

Announcement no. 8 2021

Annual report 2020: Agillic achieves a positive EBITDA for the first time since the IPO. Time to recover Customer Acquisition Costs down from 18 to 12 months.

Copenhagen – 26 February 2021 - Agillic A/S (Nasdaq First North Growth Market Denmark: AGILC) publishes its Q4 results and annual report 2020. In 2020, revenue from subscriptions, gross profit and number of clients were at an all-time high. For the first time since the IPO in 2018, EBITDA in 2020 was positive and amounted to DKK 0.3 million. In Q4 2020, the annual recurring revenue (ARR) increased by DKK 2.4 million compared to Q3 2020.

Emre Gürsoy, CEO of Agillic comments:

“In 2020, revenue amounted to DKK 50.5 million and total annual recurring revenue (ARR) to DKK 46.5 million. While it has been a year of challenges, our new strategy has already shown results. We completed a financial turnaround, resulting in a positive EBITDA for 2020 as a consequence of a DKK 15.7 million EBITDA improvement. I am pleased to see that our ARR in Q4 increased by DKK 2.4 million due to a combination of winning new clients and uplifting existing clients. With the capital raises in 2020 and January 2021, we have a strong foundation to pursue our strategic growth and internationalisation plans. Our three main financial goals towards 2023 remain: Double-digit percentage growth rate in ARR subscriptions, positive cash flow from operations, and a positive EBITDA.”

Performance highlights

DKK million	2020 FY	2019 FY	Change	2020 Q4	2019 Q4	Change
INCOME STATEMENT						
Revenue subscriptions	43.9	41.2	7%	10.5	10.8	-3%
Revenue transactions	5.5	11.2	-51%	1.4	2.4	-42%
Other revenue	1.1	1.4	-21%	0.4	0.5	-20%
Total revenue	50.5	53.8	-6%	12.4	13.7	-9%
Gross profit	44.2	41.7	6%	10.7	10.8	-1%
Gross margin	88%	78%	-	87%	79%	-
Employee costs	-29.8	-35.8	17%	-6.3	-9.0	30%
Operational costs	-14.1	-21.3	34%	-3.9	-6.1	36%
EBITDA	0.3	-15.4		0.5	-4.3	
Net profit for the year	-8.0	-25.1	68%	-1.4	-6.5	78%
FINANCIAL POSITION						
Cash ¹	16.3	-4.0		16.3	-4.0	
ARR DEVELOPMENT						
ARR subscriptions	40.7	45.5	-11%	40.7	45.5	-11%
ARR transactions	5.8	9.6	-40%	5.8	9.6	-40%
Total ARR ²	46.5	55.1	-16%	46.5	55.1	-16%
Change in ARR (DKK)	-8.6	5.0	-	2.4	3.4	-
Change in ARR (%)	-16%	10%	-	5%	7%	-

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

Highlights Q4 2020

- In Q4, Agillic successfully renewed and uplifted its two largest clients as well as other strategically important clients. Seven new client contracts across several industries were signed, in Denmark and internationally. As of 31 December 2020, Agillic had 82 clients, which is an all-time high.
- ARR increased by DKK 2.4 million in Q4 compared to Q3 2020 (+5%). The net uplifts and new clients increased the subscription part of ARR from DKK 40.1 in Q3 to 40.7 million in Q4. The transaction part of ARR was higher than Q3 due to the seasonality of Black Week and Christmas. This year, Agillic's Customer Marketing Platform again delivered a high performance to all clients during Q4.
- The Company moved to new facilities.

Financial Highlights FY 2020

- Total revenue amounted to DKK 50.5 million compared to 53.8 million (-6%) in 2019. However, revenue from subscriptions increased by 7% to DKK 43.9 million, which was an all-time high.
- Gross profit was at an all-time high, with DKK 44.2 million for the year (+6%).
- EBITDA amounted to DKK 0.3 million, an improvement of DKK 15.7 million compared to year-end 2019. The positive development resulted from an improved gross profit of DKK 2.5 million and reduced operational costs of DKK 13.2 million. It is the first time since the IPO in 2018 that the Company can present a positive EBITDA.
- Time to recover CAC declined from 18 months to 12 months
- As of 31 December 2020, ARR amounted to DKK 46.5 million.
- As of 31 December 2020, cash at bank amounted to DKK 16.3 million.

Comments on ARR development

- As of 31 December 2020, ARR amounted to DKK 46.5 million, compared to DKK 55.1 million as of 31 December 2019, a decrease of DKK 8.6 million (-16%), which was mainly driven by COVID-19 and its negative impact on the retail and travel & leisure segments.
- The transactional part of ARR was also lower in Q4 2020 than Q4 2019 due to the impact of COVID-19, especially on the above-mentioned segments.
- Although Agillic won 20 new clients in 2020, the subscription part of the ARR decreased. Following the business impact of COVID-19, some clients downgraded, and some clients churned. Seeking to offset the negative effect of COVID-19, Agillic focused on adjusting the subscription fees in exchange for an increase in the clients' subscription period commitment.

