



Announcement no. 7 2019

H1 report 2019

Agillic presents H1 2019 report: ARR grew with 50% and new initiatives to further accelerate the business are disclosed

Copenhagen – 14 August 2019 – Agillic A/S (Nasdaq First North Copenhagen: AGILC) increased its Annual Recurring Revenue (ARR) with 50% at the end of H1 2019 compared to the end of H1 2018. The Company continued executing the internationalisation strategy and expands into DACH. The Company has launched new strategic initiatives, such as developing a solution tapping into the Google ecosystem and moving to Amazon Web Services (AWS) to fortify its offering and market position.

Jesper Valentin, CEO of Agillic comments:

“H1 2019 is characterised by strong performance and steady growth. Annual Recurring Revenue (ARR) continued growing with approximately 50%. Our growth strategy is paying off, and our market penetration is consistently increasing. We have launched a series of initiatives to accelerate the continued expansion of Agillic's business, one of them being a solution tapping into the Google ecosystem. This will enable our clients to work with first-party data and Google ads directly from the Agillic Customer Marketing Platform. Finally, we have signed with the first US-based agency partner.”

Performance highlights

DKK million	2019 H1	2018 H1	Change	2019 Q2	2018 Q2	Change
Income statement						
Total revenue	27.0	17.7	53%	14.3	9.5	50%
Gross profit	20.8	12.6	65%	11.1	7.2	53%
Gross profit margin	77%	71%	-	78%	76%	-
EBITDA	-8.3	-9.4	-12%	-4.8	-4.0	21%
Net profit	-14.5	-13.3	8%	-8.6	-6.1	41%
Financial position						
Cash	1.0	24.1	-96%	1.0	24.1	-96%
Cash (adjusted) ¹	10.5	29.2	-64%	10.5	29.2	-64%



Software as a Service (SaaS)

Annual Recurring Revenue (ARR) ²	58.2	38.8	50%	58.2	38.8	50%
Net increase/decrease in ARR	8.1	5.5	46%	5.1	3.7	38%

¹ Cash inclusive trade receivables (DKK 11.2 million), trade payables (DKK 4.7 million) and unutilised credit facilities (DKK 3.0 million)

² Annual Recurring Revenue (ARR), i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period

About Annual Recurring Revenue (ARR)

Annual Recurring Revenue (ARR) will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, the ARR will decrease when subscriptions are churned, i.e. not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceeds the value of the agreements churned, ARR will increase and the revenue generated year after year will increase. Please refer to Appendix 1 for a brief general description of Annual Recurring Revenue. For a more comprehensive exposition of Agillic's Annual Recurring Revenue (ARR), please refer to Agillic Annual report 2018, which can be found at agillic.com/investor.

Financial highlights for H1 2019

- Revenue in H1 2019 was DKK 27.0 million, an increase of 53% compared to H1 2018. Revenue in Q2 2019 amounted to DKK 14.3 million, corresponding to an increase of 50% compared to the same period in 2018
- Gross profit in H1 2019 amounted to DKK 20.8 million compared to DKK 12.6 million in H1 2018, an increase of 65%. Gross profit in Q2 2019 amounted to DKK 11.1 million, corresponding to an increase of 53% compared to the same period in 2018
- EBITDA amounted to DKK -8.3 million in H1 2019 compared to DDK -9.4 million in H1 2018; EBITDA in Q2 2019 amounted to DKK -4.8 million compared to DKK -4.0 in the same period in 2018
- Annual Recurring Revenue (ARR) as of 30 June was 2019 DKK 58.2 million compared to DKK 38,8 million 30 June 2018, an increase of 50%
- Cash position was DKK 1.0 million 30 June 2019. Cash position, including undrawn lines of credit, trade receivables and trade payables amounted to DKK 10.5 million 30 June 2019
- Agillic has raised DKK 8 million in debt to fund strategic initiatives and develop the Agillic Customer Marketing Platform further. In August, a loan of additional DKK 5 million has been granted, increasing the total new debt facility to DKK 13 million
- Expectations for the full-year 2019 regarding revenues and Annual Recurring Revenue (ARR) remains unchanged. However, as a consequence of the acquisition on 10 May 2019 of the outstanding shares (40%) in Armstrong One ApS not already owned by Agillic, and the transfer of relevant activities to Agillic, the original expected EBITDA for 2019 (expected at the time of the announcement of Agillic's full-year results for 2018) of DKK -7 million to -15 million has been adjusted to DKK -12 million to -20 million.



Operational highlights H1 2019

- A series of new clients, including PARKEN Sport & Entertainment (DK), SEAS-NVE (DK), and Egmont publishing AB (SE) signed new agreements with Agillic
- New Danish partnerships formed with among others Ackermann Kommunikation, Media Trader (GroupM), and Immeo
- New international partnerships formed with among others Sage Marketing Advisors Inc. New York (USA), Data Style (Lithuania), and OnModus, Agillic's first partner in DACH & Benelux
- Acquisition of outstanding shares (40%) in Armstrong One ApS.

Please find Agillic's H1 2019 report [here](#)

Webcast

Agillic is hosting a webcast on 14 August at 2.00 pm CEST, where CEO Jesper Valentin and CFO Christian Tange will present the results for H1 2019 and answer questions. Please register for the webcast [here](#).

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About Agillic A/S

Agillic is a Danish software company enabling marketers to maximise the use of data and translate it into relevant and personalised communication establishing strong relations between people and brands. Our customer marketing platform uses AI to enhance the business value of customer communication. By combining data-driven customer insights with the ability to execute personalised communication, we provide our clients a head start in the battle of winning markets and customers. We do that for clients such as Banco Santander, Egmont Publishing, Matas, and Storytel.

Besides the company headquarter in Copenhagen, Agillic has sales offices in London (UK) and Stockholm (Sweden), as well as a development unit in Kiev (Ukraine). For further information, please visit www.agillic.com

Agillic A/S (publ) (Nasdaq First North Copenhagen: AGILC) is obligated to publish the above information in compliance with the EU Market Abuse Regulation. The information was published via agent by Agillic A/S on 14 August 2019.



Appendix 1

One of the key metrics for a SaaS company such as Agillic is the annual recurring revenue as it expresses the recurring value of the company's subscriptions.

Annual Recurring Revenue (ARR) is one of the key figures and value drivers when looking at the performance of a Software as a Service (SaaS) company such as Agillic, because it is the foundation for evaluating the potential recurring revenue a SaaS company can generate over time.

Equity analysts often apply a multiple to ARR in order to estimate a value of stock exchange listed SaaS companies.

A SaaS company is defined as a company that delivers access to a centrally hosted software model on subscription.

In general, ARR expresses the revenue from subscriptions the SaaS company can generate in a 12 months period from its portfolio of current client agreements. ARR is important because it expresses the recurring value of the company's subscriptions, and as long as these subscriptions are not churned, they will continue to generate revenue year after year.

This also means that if the SaaS company's ARR is increasing, the revenue that will be generated year after year is increasing.

ARR will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, ARR will decrease when subscriptions are churned, i.e. not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceed the value of the agreements churned, ARR will increase and the revenue generated year after year will increase.

As long as the SaaS company can continue to increase its ARR there is – in theory – no limit for the accumulated future revenue. That said, all agreements are expected to churn at some point of time but as long as the value increase exceeds the value of churned agreements total ARR will increase.