

Half-year Report 2020

January - June



H1 2020 highlights



As the overshadowing impact of COVID-19 cuts through many industries and companies, our results have also been influenced by the new market realities. Therefore, during Q2 2020, we have prioritized supporting our clients with solutions to retain Agillic in their technology ecosystem. Although our top-line development for the period is disappointing, we are pleased that we have been able to retain clients significantly challenged by COVID-19 and that we have delivered a positive EBITDA for H1.

Emre Gürsoy, CEO of Agillic

FINANCIAL HIGHLIGHTS

- Revenue in H1 2020 amounted to DKK 26.4 million, a decrease of 2% compared to H1 2019. Revenue in Q2 2020 amounted to DKK 11.8 million, a decrease of 18% compared to the same period in 2019.
 - In H1 2020 the subscription part of revenue amounted to DKK 22.9 million, an increase of 16% compared to H1 2019. The subscription part of revenue in Q2 amounted to DKK 10.8 million, an increase of 3% compared to the same period in 2019.
 - In H1 2020 the transaction part of revenue amounted to DKK 3.1 million, a decrease of 54% compared to H1 2019. The transaction part of revenue in Q2 amounted to DKK 0.8 million, a decrease of 76% compared to the same period in 2019.
- Gross profit in H1 2020 amounted to DKK 22.9 million compared to DKK 20.8 million in H1 2019, an increase of 10%. Gross profit in Q2 2020 amounted to DKK 11.1 million, which was the same level in Q2 2019.
- EBITDA amounted to DKK 0.2 million in H1 2020 compared to DKK -8.3 million in H1 2019. EBITDA in Q2 2020 amounted to DKK 0.6 million compared to DKK -4.8 million in the same period in 2019.
- In H1 2020, Agillic raised DKK 22.1 million in equity capital, hereof DKK 16.7 million in cash, by issuing 1,148,627 new shares. DKK 17.8 million was raised in Q2 2020, hereof DKK 12.4 million in cash by issuing 924,669 shares.
- Agillic raised DKK 12.0 million in a COVID-19 Business Angel Matching Loan in Q2 2020.
- Cash position as of 30 June 2020 amounted to DKK 15.2 million. Cash position, including undrawn lines of credit, trade receivables and trade payables amounted to DKK 22.5 million as of 30 June 2020.
- Due to the financial uncertainty caused by the global outbreak of COVID-19, Agillic suspended its financial guidance for 2020 as of 6 April 2020.

KEY PERFORMANCE INDICATORS

- Total Annual Recurring Revenue (ARR) as of 30 June 2020 amounted to DKK 46.9 million compared to DKK 58.2 million as of 30 June 2019, a decrease of 19%.
 - The subscription part of Annual Recurring Revenue (ARR) as of 30 June 2020 was DKK 43.6 million compared to DKK 44.5 million as of 30 June 2019, a decrease of 2%.
 - The transaction part of Annual Recurring Revenue (ARR) as of 30 June 2020 was DKK 3.3 million compared to DKK 13.8 million as of 30 June 2019, a decrease of 76%.
- Total Annual Recurring Revenue (ARR) decreased DKK 8.2 million in H1 2020 and decreased DKK 8.9 million in Q2 2020.
 - The subscription part of Annual Recurring Revenue (ARR) decreased DKK 1.9 million in H1 2020 and decreased DKK 3.4 million in Q2 2020.
 - The transaction part of Annual Recurring Revenue (ARR) decreased DKK 6.3 million in H1 2020 and DKK 5.6 million in Q2 2020.
- Total number of clients as of 30 June 2020 amounted to 83, compared to 79 as of 30 June 2019.

OPERATIONAL HIGHLIGHTS H1 2020

- Emre Gürsoy commenced as CEO on 1 March 2020.
- The annual general meeting was held on 24 March 2020 and the board was unanimously re-elected.
- Based on the Company's strategy and objectives, an organisational restructure was successfully implemented uniting all departments under a collective vision.
- New clients within the NGO & Charity sector, such as Swedish Red Cross and Børns Vilkår, signed with Agillic. Further, Gyldendal, Bonnierförlagen and Det Kongelige Teater (the Royal Danish Theatre) signed contracts with Agillic.
- Amid the COVID-19 challenge, initiatives to reduce operational costs continued. As part of this, management and employees entered an agreement to reduce salaries by 10%, effective as of 1 May 2020 for the remainder of the year. In addition, management's bonus program for 2020 was cancelled.

NEW GUIDANCE AS OF 20 AUGUST 2020

- Revenue: DKK 46-52 million.
- EBITDA: DKK -5 to 1 million.
- Annual Recurring Revenue (ARR): DKK 44-52 million.
 - License part of Annual Recurring Revenue (ARR): DKK 40-46 million.
 - Transaction part of Annual Recurring Revenue (ARR): DKK 4-6 million.

EXPOSITION OF ANNUAL RECURRING REVENUE (ARR)

Annual Recurring Revenue (ARR) is the annualised value of subscriptions and transactions at the end of the actual reporting period. ARR is a key figure for valuing the performance of Software as a Service (SaaS) companies.

Please also refer to appendix 1, page 21, for a presentation of the Agillic business and appendix 2, page 24, for an overview of the financial development.

