Board of Directors and the Executive Leadership and Management. The Board of Directors supervises the Executive Leadership's work and is responsible for Agillic's overall management and strategic direction, while the Executive Leadership is in charge of day-to-day management. The Executive Leadership and Management consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Solution Officer, the Chief Experience Officer, the VP, People & Culture, and the VP, Service Operations. As per 31 December 2022 Agillic's Board of Directors consisted of five shareholder-elected members. 5 of 6 members are shareholders. One of the board members has a background in marketing, one has a background in finance and three have extensive experience as investors.

Board members are elected by the shareholders at the Annual General Meeting, serve for a one-year term and are eligible for re-election.

The Chairman of the Board

The shareholders elect the Chairman of the Board at the annual general meeting. The Chairman performs administrative tasks, such as planning board meetings to ensure a balance between overall strategy setting and the financial and managerial supervision of the company.

Audit Committee

The Audit Committee consists of Mikael Konnerup and Johnny Henriksen. It is responsible for assisting the Board in overseeing the financial reporting process, the effectiveness of the internal control and risk management systems, as well as security and quality issues in relation to client audits.

Information Security Committee

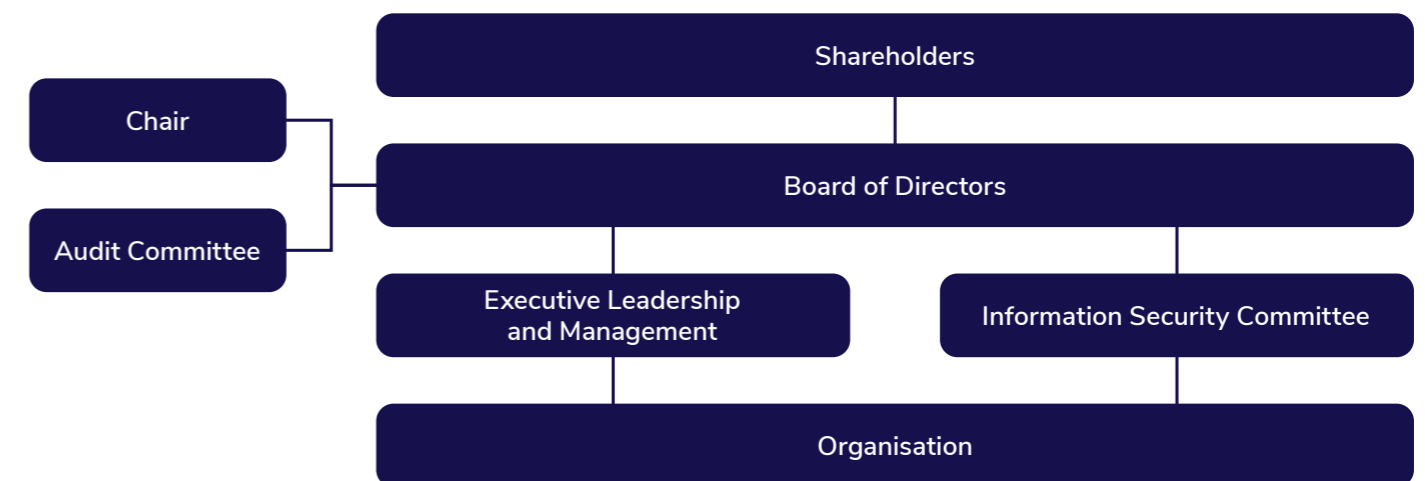
The Information Security Committee holds the overall responsibility for Agillic's Information Security Management System (ISMS). The Information Security Committee must ensure that Agillic's ISMS is compliant and inspection-ready for annual audits.

Agillic is not covered by the Danish Financial Statement of Act, section 107B.

Corporate Governance

We aspire to follow the recommendations on corporate governance from the Danish Committee on Corporate Governance. As a starting point, we have published a compliance report leveraging the framework provided by The Association of Listed Growth Companies – see agillic.com/investor/corporate-governance.

Corporate governance structure



Security and IT compliance

As a software provider we handle our clients' and our clients' customers' data. This is why our services are developed based on a "security by design" principle. We have implemented a series of industry standards, best practices, and processes, and made security issues a top priority for all of our employees.

At the core of our data security is an industry-standard security program, dedicated to providing a high level of documented data security. This allows our clients to have confidence in our custodianship of their data. The security programme is aligned with the ISO 27001 standard to ensure that Agillic operates in compliance with relevant legal requirements and agreements. Agillic's Information Security Management System (ISMS) was last audited by Deloitte in December 2022. The audit is conducted according to the ISAE 3000 and reflects how Agillic's ISMS relates to the ISO 27001 requirements. All key control areas from the ISO 27001 standard are audited, including:

- Risk Management
- Information Security Policies
- Organisation of Information Security
- Human Resource Security
- Asset Management
- Access Control
- Operations Security
- Communications Security
- Supplier Relationships
- Information Security Incident Management
- Information Security Aspects of Business
- Continuity Management
- Compliance

A dynamic security approach

The security landscape is constantly changing as cybercriminals discover new ways to compromise data. Therefore, Agillic's security approach is dynamic and constant optimisation is a main objective. Agillic's security team works across the organisation and takes exhaustive steps to identify and mitigate risks, implement best practices, and constantly evaluate ways to enhance security.


We have taken precautions in terms of technology and processes to safeguard the Agillic platform and our clients' data. We monitor the technology and the security-related developments in the market and optimise our employees' skill sets on an ongoing basis.

EU GDPR

Agillic is a data processor and is, as such, subject to the General Data Protection Regulation (GDPR). Agillic's Omnichannel Marketing Automation Platform supports our clients' GDPR compliance, and we meet all data processor requirements and have implemented adequate processes to keep data safe.

GDPR guarantees consumers a series of basic fundamental rights concerning data privacy. When addressing consumers' fundamental rights, we aim to make it easy for our clients to comply with consumers' requests for data privacy.





76% of consumers get frustrated when they don't receive personalised communication

Shareholder information

Agillic A/S' shares have been listed on Nasdaq First North Growth Market Copenhagen since 22 March 2018 with ID-code DK0060955854 and the ticker AGILC.

Share capital and warrants

At the end of 2022, the share capital in Agillic comprised 10,260,947 shares of DKK 0.1 each, corresponding to a nominal share capital of DKK 1,026,094.70.

Each share carries one vote. The shares must be named and noted in Agillic's share register in order to give holders access to voting. At the end of 2022, Agillic A/S has 747 (808) registered shareholders.

Agillic has issued warrants by the end of 2022 with the right to sign 661,345 (2021: 592,975) new shares of DKK 66,134.50 (2021: DKK 59,297.50) nominal value.

Ownership

At the end of 2022, 63.5% (2021: 66.1%) of the share capital was ultimately owned by five (six) shareholders, each of whom owned over 5% of the share capital or the votes.

At the end of 2022, members of Agillic's Board of Directors, and Executive Leadership and Management owned a total of 32.1% (2021: 29.9%) of the share capital.

Share price and trading activities

At the end of 2022, the price of the Agillic share was DKK 23.70, compared to 25.80 at the end of 2021.

In 2022, a total of 1,157,268 (2021: 1,065,243) shares were traded, corresponding to 11,3% (2021: 10.5%) of the total number of shares.

Agillic's market value amounted to DKK 243 million at the end of 2022, compared to DKK 263 million at the end of 2021.

Dividends

Agillic has not paid any dividend and, until further notice, it is Agillic's dividend policy to invest any profit in the further growth of the company.

Communication with Agillic's shareholders

According to the Nasdaq First North Growth Market Nordic Rulebook on 1 September 2019, Agillic is only liable for issuing half-year and year-end reports. In addition, Agillic has decided to issue a "trading statement" following Q1 and Q3. The year-end report is issued in connection with the release of the annual report.

