

Announcement no. 1-2024

Contain insider information

Agillic announces 2023 results with 7% growth in ARR from subscriptions, 71% increase in EBITDA, and publishes guidance for 2024

Copenhagen – 22 February 2024 – Agillic A/S (Nasdaq First North Growth Market Denmark: AGILC) releases financial results for 2023 and guidance for 2024

Emre Gürsoy, CEO of Agillic comments on the developments in 2023:

“Given the current macroeconomic context, I am pleased that we have shown our ability to adapt to rapidly changing market conditions and increased our EBITDA to DKK 1.9 million. The total ARR decreased to DKK 70.1 million due to a decrease in ARR from transactions. Our clients, especially in certain segments, have been directly impacted by the turbulent conditions, geopolitical conflicts, inflation, and fluctuating interest rates, causing a 46% YoY decline in our ARR from transactions. Even so, we have achieved our target of delivering an increased EBITDA for the 4th consecutive year.

Agillic’s scalable and international go-to-market strategy successfully allows investment in both technology and commercial initiatives for short- and long-term impact.

In 2024, we will continue our strategy of investing in sustainable growth with an increased focus on international markets. We expect 2024 to continue to be affected by geopolitical uncertainties, but we also expect our future clients to truly recognise the pain points we address in their business through Agillic's customer experience platform, delivering top and bottom-line growth. The business solutions we deliver are similar across borders. This supports our belief that we are poised for future international growth with a best-of-breed, ready-to-integrate technology product.”

Key figures and ratios

	2023	2022		2023	2022	
DKK million	YTD	YTD	Change ⁵	Q4	Q4	Change ⁵
INCOME STATEMENT						
Revenue subscriptions	52.4	49.9	5%	12.2	13.4	-9%
Revenue transactions	12.0	16.7	-28%	2.9	6.0	-52%
Other revenue	0.3	0.4		0.3	0.0	
Total revenue	64.7	67.0	-3%	15.4	19.4	-21%
Gross profit	52.2	49.6	5%	12.6	15.5	-19%
Gross margin	81%	74%		82%	80%	
Other operating income ⁴	0.6	0.3		0.6	0.3	
Employee costs ⁴	-36.8	-32.5	13%	-13.3	-8.6	45%
Operational costs ⁴	-14.1	-16.3	-14%	-1.5	-5.5	-70%
EBITDA	1.9	1.1	71%	-1.6	1.5	n/a
Net profit ³	-27.5	-10.6		-22.4	-2.0	n/a
FINANCIAL POSITION						
Cash ¹	9.8	7.4	33%	9.8	7.4	33%
Cash flow from operating activities	-6.5	3.1		-1.8	7.3	
ARR DEVELOPMENT						
ARR subscriptions	57.8	54.1	7%	57.8	54.1	7%
ARR transactions	12.3	22.6	-46%	12.3	22.6	-46%
Total ARR ²	70.1	76.7	-9%	70.1	76.7	-9%
Change in ARR (DKK)	-6.6	21.0		-6.6	21.0	
Change in ARR (%)	-9%	38%		-9%	38%	

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

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

3. Net profit in 2023 is negatively impacted by a provision for tax and interest of DKK 14.3 million related to a change in practice by the Danish Tax Authorities on how they assess and interpret the Tax Credit Scheme and uncertainty related to the outcome of an appeal related to tax credits in 2019.

4. Costs for 2022 have been reclassified between other operating income, employee costs and operational costs. The total is unchanged.

5. Percentage change has been calculated based on numbers in thousands as presented in the annual report

Financial guidance 2024

In 2024, revenue is expected to amount to DKK 62-66 million (2023: DKK 64.7 million), and EBITDA is expected to remain positive between DKK 0-2 million (2023: DKK 1.9 million).

DKK million	2024	2023
Revenue	62 to 66	64.7
EBITDA	0 to 2	1.9
ARR Subscriptions	56 to 60	57.8
ARR Transactions	10 to 14	12.3
Total ARR	66 to 74	70.1

The general market conditions are leading to an increase in both business and technology consolidations. This may lead to a reduction in ARR which we have reserved for in the 2024 guidance. We have in 2023 also seen a significant reduction in ARR from transactions in certain segments mainly related to geopolitical factors.

