

Announcement no. 16 2022

## **Agillic announces Q3 2022 results with 36% growth in Total ARR and 19% growth in Revenue, and a positive EBITDA**

Copenhagen – 14 October 2022 – Agillic A/S (Nasdaq First North Growth Market Denmark: AGILC) releases its financial results for Q3 2022. Total ARR of DKK 69.9 million (up 36% YoY), Total Revenue of DKK 46.6 million (up 19% YoY) and positive EBITDA of DKK 1.4 million in Q3. Financial guidance for Total ARR and Total Revenue was raised on 12 October 2022. Guidance for ARR from Subscriptions and EBITDA remain unchanged.

### **Emre Gürsoy, CEO of Agillic comments**

“We continued to see satisfactory growth in Q3 2022, resulting in a strong Total ARR of DKK 69.9 million, equivalent to a 36%-increase YoY. The positive development in ARR from Transactions continued throughout Q3 2022 and increased 169% YoY, whilst ARR from Subscriptions increased 14% YoY. Our focus on internationalisation of our client portfolio has delivered promising results, and 44% of the clients won so far this year were from international markets.

Our Total Revenue increased 19% YoY and despite increasing cost prices, our operational optimisation efforts have resulted in an improved EBITDA of DKK 1.4 million in Q3 2022, which is an increase of DKK 0.8 million compared to Q3 2021.

The Cash position at the end of Q3 2022 was DKK 1.9 million and in line with our expectations. As announced in H1 2022, the repayment of two loans in Q3 2022 of DKK 2.5 million has been completed, and we have continued the planned investments in our platform totalling DKK 3.3 million. Cash flow from operations is negative due to the seasonality of contract renewals, while Q4 2022 will be positive and fully aligned with our Reboot 2.1 strategy of positive cash flow from operation at year end.

Timely focus on adapting to volatile market conditions and continuous customer focus are the two main reasons why we raised our financial guidance for 2022 on 12 October 2022. With our new guidance, we expect to achieve an increase in Total Revenue of 16%-23% relative to our 2021 results, Total ARR is expected to increase 22%- 36%, and EBITDA is expected to be positive between DKK 0 and 3 million.

I am pleased to see the dedication and huge efforts from our employees, which has contributed to the positive developments. Going forward, we remain fully committed to improving our operational performance and investing further in our platform while focusing on international business growth via strong partnerships.

Our three main strategic financial goals for 2023 remain double-digit percentage growth in ARR subscriptions, positive cash flow from operations, and a positive EBITDA.”

## Key figures and ratios

	2022	2021		2022	2021	
DKK million	YTD	YTD	Change	Q3	Q3	Change
<b>INCOME STATEMENT</b>						
Revenue subscriptions	35.5	34.2	4%	12.2	11.0	11%
Revenue transactions	10.7	4.0	169%	4.8	1.8	163%
Other revenue	0.4	0.8	-57%	0.0	0.3	-99%
Total revenue	46.6	39.0	19%	17.0	13.1	30%
Gross profit	34.1	34.4	-1%	11.4	11.1	2%
Gross margin	73%	88%	-	67%	85%	-
Employee costs	-23.2	-23.2	0%	-7.3	-8.0	-9%
Operational costs	-11.2	-8.0	40%	-2.7	-2.8	-1%
<b>EBITDA</b>	<b>-0.3</b>	<b>3.2</b>	<b>-</b>	<b>1.4</b>	<b>0.4</b>	<b>265%</b>
Net profit	-8.6	-5.9	45%	-1.2	-3.1	-60%
<b>FINANCIAL POSITION</b>						
Cash	1.9	18.6	-90%	1.9	18.6	-90%
<b>ARR DEVELOPMENT</b>						
ARR subscriptions	50.3	44.1	14%	50.3	44.1	14%
ARR transactions	19.6	7.3	169%	19.6	7.3	169%
Total ARR1	69.9	51.4	36%	69.9	51.4	36%
Change in ARR (DKK)	18.5	7.3		18.4	7.3	
Change in ARR (%)	36%	13%		36%	13%	

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.