Investors are encouraged to sign up for Agillic Investor News. Sign up at: www.agillic.com/investor

For further information, investors, analysts and the media are encouraged to contact:

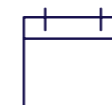
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Certified Adviser

John Norden, Norden CEF
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Financial calendar 2023



Q4 results and Annual Report 2022

23 February 2023

Annual General Meeting

29 March 2023

Q1 results 2023

4 May 2023

Q2 results and Half-year Report 2023

24 August 2023

Q3 results 2023

12 October 2023

Board of Directors



Johnny Emil Søbæk Henriksen
Chairman of the Board

Johnny Henriksen is an investor and has been Chair of the board since September 2013. Previously, Johnny was CEO of DDB Group Denmark (2002-2013), CEO of Tribal DDB Europe, and a board member of Tribal DDB Worldwide Board of Directors (1999-2002). Johnny has had several directorships, including with Omnicom Mediagroup Nordic (2006-2012) and The Danish Association of Creativity and Communication (2006-2012). Independent.

Holdings in Agillic through Ad.Anco ApS: 1,258,473 shares
Warrants: 18,500



Mikael Konnerup
Board member

Mikael Konnerup is an investor and has been a member of the board since September 2013. Mikael holds an MSc in Economics and Business Administration. He co-founded Dico in 1994 of which he is a Director. Prior to co-founding Dico, Mikael worked for IBM, Superfos and Olicom among others. Mikael has more than 30 years of experience as a board member in both small and large companies, including DIBS Payment Services. Mikael has been involved in more than 50 executed transactions with Dico portfolio companies. He currently also serves on the board of Aqoola, Consortio and Omni. Independent.

Holdings in Agillic through Dico ApS: 1,522,542 shares



Jesper Genter Lohmann
Board member

Jesper Lohman is an investor and has been a member of the board since September 2013. Jesper holds an MSc in Economics and Business Administration. In 2009, Jesper co-founded the Investment company, Dico, of which he is a director. Prior to co-founding Dico, Jesper held management positions at Carlsberg, JP/Politiken, Thorn EMI, Vacasol International and DIBS Payment Services. Jesper has been involved in more than 30 executed transactions with Dico portfolio companies. He currently also serves on the board of HelloRetail, Junkbusters, Pronestor, Logpoint, Reepay, SimpleSite, Vita Media Group, Copus and Telefaction. Independent.

Holdings in Agillic through Lohmann Holding ApS: 135,081 shares
Warrants: 18,500



Michael Moesgaard Andersen
Board member

Michael Andersen is an investor and became a board member on 3 February 2021. Before establishing his management consulting company, Michael was a civil servant (the Ministry of Finance), and subsequently a partner at Deloitte. He has more than 20 years of experience with startups and scaleups and was instrumental in the IPO of Konsolidator, Valuer and Penneo. He holds several executive and board member positions. Finally, Michael is an adjunct professor at Copenhagen Business School in innovation and strategy. Independent.

Holdings in Agillic through Andersen Advisory Group A/S: 100,000 shares.



Thorsten Köhler
Board member

Thorsten Köhler is a former strategic advisor for the office of the CEO, Marc Benioff, Salesforce. He is tech-savvy entrepreneur, digital transformation expert and recognized as an effective and energetic leader; passionate about culture, emerging technologies, and the relentless pursuit of innovation. He has over 30 years of market knowledge and extensive management and sales experience to inspire and enable CEOs to activate a more personalized customer experience and to build cutting edge, user-centric platforms, products, and services. Independent.

Warrants: 50,000



Jan Juul
Board member

Jan Juul is Vice President, Head of the EMEA Solution Consulting organization at ServiceNow. Jan brings more than 30 years of experience in the IT and software industry, including extensive experience in SaaS based hyper growth markets. Jan has served in a number of Sales, Presales and Professional Services leadership roles at European and International level, including a 4-year relocation to London for NetIQ. Jan have successfully helped establish a number of US based Software companies into both Nordic and European markets, including creation of market strategy and the development of people, processes and technology to become successful in a diverse cultural and multi-language market. Independent.

Warrants: 25,000
Shares: 25,000

Executive Leadership



Emre Gürsoy
Chief Executive Officer

Emre Gürsoy is a strategic, hands-on and growth focused international leader with a strong track-record. Emre has been the CEO of Agillic since March 2020 and brings 30 years of experience, operating at the intersection of technology, data, and creativity to scale and grow high-performing technology driven companies across Europe, the US and Asia while delivering strong P&L results in various C-level roles. Emre holds several Board and Advisory Board memberships, and MBA and Mechanical Engineer degrees.

Holdings in Agillic: 21,257
(partly owned by Emre Gürsoy Holding ApS)
Warrants: 414,345



Claus Boysen
Chief Financial Officer

Claus joined Agillic in March 2022 and brings vast experience across global strategy, financial planning and operations, M&A, post-merger integration, capital raising, and listings on First North Stockholm. Claus holds an Executive MBA in Business Administration and a Higher Diploma Degree in Accounting and has many years of experience in the technology industry. Previous assignments include the role as Group CFO at WorldTicket and Group CFO at Lauritz.com – the latter of which he led to an IPO.

Warrants: 90,000

Management



Bo Sannung
Chief Solution Officer

Holdings in Agillic: 111,293
(owned via Sannung Aps).
Warrants: 10,000



Rasmus Houлинд
Chief Experience Officer

Holdings in Agillic: 111,293
(partly owned via Omnichannel Institute ApS). Warrants: 10,000



Petra Aagaard
VP, People & Culture

Warrants: 5,000



Allan Sørensen
VP, Service Operations



Mirza Agic
VP, Sales & Partnerships

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Financial statements

Statement by the management

The Board of Directors and Executive Leadership have considered and approved the Annual Report of Agillic A/S for the financial year 1 January - 31 December 2022.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the financial statements present a true and fair view of Agillic's assets, liabilities and financial position at 31 December 2022 and of the results of Agillic's operations and cash flows for the financial year 1 January - 31 December 2022.

Moreover, in our opinion, the Management's Report includes a fair view of developments with Agillic's operations and financial position and describes all significant risks and uncertainty factors that may affect Agillic.

The Annual Report is submitted for the approval of the Annual General Meeting.

Copenhagen, 23 February 2023

Executive Leadership

Emre Gürsoy
CEO

Board of Directors

Johnny Emil Søbæk Henriksen
Chairman of the Board

Michael Moesgaard Andersen

Jan Juul

Thorsten Köhler

Jesper Genter Lohmann

Mikael Konnerup

Independent auditor's report

To the shareholders of Agillic A/S

Opinion

We have audited the financial statements of Agillic A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial

statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent

the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23 February 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Bjørn Winkler Jakobsen
State Authorised Public Accountant
MNE no 32127

Henrik Wolff Mikkelsen
State Authorised Public Accountant
MNE no 33747

Income statement

Note	(DKK '000)	2022	2021
3	Revenue	67,008	52,758
4	Direct costs	(17,371)	(7,698)
	Gross profit	49,637	45,060
	Other operating income	-	-
5	Other external costs	(16,313)	(15,304)
6,7	Staff costs	(32,210)	(29,074)
	EBITDA	1,114	682
8	Depreciation and amortisation of intangible and tangible assets	(12,232)	(11,824)
	Operating profit (EBIT)	(11,118)	(11,143)
9	Financial income	489	505
10	Financial expenses	(3,247)	(2,642)
	Profit before tax	(13,876)	(13,280)
10	Tax on profit for the year	3,240	2,739
	Profit/(loss) for the year	(10,636)	(10,541)
16	Earnings per share (EPS)	(1.04)	(1.04)
16	Earnings per share, diluted (DEPS)	(1.04)	(1.04)

Statement of comprehensive income

(DKK '000)	2022	2021
Profit/(loss) for the year	(10,636)	(10,541)
Other comprehensive income	-	-
Total comprehensive income	(10,634)	(10,541)

Statement of financial position

Note	(DKK '000)	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
	Client contracts	-	-
	Patent	500	500
	Software developed	31,120	28,438
12	Intangible assets	31,620	28,938
	Fixtures and equipment	241	468
	Right of use assets	2,005	3,052
	Leasehold improvements	134	264
13	Tangible assets	2,380	3,784
	Deposits	586	583
	Other non-current assets	586	583
	Total non-current assets	34,586	33,305
Current assets			
14	Trade receivables	4,425	3,714
	Other receivables	115	10
2	Tax receivables	5,976	2,739
	Prepayments	304	1,207
	Cash	7,369	20,623
	Total current assets	18,189	28,293
	TOTAL ASSETS	52,775	61,598