Performance highlights

DKK million	2020 H1	2019 H1	Change	2020 Q2	2019 Q2	Change
INCOME STATEMENT						
Revenue from subscriptions	22.9	19.8	16%	10.8	10.5	3%
Revenue from transactions	3.1	6.6	-54%	0.8	3.4	-76%
Other	0.5	0.7	-20	0.1	0.5	-70%
Total revenue	26.4	27.0	-2%	11.8	14.3	-18%
Gross profit	22.9	20.8	10%	11.1	11.1	0%
Gross profit margin	87%	77%	-	94%	78%	-
Operational costs	22.8	29.1	-22%	10.5	15.9	-34%
EBITDA	0.2	-8.3	-	0.6	-4.8	-
Net profit	-3.2	-14.5	78%	-0.5	-8.6	94%
FINANCIAL POSITION						
Cash	15.2	1.0	1,416%	15.2	1.0	1,416%
Cash incl. unutilised credit line	18.2	1.0	1,715%	18.2	1.0	1,715%
Cash (adjusted) ¹	22.5	7.5	199%	22.5	7.5	199%
SOFTWARE AS A SERVICE (SAAS)						
<i>Subscription part of Annual Recurring Revenue</i>	43.6	44.5	-2%	43.6	44.5	-2%
<i>Transaction part of Annual Recurring Revenue</i>	3.3	13.8	-76%	3.3	13.8	-76%
Total Annual Recurring Revenue ²	46.9	58.2	-19%	46.9	58.2	-19%
Net increase/decrease in Annual Recurring Revenue last 12 months	-11.3	19.5	-	-11.3	19.5	-

¹ Cash inclusive trade receivables, trade payables and un-utilised credit facilities

² Annual Recurring Revenue (ARR), i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period

Overall comments

FINANCES

The global outbreak of COVID-19 and subsequent lockdown of society significantly impacted Agillic's business results in H1 2020. Despite winning several new clients, H1 2020 was characterised by a slowdown in new sales and growth. Many existing clients scaled down their use of the Agillic Customer Marketing Platform.

OPERATING UNDER COVID-19 BUSINESS IMPACT

As COVID-19 became a pandemic reality by mid-March, Agillic's main priority was to ensure both the safety of its employees and business continuity. Following the lockdown in Denmark on 11 March, Agillic's employees smoothly and swiftly transitioned to remote work, and the organisation was able to maintain a high level of customer service throughout that time.

Some sectors, including two of Agillic's key sectors, retail and travel & leisure, have been severely affected by the crisis. As a result, clients experienced declining top-line, leading to layoffs and cutbacks in their marketing activities. The uncertainty and immediate economic cooling caused by COVID-19 constituted a risk of clients churning.

In response, Agillic focused on retaining clients by adjusting license agreements and enabling clients to downgrade their use of the Agillic Platform during the crisis. This way, clients are retained and can scale up their marketing activities and restore their license fees, once a more normal market situation begins.

GAINING NEW CLIENTS IN AN UNCERTAIN MARKET ENVIRONMENT

Despite the uncertainty, Agillic was able to gain new clients in Denmark and Sweden. However, new business gains have slowed as organisations cautiously assess the development and financial implications of COVID-19.

Conversely, the new market situation functions as a catalyst to accelerate digital transformation across many industries. This applies especially for incumbents, i.e.

companies that weren't born digital. It is a transformation that goes beyond digitalisation of processes and encompasses the core business models.

PREPARING THE COMPANY FOR FUTURE GROWTH

While delivering on all short-term business continuity initiatives, Agillic also implemented improvements in key areas during H1 2020. Main focus areas include international sales growth and reducing client churn:

Structuring Marketing & Sales for Scalable International Growth

Under the Chief Commercial Officer's leadership, the Marketing and Sales departments have been unified into a single structure. This new approach is designed to improve direct and partner-driven sales results through scalable, international efforts focusing on defined key markets and segments.

As part of a fully data-driven business approach, the Marketing & Sales team launched a (Value Selling-driven) sales process aiming to improve sales closures as well as the tracking and forecasting quality. In addition, new processes have been implemented to improve the quality of prospecting both clients (Ideal Client Profile) and partners (Ideal Partner Profile). This early identification process will help improve the appropriate engagement level from the beginning, thereby eliminating the loss of clients due to their unreadiness to engage with the Agillic Platform (which comprises a large portion of churn).

As another part of the international market expansion plan, Agillic initiated a pilot project in the UK with a leading Dutch sales outsourcing company. The company is going to assist Agillic in attracting and nurturing prospects.

Improving Business Results through Client & Partner Success

Under the Chief Experience Officer's leadership, the Customer and Partner departments have been unified under a single structure. The new approach is designed

to improve Customer and Partner Success and to ensure clients can yield a high ROI from their martech investment in the Agillic Customer Marketing Platform. Supporting the clients' business success and results, as expressed in, for example, a high customer lifetime value makes Agillic's clients more prone to renew their licenses and reduces the risk of churn.

STRENGTHENING FINANCIAL POSITION

Since Q2 2019, Agillic has maintained a strong focus on cost management and organisational adjustment. As a result, the Company's operational costs in H1 2020 were reduced by 22% as compared to H1 2019.

During Q2 2020, the Company raised DKK 21 million in equity, hereof DKK 16 million in cash. Furthermore, the Company took out a loan of DKK 12 million to strengthen the Company's financial position. On this basis, it is management's expectation that Agillic has sufficient liquidity and financial resilience to manage the impact of COVID-19 and to resume its growth trajectory once the market has adjusted to the new reality.

SUSPENSION OF FINANCIAL GUIDANCE 2020

Agillic suspended financial guidance for 2020 on 6 April 2020.

NEW GUIDANCE AS OF 20 AUGUST 2020

- Revenue: DKK 46-52 million.
- EBITDA: DKK -5 to 1 million.
- Annual Recurring Revenue (ARR): DKK 44-52 million.
 - License part of Annual Recurring Revenue (ARR): DKK 40-46 million.
 - Transaction part of Annual Recurring Revenue (ARR): DKK 4-6 million.

Based on Agillic's H1 2020 results, the pipeline for H2 2020, and the uncertainties regarding the impact of COVID-19 for the remainder of 2020, the Company's previous outlook as of 20 February 2020, is adjusted accordingly. Agillic's growth in domestic and international markets is still expected to increase, however at a slower rate than previously anticipated.

