

Q4 Financial Report SuperOffice Group

(Group consists of SuperOffice Group AS and all subsidiaries)

Q4 and full year 2021

(Unaudited figures)

March 1st, 2022



Update from Gisle Jentoft, CEO of SuperOffice

Q4/2021 – Solid growth in new sales bookings and ARR make a strong finish of 2021

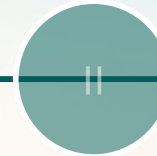


Gisle Jentoft
CEO, SuperOffice

- In the final quarter we delivered very strong sales results. New contract sales, driven by sales to new customers as well as upsell to the existing customer base, reached a record level, up 27% vs Q4/20 and up 23% for the full year.
- The new version SuperOffice 10, launched in Q3/21, was well received in the market and has strengthened our position within our target market segment. We continue to attract new customers and perform well vs both local European as well as global competitors. Existing customers have also embraced the new features and capabilities included in the upgraded version, increasing the value we generate per customer. The latter paves the ground for continued expansion of the existing customer base.
- At the end of Q4/21 ARR amounted to NOKm 425 in constant currency or NOKm 452 in current exchange rates, up 14% from last year. This gives us a strong tailwind into 2022 as recurring revenues represents more than 80% of our total revenues.
- We experience continued growth in the demand for standardized Apps and integrations to other business systems. The new App Store which was launched earlier in 2021 has been well received in the market, and higher focus on communication of the broad connectivity of SuperOffice CRM resulted in growing interest and consumption of the Apps which are developed both by SuperOffice and third party partners. The latest new App launches – providing integrations to popular tools like Microsoft Teams, Cisco Webex and Slack – had a significant number of new sign-ups in Q4.
- During the quarter we experienced several re-introductions of tighter C-19 measures across our markets, but the effects on our business were minor. We have observed an increased adaption to new, more digital-based ways of working within our team, our partners and customers. The interest to invest in digitalization and automation of marketing, sales and customer-service oriented processes continues to be strong in our target segments.
- We believe that the positive development in sales and ARR growth, particularly in Q4, is a result of continued investments we have made in line with our growth strategy. We will continue to invest in our product development, visibility and demand generation as well as in the team. The newly established R&D team in Lithuania is developing according to plan and have continued focus into 2022. We launched a Catalyst program focusing on talent development and we signed a new Head of People who will be joining us in Q1/22. These are all investments that support our long-term growth strategy, which primarily is focused on organic growth. We are however still open for making targeted acquisitions which fit in as a natural extension of our offering, team and current geographies.
- Cloud based revenues continued to deliver strong growth, with 24% in the last quarter and 25% for full year. Our relatively high investment level impacted our profits negatively in the quarter, but will have positive effects long term.
- The outlook for 2022 is positive. Cloud CRM applications are still strong, especially in the medium-sized B2B market where we are active. We expect to deliver clear improvements in revenues and profit growth in the coming year.



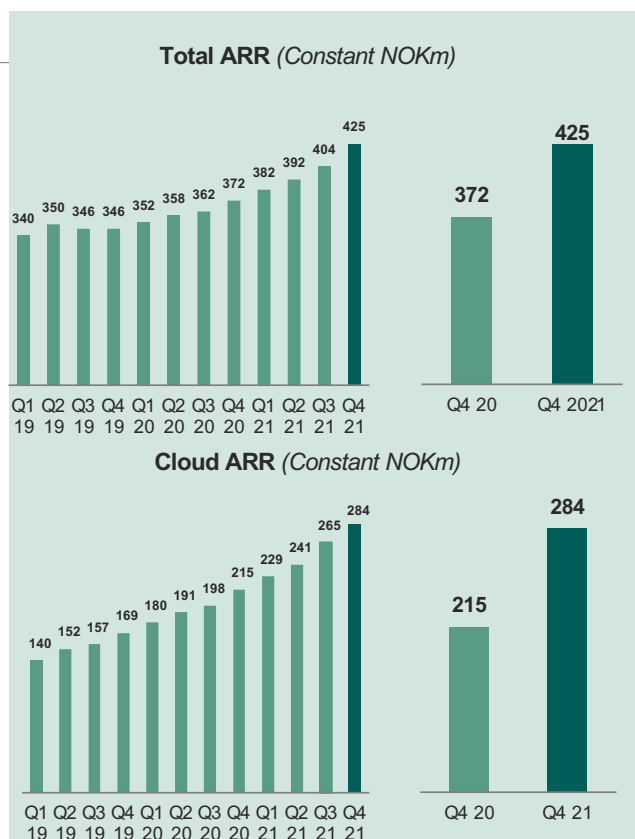
Fourth Quarter 2021 Highlights



Interim Financial Statements



Annual ARR growth of 14% in 2021 versus 7% in 2020



ARR development

About ARR in SuperOffice:

- ARR is defined as the annual recurring revenues the group expects to receive on a yearly basis from existing customer contracts.
- ARR has been tracked in constant currency since 2015 to allow for comparability over time, excluding currency effects. All comments on ARR throughout the report refer to the development in constant currency, if not specifically stated otherwise.
- The group is exposed to translation risk as close to 65% of revenue is generated in other currencies than the reporting currency NOK.

Q4 2021:

- The total ARR increased by NOKm 21 (5%) in Q4 2021 versus a growth of NOKm 10 (3%) in Q4 2020.
- Cloud subscription: increase of NOKm 20 (8%) vs NOKm 17 (9%) in Q4 2020.
- Onsite subscription: increase of NOKm 9 (17%) vs NOKm 6 (18%) in Q4 2020.
- Buy/maintenance: decrease of NOKm 7 (-7%) vs NOKm 14 (-11%) in Q4 2020
- The Cloud ARR growth is partially fuelled by successful migrations of customers from buy/maintenance – our legacy on premise solution, to our cloud solution.

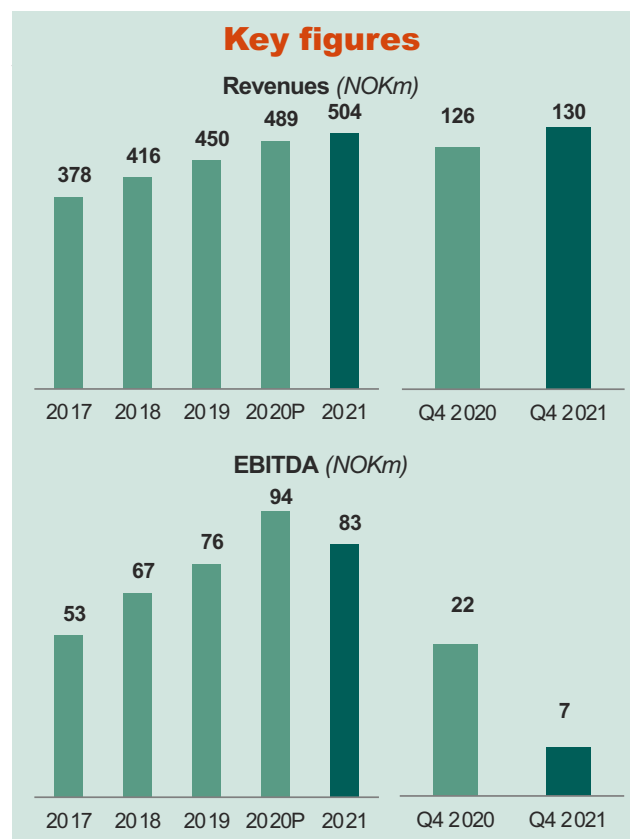
ARR growth 2021:

- The total ARR has increased by NOKm 53 (14%) in 2021 versus a growth of NOKm 26 in 2020 (7%) See ARR development by installation type below.
- Cloud subscription: increase of NOKm 69 (32%) vs NOKm 47 (28%) in 2020.
- Onsite subscription: increase of NOKm 19 (47%) vs NOKm 5 (15%) in 2020.
- Buy/maintenance: decrease of NOKm 34 (-30%) vs decrease NOKm 26 (-19%) in 2020

ARR at current rates:

- Total ARR at current exchange rates amounted to NOKm 452 at end of 2021.

Summary 2021 and Q4 2021



Financial development

Income statements (unaudited)

2021:

- Total operating income (unaudited) ended at NOKm 504 (proforma 2020 at NOKm 489).
- The EBITDA (adjusted for IFRS 16) landed at NOKm 83 (94). The reduced margin is a result of the strong sales and ARR growth in 2022, and continued investments in line with the growth strategy.
- The group has at year end an annual recurring revenue base of more than NOKm 450, which is a solid starting point for 2022.