Note	(DKK '000)	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
16	Share capital	1,026	1,019
	Reserve development costs	25,879	28,368
	Retained earnings	(41,945)	(33,910)
	Total equity	(15,040)	(4,523)
Liabilities			
17	Borrowings, long-term	21,518	23,084
18	Leasing obligations, long-term	1,100	2,257
19	Other payables	2,885	2,885
	Non-current liabilities	25,503	28,226
17	Borrowings, short-term	2,795	4,173
18	Leasing obligations, short-term	1,157	1,080
	Prepayments from customers	-	199
	Trade payables	8,145	4,848
19	Other payables	7,924	7,979
20	Deferred income	22,291	19,616
	Current liabilities	42,312	37,895
	Total liabilities	67,815	66,120
	TOTAL EQUITY AND LIABILITIES	52,775	61,598

Cash flow statement

Note	(DKK '000)	2022	2021
	Profit/(loss) for the year	(10,636)	(10,541)
	Adjustments for non-cash items:		
	Tax on profit for the year	(3,240)	(2,739)
	Financial income and expenses	2,756	2,137
	Share-based payments	(32)	450
	IFRS 16	(1,155)	(1,282)
	Depreciation, amortisation and impairment	12,232	11,824
11	Changes in working capital	5,802	5,092
	Total	5,775	4,942
	Net financials, paid	(2,680)	(1,704)
	Income taxes, received	-	2,833
	Cash flow from operating activities	3,050	6,071
12	Purchase of intangible assets	(13,511)	(11,394)
13	Purchase of tangible assets	-	(46)
	Cash flow from investing activities	(13,511)	(11,440)
	Issuance of shares, net of costs	151	11,387
11	Borrowings/repayment (-) long-term	(2,036)	(3,067)
11	Borrowings/repayment (-) short-term	(908)	1,378
	Cash flow from financing activities	(2,793)	9,698
	Change in cash and cash equivalents	(13,254)	4,329
	Cash and cash equivalents at 1 January	20,623	16,294
	Cash and cash equivalents at 31 December	7,369	20,623

Statement of changes in equity

(DKK '000)	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	944	26,865	(33,628)	(5,819)
Profit for the year	-	1,503	(12,043)	(10,540)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,503	(12,043)	(10,540)
Transactions with owners				
Issue of share capital	75	-	11,926	12,001
Costs related to issuance of new shares	-	-	(615)	(615)
Share-based payments	-	-	450	450
Equity at 31 December 2021	1,019	28,368	(33,910)	(4,523)
Profit for the year	-	(2,489)	(8,147)	(10,636)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(2,489)	(8,147)	(10,636)
Transactions with owners				
Issue of share capital	7	-	144	151
Share-based payments	-	-	(32)	(32)
Equity at 31 December 2022	1,026	25,879	(41,945)	(15,040)

For further details of Share capital, refer to note 15 Share Capital and Earnings per share.

Notes to the financial statements

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Note 1 – Accounting policies

GENERAL

Statement of compliance

The financial statements of Agillic A/S for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish requirements for the presentation of financial statements according to the Danish Financial Statement Act for enterprises in reporting class B and certain provisions applying to reporting class C. On 23 February 2023, the Board of Directors and the Executive Leadership considered and approved the annual report for 2022 of Agillic A/S. The annual report will be presented to the shareholders for approval at the Annual General Meeting to be held on 29 March 2023.

Basis of preparation

The financial statements are presented in Danish kroner (DKK), which is the functional currency of Agillic A/S. All amounts have been rounded to nearest DKK thousand, unless otherwise indicated. The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values. For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes. The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Operating segments

At this point Agillic only operates in one segment and segments are not a part of the internal management reporting, hence operating segments are not presented in the financial statements.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency. On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange adjustments arising

between the exchange rates at the transaction date and at the date of payment are recognised in the income statement under financial income or financial expenses. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognised in the income statement under financial income or financial expenses.

Non-IFRS financial measures

Agillic uses certain financial measures that are not defined in IFRS to describe Agillic's financial performance. These financial measures may therefore be defined and calculated differently from similar measures in other companies, and thus not be comparable. The definitions of non-IFRS financial measures are included in Definitions of key figures and ratios on page 46.

INCOME STATEMENT

Revenue recognition

Agillic recognises revenue from the following major sources:

- Subscriptions
- Transactions
- Professional services and other

Revenue is mainly derived from subscription fees charged for Agillic software licenses, transaction fees and professional service and training fees. For software contracts, which are comprised of several components, the total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition.

Revenue recognition requires an agreement with the client, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected. Revenue is measured based on the consideration to which Agillic expects to be entitled in a contract with a client and exclude amounts collected on behalf of third parties. Agillic recognises revenue when it transfers control of the license or service to a client. All revenue is derived from contracts with clients.

Subscription fees

Subscription fees covers license, hosting and maintenance. Fixed term subscription agreements give the right to use the software for a determined period of time, which can be extended at the end of the initial term. Standard perpetual software licenses provide clients with the right to use the software whilst the contract remains in force. New subscription fees are comprised of income derived from new clients and additional subscription income originating from supplementary sales (uplifts) to existing clients. The main possible performance obligation related to subscription agreements has been identified as the right to use the software. The right to use software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades, and is functional without upgrades or technical support. Agillic has assessed that the client obtains control of the license when a contract is agreed, the license is delivered, and the client has the right to use it. Revenue relating to subscription fees are recognised over time. The transaction price allocated to these subscriptions is recognised as a contract liability (deferred income) at the time of the initial sales transaction and is released on a straight-line basis over the subscription agreement period.

Transaction fees

Transaction fees relate to outbound transactions, i.e. email, SMS, etc. Transactions are sold on price per units for the relevant transaction and revenue is calculated based on transactions sent and recognised when control of the goods has been transferred, being at the point the client purchases the goods by sending out transactions.

Professional services and other fees

Agillic provides professional services and training related to on-boarding and setup of infrastructure, template design and implementation and training of new and existing clients. These services are sold on hourly billing rates for the relevant service and revenue is as a performance obligation satisfied over time. Revenue is recognised for these installation services based on the stage of completion.

Direct costs

Direct costs comprise costs incurred to achieve the year's revenue including hosting and transaction costs.

Other operating income

Other operating income and other operating expenses comprise income and expenses of a secondary nature relative to the primary activities of Agillic.

Other external costs

Other external costs comprise sales and marketing costs, external consultancy costs, other employee related costs, IT and software costs, investor relations costs, rent costs, allowances for doubtful trade receivables and other administrative expenses.

Staff costs

Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees. Agillic has entered into retirement benefits schemes and similar agreements with employees. Contributions to defined contribution plans are recognised in the income statement in the period to which they relate and any contributions outstanding are recognised in the statement of financial position as other liabilities.

Share-based payments

The Board of Directors, the Executive Leadership and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognised as an expense in staff costs over the vesting period. Expenses are set off against equity. The fair value of the warrants is measured using the Black-Scholes valuation method or other generally accepted valuation techniques. The calculation takes into account the terms and conditions under which the warrants are granted. Subsequent fair value adjustments are not recognised in the income statement. If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after the modification, the increase is recognised as an expense. If the modification occurs before the vesting period the increase in value is recognised as an expense over the period for services to be received. If the modification occurs after the vesting date, the increase in value is recognised as an expense immediately. Consideration received for warrants sold are recognised directly in equity.

Financial income and financial expenses

Financial income and expenses include interest income, interest expense, amortisation of borrowing issue costs and realised and unrealised exchange gains and losses.

Tax

Tax on the profit/loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity.

Current tax payable and receivable is recognised in the balance sheet as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the balance sheet date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities. Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity. Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement. Agillic recognises deferred tax assets relating to losses carried forward when Executive Leadership finds that these can be offset against taxable income in the foreseeable future.

An assessment is made taking into consideration the effect of restrictions in utilisation in local tax legislation. Future taxable income is assessed based on budgets as well as Executive Leadership's expectations regarding growth and operating margin in the coming years.

STATEMENT OF FINANCIAL POSITION

Intangible assets

Intangible assets with determinable useful lives are measured at cost less accumulated amortisation and impairment losses. Intangible assets include developed software and client contracts. Amortisation is provided on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

Client contracts	3 years
Software developed	5 years

Expected useful lives are reassessed regularly. Agillic regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss.