To retain clients severely impacted by the COVID-19 pandemic, the Company proactively renegotiated license agreements enabling selected clients to downgrade their use of the Agillic platform during the crisis. As a consequence, revenue for the financial year 2020 is expected to amount to DKK 46-52 million.

The Company maintains its focus of controlling its cost base. EBITDA is anticipated to increase with DKK 10-16 million generating an EBITDA of DKK -5 to 1 million.

Based on the expected acquisition of new client agreements and the market adoption of new product features, the Company expects Annual Recurring Revenue (ARR) to amount to DKK 44-52 million. The license part of Annual Recurring Revenue (ARR) is expected to amount to DKK 40-46 million. The transaction part of Annual Recurring Revenue (ARR) is expected to amount to DKK 4-6 million.

The above notwithstanding, it should be emphasised that the Company's financial guidance continues to be associated with a high degree of uncertainty as the consequences of the COVID-19 pandemic limit the predictability of the marketplace.

Financial update

DKK million	2020 H1	2019 H1	Change	2020 Q2	2019 Q2	Change
INCOME STATEMENT						
Revenue from subscriptions	22.9	19.8	16%	10.8	10.5	3%
Revenue from transactions	3.1	6.6	-54%	0.8	3.4	-76%
Other	0.5	0.7	-20	0.1	0.5	-70%
Total revenue	26.4	27.0	-2%	11.8	14.3	-18%
Gross profit	22.9	20.8	10%	11.1	11.1	0%
Gross profit margin	87%	77%	-	94%	78%	-
Operational costs	22.8	29.1	-22%	10.5	15.9	-34%
EBITDA	0.2	-8.3	-	0.6	-4.8	-
Operating profit (EBIT)	-3.9	-11.1	65%	-1.5	-6.3	76%
Profit before tax	-5.2	-15.9	67%	-2.1	-10.0	79%
Net profit	-3.2	-14.5	78%	-0.5	-8.6	94%
FINANCIAL POSITION						
Cash	15.2	1.0	1,416%	15.2	1.0	1,416%
Cash incl. unutilised credit line	18.2	1.0	1,715%	18.2	1.0	1,715%
Cash (adjusted) ¹	22.5	7.5	199%	22.5	7.5	199%
Current assets	28.6	15.6	84%	28.6	15.6	84%
Total assets	59.3	40.5	47%	59.3	40.5	47%
Equity	-1.4	-10.5	86%	-1.4	-10.5	86%
Deferred income	18.5	19.6	-6%	18.5	19.6	-6%
Borrowings	28.3	16.3	73%	28.3	16.3	73%
Trade payables	1.6	3.6	-55%	1.6	3.6	-55%
Dividends paid	-	-	-	-	-	-
SOFTWARE AS A SERVICE (SAAS)						
Subscription part of Annual Recurring Revenue	43.6	44.5	-2%	43.6	44.5	-2%
Transaction part of Annual Recurring Revenue	3.3	13.8	-76%	3.3	13.8	-76%
Total Annual Recurring Revenue ²	46.9	58.2	-19%	46.9	58.2	-19%
Net increase/decrease in Annual Recurring Revenue last 12 months	-11.3	19.5	-	-11.3	19.5	-
Average Annual Recurring Revenue ³	0.6	0.7	-23%	0.6	0.7	-23%
Customer Acquisition Costs (CAC) ⁴	1.6	1.0	68%	1.6	1.0	68%
Years to recover CAC (years) ⁵	3.1	1.6	88%	3.1	1.6	88%
EARNINGS PER SHARE						
Earnings per share (DKK)	-0.36	-1.74	-	-0.05	-1.04	-
Number of shares, weighted average	8,691,476	8,286,900	-	9,134,044	8,286,900	-
Share price (the period's last day of trading, DKK)	19.60	25.58	-23%	19.60	25.58	-23%

¹ Cash inclusive trade receivables, trade payables and un-utilised credit facilities.

² Annual Recurring Revenue (ARR), i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period

³ Average Annual Recurring Revenue, i.e. the average ARR per customer

⁴ Customer Acquisition Costs, i.e. the sales and marketing cost (inclusive direct related cost, like travel costs, personal IT costs, costs of office etc.) of acquiring one new customer

⁵ Years to recover CAC (years), i.e. the period in years it takes to generate sufficient gross profit a customer to cover the costs of acquiring the customer

The Company's financial performance in H1 2020, especially in Q2 2020, was significantly impacted by the COVID-19 pandemic.

While revenue in H1 2020 amounted to DKK 26.4 million, corresponding to a decrease of 2% compared to H1 2019, revenue in Q2 2020 amounted to DKK 11.8 million, corresponding to a decrease of 18% compared to Q2 2019. The proportionally large decrease in revenue in Q2 2020 was a consequence of Agillic's clients processing significantly fewer transactions via the Agillic Customer Marketing Platform following the outbreak of COVID-19. In addition, the subscription agreement for a client processing a significant amount of transactions via the Agillic Customer Marketing Platform expired in H1 2020.

As transactions have a relatively lower profit margin than turnover related to subscriptions, direct operational cost decreased accordingly in H1 2020. In combination with savings on hosting costs, this resulted in a gross profit increase from DKK 20.8 million in H1 2019 to DKK 22.9 million in H1 2020, corresponding to a gross profit margin of 87% in H1 2020 and 77% in H1 2019.

As previously announced, Agillic has an increased focus on profitability and, therefore, adjusted the size of the organisation during H2 2019. As a consequence of these organisational adjustments, operational costs decreased 22% in H1 2020 compared to H1 2019, from DKK 29.1 million in H1 2019 to DKK 22.8 million in H1 2020. In Q2 2020, operational costs amounted to DKK 10.5 million compared to DKK 15.9 million in Q2 2019, corresponding to a decrease of 34%. One reason for the reduced operational cost in Q2 2020 was an 8 months temporary 10% salary deduction for all employees starting 1 May 2020, combined with the Company's management bonus program being cancelled in 2020.

