

Announcement no. 8 2023

Agillic announces Q1 2023 results with 22% growth in Total ARR, 17% growth in Revenue and improved EBITDA of DKK 1.7 million compared to Q1 2022

Copenhagen – 4 May 2023 – Agillic A/S (Nasdaq First North Growth Market Denmark: AGILC) releases its financial results for Q1 2023. Total ARR of DKK 71.5 million (up 22% YoY), Total Revenue of DKK 16.3 million (up 17% YoY) and EBITDA of DKK 0.0 million in Q1.

Emre Gürsoy, CEO of Agillic comments

“We continued to see the positive effects of our strategy in Q1 2023, resulting in an EBITDA improvement of DKK 1.7 million vs. Q1 2022. Our financial strategic goal of being cash EBITDA positive in 2024 is supported by our delivered positive cash flow from operations of DKK 1.2 million in Q1 vs DKK -8.3 million in Q1 2022. Total ARR increased 22% YoY and ARR from transactions continued to stay strong with 68% growth vs Q1 2022.

Our Total Revenue increased 17% YoY and despite increasing cost prices, the gross profit margin increased to 80% from 79% in Q1 2022 and from 74% in Q4 2022.

We proudly welcomed our new largest shareholder, Viking Venture that acquired 20.48% of the shares in Agillic in March, equivalent to 2,265,975 shares. The shares acquired were a combination of existing shares acquired from six existing shareholders and issuing of new shares. Agillic issued 801,058 new shares of DKK 0.1 each at a market price per share of DKK 28.08 equivalent to aggregate gross proceeds of DKK 22,493,709. The net proceeds increased Agillic’s equity and cash at bank.

I am pleased to see the dedication and huge efforts delivered by our employees, which has contributed to our strong platform and continued growth. Going forward, we will continue to invest in our platform while focusing on international business growth via strong partnerships.

Our main strategic financial goals remain double-digit percentage growth in ARR subscriptions, positive cash flow from operations, a positive EBITDA as well as cash-EBITDA positive in 2024.”

Key figures and ratios

	2023	2022		2023	2022	
DKK million	YTD	YTD	Change	Q1	Q1	Change
INCOME STATEMENT						
Revenue subscriptions	13.1	11.1	18%	13.1	11.1	18%
Revenue transactions	3.2	2.6	25%	3.2	2.6	25%
Other revenue	0.0	0.3	-100%	0.0	0.3	-100%
Total revenue	16.3	14.0	17%	16.3	14.0	17%
Gross profit	13.0	11.0	18%	13.0	11.0	18%
Gross margin	80%	79%	-	80%	79%	-
Employee costs	-7.4	-6.5	-14%	-7.4	-6.5	-14%
Operational costs	-5.6	-6.2	10%	-5.6	-6.2	10%
EBITDA	0.0	-1.7	-	0.0	-1.7	-
Net profit	-2.9	-4.7	38%	-2.9	-4.7	38%
FINANCIAL POSITION						
Cash ¹	26.9	7.5	257%	26.9	7.5	257%
ARR DEVELOPMENT						
ARR subscriptions	54.2	48.5	12%	54.2	48.5	12%
ARR transactions	17.3	10.3	68%	17.3	10.3	68%
Total ARR ²	71.5	58.8	22%	71.5	58.8	22%
Change in ARR (DKK)	12.7	3.1		-5.2	3.1	
Change in ARR (%)	22%	6%		22%	6%	

1. Cash is defined as available funds less bank overdraft withdrawals.

2. ARR Annual Recurring Revenue is defined as the annualised value of subscription agreements and transactions at the end of the actual reporting period.

Financial guidance 2023

In 2023, revenue is expected to grow to DKK 79-83 million, which is equivalent to 18-24% growth, while Total ARR is expected to grow 16-23%, supported by growth in ARR from subscriptions.

Guidance as announced 23 February 2023:

DKK million	2023
Revenue	79 – 83
EBITDA	1 – 4
ARR Subscriptions	66 - 70
ARR Transactions	23 – 25
Total ARR	89 - 95

Strategy going forward

We will continue to execute our Reboot 2.1 strategy and have added ‘Positive cash-adjusted EBITDA’ by 2024 as an additional financial goal.

Agillic continues its focus on internationalisation through a two-pronged go-to-market model, and cooperation with best-of-breed technology partners and global solution partners. Apart from Denmark, markets of particular interest are the DACH region, Norway, Sweden. Our target clients are digitally mature and data-driven B2C-businesses in industries such as retail, finance, travel & leisure, NGO and charities, and subscription businesses in e.g. entertainment & gaming, energy and utilities, media & publishing, and technology, software & cloud.