Patents

Agillic is in the process of applying for a patent on the Agillic platform. Patents acquired are initially recognised at fair value at the acquisition date and subsequently carried at cost less any accumulated impairment losses. The carrying values of patent assets are reviewed annually for impairment to assess if there is an indication of impairment.

Client contracts

Client contracts acquired are initially recognised at fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. The value of client contracts is amortised on a straight-line basis, based on the estimated duration of the acquired contract or other relevant period if deemed appropriate. The carrying values of other intangible assets are reviewed annually for impairment to assess if there is an indication of impairment beyond what is expressed through normal amortisation. If the carrying amount exceeds its recoverable amount, the carrying amount of the asset is written down to the recoverable amount. All intangible assets are considered to have limited useful economic lives.

Software developed

Software developed by Agillic is recognised as an asset if the cost of development is reliably measurable and an analysis shows that future economic benefits from using the software exceed the cost. Cost is defined as development costs incurred to make the software ready for use. Once a software application has been developed the cost is amortised over the expected useful life. The cost of development consists primarily of direct salaries and other directly attributable development costs. Amortisation and impairment charges are recognised in the income statement. For Agillic, the measurement of intangible assets, could be affected by significant changes in judgment and assumptions underlying their calculation. The estimated useful life reflects the period over which Agillic expects to derive economic benefit from intangible assets. As active markets for the majority of acquired assets and liabilities do not exist, management has made estimates of their fair values. Fair values were estimated as the present value of future cash flows calculated based on churn rates or other expected cash flows related to each asset. Estimates of fair value are associated with uncertainty and may be subsequently adjusted.

Tangible assets

Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment. Property, plant, and equipment are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

Leasehold improvements (IFRS 16)	over the lease term up to 10 years
Fixtures and equipment	3-5 years

Tangible assets are tested for impairment if indications of impairment exist. Tangible assets are written down to its recoverable amount, if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the income statement.

Impairment of tangible and intangible assets

The carrying amounts of tangible assets and intangible assets with determinable useful lives are reviewed regularly to determine whether there are any indications of impairment. If such indications are found, the recoverable amount of the asset is calculated to determine any need for an impairment write-down and, if so, the amount of the write-down. For intangible assets with indeterminable useful lives the recoverable amount is calculated annually, regardless of whether any indications of impairment have been found. If the asset does not generate any cash flows independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit that includes the asset. The recoverable amount is calculated as the higher of the fair value less costs to sell and the value in use of the asset or the cash-generating unit, respectively. In determining the value in use, the estimated future cash flows are discounted to their present value, using a discount rate reflecting current market assessments of the time value of money as well as risks that are specific to the asset or the cash-generating unit and which have not been taken into account in the estimated future cash flows. If the recoverable amount of the asset or the cash-generating unit is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For cash-generating units, the write-down is allocated in such a way that goodwill amounts are written down first, and any remaining need for write-down is allocated to other assets in the unit, although no individual assets are written down to a value lower than their fair value less costs to sell. Impairment write-downs are recognised in the income statement. If write-downs are subsequently reversed as a result of changes in the assumptions on which

the calculation of the recoverable amount is based, the carrying amount of the asset or the cash-generating unit is increased to the adjusted recoverable amount, not, however, exceeding the carrying amount that the asset or cash-generating unit would have had, had the write-down not been made.

Deposits

Deposits are primarily related to leasing of offices. Deposits which will not be returned within one year of the balance sheet date are recognised as non-current assets.

Trade receivables

Trade receivables are measured at amortised cost less allowance for lifetime expected credit losses. To measure the expected credit losses, credit risk for trade receivables have been based on an individual assessment. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery. The cost of allowances for expected credit losses and write-offs for trade receivables are recognised in the income statement under other administrative expenses.

Prepayments

Prepayments are recognised as an asset and comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Right of use assets/leases (IFRS 16)

Agillic must recognise all leasing agreements, including operational leasing agreements, in the balance sheet. This means that a leasing obligation must be recognised measured at the present value of the future leasing payments, as described below, and a corresponding leasing asset adjusted for payments made to the lessor prior to the start of the leasing agreement, and incentive payments received from the lessor.

Agillic has chosen not to recognise directly related costs to the leasing asset. In accordance with the transitional provisions and possible exceptions in IFRS 16, Agillic has chosen to implement the standard:

- Not to recognise leasing agreements with a term of less than 12 months or with low value, which means the only recognised lease is the rent of the facilities at Masnedøgade 22, 2100 Copenhagen.
- Not to reassess whether an ongoing contract is or contains a lease.

The expected lease period for the rent of the facilities is 42 months.

In assessing future leasing payments, Agillic has reviewed its operational leasing agreements and identified those leasing payments that relate to a leasing component and that are fixed or variable, but which change in line with fluctuations in an index or an interest rate. Agillic has chosen not to recognise payments related to service components as part of the leasing obligation. When assessing the expected lease period, Agillic has identified the non-cancellable lease period in the agreement. The leasing assets are depreciated on a straight-line basis over the expected lease period, which is 42 months. The average alternative borrowing rate used when discounting future lease payments in connection with measuring the leasing obligation is set at Agillic's marginal borrowing rate of 2.63% p.a.

Borrowings

Borrowings are measured at amortised cost.

Trade payables and other payables

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

Deferred income

Deferred income comprises income received relating to subsequent financial years. Deferred income is measured at cost. When a client pays consideration in advance, or an amount of consideration is due contractually before transferring of the license or service, then the amount received in advance presented as a liability. Deferred income represents contractual prepayments from clients for unsatisfied or partially satisfied performance obligations in relation to licenses, maintenance, and services. License billing generally occurs at periodic intervals (e.g. quarterly or yearly) prior to revenue recognition, resulting in liabilities.

CASH FLOW STATEMENT

The cash flow statement is presented according to the indirect method commencing with the results for the year. The cash flow statement shows Agillic's cash flows divided into operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are calculated using the indirect method as the profit for the year adjusted for non-cash items, changes in working capital, changes in contract assets, financial income received, financial expenses paid and income tax paid. Cash flows from investing activities consist of receipts and payments in connection with acquisitions

and disposals of companies and operations, intangible assets and property, plant, and equipment, as well as other non-current assets and liabilities. Cash flows from financing activities are comprised of changes in share capital and related costs, purchase of treasury shares, proceeds from loans and distributions of dividends to shareholders. Cash and cash equivalents consist of cash at bank and in hand less current bank loans due on demand.

New and revised IFRS standards in issue but not yet effective

New standards and interpretations not yet adopted IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the financial statements for 2022. Agillic expects to adopt the accounting standards and interpretations when they become mandatory. None of the new or amended standards or interpretations are expected to have a significant impact on the financial statements.

Adoption of new or amended IFRSs

Management has assessed the impact of new or amended and revised accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1 January 2021. It is assessed that application of amendments effective from 1 January 2021 has not had a material impact on the financial statements for 2022. Furthermore, Management does not anticipate any significant impact on future periods from the adoption of these amendments.

Note 2 - Critical accounting estimates and judgements

In the application of Agillic's accounting policies, which are described in note 1, Executive Leadership is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current

and future periods. Critical judgements that have the most significant effect on the amounts recognised in financial statements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Performance obligation

Agillic is contractually obligated to deliver online access through the portal (subscription), hosting of the portal and access as well as maintenance of the platform within the subscription period. These three services are not sold separately.

It is Agillic's judgement, that the three services do not have a separate value from a customer perspective, as subscriptions do not comprise any value without hosting, and maintenance service do not comprise value without the customer also subscribing to the platform. It is not technically possible to choose hosting by a third party, and the maintenance service only concerns the Agillic platform and therefore has no value towards other online platforms.

Based on the above factors, Agillic considers its delivery of subscription, hosting and maintenance as one complete performance obligation.

Tax

Danish Tax Authorities (DTA) has requested documentation for refunds paid out under the Danish Tax Credit Scheme for 2020 equal to a tax amount of DKK 2.8 million. DTA has in connection to submitting their request for 2020 held back a refund for 2021 in the amount of DKK 2.7 million.

