



Announcement no. 1 2020

Agillic releases preliminary results for 2019, and guidance for 2020. Further, the Company is initiating a process aiming at raising DKK 20-25 million in a share issue

Copenhagen – 31 January 2020 – Agillic A/S (Nasdaq First North Copenhagen: AGILC) releases preliminary financial results for the fiscal year 2019. Revenue increased by 38% and Annual Recurring Revenue (ARR) increased by 10% compared to 31 December 2018. EBITDA amounted to DKK -15.4 million compared to DKK -19.1 million for 2018. For 2020, the Company expects to become EBITDA positive, an improvement of DKK 16 - 21 million. To fund continued growth, and to consolidate the balance sheet, Agillic initiates a process aiming at raising DKK 20-25 million in a share issue.

(Please also refer to separate announcement, 'Agillic expands management and recruits new internationally experienced CEO to continue the Company's global expansion and growth journey', issued today by Agillic.)

Jesper Valentin, CEO of Agillic comments:

“Revenue increased by 38% in 2019 and amounted to DKK 53.8 million. Although a solid growth, realised revenues were below expectations for three reasons: Firstly, the international sale was delayed; secondly, we experienced an atypical high churn rate in Q3 and Q4 of 2019; thirdly, a decrease in Annual Recurring Revenue (ARR) from low margin transactions reduced our growth. To mitigate this, we have restructured and optimised our sales organisation. Already in Q4 of 2019, we saw the results as we successfully onboarded clients in Australia and the U.S, and we have a strong pipeline for 2020. Further, we start capitalising from the product investments made in 2018 and 2019.

In 2020, we expect to increase EBITDA with DKK 16-21 million and become EBITDA positive, and it is our ambition to deliver continued revenue growth, leading to further growth in EBITDA towards 2023.

I am optimistic regarding 2020 and the years ahead of us. To fully exploit our growth opportunities and the opportune market trends, we aim at raising DKK 20-25 million in a share issue.”

Financial results for 2019

- Revenue in 2019 amounted to DKK 53.8 million, an increase of 38% compared to 2018.
- EBITDA amounted to DKK -15.4 million in 2019 compared to DKK -19.1 million in 2018.
- Annual Recurring Revenue (ARR) increased by 10% from DKK 50.1 million end-of-year 2018 to DKK 55.1 million end-of-year 2019.
 - The license part of Annual Recurring Revenue (ARR) increased by 15% from DKK 39.6 million end-of-year 2018 to DKK 45.5 million end-of-year 2019
 - The transaction part of Annual Recurring Revenue (ARR) decreased 9% from DKK 10.5 million end-of-year 2018 DKK to 9.6 million end-of-year 2019



The financial result for 2019 was impacted by a delayed rollout of the Company's international partner and sales strategy, and an atypical high churn rate in Q3 and Q4. This high churn was especially driven by two larger clients going bankrupt.

Agillic's revenue is derived from subscription fees for the use of the Agillic platform, and payments for processing transactions like e-mails and text-messages via the Agillic platform. Subscription fees and e-mails have a relatively high profit margin compared to text-messages that have a low profit margin. In 2019, the Company experienced a negative development in Annual Recurring Revenue (ARR) from the low margin text-messages transactions.

To improve efficiency, the sales organisation was reorganised in Q3 2019, and as a result, the international sale started to gain momentum in Q4 2019, and a new strong pipeline was built. Together with international partners, Agillic won its first clients in Australia and the U.S in Q4 2019.

As of Q4 2019, Agillic's AI offering was redesigned to fit the needs of both clients and partners better. An integration to paid media, enabling clients to leverage synergies between their own data and third-party data for considerable optimisation of the advertising spend, was fully launched in Q4 2019. The market has expressed a significant interest which is expected to materialise in 2020, both as an uplift in existing clients and as new business. Further, the first phase of the introduction of a redesigned and more intuitive user interface (UI) was released in October 2019.

2020 guidance

- Revenue: DKK 57-63 million
- EBITDA: DKK 1-6 million
- Annual Recurring Revenue (ARR): DKK 61-69 million
 - License part of Annual Recurring Revenue (ARR): DKK 56-62 million
 - Transaction part of Annual Recurring Revenue (ARR): DKK 5-7 million

In 2020, Agillic's growth in domestic and international markets is expected to increase. Based on the current pipeline and market trends, revenue is expected to amount to DKK 57-63 million. As a result of the increased revenue and a reduced cost base, the Company anticipates increasing EBITDA with DKK 16-21 million generating an EBITDA of DKK 1-6 million in 2020.

Based on the expected influx of new client agreements and new product features, such as the paid media integration, the Company expects Annual Recurring Revenue (ARR) to increase to DKK 61-69 million. Mainly driven by sales to new clients, the license part of Annual Recurring Revenue (ARR) is expected to amount to DKK 56-62 million.

H1 2020, the Company expects a temporary decline in Annual Recurring Revenue (ARR) as a consequence of one substantial subscription agreement expiring. The decline is mainly driven by a decrease in low margin



transactions, where the impact on EBITDA is consequently expected to be limited. The transaction part of Annual Recurring Revenue (ARR) is consequently expected to decrease to DKK 5-7 million end-of-year 2020.

Strategy towards 2023 and share issue

Since the Initial Public Offering (IPO) of Agillic in March 2018, the Company has pursued growth and internationalisation. Apart from the domestic market, the markets of particular interest are UK, Norway, Sweden, Benelux, DACH, Australia and the U.S. 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.

Continuous growth combined with profitability is the main priority in 2020 and going forward. To further accelerate the growth, Agillic initiates a process aimed at raising DKK 20-25 million in a share issue to fund growth opportunities. The fundraising is expected to be completed during H1 2020.

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About Agillic A/S

Agillic is a Nordic 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 with a head start in the battle of winning markets and customers.

Besides the company headquarter in Copenhagen, Agillic has sales offices in London (UK) and Stockholm (Sweden), Zurich (CH), 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 31 January 2020.