

Announcement no. 12 2021

Agillic releases Q1 2021 results with continued ARR growth, all-time high number of clients for the second quarter in a row, and a positive EBITDA

Copenhagen – 4 May 2021 - Agillic A/S (Nasdaq First North Growth Market Denmark: AGILC) releases its financial results for Q1 2021. EBITDA was positive with DKK 0.7 million, ARR subscriptions increased with 4.2% compared to Q4 2020, and the number of clients was 86, which is an all-time high. Financial guidance for 2021 remains unchanged.

Emre Gürsoy, CEO of Agillic comments:

“In Q1 2021, revenue amounted to DKK 12.6 million and total annual recurring revenue (ARR) to DKK 46.6 million. Even though revenue and ARR were lower than Q1 last year, I am pleased to see that we are continuing our growth in Q1. This is the second quarter in a row, where revenue and ARR subscriptions grow. In Q1 ARR subscriptions increased by DKK 1.7 million compared to Q4 2020 corresponding to a growth of 4.2%, due to a combination of winning new clients and uplifting existing ones. With the capital raise in January 2021, we have a strong cash position to continue 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.”

Key figures and ratios

	2021	2020		2021	2020	
DKK million	Q1	Q1	Change	Q1	Q4	Change
INCOME STATEMENT						
Revenue subscriptions	11.3	12.0	-6%	11.3	10.5	8%
Revenue transactions	1.0	2.2	-55%	1.0	1.4	-29%
Other revenue	0.3	0.5	-40%	0.3	0.4	-25%
Total revenue	12.6	14.7	-14%	12.6	12.4	2%
Gross profit	11.2	11.9	-6%	11.2	10.7	5%
Gross margin	89%	81%	-	89%	87%	-
Employee costs	-6.9	-9.0	23%	-6.9	-6.3	-10%
Operational costs	-3.5	-3.3	-6%	-3.5	-3.9	10%
EBITDA	0.7	-0.4		0.7	0.5	40%
Net profit for the year	-2.3	-2.7	15%	-2.3	-1.4	-64%
FINANCIAL POSITION						
Cash ¹	23.8	-6.1		23.8	16.3	
ARR DEVELOPMENT						
ARR subscriptions	42.4	47.0	-10%	42.4	40.7	4%
ARR transactions	4.2	8.9	-53%	4.2	5.8	-28%
Total ARR ²	46.6	55.8	-16%	46.6	46.5	0%
Change in ARR (DKK)	-9.2	2.5		0.1	2.4	
Change in ARR (%)	-16%	5%		0%	5%	

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 Q1 2021

- In Q1, Agillic successfully renewed and uplifted many existing clients. Five new client contracts across several industries were signed, in Denmark and internationally. As of 31 March 2021, Agillic had 86 clients, which is an all-time high.

- Revenue declined from DKK 14.7 million in Q1 2020 to 12.6 million in Q1 2021 due to the business impact of Covid-19.
- EBITDA amounted to DKK 0.7 million, an improvement of DKK 1.1 million compared to the same quarter last year. The positive development primarily resulted from reduced employee costs of DKK 2.1 million because of a reduced number of employees.
- As mentioned in CA 8/2021, the successful capital raise of DKK 11.65 million gives the Company a strong foundation to pursue our strategic growth. As of 31 March 2021, cash at bank amounted to DKK 23.8 million.

Comments on ARR development

- ARR subscriptions increased by DKK 1.7 million in Q1 compared to Q4 2020 (+4.2%). The net uplifts and new clients increased the subscription part of ARR from DKK 40.7 in Q4 2020 to 42.4 million in Q1 2021.
- The transaction part of ARR was lower than Q1 2020 as well as Q4 2020 due to seasonality, as Q4 normally is the quarter with the highest revenue from transactions.
- Total ARR increased by DKK 0.1 million in Q1 2021 compared to Q4 2020 (0%).
- Although Agillic won five new clients in Q1 2021, the subscription part of the ARR decreased compared to Q1 2020. As of 31 March 2021, total ARR amounted to DKK 46.6 million, compared to DKK 55.8 million as of 31 March 2020, a decrease of DKK 9.2 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 Q1 2021 than Q1 2020 with DKK 4.7 million, also due to the impact of Covid-19 in the same business segments.

Financial guidance 2021 & 2022

The Company published its financial guidance on 19 January 2021. Based on the Q1 results, Agillic maintains its current financial guidance.

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 towards 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.

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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 4 May 2021.

Appendix: Financial development per quarter

	2018				2019				2020				2021
DKK million	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	11.3
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	1.0
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	0.3
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	12.6
Gross profit	5.3	7.2	7.1	9.8	9.7	11.1	10.1	10.8	11.9	11.1	10.6	10.7	11.2
Gross margin	65%	76%	78%	80%	76%	78%	78%	79%	81%	94%	91%	87%	89%
EBITDA	-5.4	-4.0	-3.4	-6.3	-3.5	-4.8	-2.7	-4.3	-0.4	0.5	-0.4	0.5	0.7
Net profit for the year	-7.2	-6.1	-5.8	-6.7	-5.9	-8.6	-4.0	-6.5	-2.7	-0.5	-3.4	-1.4	-2.3
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	23.8
Total assets	60.4	53.9	50.0	47.4	36.1	40.5	40.9	37.8	38.4	59.3	55.7	63.8	67.2
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	3.2
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	25.8
CASH FLOW													
Cash flow from operations	7.2	-9.6	-6.3	-0.5	-5.9	-3.9	-4.1	-1.0	-4.4	-1.7	1.7	5.0	-1.6
Cash flow from investments	-3.7	-1.6	-1.8	-2.4	-3.1	-3.9	-3.4	-3.2	-3.3	-2.8	-3.2	-7.6	-2.8
Cash flow from financing	33.1	0.1	-0.4	-0.4	-0.6	6.2	5.4	1.2	5.5	25.9	1.0	4.2	11.8
Net cash flow	36.6	-11.1	-8.5	-3.3	-9.6	-1.6	-2.1	-3.0	-2.2	21.4	-0.5	1.6	7.4
EMPLOYEES & CLIENTS													
Employees end of period	33	43	50	56	60	63	67	64	64	61	57	53	50
Clients end of period	55	59	65	73	73	79	77	81	84	83	79	82	86
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	42.4
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	4.2
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	46.6
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	0.1
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	0.5
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.

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.