Due to the change in assessment and interpretation of Tax Credit from the Danish Tax Authorities, the risk of a repayment of the tax credit received for 2019 and 2020 plus interest has increased. As of 31 December 2023, the total potential liability equals DKK 8.3 million. This may impact cash, and thereby the timing of investment in growth in 2024.

Strategy going forward

We will continue to execute our Reboot 2.1 with increased focus on internationalisation and profitability through sustainable growth and operational excellence.

Agillic has 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 and gaming, energy and utilities, media and publishing, and technology and software.

Annual Report 2023

The full Annual Report 2023 is attached to this press release and can be found on our website here: <https://agillic.com/investor/financial-reports/>

ESG Report 2023

We have published our second ESG report covering the year 2023. The report is available here: <https://agillic.com/esg/>

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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 teams in Germany, Norway, and Romania. 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 22 February 2024.

Appendix: Financial development per quarter

DKK million	2023				2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT												
Revenue subscriptions	12.2	13.6	13.5	13.1	13.5	13.1	12.2	11.1	10.8	11.0	11.9	11.3
Revenue transactions	2.9	3.0	2.9	3.2	6.0	4.8	3.3	2.6	2.7	1.8	1.2	1.0
Other revenue	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.3	0.3	0.2	0.3
Total revenue	15.4	16.6	16.4	16.3	19.5	17.9	15.6	14.0	13.8	13.1	13.3	12.6
Gross profit	12.6	13.4	13.2	13.0	15.5	11.4	11.7	11.0	10.7	11.1	12.1	11.2
Gross margin	82%	81%	80%	80%	80%	67%	75%	78%	78%	85%	91%	89%
EBITDA	-1.6	2.5	1.0	0.0	1.5	1.4	0.0	-1.8	-2.6	0.4	2.2	0.7
Net profit	-22.4	-0.4	-1.8	-2.9	-2.0	-1.2	-2.7	-4.7	-4.6	-3.1	-0.5	-2.3
BALANCE SHEET												
Cash	9.8	11.5	18.3	26.9	7.4	1.8	12.6	7.5	20.6	18.6	22.0	23.8
Total assets	47.1	64.9	69.0	75.8	52.8	54.0	58.7	55.4	61.6	65.7	69.5	67.2
Equity	-20.2	1.5	1.8	3.4	-15.0	-13.2	-12.0	-9.6	-4.5	1.0	2.9	3.2
Borrowings	23.7	23.0	24.2	25.7	24.3	23.7	26.1	26.4	27.2	28.2	28.6	29.0
CASH FLOW												
Cash flow from operating activities	-1.8	-2.8	-3.1	1.2	7.3	-4.9	9.0	-8.3	6.1	0.0	1.2	-1.6
Cash flow from investments	1.2	-3.1	-6.5	-3.3	-3.3	-3.3	-3.7	-3.2	-2.0	-3.8	-2.5	-2.8
Cash flow from financing	2.2	-0.8	-2.3	21.6	1.6	-2.5	-0.3	-1.6	-2.0	0.4	-0.5	11.8
Net cash flow	1.6	-6.7	-11.9	19.5	5.6	-10.7	5.0	-13.1	2.1	-3.4	-1.8	7.4
EMPLOYEES & CLIENTS												
Employees end of period	50	50	50	50	48	47	51	47	44	47	49	50
Clients end of period	122	120	120	118	118	111	108	105	97	92	91	86
ARR & SAAS METRICS												
ARR subscriptions	57.8	56.8	54.9	54.2	54.1	50.3	49.6	48.5	45.7	44.0	43.2	42.4
ARR transactions	12.3	12.1	11.5	17.3	22.6	19.6	14.6	10.3	10.0	7.3	4.8	4.2
Total ARR ²	70.1	68.9	66.4	71.5	76.6	69.9	64.2	58.8	55.7	51.3	48.0	46.6
Change in ARR (DKK)	1.2	2.5	-5.1	-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	0.6	0.6	0.6	0.5	0.5
Yearly CAC ⁴	0.2				0.1				0.3			
Months to recover CAC ⁵	6				3				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.