Agillic has together with our tax advisors provided the requested documentation. In the dialogue with DTA in January 2023, Agillic shall provide some further information, among others what innovative projects that Agillic did in 2019 and 2021. The amount Agillic received in tax credit for 2019 was DKK 3.5 million.

There has so far been no other feedback and Agillic has with consultants from our advisor maintained the amount for 2021 of DKK 2.7 as a receivable and has for the tax calculation for 2022 calculated an expected tax credit amount receivable of DKK 3.2 million. Due to the latest public focus on tax credits, there could be a significant risk related to the outcome of DTA's review. As of the date of the financial report, we have no additional data to quantify and assess the risk.

Software developed

The measurement of developed software could be affected by significant changes in judgement and assumptions underlying their calculation. The expected useful life of 5 years reflects the period over which Agillic expects to derive economic benefit from software developed. Estimation of useful life are associated with uncertainty and may be subsequently adjusted.

Trade receivables

Allowances have been recognised according to the lifetime expected credit loss method as introduced under IFRS 9. We refer to note 14 for a specification of the loss.

Note 3 – Revenue

(DKK '000)	2022	2021
Subscription fees	48,358	40,704
Transaction fees on subscription	1,384	4,281
Transaction fees by consumption	16,783	6,763
Professional services and other fees	483	1,009
Total revenue	67,008	52,758

All revenue is derived from contracts with clients. Revenue from subscription fees is recognised over time and for transaction fees and other professional services at a point in time.

Contract liabilities are presented as deferred income, see note 19 Deferred income.

Note 4 – Direct costs

(DKK '000)	2022	2021
Hosting costs	5,362	4,068
Transaction costs	12,009	3,631
Total direct costs	17,371	7,698

Note 5 – Other external costs

(DKK '000)	2022	2021
Sales and marketing costs	5,049	5,209
External consultancy costs	11,420	8,381
External consultancy costs transferred to capitalised development costs	(6,152)	(4,176)
Other employee related costs	2,170	2,043
Other administrative expenses	3,826	3,847
Total other external costs	16,313	15,304

Note 6 – Staff costs

(DKK '000)	2022	2021
Salaries	37,143	33,462
Share-based payments	(32)	450
Pension plans (defined contribution)	2,210	1,631
Social security and other costs	248	249
Staff costs transferred to capitalised development costs	(7,359)	(6,717)
Total staff costs	32,210	29,074
Employees		
Average number of employees (FTE)	47	47
Number of employees year end (FTE)	48	53

(DKK '000)	Board of Directors		Executive Leadership and Management	
	2022	2021	2022	2021
Remuneration				
Salaries, Board fees and bonus	610	250	8,917	7,094
Share-based payments	399	255	662	195
Defined contribution pension plans	0	0	590	287
Total remuneration	1,009	505	10,169	7,576

With reference to Danish Financial Statements Act article 98B, subsection 3 that the remuneration for the executive board is included in the Executive Leadership and Management category.

Note 7 – Share-based payments

(DKK '000)	2021	2020
Costs of share-based payments	(32)	450
Total costs of share-based payments	(32)	450

Warrant program September 2017

The Board of Directors have used the authorisation in the Articles of Association article 3.3 to allocate warrants to the members of the Board of Management where the participants acquire the right to subscribe of in total 292,527 shares at a nominal value of DKK 0.10 each. Shares can be subscribed for at DKK 2.70 per share at a nominal value of DKK 0.10.

All warrants have been granted.

199,096 warrants will be vesting in the period 1 January 2018 to 1 October 2020 and exercise of the warrants must happen in the period 1 January 2021 to 31 March 2021. 93,431 warrants will be vesting in the period 1 October 2020 to 1 October 2021 and exercise of the warrants must happen in the period 1 January 2022 to 31 March 2022.

There are no performance conditions for the granting of the warrants but each participant must remain an employee during the vesting period.

The issue of all shares will have a dilutive effect of 4.04%.

Warrant program April 2018

The Board of Directors have used the authorisation in the Articles of Association article 3.2 to allocate 20,717 warrants to the members of the Executive Leadership where the participants acquire the right to subscribe of in total 20,717 shares at a nominal value of DKK 0.10 each. Shares can be subscribed for at DKK 38.00 per share at a nominal value of DKK 0.10.

All warrants have been granted.

15,534 warrants will be vested in the period 1 January 2018 to 1 October 2020 and exercise of the warrants must happen in the period 1 January 2021 to 31 March 2021. 5,183 warrants will be vested in the period 1 October 2020 to 1 October 2021 and exercise of the warrants must happen in the period 1 January 2022 to 31 March 2022.

There are no performance conditions for the granting of warrants but each participant must remain an employee during the vesting period.

The issue of all shares will have a dilutive effect of 0.25%. The conditional warrant program has been terminated due to a warrant holder has left Agillic.

Warrant program October 2020

The Board of Directors have used the authorisation in the Articles of Association article 3.3 to allocate warrants to the Executive Leadership where the participants acquire the right to subscribe of in total 414,345 shares at a nominal value of DKK 0.10 each. Shares can be subscribed for at DKK 23.10 per share at a nominal value of DKK 0.10.

All warrants have been granted.

414,345 warrants will be vesting in the period 1 October 2020 to 30 April 2025 and exercise of the warrants must happen in the period 1 October 2020 to 30 April 2025.

There are no performance conditions for the granting of the warrants but each participant must remain an employee during the vesting period.

The issue of all shares will have a dilutive effect of 4.39%.

Warrant program April 2021

The Board of Directors have used the authorisation in the Articles of Association article 3.2 to allocate 105,500 warrants to the members of the Board of Directors where the participants acquire the right to subscribe of in total 582,500 shares at a nominal value of DKK 0.10 each. 50,000 of the shares can be subscribed to at DKK 20.00 per share, at a nominal value of DKK 0.10 and 55,500 of the shares can be subscribed to at DKK 25.00 per share at a nominal value of DKK 0.10.

All warrants have been granted.

50,000 warrants will be vested in the period 1 April 2021 to 30 September 2022 and exercise of the warrants must happen in the period 1 April 2022 to 30 September 2022. 18,500 warrants will be vested in the period 1 April 2021 to 30 April 2024. and exercise of the warrants must happen in the period 1 May 2024 to 31 May 2024. 37,000 warrants will be vested in the period 1 April 2021 to 30 April 2022. and exercise of the warrants must happen in the period 1 May 2023 to 31 May 2023.

There are no performance conditions for the granting of warrants but each participant must remain an employee during the vesting period.

The issue of all shares will have a dilutive effect of 1.02%. The conditional warrant program has been terminated due to a warrant holder has left Agillic.

Warrant program March 2022

The Board of Directors have used the authorisation in the Articles of Association article 3.11 to allocate 155,000 warrants to the members of the Board of Management where the participants acquire the right to subscribe of in total 155,000 shares at a nominal value of DKK 0.10 each. The 75,000 shares can be subscribed for at DKK 24.80 per share at a nominal value of DKK 0.10. The 80,000 shares can be subscribed for at DKK 25.54 per share at a nominal value of DKK 0.10.

All warrants have been granted.

The exercise price of 75,000 warrants is fixed at 24.80 DKK per share corresponding to the average share price on 1 December 2021. The warrants vest with 7,500 warrants on 1 December 2022, 15,000 warrants on 1 December 2023, 22,500 warrants 1 December 2024, and 30,000 warrants on 1 December 2025.

The exercise price of 80,000 warrants is fixed at 25.54 DKK per share corresponding to the average share price on 1 March 2022. The warrants vest with 8,000 warrants on 1 March 2023, 16,000 warrants on 1 March 2024, 24,000 warrants on 1 March 2025, and 32,000 warrants on 1 March 2026.

The warrants can be exercised in periods of 14 days starting the day after the publication of Agillic's financial reports. The warrants shall be exercised no later than 12 months after the final vesting.

The warrants include conditions on accelerated vesting in case of change of control, e.g. a takeover bid, merger or delisting.

The issue of all shares will have a dilutive effect of 0,78%. The conditional warrant program of 75,000 has been terminated due to warrant holder has left Agillic.

