



Announcement no. 2 2019

Agillic presents strong Q4 2018 results and releases its first annual report delivering on the projected guidance and affirming strategy

Copenhagen – 28 February 2019 – Agillic A/S (Nasdaq First North Copenhagen: AGILC) publishes its Q4 2018 results and annual report 2018. Results demonstrate a viable scale-up and internationalisation strategy: Annual Recurring Revenue (ARR) was up by 51% compared to 2017 and amounted to DKK 50.1 million. Revenue amounted to DKK 39 million, an increase of 51% and in line with strategy. EBITDA was DKK -19.1 million due to continual investment in growth. As part of the internationalisation strategy, the company has changed its accounting principles to IFRS.

Jesper Valentin, CEO of Agillic, comments:

“2018 was a solid year for Agillic and we are pleased with both the company’s financial results and operational performance. We achieved an Annual Recurring Revenue (ARR) of DKK 50 million, an increase of 51%. We continued to attract new clients across industries, we strengthened our foothold in UK, and with the establishment of a sales office in Stockholm, we intensified our presence in Sweden. Our negative EBITDA is in line with expectations and according to strategy. We continue to pursue and invest in growth, and as long as our revenue and Annual Recurring Revenue (ARR) is growing as forecasted, we are satisfied.”

DKK million	2018 Q4	2017 Q4	Change (%)	2018 FY	2017 FY	Change (%)
Income Statement						
Total revenue	12.2	7.1	72%	39.0	25.8	51%
Gross profit	9.7	6.0	62%	29.4	22.1	33%
Gross profit margin	79%	84%	-	75%	86%	-
Operational costs	15.9	6.3	152%	48.5	22.2	118%
EBITDA	(6.3)	(0.3)	-	(19.1)	(0.1)	-
Operating profit (EBIT)	(7.5)	(1.0)	650%	(23.3)	(2.1)	1010%
Profit before tax	(8.9)	(3.9)	128%	(28.0)	(5.9)	375%
Net profit	(6.7)	(3.2)	109%	(25.8)	(5.2)	396%
Financial position						
Cash	12.3	0.0	-	12.3	0.0	-
Current assets	26.0	17.4	49%	26.0	17.4	49%
Total assets	47.4	31.4	51%	47.4	31.4	51%
Equity	3.5	(6.4)	-	3.5	(6.4)	-
Deferred income	21.3	15.8	34%	21.3	15.8	34%
Debt to credit institutes	11.3	16.1	(30%)	11.3	16.1	(30%)
Trade payables	3.1	1.4	121%	3.1	1.4	121%
Software as a Service (SaaS)						
Annual Recurring revenue (ARR) ¹	50.1	33.2	51%	50.1	33.2	51%
Net increase/decrease in ARR	8.3	9.5	(12%)	16.9	12.4	36%

¹ Annual Recurring Revenue (ARR), i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period.



Financial result for Q4 2018

- Total revenue in Q4 2018 amounted to DKK 12.2 million compared to DKK 7.1 million in Q4 2017, an increase of 72%
- Gross profit in Q4 2018 amounted to DKK 9.7 million compared to DKK 6.0 million in Q4 2017, an increase of 62%
- Gross profit margin in Q4 2018 was 79% compared to 84% in Q4 2017
- EBITDA amounted to DKK -6.3 million in Q4 2018 compared to -0.3 million in Q4 2017
- Annual Recurring Revenue (ARR) for Q4 2018 was DKK 50.1 million, compared to DKK 33.2 million in Q4 2017, an increase of 51%
- Net increase in ARR for Q4 2018, amounted to DKK 8.3 million compared to DKK 9.5 million in Q4 2017, a decrease of 12%

Operational highlights Q4 2018

- New strategic partnerships were formed with One Marketing (DK) and Ratio (UK)
- 10 new clients were acquired across industries

Financial result for the full year 2018

- Revenue was DKK 39 million, an increase of 51% compared to 2017
- Gross profit amounted to DKK 29.4 million, an increase of 33% compared to 2017
- Gross profit margin was 75% in 2018 compared to 86% in 2017
- Operational cost increased by 118% from DKK 22.1 million in 2017 to DKK 48.5 million in 2018
- EBITDA amounted to DKK -19.1 million compared to DKK -0.1 million in 2017. Agillic's original EBITDA guidance for 2018, as of 22 March 2018, amounted to DKK -5 million to -10 million. If reported EBITDA for 2018 had been accounted for using previous accounting principles (Danish GAAP), EBITDA would have been within the original company guidance
- Annual Recurring Revenue (ARR) in 2018 amounted to DKK 50.1 million, an increase of 51% compared to 2017

Operational highlights 2018

- Establishment of UK Office in London
- We attracted a significant number of new clients across industries, and especially in UK this happened sooner than expected
- The organisation was fortified with new colleagues throughout 2018 and a total of 29 new employees were onboarded. In particular R&D and the sales teams in Denmark, Sweden and UK were reinforced. In UK, Mike Weston joined as Managing Director for our UK Sales office. Thomas G. Andersen joined as Chief Commercial Officer, and Kim Elsass joined as Head of Global Partner Programme. In Sweden, Jonas Luthander accepted the position as Country Manager as of 1 January 2019. All of them contributing with years of experience and valuable expertise

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- We formed strategic partnerships in Denmark as well as internationally
 - We continued the technological development of our Customer Marketing Platform introducing, among other things, cloud 2.0 services to improve time to market and scalability. We also introduced a full integration to paid media, and our AI offering was continually enhanced to ensure our technological leadership
 - The company's accounting principles changed to IFRS (International Financial Reporting Standards), and Deloitte was elected as new auditor at the extraordinary general assembly in December 2018

Outlook 2019

- Based on Agillic's performance in 2018 and the current attractive market trends, we expect an Annual Recurring Revenue (ARR) in 2019 of DKK 70-78 million, which equals an increase of 40-56% compared to 2018
- Revenue is expected to amount to DKK 52- 60 million, corresponding to an increase of 33-54%
- In line with strategy, we continue to invest profits in growth, and as a result, we expect a negative EBITDA of DKK -7 to -15 million.

Affirmation of strategy and long-term targets

Since the Initial Public Offering (IPO) in March 2018, Agillic has pursued growth and internationalisation. Markets of particular interest continue to be UK, Norway, Sweden, Benelux and DACH.

Agillic went through a comprehensive strategy process with Deloitte Monitor to consolidate position and strategy as we speed up our entry in international markets. As part of the internationalisation strategy Agillic will continue to form partnerships with agencies in the mentioned regions.

The company affirms the financial target of an Annual Recurring Revenue (ARR) by 2020 of at least DKK 100 million, and to deliver a positive EBITDA in 2020.

Please find Agillic's annual report 2018 [here](#)

Webcast

Agillic is hosting a webcast 28 February 2019 at 3.00 pm (CET), where CEO Jesper Valentin and CFO Christian Tange will present the result for Q4 2018, full year 2018 and outlook for 2019 as well as answer questions.

Register for the webcast [here](#)

Financial calendar 2019

Annual Report 2018: 28 February 2019

Annual General Meeting: 28 March 2019

Quarterly Report 1st quarter 2019: 2 May 2019

Half-year Report 2019: 14 August 2019

Quarterly Report 3rd quarter 2019: 30 October 2019



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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 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, Vita, and Storytel.

Besides the company's 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 28 February 2019.