Q4:

- Total revenues ended at NOKm 130,3 (126,4). Service revenues were lower than expected. The strong sales in Q4 will mainly be reflected as revenue in 2022. The EBITDA (adjusted for IFRS) ended at NOKm 6,6 (22,4).
- The stronger NOK had an adverse revenue and EBITDA impact of NOKm 15,6 and NOKm 5,4 respectively.

Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 31 December were NOKm 1 644. The majority of the balance sheet is related to intangibles (NOKm 1 314). Total cash at end of the year amounts to NOKm 91, and long term bond loan of NOKm 700.
- Cash flow from operating activities was NOKm 146. The working capital has also in 2021 continued to become increasingly negative following an increasing share of Cloud customers. Most Cloud customers pay upfront for 12 months.

Alternative performance measures

Alternative performance measures (APMs)

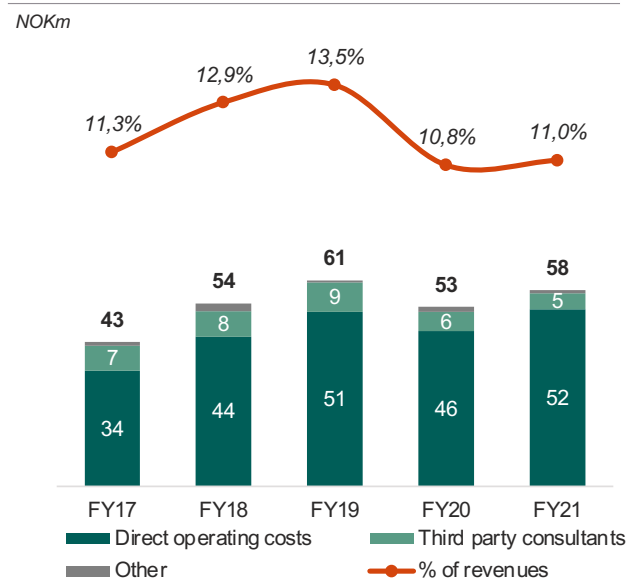
- The group presents certain measures and ratios considered as alternative performance measures (APMs) in order to enhance the underlying performance of the SuperOffice Group AS and subsidiaries (group). These supplemental measures should not be viewed as substitute for any IFRS financial measures, and are presented and defined to the right.
- The group considers the APMs as important KPIs to understand the overall and long term revenue and profit generating aspects of the business.

Definitions

- ARR is defined as the annual recurring revenues the group expects to receive on a yearly basis from existing contracts with customers.
- EBITDA is defined as the profit for the year before net financial items, income tax, depreciation and amortization.
- EBITDA margin is defined as the EBITDA as a percentage of total revenues.
- Adjusted EBITDA is defined as the EBITDA adjusted for special non-recurring and operating items.
- Pro forma is defined as the financial statements normalized for non recurring events and new business combinations. Non recurring events are excluded and new business combinations are included as if they had been part of the group for the entire reporting period.
- Capex is defined as capital expenditures and are funds that are used to purchase assets, improve assets and capitalization of internal time for development expenditures.
- Net working capital (NWC) is defined as the difference between the current assets and current liabilities on the balance sheet.