## Financial guidance

Based on the Q3 2022 report and the latest developments, Agillic raised the financial guidance on 12 October 2022 to:

DKK million	2022
Revenue	61 – 65
EBITDA	0 – 3
ARR Subscriptions	56 – 60
ARR Transactions	12 – 16
Total ARR	68 - 76

## Strategy going forward

As formulated in the Reboot 2.1 strategy, Agillic pursues growth by winning and retaining clients, internationalising through a two-pronged go-to-market model, and cooperating with best-of-breed technology partners and global solution partners. Apart from Denmark, markets of particular interest are the DACH region, Norway, Sweden, and North America. 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, for example, entertainment & gaming, energy and utilities, media & publishing, and technology, software & cloud.

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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 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 sales and R&D teams in Berlin, Malmö, Oslo, Cluj-Napoca and Kyiv.

For further information, please visit [www.agillic.com](http://www.agillic.com)

The information was published via agent by Agillic A/S on 14 October 2022.

## Appendix: Financial development per quarter

	2022				2021			2020			
DKK million	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>											
Revenue subscriptions	12.2	12.2	11.1	10.8	11.0	11.9	11.3	10.5	10.5	10.8	12.0
Revenue transactions	4.8	3.3	2.6	2.7	1.8	1.2	1.0	1.4	1.0	0.8	2.2
Other revenue	0.0	0.1	0.3	0.3	0.3	0.2	0.3	0.5	0.2	0.1	0.5
Total revenue	17.0	15.6	14.0	13.8	13.1	13.3	12.6	12.4	11.7	11.7	14.7
Gross profit	11.4	11.7	11.0	10.7	11.1	12.1	11.2	10.7	10.6	11.1	11.9
Gross margin	67%	75%	79%	78%	85%	91%	89%	87%	91%	94%	81%
EBITDA	1.4	0.0	-1.7	-2.6	0.4	2.2	0.7	0.5	-0.4	0.6	-0.4
Net profit	-1.2	-2.7	-4.7	-4.6	-3.1	-0.5	-2.3	-1.4	-3.4	-0.5	-2.7
<b>BALANCE SHEET</b>											
Cash	1.9	12.6	7.5	20.6	18.6	22.0	23.8	16.3	14.8	15.2	-6.1
Total assets	54.0	58.7	55.4	61.6	65.7	69.5	67.2	63.8	55.7	59.3	38.4
Equity	-13.2	-12.0	-9.6	-4.5	1.0	2.9	3.2	-5.8	-4.6	-1.4	-18.7
Borrowings	23.7	26.1	26.4	27.2	28.2	28.6	29.0	28.9	28.9	28.3	28.5
<b>CASH FLOW</b>											
Cash flow from operations	-4.9	9.0	-8.3	6.1	0.0	1.2	-1.6	5.0	1.7	-1.7	-4.4
Cash flow from investments	-3.3	-3.7	-3.2	-2.0	-3.8	-2.5	-2.8	-7.6	-3.2	-2.8	-3.3
Cash flow from financing	-2.5	-0.3	-1.6	-2.0	0.4	-0.5	11.8	4.2	1.0	25.9	5.5
Net cash flow	-10.7	5.0	-13.1	2.1	-3.4	-1.8	7.4	1.6	-0.5	21.4	-2.2
<b>EMPLOYEES &amp; CLIENTS</b>											
Employees end of period	47	51	47	44	47	49	50	53	57	61	64
Clients end of period	111	108	105	97	92	91	86	82	79	83	84
<b>ARR &amp; SAAS METRICS</b>											
ARR subscriptions	50.3	49.6	48.5	45.7	44.0	43.2	42.4	40.7	40.1	43.6	47.0
ARR transactions	19.6	14.6	10.3	10.0	7.3	4.8	4.2	5.8	4.1	3.3	8.9
Total ARR <sup>2</sup>	69.9	64.2	58.8	55.7	51.3	48.0	46.6	46.5	44.2	46.9	55.8
Change in ARR (DKK)	5.7	5.4	3.1	4.4	3.3	1.4	0.1	2.3	-2.7	-8.9	0.8
Average ARR <sup>3</sup>	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.6	0.7
Yearly CAC <sup>4</sup>				0.3				0.5			
Months to recover CAC <sup>5</sup>				8				12			

1. ARR, i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period