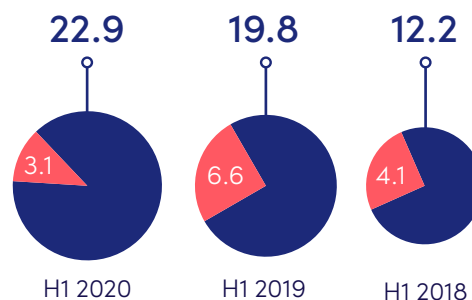
The reduced operational costs were the main reason the Company became EBITDA positive in H1 2020, where EBITDA amounted to DKK 0.2 million compared to DKK -8.3 million in H1 2019. In Q2 2020 EBITDA amounted to DKK 0.6 million compared to DKK -4.8 million in Q2 2019.

Agillic raised DKK 4.3 million in a direct share issue in March 2020. In addition, the Company raised DKK 17.8 million in a pre-emptive share issue in April 2020. DKK 16.7 million were raised in cash. In total 1,148,627 shares were issued in the capital raises. In June 2020, the Company raised a net of DKK 9.0 million in new debt. The fundraising strengthened the Company's cash position significantly, and as of 30 June 2020, cash inclusive of credit lines amounted to DKK 18.2 million.

As of 30 June 2020, total debt amounted to DKK 28.3 million.

As mentioned, the outbreak of COVID-19 significantly impacted the amount of transactions processed via the Agillic Customer Marketing Platform. This reduced the transaction part of Annual Recurring Revenue (ARR) from DKK 13.8 million as of 30 June 2019 to DKK 3.3 million as of 30 June 2020, corresponding to a decrease of 76%.

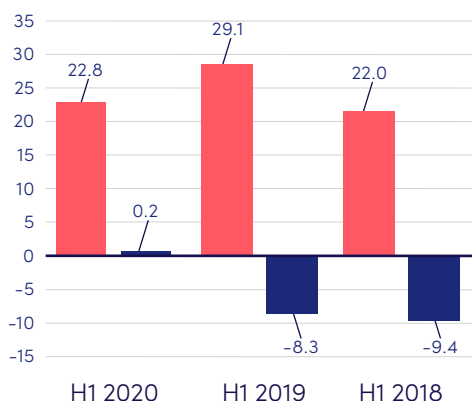
REVENUE DEVELOPMENT AND COMPOSITION IN DKK MILLION*



- Transaction part of ARR
- Subscription part of ARR

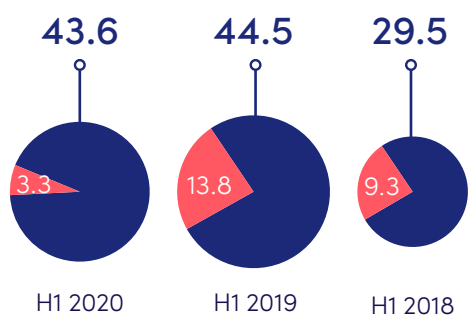
* Exclusive professional services and other fees

OPERATIONAL COSTS AND EBITDA DEVELOPMENT IN DKK MILLION



- Operational costs
- EBITDA

ANNUAL RECURRING REVENUE DEVELOPMENT AND COMPOSITION IN DKK MILLION



- Transaction part of ARR
- Subscription part of ARR

As of 30 June 2020, the subscription part of Annual Recurring Revenue (ARR) decreased DKK 0.9 million, or 2% compared to 30 June 2019. The subscription part of Annual Recurring Revenue decreased DKK 1.9 million in H1 2020 and DKK 3.4 million in Q2 2020.

The decrease in the subscription part of Annual Recurring Revenue was driven by a combination of low sales during the COVID-19 lockdown and clients downscaling their subscriptions due to the impact of the outbreak.

Due to the decrease in the transaction part of Annual Recurring Revenue (ARR), total Annual Recurring Revenue (ARR) amounted to DKK 46.9 million as of 30 June 2020, compared to DKK 58.2 million as of 30 June 2019, corresponding to a decrease of 19%. In Q2 2020, total Annual Recurring Revenue decreased DKK 8.2 million and in H1 2020, it decreased by DKK 8.9 million.

Less transactions processed via the Agillic Customer Marketing Platform, lower sales of new subscriptions combined with clients downscaling or terminating their subscriptions as a consequence of COVID-19 had a significant impact on Average Annual Recurring Revenue, Customer Acquisition Costs (CAC) and Years to Recover CAC. Following the uncertainty caused by COVID-19, Agillic suspended its financial guidance for 2020 on 6 April 2020.

FURTHER INFORMATION

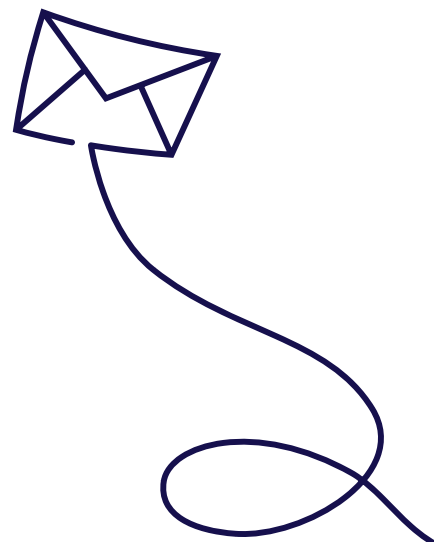
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CERTIFIED ADVISER

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DATES FOR THE PUBLICATION OF FINANCIAL INFORMATION

22 October 2020: Interim management statement for Q3 2020



Financial report

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Statement by the Management

The Board of Directors and Board of Management have considered and approved the Half-year Report of Agillic A/S for the financial period 1 January - 30 June 2020.