Warrant program June 2022

The Board of Directors have used the authorisation in the Articles of Association article 3.10 to allocate 105,000 warrants to the members of the management where the participants acquire the right to subscribe of in total 105,000 shares at a nominal value of DKK 0.10 each. 105,000 of the shares can be subscribed to at DKK 20,0392 per share, at a nominal value of DKK 0.10.

All warrants have been granted.

The vesting of the first 50,000 warrants issue to Management, is subject to Agillic's achievement of the financial performance targets: The performance target was not meet.

The vesting of 55,000 warrants issued to Management and the six other employees of Agillic is subject to a cliff of twelve (12) months and further conditional upon Agillic's achievement of the following financial performance targets for the financial year 2022: The financial performance targets were meet.

Subject to Agillic's achievement of the performance targets above and expiration of the cliff respectively, the warrants issued to Management and the six other employees of Agillic vest in eight (8) equal installments with 1/8 each quarter on the dates of disclosure of Agillic's annual report, interim report or quarterly financial statement, as the case may be.

Subject to vesting, the warrants can be exercised in periods of 14 days starting the day after publication of Agillic's annual report, half-year reports and or interim reports, respectively. The warrants issued to Management and the six employees shall be exercised no later than 12 months after the final vesting. The warrants issued to Management shall be exercised no later than 36 months after the vesting date (the date of the annual general meeting in 2023).

The warrants include conditions on accelerated vesting in case of change of control, e.g. a takeover bid, merger or delisting.

The issue of all shares will have a dilutive effect of 1.02%.

Warrant program July 2022

The Board of Directors have used the authorisation in the Articles of Association article 3.2 to allocate 75,000 warrants to two new members of the Board of Management where the participants acquire the right to subscribe of in total 75,000 shares at a nominal value of DKK 0.10 each. Shares can be subscribed for at DKK 16.9555 per share at a nominal value of DKK 0.10.

All warrants have been granted.

Warrants can be exercised in periods of 14 days starting the day after the publication of Agillic's annual report, half-year report or quarterly financial statement, respectively. The Warrants shall be exercised no later than 12 months after the vesting of the last installment

The issue of all shares will have a dilutive effect of 0.73%.

The warrants include conditions on accelerated vesting in case of change of control, e.g. a takeover bid, merger or delisting.

Specification of outstanding warrants:

Number of warrants	Weighted average exercise price DKK	Board of Management	Other key management personnel	Management	Board of Directors
Outstanding at 1 January 2022	-	414,345	-	148,130	180,500
Granted	-	80,000	-	105,000	-
Exercised	2.07		-	(73,130)	-
Cancelled	-		-	(75,000)	(68,500)
Outstanding at 31 December 2022	-	494,345	-	105,000	112,000

Outstanding warrants have the following characteristics:

Warrants outstanding	Weighted average exercise price DKK	Vesting period	Exercise period	2022	2021
Warrant program September 2017	2,07	18 Jan - 21 Oct	21 Jan - 22 Mar	-	70,130
Warrant program April 2018	38,00	18 Jan - 20 Oct	21 Jan - 22 Mar	-	-
Warrant Program October 2020	23,10	20 Oct - 25 Apr	20 Oct - 25 Apr	414,345	414,345
Warrant Program April 2021	21,75	21 Apr - 24 Apr	22 Oct - 24 May	105,500	105,500
Warrant Program April 2022	25,17	22 Apr - 26 Mar	22 Apr - 26 Mar	80,000	-
Warrant Program June 2022	20,04	22 Jun - 25 Mar	22 Jun - 25 Aug	105,000	-
Warrant Program July 2022	16,96	22 Jul - 24 Mar	22 Jul - 25 Mar	75,000	-
Outstanding at 31 December	-	-	-	779,845	592,975

73,130 warrants were exercised during 2022.

	2022	2021
Average remaining life of outstanding warrants at 31 December (years)	3.09	3.9
Exercise price for outstanding warrants at 31 December (DKK)	16.96 to 25.17	20.00 to 25.00

The fair value of the warrants issued is measured at calculated market price at the grant date based on the Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

	Warrant program July 2022	Warrant program June 2022	Warrant program April 2022	Warrant program April 2021	Warrant program October 2020	Warrant program April 2018	Warrant program September 2017
Average share price (DKK)	17.35	18.20	27.90	24	19.70	34.70	11.28
Expected volatility rate (% p.a.)	42	45	44	40	40	40	40
Risk-free interest rate (% p.a.)	0.65	1.23	(0.25)	0.64	(0.64)	(0.23) to (0.40)	(0.32) to (0.45)
Expected warrant life (no. years)	2.67	3.17	4	1.5-3.00	4.5	3.00 - 4.00	3.58 - 4.58
Exercise price (DKK)	16.96	20.04	25.17	20.00-25.00	23.10	38.00	2.07
Fair value all warrants, after dilution (DKK '000)	366	552	811	610	2,092	176	2,587

Expected volatility rate is applied based on the annualised volatility on relevant peer groups derived from the standard deviation of daily observations over 12 months ending 2022.

Note 8 – Depreciation and amortisation of intangible and tangible assets

(DKK '000)	2022	2021
Client contracts	-	88
Software developed	10,841	10,336
Fixtures and equipment	214	227
Right of use asset	1,047	1,047
Leasehold improvements	130	126
Total depreciation and amortisation of intangible and tangible assets	12,232	11,824

Note 9 – Financial income and expenses

(DKK '000)	2022	2021
Financial income		
Other interest income	489	505
Total financial income	489	505
Financial expenses		
Interest expense, cash etc.	57	140
Interest expense financial liabilities carried at amortised cost	2,687	2,173
Other interest expense	122	36
Foreign exchange rate adjustments (net)	381	293
Total financial expenses	3,247	2,642

Note 10 – Tax

(DKK '000)	2022	2021
Current income tax	(3,240)	(2,736)
Adjustment for current tax of prior periods	-	(3)
Adjustment deferred tax	-	-
Total	(3,240)	(2,739)
Unrecognised deferred tax	-	-
Total	(3,240)	(2,739)
Profit/(loss) before tax	(13,874)	(13,279)
Income tax, tax rate of 22%	(3,052)	(2,921)
Tax effect from:		
Non-deductible expenses	87	107
Income from subsidiaries and joint ventures	-	-
Adjustment of temporary differences, deferred tax	-	(797)
Tax losses carried forward	-	872
Tax on profit for the year	(2,965)	(2,739)
Effective tax rate	21%	21%

Agillic's tax losses is not expected to be used in the foreseeable future. The tax assets recognised reflect the share that is expected to be used as a result of the company's use of the Danish tax credit scheme. No deferred tax assets have been recognised in respect of the DKK 19.9 million (2021: DKK 19.9 million) as it is not considered probable that there will be taxable profits available in the foreseeable future. All recognised tax losses may be carried forward indefinitely.

With reference to note 2 on tax credit, Agillic has with consultancy from our advisor maintained the use of the tax credit scheme and has incorporated a tax credit for 2022 in the amount of DKK 3.2 million.

(DKK '000)	2022	2021
Intangible assets	6,843	6,162
Tangible assets	25	140
Tax losses carried forward	(26,787)	(26,230)
	(19,919)	(19,928)
Unrecognised tax asset	19,919	19,928
Total deferred tax	-	-

Note 11 – Notes to cash flow statement

(DKK '000)	2022	2021
Changes in working capital		
Changes in trade receivables, other receivables, prepayments etc.	383	(855)
Changes in trade payables, other payables, deferred income etc.	5,719	5,947
Total changes in working capital	5,802	5,092
Borrowings/repayment (-) long-term		
Borrowings at 1 January, net	23,553	26,151
Borrowing of loans and debt to credit institutions	-	-
Repayment of loans and debt to credit institutions	(1,869)	(2,534)
Amortised borrowing costs	(166)	(64)
Borrowings/repayment (-) long-term at 31 December	21,518	23,553
Borrowings/repayment (-) short-term		
Borrowings at 1 January, net	3,704	2,795
Borrowing of loans and debt to credit institutions	-	3,815
Repayment of loans and debt to credit institutions	(809)	(2,795)
Amortised borrowing costs	(100)	(111)
Borrowings/repayment (-) short-term at 31 December	2,795	3,704

Note 12 – Intangible assets

(DKK '000)	Patent	Client contracts	Software developed	Total
2022				
Cost beginning of year	500	2,254	57,801	28,938
Additions	-	-	-	-
Additions from internal development	-	-	13,511	13,511
Disposals	-	-	-	-
Cost end of year	500	2,254	71,312	42,448
Amortisation beginning of year	-	-	29,363	29,363
Amortisation	-	-	10,829	10,829
Disposals	-	-	-	-
Amortisation end of year	-	-	40,192	40,192
Carrying amount end of year	500	2,254	31,120	2,257
2021				
Cost beginning of year	-	2,254	46,907	49,161
Additions	500	-	-	500
Additions from internal development	-	-	10,894	10,894
Disposals	-	-	-	-
Cost end of year	500	2,254	57,801	60,055
Amortisation beginning of year	-	2,165	19,027	21,192
Amortisation	-	89	10,336	10,425
Disposals	-	-	-	-
Amortisation end of year	-	2,254	29,363	31,617
Carrying amount end of year	500	-	28,438	28,438

Capitalised software development costs relates to development of the existing proprietary marketing automation software platform. The software is under continuous development for the use of clients and partners and is sold as a license to use the software for a given period. The user has access to upgrades and new functionalities during the contract period.

