



Announcement no. 6 2019

Interim management statement Q1 2019

Agillic continues to deliver growth: Increase in ARR for Q1 2019 of 52% compared to Q1 2018

Copenhagen – 2 May 2019 – Agillic A/S (Nasdaq First North Copenhagen: AGILC) achieved 52% growth in ARR (Annual Recurring Revenue) at the end of Q1 2019 compared to the end of Q1 2018. The investment in the Sales & Marketing organisation delivered tangible outcomes resulting in an increase in the ARR growth generated from new clients in Q1 2019 compared to Q1 2018. The existing clients continued to expand their use of the Agillic Customer Marketing Platform and the increased quantity of communication executed via Agillic’s Customer Marketing Platform contributed significantly to the ARR growth.

Jesper Valentin, CEO of Agillic comments:

“The increase in ARR of 52% for Q1 2019 is a clear proof of Agillic’s commercial success. Agillic thrives and capitalises on the general market trend towards a higher recognition of the value of personalised and automated communication, but the achievement is also a result of the investment we have made in our sales & marketing organisation. The increase in annual recurring revenue of 52% was a result of both new clients as well as increased activity from existing clients, and the number of transactions executed via the Agillic platform increased with 75% compared to Q1 2018. The results and the quality of our pipeline confirm our strategy. We will proceed on the same course to continually deliver on our promises to the market.”

Key financial figures for Q1 2019

DKK million	2019 Q1	2018 Q1	Change	2019 Q1 YTD	2018 Q1 YTD	Change	2018 FY
Income statement							
Total revenue	12.8	8.2	55%	12.8	8.2	55%	39.0
Gross profit	9.7	5.3	82%	9.7	5.3	82%	29.4
Gross profit margin	76%	65%	-	76%	65%	-	75%
Operational costs	13.2	10.8	22%	13.2	10.8	22%	48.4
EBITDA	-3.5	-5.4	-36%	-3.5	-5.4	-36%	-19.1
Operating profit (EBIT)	-4.8	-6.3	-23%	-4.8	-6.3	-23%	-23.3
Profit before tax	-5.9	-7.2	-19%	-5.9	-7.2	-19%	-28.0
Net profit	-5.9	-7.2	-19%	-5.9	-7.2	-19%	-25.8
Financial position							
Cash	2.7	35.1		2.7	35.1		12.3
Cash (adjusted)*	9.9	38.1		9.9	38.1		22.9



Current assets	12.3	43.5		12.3	43.5		26.0
Total assets	36.1	60.4		36.1	60.4		47.4
Equity	-2.1	21.4		-2.1	21.4		3.5
Deferred income	18.4	17.3		18.4	17.3		21.3
Debt to credit institutions	10.5	12.6		10.5	12.6		11.3
Trade payables	2.5	5.4		2.5	5.4		3.1
Dividends paid	0.0	0.0		0.0	0.0		0.0
Employees							
Average number of full-time employees	54	33	64%	54	33	64%	42
Software as a Service (SaaS)							
Annual Recurring Revenue (ARR)	53.3	35.1	52%	53.3	35.1	52%	50.1
Net increase/decrease in ARR	3.2	1.9	69%	3.2	1.9	69%	16.9
Average Annual Recurring Revenue	0.8	0.7	13%	0.8	0.7	13%	0.7
Customer Acquisition Costs (CAC)	0.9	0.6	42%	0.9	0.6	42%	0.8
Years to recover CAC (years)	1.5	1.5	3%	1.5	1.5	3%	1.5
Earnings per share							
Earnings per share (DKK)	-0.71	-1.00	-	-0.71	-1.00	-	-3.21
Number of shares, weighted average	8,286,900	7,280,808	-	8,286,900	7,280,808	-	8,036,087
Share price (the period's last day of trading)	28.00	34.70	-19%	28.00	34.70	-19%	24.51

*Cash inclusive trade receivables and trade payables

About Annual Recurring Revenue (ARR)

Annual Recurring Revenue (ARR) will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, the ARR will decrease when subscriptions are churned, i.e. not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceeds the value of the agreements churned, ARR will increase and the revenue generated year after year will increase. Please refer to Appendix 1 for a brief general description of Annual Recurring Revenue. For a more comprehensive exposition of Agillic's Annual Recurring Revenue (ARR), please refer to Agillic Annual report 2018, which can be found at agillic.com/investor.

Financial results for Q1 2019

- Total revenue in Q1 2019 was DKK 12.8 million, an increase of 55% compared to Q1 2018
- Gross profit in Q1 2019 amounted to DKK 9,7 million compared to DKK 5.3 million in Q1 2018, an increase of 82%
- Gross profit margin in Q1 2019 was 76% compared to 65% in Q1 2018. The low gross profit margin in Q1 2018 was due to extraordinary costs incurred in Q1 2018.
- EBITDA amounted to DKK -3.5 million in Q1 2019 compared to DDK -5.4 million in Q1 2018
- Annual Recurring Revenue (ARR) for Q1 2019 was DKK 53.3 million compared to DKK 35.1 million in Q1 2018, an increase of 52%. The increase in Annual Recurring Revenue (ARR) for Q1 2019 amounted to DKK 3.2 million, an increase of 69% compared to Q1 2018
- Cash position was DKK 2.7 million in Q1 2019 compared to 35,1 million in Q1 2018 (DKK 9.9 million, inclusive of trade receivables and trade payables)



Operational highlights Q1 2019

- Jonas Luthander joined as Swedish Country Manager effective as of 1 January 2019
- In Q1 2019, Agillic attracted a number of new clients such as SEAS-NVE (DK), School trends (UK) and FTFa (DK)
- New partnerships formed with among others Sage Marketing Advisors Inc. New York, USA and Data Style, Lithuania
- Client transactions executed from the Agillic platform in 1Q 2019 increased with 75% compared to Q1 2018

For further information, please contact:

Jesper Valentin Holm, CEO, Agillic A/S
+45 6093 3630
jesper.valentin@agillic.com

Christian Tange, CFO, Agillic A/S
+45 2948 8417
christian.tange@agillic.com

Certified Adviser

Tofte & Company

Thomas Tofte Hansen, info@toftecompany.com

Christian IX's Gade 7, 1111 Copenhagen K

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, and Storytel.

Besides the company 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 2 May 2019.



Appendix 1

One of the key metrics for a SaaS company such as Agillic is the annual recurring revenue as it expresses the recurring value of the company's subscriptions.

Annual Recurring Revenue (ARR) is one of the key figures and value drivers when looking at the performance of a Software as a Service (SaaS) company such as Agillic, because it is the foundation for evaluating the potential recurring revenue a SaaS company can generate over time.

Equity analysts often apply a multiple to ARR in order to estimate a value of stock exchange listed SaaS companies.

A SaaS company is defined as a company that delivers access to a centrally hosted software model on subscription.

In general, ARR expresses the revenue from subscriptions the SaaS company can generate in a 12 months period from its portfolio of current client agreements. ARR is important because it expresses the recurring value of the company's subscriptions, and as long as these subscriptions are not churned they will continue to generate revenue year after year.

This also means that if the SaaS company's ARR is increasing, the revenue that will be generated year after year is increasing.

ARR will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, ARR will decrease when subscriptions are churned, i.e. not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceed the value of the agreements churned, ARR will increase and the revenue generated year after year will increase.

As long as the SaaS company can continue to increase its ARR there is – in theory – no limit for the accumulated future revenue. That said, all agreements are expected to churn at some point of time but as long as the value increase exceeds the value of churned agreements total ARR will increase.