The financial statements have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting as adopted by the EU and further requirements of the Danish Financial Statements Act.

In our opinion, the interim financial statements give a true and fair view of the company's assets, liabilities and

financial position at 30 June 2020 and of the results of the company's operations and cash flows for the financial period 1 January - 30 June 2020.

Moreover, in our opinion, the Management's Report includes a fair review of developments in the company's operations and financial position and describes the principal risks and uncertainties factors that may affect the company.

Copenhagen, 20 August 2020

BOARD OF MANAGEMENT

Emre Gürsoy
CEO

BOARD OF DIRECTORS

Peter Aue Elbek

Johnny Emil Søbæk Henriksen
Chair of the Board

Jesper Genter Lohmann

Casper Molkte-Leth

Mikael Konnerup

The independent auditor's review report on the interim financial statements

TO THE SHAREHOLDERS OF AGILLIC A/S

We have reviewed the interim financial statements of Agillic A/S for the period 01.01.2020 - 30.06.2020, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and selected explanatory notes including accounting policies.

Management's responsibility for the interim financial statements

Management is responsible for the preparation of interim financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial

statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements do not give a true and fair view of the Entity's assets, liabilities and financial position at 30.06.2020 and of its financial performance for the period 01.01.2020 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Copenhagen, 20 August 2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Henrik Wolff Mikkelsen
State-Authorised Public Accountant
MNE no 33747

Mads Juul Hansen
State-Authorised Public Accountant
MNE no 44386

INCOME STATEMENT

Note	(DKK '000)	First half 2020	First half 2019
3	Revenue	26,447	27,037
	Direct costs	-3,509	-6,240
	Gross profit	22,938	20,797
	Other operating income	0	1,333
	Other external costs	-6,196	-12,295
	Staff costs	-16,581	-18,120
	EBITDA	161	-8,285
	Depreciation and amortisation of tangible and intangible assets	-4,053	-2,836
	Operating profit (EBIT)	-3,892	-11,121
	Share of profit of subsidiaries and joint ventures	-84	-1,291
	Impairment charges on loans and receivables	0	-3,004
	Financial expenses	-1,248	-451
	Profit before tax	-5,224	-15,867
	Tax on profit for the period	2,070	1,410
	Profit for the period	-3,154	-14,457
	Earnings per share (EPS)	-0.36	-1.74
	Earnings per share, diluted (DEPS)	-0.35	-1.66

STATEMENT OF COMPREHENSIVE INCOME

(DKK '000)	First half 2020	First half 2019
Profit for the period	-3,154	-14,457
Other comprehensive income	0	0
Total comprehensive income	-3,154	-14,457

STATEMENT OF FINANCIAL POSITION

Note	(DKK '000)	30 June 2020	31 Dec. 2019
	ASSETS		
	Non-current assets		
	Client contracts	349	610
	Software developed	27,023	24,603
	Intangible assets	27,372	25,213
	Fixtures and equipment	198	223
	Leasehold improvements	74	117
	Tangible assets	271	340
4	Investments in subsidiaries	0	40
	Tax receivables	2,070	0
	Deposits	360	408
	Other non-current assets	2,430	448
	Total non-current assets	30,073	26,001
	Current assets		
	Trade receivables	8,560	5,161
	Other receivables	650	650
	Tax receivables	3,535	3,535
	Prepayments	1,237	1,261
	Cash	15,248	1,177
	Total current assets	29,231	11,784
	Total assets	59,304	37,786
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	944	829
	Reserve development costs	25,537	22,644
	Retained earnings	-27,911	-44,060
	Total equity	-1,431	-20,587
	Non-current liabilities		
6	Borrowings long term	26,915	21,393
	Other payables	2,569	1,153
	Total non-current liabilities	29,483	22,546
	Current liabilities		
	Borrowings short term	1,402	5,155
	Prepayments from clients	0	119
	Trade payables	1,599	3,212
	Other payables	9,775	6,160
	Deferred income	18,475	21,181
	Total current liabilities	31,252	35,827
	Total liabilities	60,735	58,373
	Total equity and liabilities	59,304	37,786

CASH FLOW STATEMENT

Note	(DKK '000)	First half 2020	First half 2019
	Profit for the period	-3,154	-14,457
	<i>Adjustment for non-cash items:</i>		
	Tax on profit for the period	-2,070	-1,410
	Financial income and expenses	1,248	451
4	Share of profit after tax in subsidiaries and joint ventures	84	1,291
	Share-based payments	490	503
	Depreciations, amortisation and impairment	4,053	5,840
	Changes in working capital	-3,488	3,920
	Total	-2,838	-3,861
	Net financial items, paid	-1,248	-451
	Income taxes, received	0	0
	Cash flow from operating activities	-4,086	-4,312
	Loans and advances	-44	-2,227
	Acquisition of intangible and tangible assets	-6,143	-9,824
	Acquisition of financial assets	0	0
	Sale of fixed assets	0	0
	Cash flow from investing activities	-6,187	-12,051
	Issuance of shares, net of costs	21,821	0
6	Borrowing/repayment (-) long-term debt	-5,989	4,958
6	Borrowing/repayment (-) short-term debt	13,667	100
	Cash flow from financing activities	29,499	5,057
	Change in cash and cash equivalents	19,226	-11,306
	Cash and cash equivalents at 1 January	-3,978	12,312
	Cash and cash equivalents at 30 June	15,248	1,006