Development costs for the year covers both development of front-end and back-end part of the software solution. Both parts to increase the user experience and functionalities within the software in order to increase Agillic's revenue by maintaining existing clients and acquire new clients.

It is management assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets is sufficient to cover the value of recognised developed software at the reporting date.

Agillic expensed DKK 0 million for development projects, primarily planning, administrative and other general overhead expenditures not meeting the recognition criteria applicable to internally generated intangible assets.

Note 13 – Tangible assets

	Fixtures and equipment	Right of use asset	Leasehold improvements	Total
2022				
Cost beginning of year	1,151	4,186	390	5,727
Additions Merger subsidiary	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Cost end of year	1,151	4,186	390	5,727
Depreciation beginning of year	683	1,134	126	1,943
Depreciation	227	1,047	130	1,391
Disposals	-	-	-	-
Depreciation end of year	910	2,181	256	3,334
Carrying amount end of year	241	2,005	134	2,393
2021				
Cost beginning of year	1,151	4,186	344	5,681
Additions Merger subsidiary	-	-	-	-
Additions	-	-	46	46
Disposals	-	-	-	-
Cost end of year	1,151	4,186	390	5,727
Depreciation beginning of year	456	87	-	543
Depreciation	227	1,047	126	1,400
Disposals	-	-	-	-
Depreciation end of year	683	1,134	126	1,943
Carrying amount end of year	468	3,052	264	3,784

Agillic implemented the new leasing standard IFRS 16 in 2020 using the modified retrospective transitional method and has therefore not adjusted comparative figures before 2021, which are still presented in accordance with the rules in IAS 17 and IFRIC 4.

This means that a leasing obligation must be recognized measured at the present value of the future leasing payments, as described below, and a corresponding leasing asset adjusted for payments made to the lessor prior to the start of the leasing agreement, and incentive payments received from the lessor.

Agillic has chosen not to recognize directly related costs to the leasing asset. In accordance with the transitional provisions in IFRS 16, Agillic has chosen to implement the standard:

- Not to recognise leasing agreements with a term of less than 12 months or with low value, which means the only recognized lease is the rent of the new facilities at Masnedøgade 22, 2100 Copenhagen
- Not to reassess whether an ongoing contract is or contains a lease

The expected lease period for the rent of the new facilities is 42 months.

In assessing future leasing payments, Agillic has reviewed its operational leasing agreements and identified those leasing payments that relate to a leasing component and that are fixed or variable, but which change in line with fluctuations in an index or an interest rate.

Agillic has chosen not to recognise payments related to service components as part of the leasing obligation.

When assessing the expected lease period, Agillic has identified the non-cancellable lease period in the agreement. The leasing assets are depreciated on a straight-line basis over the expected lease period, which is 42 months.

Note 14 – Trade receivables

(DKK '000)	31 Dec 2022	31 Dec 2021
Trade receivables		
Trade receivables, gross	4,597	4,164
Allowances for doubtful trade receivables:		
Balance beginning of year	450	875
Change in allowance during the year	-	(425)
Realised losses during the year	-	-
Allowances for doubtful trade receivables year end	450	450
Trade receivables, net	4,425	3,714
Trade receivables (net) can be specified as follows:		
Not past due	3,198	1,080
Past due, but not impaired:		
Not more than 30 days	1,074	2,292
Between 31 and 60 days	-	-
Between 61 and 90 days	153	342
More than 90 days	-	-
Trade receivables, net	4,425	3,714

The carrying amount is equivalent to the fair value of the assets.

Allowances have been recognised according to the lifetime expected credit loss method as introduced under IFRS 9. The expected loss on trade receivables is DKK 0.45 million according to IFRS 9.

Note 15 – Share capital and Earnings per share

Share capital

As at 31 December 2022, the share capital consisted of 10,260,950 (2021: 10,187,820) shares with a nominal value of DKK 0.10. The shares are not divided into classes and carry no right to fixed income.

(DKK '000)	2022	2021
Issued and fully paid shares:		
At 1 January 2022, 10,187,820 shares of DKK 0.10 each	1,019	944
Capital increase, registered 14 January 2021	-	58
Capital increase, registered 30 March 2021	-	17
Capital increase, registered 7 April 2022	7	-
Share capital at 31 December 2021	1,026	1,019
Earnings per share		
The calculation of earnings per share is based on the following:		
Profit/(loss) for the year	(10,634)	(10,541)
Weighted average number of shares used for calculation of earnings per share	10,241,515	10,124,074
Average dilutive effect of outstanding share options	627,160	463,972
Weighted average number of shares used for calculation of diluted earnings per share¹	10,868,675	10,588,046
Earnings per share (EPS)	(1,04)	(1,04)
Earnings per share, diluted (DEPS)	(1,04)	(1,04)

Note 16 – Borrowings

(DKK '000)	31 Dec 2022	31 Dec 2021
Borrowings are due as follows:		
Within 1 year	2,795	4,173
From 1-5 years	21,518	23,084
After 5 years	-	-
Total borrowings	24,313	27,257
Borrowings are recognised accordingly:		
Borrowings, long-term	21,518	23,084
Borrowings, short-term	2,795	4,173

The funding package consist of:

Existing credit line is DKK 3.0 million (2021: DKK 3.0 million). At 31 December 2022, the credit line was not utilised. The credit facility is renegotiated on a yearly basis. The credit line bears an annual variable interest rate subject to DANBOR +3.0%.

Existing loans from Vækstfonden amounts to DKK 31.0 million (2021: DKK 31.0 million). The loans mature in between 2025-2026. No covenants apply. The variable interest rate is subject to adjustment quarterly based upon the 3-month CIBOR plus a premium.

Booked value is assessed to be represented the fair value of borrowings at end year

Note 17 – Lease obligations

(DKK '000)	31 Dec 2022	31 Dec 2021
Leasing obligations are due as follows:		
Within 1 year	1,157	1,080
From 1-5 years	1,100	2,257
After 5 years	-	-
Total leasing obligations	2,257	3,337
Leasing obligations are recognised accordingly:		
Leasing obligations, long-term	1,100	2,257
Leasing obligations, short-term	1,157	1,080

The average alternative borrowing rate used when discounting future lease payments in connection with measuring the leasing obligation is set at Agillic's marginal borrowing rate of 2.63% p.a.

Note 18 – Other payables

(DKK '000)	31 Dec 2022	31 Dec 2021
Accrued vacation payables, long-term	2,885	2,885
Accrued vacation payables, short-term	1,620	2,335
Bonus and commission payables	1,665	600
Payroll taxes, VAT etc.	3,272	4,335
Other accrued costs	1,366	709
Total other payables	10,808	10,864
Current	7,923	7,979
Non-current	2,885	2,885
Total other payables	10,808	10,864

Note 19 – Deferred income

(DKK '000)	31 Dec 2022	31 Dec 2021
Arising from contracts with customers	22,291	19,616
Total deferred income	22,291	19,616
Current	22,291	19,616
Non-current	-	-
Total deferred income	22,291	19,616

Revenue relating to subscriptions is recognised over time although the customer pays up-front in full for these subscriptions. A contract liability is recognised for revenue at the time of the initial sales transaction and is released over the contract period.