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Disclaimer

The forward-looking statements regarding Agillic's future financial situation involve factors of uncertainty and risk, which could cause actual developments to deviate from the expectations indicated. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the presented outlook. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect. Please also refer to the overview of risk factors in the 'risk management' section of the annual report.

About Agillic A/S

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. Agillic is headquartered in Copenhagen, Denmark, with sales and R&D teams in Berlin, Malmö, Oslo, Cluj-Napoca and Kyiv.

For further information, please visit www.agillic.com

Agillic A/S (publ) (Nasdaq First North Growth Market Denmark: AGILC) is obligated to publish the above information in compliance with the EU Market Abuse Regulation Article 17.

The information was published via agent by Agillic A/S on 4 May 2023.

Appendix: Financial development per quarter

DKK million	2023	2022				2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT									
Revenue subscriptions	13.1	13.4	13.1	12.2	11.1	10.8	11.0	11.9	11.3
Revenue transactions	3.2	6.0	4.8	3.3	2.6	2.7	1.8	1.2	1.0
Other revenue	0.0	0.0	0.0	0.1	0.3	0.3	0.3	0.2	0.3
Total revenue	16.3	19.4	17.9	15.6	14.0	13.7	13.1	13.3	12.6
Gross profit	13.0	15.5	11.4	11.7	11.0	10.7	11.1	12.1	11.2
Gross margin	80%	80%	64%	75%	79%	78%	85%	91%	89%
Employee costs	-7.4	-8.6	-5.6	-5.9	-6.5	-5.5	-6.2	-6.8	-6.9
Operational costs	-5.6	-5.4	-4.4	-5.8	-6.2	-7.7	-4.5	-3.2	-3.6
EBITDA	0.0	1.5	1.4	0.0	-1.7	-2.5	0.4	2.1	0.7
Net profit	-2.9	-2.0	-1.2	-2.7	-4.7	-4.6	-3.1	-0.5	-2.3
BALANCE SHEET									
Cash	26.9	7.4	1.8	12.6	7.5	20.6	18.6	22.0	23.8
Total assets	75.8	60.3	54.0	58.7	55.4	61.6	65.7	69.5	67.2
Equity	3.4	-15.0	-13.2	-12.0	-9.6	-4.5	1.0	2.9	3.2
Borrowings	25.7	24.3	23.7	26.1	26.4	27.2	28.2	28.6	29.0
CASH FLOW									
Cash flow from operations	1.2	7.3	-4.9	9.0	-8.3	6.0	0.0	1.2	-1.6
Cash flow from investments	-3.3	-3.3	-3.3	-3.7	-3.2	-2.0	-3.8	-2.5	-2.8
Cash flow from financing	21.6	1.6	-2.5	-0.3	-1.6	-2.0	0.4	-0.5	11.7
Net cash flow	19.5	5.6	-10.8	5.0	-13.1	2.0	-3.4	-1.8	7.4
EMPLOYEES & CLIENTS									
Employees end of period	46	48	47	51	47	44	47	49	50
Clients end of period	118	118	111	108	105	97	92	91	86
ARR & SAAS METRICS									
ARR subscriptions	54.2	54.1	50.3	49.6	48.5	45.7	44.0	43.2	42.4
ARR transactions	17.3	22.6	19.6	14.6	10.3	10.0	7.3	4.8	4.2
Total ARR ²	71.5	76.7	69.9	64.2	58.8	55.7	51.3	48.0	46.6
Change in ARR (DKK)	-5.2	6.8	5.7	5.4	3.1	4.4	3.3	1.4	0.1
Average ARR ³	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Yearly CAC ⁴		0.1				0.3			
Months to recover CAC ⁵		3.1				7.8			

1. Cash is defined as available funds less bank overdraft withdrawals.

2. ARR, i.e., the annualised value of subscription agreements and transactions at the end of the actual reporting period.

3. Average ARR, i.e. the average Total ARR per client.

4. Customer Acquisition Costs (CAC), i.e., the sales and marketing cost (inclusive salaries, commissions, direct and share of costs of office) divided by the number of new clients. CAC is calculated end of year.

5. Months to recover CAC, i.e., the period in months it takes to generate sufficient gross profit from a client to cover the acquisition cost.