STATEMENT OF CHANGES IN EQUITY

(DKK '000)	Share capital	Reserve development costs	Equity method reserve	Retained earnings	Total
Equity at 1 January 2019	829	14,166	0	-11,494	3,501
Profit for the period	0	4,474	-1,291	-17,641	-14,457
Transfer of negative reserve	0	0	1,291	-1,291	0
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	4,474	0	-18,932	-14,457
Issue of share capital	0	0	0	0	0
Costs related to Initial Public Offering (IPO)	0	0	0	0	0
Share-based payments	0	0	0	503	503
Equity at 30 June 2019	829	18,640	0	-29,923	-10,453
Equity at 1 January 2020	829	22,644	0	-44,060	-20,587
Profit for the period	0	2,893	-84	-5,964	-3,154
Transfer of negative reserve	0	0	84	-84	0
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	2,893	0	-6,048	-3,154
Issue of share capital	115	0	0	21,939	22,054
Costs related to Initial Public Offering (IPO)	0	0	0	-232	-232
Share-based payments	0	0	0	490	490
Equity at 30 June 2020	944	25,537	0	-27,911	-1,431

Notes

NOTE 1 - ACCOUNTING POLICIES

This interim financial report covers the period 1 January - 30 June 2020 (First half-year). In addition, in the primary statements are presented numbers for the half-year reporting period ended 30 June 2020 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting as adopted by the EU and further requirements in the Danish Financial Statements Act.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

Investment in subsidiaries

The investment in Armstrong One ApS is at 30 June 2020

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparation of the interim report, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. During the first half of 2020, the critical accounting esti-

accounted for as a subsidiary measured in accordance with the equity method, which means that the investments are measured at the parent company's proportionate share of the net asset value of the subsidiaries at the reporting date. Profit or loss from investments in subsidiaries represents Agillic A/S' share of the profit and loss after tax. The net revaluation is recognised in equity under Equity method reserve. Armstrong One ApS has been merged with Agillic A/S as of 17 August 2020.

Equity method reserve

The equity method reserve comprises value adjustments of equity investments in subsidiaries according to the equity method. The reserves are reduced by the dividends distributed to Agillic A/S, and other movements in the shareholders' equity of the investments, or if the equity investments are realised in whole or in part.

mates and judgement are unchanged compared to those described in the Annual Report 2019."

Notes

NOTE 3 - REVENUE

Note	(DKK '000)	First half 2020	First half 2019
3	Revenue		
	<i>Subscription fees</i>	22,859	19,787
	Transaction fees	3,051	6,577
	Professional services and other fees	537	673
	Total revenue	26,447	27,037

All revenue is derived from contracts with customers. Revenue from subscription fees are derived over time and for transaction fees and other professional services at a point in time.

Contract liabilities are presented as Deferred income."

Notes

NOTE 4 - INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Name of subsidiary	Activity	Country	Proportion of ownership interest and voting rights	
			30 Jun. 2020	31 Dec. 2019
Armstrong One ApS	Software development	Denmark	100%	100%

Agillic A/S has decided to merge with the subsidiary Armstrong One ApS in 2020. At the board meeting in July 2020, the merger plan was adopted and signed.

The summarised financial information below represents amounts from the subsidiary prepared in accordance with IFRS Standards.

(DKK '000)	30 June 2020	31 Dec. 2019
Revenue	0	348
Net profit for the period	-84	-2,172
Proportion of Agillic's ownership interest (60%)	0	-1,322
Proportion of Agillic's ownership interest (100%)	-84	32
Share of profit of subsidiaries and joint ventures	-84	-1,291
Current assets	8	502
Non-current assets	0	615
Current liabilities	8	807
Non-current liabilities	0	0
Net assets of investment	0	309
Proportion of Agillic's ownership interest (100%)	0	309

Notes

NOTE 5 - SHARE CAPITAL

At 30 June 2020, the share capital consisted of 9.435.527 (June 2018: 8.286.900) shares with a nominal value of DKK 0,10.

The shares are not divided into classes and carry no right to fixed income.

(DKK '000)	30 June 2020	31 Dec. 2019
ISSUED AND FULLY PAID SHARES		
At 1 January 2020, 8.028.690 shares of DKK 0,10 each	829	829
Capital increase, registered 27.03.2020	22	0
Capital increase, registered 28.04.2020	92	0
Total	944	829

NOTE 6 - BORROWINGS

(DKK '000)	30 June 2020	31 Dec. 2019
BORROWINGS ARE DUE AS FOLLOWS		
Within 1 year	1,402	75
From 1-5 years	21,660	16,273
After 5 years	5,255	-
	28,317	16,348
BORROWINGS ARE RECOGNISED ACORDINGLY		
Borrowings, long-term	26,915	16,273
Borrowings, short-term	1,402	75

Appendix 1: The Agillic Customer Marketing Platform



Agillic operates at the intersection of data, creativity and business. Our Customer Marketing Platform is empowering marketers to orchestrate communication with the individual customer at the centre and execute personalised and compelling communication at scale across channels.

Agillic is a software company, and our product is designed for marketing departments. Within the marketing-technology landscape, we define the Agillic software as a Customer Marketing Platform. The platform enables clients to create and automate data-driven and personalised communication across channels. The communication can be carried out as an email, SMS, app push, personalised websites, print materials and as highly targeted advertising in paid media channels, in the Google, Facebook and Adform ecosystems.

OUR CLIENTS' BUSINESS OBJECTIVES

The modern marketing department must establish and maintain the relationship between the brand and the consumers. Furthermore, the CMOs (Chief Marketing Officers) are committed to delivering a documented contribution to top-line growth. The fact that consumers are becoming immune to traditional advertising, and the "one size fits all" campaigns are losing impact, is a massive challenge to many brands. Relevance and personalisation are the norm by which consumers have come to expect hyper-individualised content and interactions of constant relevance. Customers reward the brands capable of relevance, personalisation and authenticity with their attention, their loyalty and their wallets.