Financial guidance 2021 & 2022

The Company published its financial guidance on 19 January 2021

DKK million	2021	2022
Revenue	49 - 53	57 - 63
EBITDA	-5 to -1	-3 to +3
ARR subscriptions	45 - 49	
ARR transactions	5 - 7	
Total ARR*	50 - 56	65 - 70
Growth rate in total ARR		30-40%

*) The growth rate in ARR subscriptions is expected to be higher than in ARR transactions.

Strategy toward 2023

Since the Initial Public Offering (IPO) in March 2018, Agillic has pursued growth and internationalisation. Apart from the domestic market, markets of particular interest are the DACH region, North America, Norway, Sweden, the UK, and, as of 2021, Central and Eastern Europe. Together with Agillic's strategic partners across geographies, the Company continues to target digitally mature and data-driven B2C-businesses with a substantial customer base within the following sectors: retail, finance, travel & leisure, NGO & charities and subscription businesses.

Please find Agillic's annual report 2020 here:

[Agillic annual report 2020](#)

Financial calendar 2021

Annual general meeting: 30 March 2021

Financial results 1st quarter 2021: 4 May 2021

Half-year report 2021: 26 August 2021

Financial results 3rd quarter 2021: 22 October 2021

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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, thereby 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 with a head start in the battle of winning markets and customers.

Besides the Company's headquarters in Copenhagen, Denmark, Agillic has sales offices in London (UK) and Stockholm (Sweden), as well as a development unit in Kyiv (Ukraine). 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. The information was published via agent by Agillic A/S on 26 February 2021.

Appendix: Financial development per quarter

DKK million	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME STATEMENT												
Revenue subscriptions	5.9	6.3	6.6	8.7	9.3	10.5	10.6	10.8	12.0	10.8	10.5	10.5
Revenue transactions	1.9	2.2	2.0	2.6	3.1	3.4	2.2	2.4	2.2	0.8	1.0	1.4
Other revenue	0.4	1.0	0.5	0.8	0.4	0.3	0.2	0.5	0.5	0.1	0.2	0.4
Total revenue	8.2	9.5	9.1	12.2	12.8	14.3	13.0	13.7	14.7	11.8	11.7	12.4
Gross profit	5.3	7.2	7.1	9.7	9.7	11.1	10.1	10.8	11.9	11.1	10.5	10.7
Gross margin	65%	76%	78%	79%	76%	78%	78%	79%	81%	94%	90%	87%
EBITDA	-5.4	-4.0	-3.4	-6.3	-3.5	-4.8	-2.8	-4.3	-0.4	0.6	-0.4	0.5
Net profit for the year	-7.2	-6.1	-5.8	-6.7	-5.9	-8.6	-4.1	-6.5	-2.7	-0.5	-3.4	-1.4
BALANCE SHEET												
Cash ¹	35.1	24.1	15.6	12.3	2.7	1.0	-1.0	-4.0	-6.1	15.2	14.8	16.3
Total assets	60.4	53.9	50.0	47.4	36.1	40.5	40.9	37.7	38.4	59.3	55.7	63.8
Equity	21.4	15.4	9.9	3.5	-2.1	-10.5	-14.3	-20.6	-18.7	-1.4	-4.6	-5.8
Borrowings	13.0	11.6	9.0	11.3	10.5	16.3	21.3	24.4	28.5	28.3	28.9	28.9
EMPLOYEES & CLIENTS												
Employees end of period	33	43	50	56	60	63	67	64	64	61	57	53
Clients end of period	55	59	65	73	73	79	77	81	84	83	79	82
ARR & SAAS METRICS												
ARR subscriptions	27.6	29.5	33.4	39.6	40.7	44.5	43.0	45.5	47.0	43.6	40.1	40.7
ARR transactions	7.4	9.3	8.5	10.5	12.6	13.8	8.7	9.6	8.9	3.3	4.0	5.8
Total ARR ²	35.1	38.8	41.9	50.1	53.3	58.2	51.7	55.1	55.8	46.9	44.1	46.5
Change in ARR (DKK)	1.9	3.7	3.1	8.2	3.2	5.0	-6.5	3.4	0.8	-8.9	-2.8	2.4
Average ARR ³	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6
Yearly CAC ⁴				0.5				0.8				0.5
Months to recover CAC ⁵				11				18				12

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 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. Former CAC numbers have been restated.

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