Note 20 – Contingent liabilities and commitments

Contingent liabilities

The Executive Leadership assesses that the outcome of pending claims and other disputes will have no material impact on the Agillic's financial position.

A mortgage of DKK 18 million is registered as collateral for Agillic's debt to Vækstfonden of DKK 24.3 million as per 31 December 2022.

A mortgage of DKK 3 million is registered as collateral for Agillic's credit facility at Danske Bank.

A guarantee of NOK 60,000 has been provided to the Norwegian Tax Authorities.

Note 21 – Related parties

Agillic's related parties exercising a significant influence comprise Agillic's Board of Directors and Executive Leadership as well as relatives of these persons.

Related parties also comprise companies in which the individuals mentioned above have material interests.

Agillic did not enter into any agreements, deals, or other transactions in 2022 in which Agillic's Board of Directors or Executive Leadership had a financial interest, except for transactions following from the employment relationship. See note 6 Staff costs.

All agreements relating to these transactions are based on market price (arm's length). Agillic has had the following transactions with related parties:

(DKK '000)	2022	2021
Shareholder Transactions		
Sale and Purchase of shares - major shareholders	-	3,875

There has not been any transactions with related parties. There has been a normal remuneration to one of the Board of Directors. Board of Management and other Key Management Personnel, there has not been any transactions other than presented in Note 6 Staff costs. Key Management Personnel consists of parties with significant influence not already disclosed as part of the Board of Directors and the Board of Management.

Members of the Board of Directors are elected by the shareholders at the Annual General Meeting for terms of one year. Refer to page 26 for additional information on members of the Board of Directors.

Note 22 – Financial risks

(DKK '000)	31 Dec 2022	31 Dec 2021
Specification of financial assets and liabilities:		
Trade receivables	4,425	3,714
Other receivables	118	10
Tax receivables	5,976	2,739
Cash	7,369	20,623
Total financial assets	17,885	27,086
Debt to credit institutions	24,313	27,257
Prepayments from clients	-	199
Trade payables	8,145	4,848
Other payables	7,923	7,979
Total financial liabilities	40,381	40,283

Due to the nature of its operations, investments, and financing, Agillic is exposed to a number of financial risks. It is Agillic's policy to operate with a low risk profile, so that currency risk, interest rate risk and credit risk only occur in commercial relations.

The scope and nature of Agillic's financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements.

This note addresses only financial risks directly related to Agillic's financial instruments.

Currency risk

Currency risk is the risk that arises from changes in exchange rates and affects Agillic's result.

The general objective of Agillic's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results. Agillic also aim to balance incoming and outgoing payments in local currency as much as possible as well as monitoring the development in exchange rates and adjust price lists when required.

The most significant financial risk in Agillic relates to exchange rate fluctuations. The greatest exposure in foreign currency is to NOK and in 2022 10.5% (2021: 18.0%) of Agillic's revenue was denominated in NOK. Furthermore, Agillic generally seek to ensure that contracts with clients are entered into in DKK, NOK or EUR.

Based on the net exposure of Agillic, the hypothetical impact of exchange rate fluctuations on revenue and EBITDA, is as follows:

Sensitivity to a 10% increase in NOK exchange rate	2022	2021
Revenue	700	764
EBITDA	874	764

Interest rate risk

Interest rate risk arises in relation to interest-bearing assets and liabilities.

Agillic's interest-bearing borrowings of DKK 24,3 million as per 31 December 2022 is subject to a variable rate of interest based on a 3-month CIBOR plus a premium.

If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions as per end of 2022, would lead to a yearly increase in interest expenses of DKK 24.3 million (2021: DKK 27.2). A corresponding decrease in market interest rates would have the opposite impact.

Liquidity risk

Agillic ensures sufficient liquidity resources by liquidity management. In order to limit the company's counterparty risk, deposits are only made in well-reputed banks. The cash reserve and expected cash flow for 2023 are considered to be adequate to meet the obligations of the company as they fall due.

A request from the Danish Tax Authorities, as further described under significant risks in note 2, could result in an outcome which could potentially impact the company's liquidity in 2023.

Credit risk

The main credit risk in the company is related to trade receivables. Agillic does not have material risks related to a single client or partner. Agillic's business model leads to a very limited credit risk as the majority of the subscription based revenue derived from contracts with clients are subject upfront annual invoicing and payment.

Agillic has not historically had any significant loss on trade receivables and the risk of significant losses on the total receivables as per 31 December 2022 is estimated to be limited.

Also refer to note 14 Trade receivables.

Capital structure

Agillic manages its capital to ensure that the company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Agillic consists of net debt and equity.

Board reviews the capital structure continually to consider if the current capital structure is in accordance with Agillic's and shareholders interests.

Definitions of key figures and ratios

Annual Recurring Revenue

Annual Recurring Revenue (ARR) is the value of subscriptions at a given date, including transaction-based use, entered into with Agillic and converted to a monthly value multiplied by 12.

New subscriptions are included in ARR at the time of entering into the binding agreement, which would typically occur at the time of signing the agreement.

For changes to existing subscriptions, ARR is included at the time that the change enters into force.

Subscriptions that are terminated or not renewed are reduced on ARR at the time that the agreement ceases to exist.

Subscriptions are typically entered into with an irrevocable period of 12-36 months. Inclusion of ARR is conducted in the following manner:

For 12 month subscriptions, ARR is included as 1 times the value of the agreement. For 24 month subscriptions, ARR is included as ½ times the value of the agreement. For 36 month subscriptions, ARR is included as ½ times the value of the agreement.

Monthly subscriptions are included in ARR as 12 times the actual monthly value of the subscription (MRR).

In addition to the value of subscriptions, the clients' transaction-based subscription use, including e-mail and SMS transactions, are also included in ARR. The value of ARR from transaction-based use is calculated as the latest quarter's actual transaction-based use multiplied by 4.

From quarter to quarter, ARR is calculated as the value from the last day of the most recent quarter's ARR adjusted for changes until the last day of the current quarter.

The following elements are included in the calculation of the changes in ARR:

- + Additional sales to existing clients (subscription-based upgrades/additional services)
- + Agreed upon price adjustments to existing subscriptions
- + New sales of subscriptions
- + The change (+/-) in transaction use derived from the subscriptions
- Termination or downgrading of subscription
- = Change in ARR

ARR is calculated in Danish Kroner. When entering into a agreement in a foreign currency, a currency conversion is conducted at the time of entering into the agreement.

ARR multiple

Market cap / ARR.

Cash adjusted EBITDA

EBITDA added back for R&D capitalisation plus the change in deferred revenue

Churn rate (%)

The value of terminated ARR for a 12-month period as a percentage of total ARR end of reporting period.

Customer Acquisition Costs (CAC)

The sales and marketing cost (inclusive direct related cost, like travel costs, personal IT costs, costs of office etc.) of acquiring one new customer.

Customer lifetime

Average number of years from customers acquisition to customer churn calculated as 1 divided by gross value churn rate.

Earnings per share (EPS)

Net profit divided by the weighted average number of shares.

Earnings per share, diluted (DEPS)

Net profit divided by the weighted average number of shares, including the dilutive effect of stock options.

EBITDA

Net profit before interests, tax, depreciation, amortisation and result from joint ventures.

EBIT

Earnings before interest and tax.

Gross profit margin (%)

Gross profit as a percentage of Revenue.

NRR

Net retention rate is a key customer success metric. It is an important metric that indicates the profitability of a SaaS business generated solely from your existing customers.

Number of employees year end (FTE)

Number of full-time equivalent employees (part-time employees translated into full-time employees) at the end of the year.

Years to recover CAC

Average number of years to recover the costs of acquiring one new customer (CAC) calculated as CAC divided by Average ARR*Gross profit margin %.

Company information

Agillic A/S

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agillic.com

Business Reg. no. 25063864

Board of Directors

Johnny Henriksen, Chairman
Jesper Lohmann
Mikael Konnerup
Michael Moesgaard
Jan Juul
Thorsten Köhler

Executive Leadership

Emre Gürsoy, CEO
Claus Boysen, CFO

Date of establishment

2 December 1999

Financial year

1 January - 31 December

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
CVR no. 33963556