While products can be imitated, personalised communication is an opportunity to build a unique and healthy relationship with the customer – a relation that can't be copied. The key to relevance and personalisation is data. To use data as leverage to meet customer expectations, marketers are increasingly focusing on building scalable personalisation capabilities through marketing technology (martech). Marketers need to be able to explore

the massive volumes of customer data available and to analyse, predict and track results to stay relevant and competitive. And it is at this intersection of data, creativity and business that Agillic's Customer Marketing Platform is empowering the marketing department to orchestrate profitable communication with the individual customer at the centre and execute personalised, relevant and compelling communication at scale and across channels.

PERSONALISED CUSTOMER DIALOGUES

Personalisation is based on the concept of collecting and using data to create relevant communication on a one-to-one basis. Each interaction, regardless of channel and touchpoint, contributes to the customer profile. The profile becomes more faceted as insights from new interactions are added. When you meet a new person and start talking, it's typically a ping-pong of asking a couple of questions, listening, reflecting, asking exploratory questions, exchanging perspectives and introducing new thoughts, and then you have a pleasant conversation going – basically, similar to a process of collecting, processing and acting on data. Sometimes you realise, you have nothing to talk about, sometimes the person you are talking to only talks about herself, you lose interest and move on. On the other hand, if the conversation is fulfilling, you might stay. And if you meet that person a week later across town, and she remembers you, and can pick up the conversation where you left it – that's when you are starting to make friends.

The same thing is happening between a brand and a customer. Consumers are willing to share information about themselves, and in return, they expect the brand to take the insights into account and establish a meaningful dialogue. Consumers are aware they are leaving a digital

footprint when visiting a website, opening an email or clicking on an ad, and they expect brands to pick up the trail. In fact, data is telling a story about each customer, their actions and preferences. If brands listen and engage intelligently, with empathy and personalised, they are more likely to get customer loyalty and increased sales in exchange.

CUSTOMER-CENTRICITY AND OMNICHANNEL MARKETING

Agillic's Customer Marketing Platform is designed with customer-centricity as the focal point and is born with omnichannel marketing capabilities. Omnichannel marketing differs from multichannel marketing in its holistic customer-centric approach. Brands may use SMS, email and app push in the communication, but if these channels are not integrated, customers will experience an isolated SMS activity, an email activity and an app push activity as opposed to a coherent customer journey. It is not omnichannel marketing. To provide a seamless customer experience across channels, data from all touchpoints must be related to the individual customer profile. This way, a customer will always experience communication that is up to date regardless of the channel.

AGILLIC IS A SAAS COMPANY

The Agillic software is delivered as a service through the cloud (SaaS). This means that the software is hosted centrally, and monitoring, updates and continual innovation of the platform is taken care of by Agillic. This way, clients are ensured a high-performing platform at all times.

A SUBSCRIPTION BUSINESS MODEL

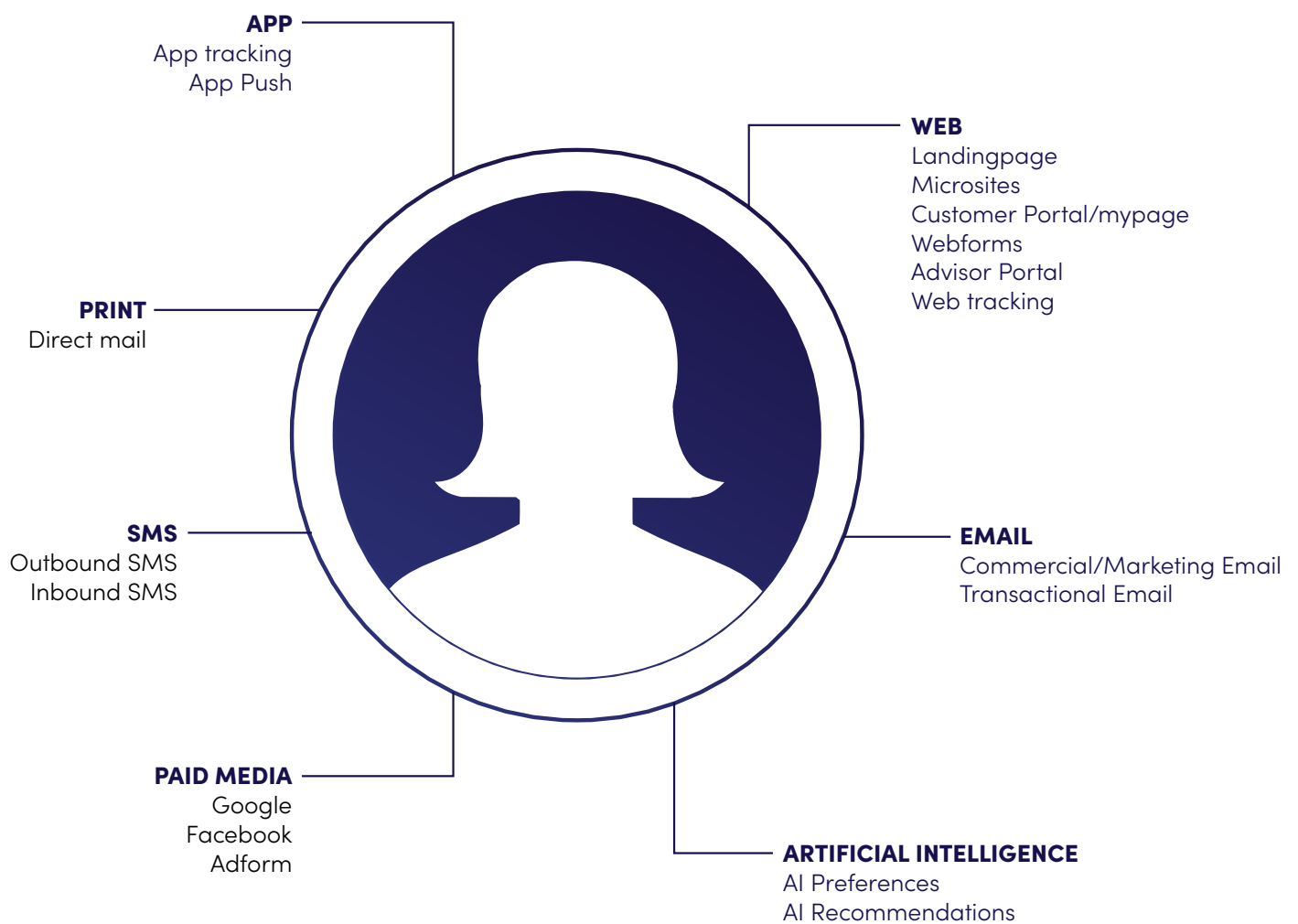
Clients subscribe to the Agillic Customer Marketing Platform and pay an annual subscription fee, depending on the number of channels they choose to use, the number of recipients in their database and whether they choose to use Agillic's AI, and the integrations to the paid media channels. Based on the number of transactions, for example, the number of emails or text messages sent, there is an additional charge. Selling services on

a subscription basis generates recurring revenue for as long as the subscription is not churned. Typically, Agillic's clients commit themselves to a subscription period of one year. This provides a high degree of financial transparency and stability as the revenue is foreseeable. The key financial metric for SaaS companies, such as Agillic, is Annual Recurring Revenue (ARR). It expresses the annualised value of licenses and transactions at the end of the current financial year. While ARR from the licenses is predictable on a yearly-basis, ARR from transactions may deviate from the forecast, as it depends entirely on the client and how many emails, etc., they are sending out.

BEST-OF-BREED

Best-of-breed Agillic is a best-of-breed product, developed with a specific and highly specialised use in focus. We have worked with many clients and varying systems, and the accumulated experience is reflected in our product. A high degree of flexibility enables ease of implementation and provides a fast time to value, i.e. the product is generating business value shortly after implementation.

Customer experience through Agillic



Appendix 2: Financial development per quarter

DKK million	2017		2018				2019				2020	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
INCOME STATEMENT												
Revenue from subscriptions	4,8	5,0	5,9	6,3	6,6	8,7	9,3	10,5	10,6	10,8	12,0	10,8
Revenue from transactions	1,0	1,3	1,9	2,2	2,0	2,6	3,1	3,4	2,2	2,4	2,2	0,8
Other revenue	0,3	0,8	0,4	1,0	0,5	0,8	0,4	0,3	0,2	0,5	0,4	0,1
Total revenue	6,1	7,1	8,2	9,5	9,1	12,2	12,8	14,3	13,0	13,7	14,7	11,8
Gross profit	5,5	6,0	5,3	7,2	7,1	9,7	9,7	11,1	10,1	10,8	11,9	11,1
Gross profit margin	90%	84%	65%	76%	78%	79%	76%	78%	78%	79%	81%	94%
EBITDA	0,2	-0,3	-5,4	-4,0	-3,4	-6,3	-3,5	-4,8	-2,8	-4,3	-0,4	0,6
Net profit	-0,8	-3,2	-7,2	-6,1	-5,8	-6,7	-5,9	-8,6	-4,1	-6,5	-2,7	-0,5
FINANCIAL POSITION												
Total assets	23,1	31,4	60,4	53,9	50,0	47,4	36,1	40,5	40,9	35,5	38,4	59,3
Equity	3,4	6,4	21,4	15,4	9,9	3,5	-2,1	-10,5	-14,3	-20,6	-18,7	-1,4
Borrowings	13,0	16,1	13,0	11,6	9,0	11,3	10,5	16,3	21,3	24,4	28,5	28,3
Dividends paid	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Change in cash	-0,4	-0,2	35,1	-11,0	-8,5	-3,3	-9,6	-1,7	-2,0	-3,0	-2,2	-2,2
EMPLOYEES & CUSTOMERS												
Headcounts (end of quarter)	23,0	27,0	32,5	43,0	49,5	56,0	60,0	62,5	66,5	64,0	63,5	60,8
Customers (end of quarter)	53	56	55	59	65	73	73	79	77	81	84	83
SOFTWARE AS A SERVICE (SAAS)												
Subscription part of ARR	18,6	25,8	27,6	29,5	33,4	39,6	40,7	44,5	43,0	45,5	47,0	43,6
Transaction part of ARR	5,1	7,4	7,4	9,3	8,5	10,5	12,6	13,8	8,7	9,6	8,9	3,3
Total ARR ¹	23,7	33,2	35,1	38,8	41,9	50,1	53,3	58,2	51,7	55,1	55,8	46,9
Net increase/decrease in ARR	2,1	9,5	1,9	3,7	3,1	8,3	3,2	5,0	-6,5	3,4	0,8	-8,9
Average ARR ²	0,4	0,6	0,6	0,7	0,6	0,7	0,7	0,7	0,7	0,7	0,7	0,6
Customer Acquisition Costs (CAC) ³	0,4	0,5	0,7	0,8	0,8	0,8	1,0	1,0	1,3	1,4	1,2	1,6
Years to recover CAC (years) ⁴	1,2	1,1	1,6	1,6	1,7	1,5	1,6	1,6	2,4	2,6	2,2	3,1

¹ Annual Recurring Revenue (ARR), i.e. the annualised value of subscription agreements and transactions at the end of the actual reporting period

² Average Annual Recurring Revenue, i.e. the average ARR per customer

³ Customer Acquisition Costs, i.e. the sales and marketing cost (inclusive direct related cost, like travel costs, personal IT costs, costs of office etc.) of acquiring one new customer

⁴ Years to recover CAC (years), i.e. the period in years it takes to generate sufficient gross profit a customer to cover the costs of acquiring the customer

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