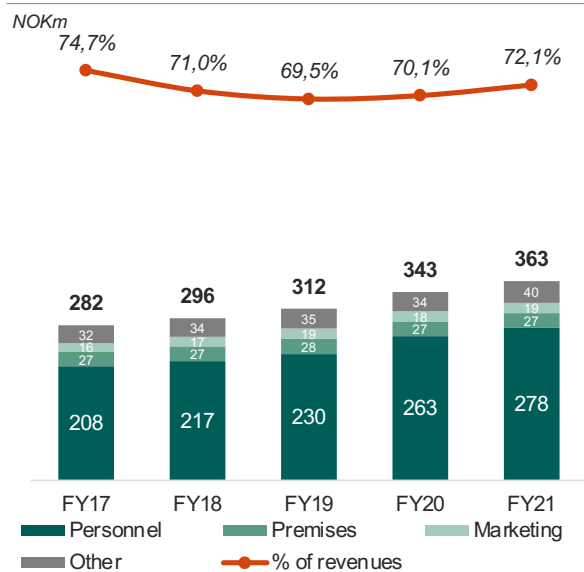
Cost base overview and EBITDA

Purchase of materials & services



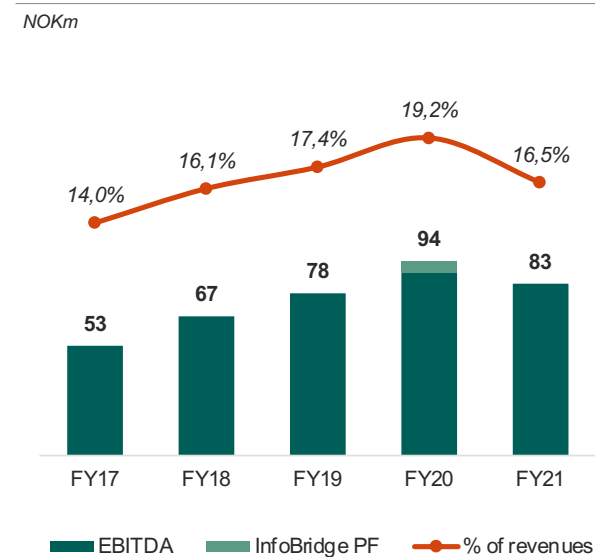
- Direct operating costs relate to operation of the cloud platform and partner commissions. A strong growth in operation costs have partly been offset by reduced costs of InfoBridge products following the acquisition in 2020.

Operating expenses



- Personnel expenses is the largest cost category, more than 75% of the total opex cost base is personnel related.
- Salaries are based on variable compensation schemes linked to sales related performance, especially for employees in the sales organization.

EBITDA

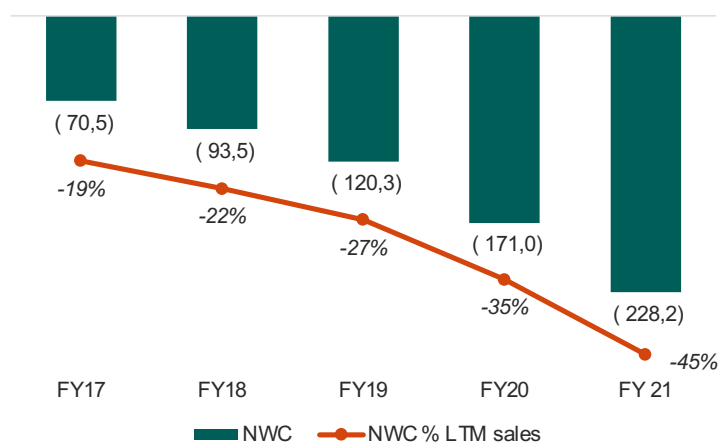


- The decrease in EBITDA from 2020 to 2021 is mainly a result of the increased investments made in the organization to drive continued ARR growth going forward.

Net working capital and Capex

Net working capital

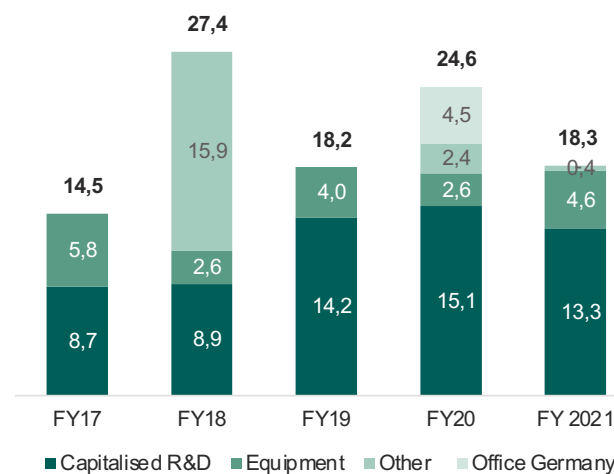
NOKm



- The increasingly negative net working capital is driven by a larger share of cloud services where more than 80% of customers have entered into annual agreements that are paid in advance.
- The group has as observed in 2020 also in 2021 not experienced challenges related to collecting receivables following the Covid-19 pandemic.

Capex overview

NOKm



- Development costs are capitalised according to the capitalisation principles applied by the company, and in accordance with IAS.
- In 2018 SuperOffice purchased the right to sell SuperOffice products to the American market (NOK15.9m).
- 2020 Capex includes investments in a new office in Germany.
- 2021 Capex is related to capitalized R&D and operational capex.

Quality of earnings

Pro-forma EBITDA – Non audited

NOKm	Q4 2021	Q4 2020	FY 2021
EBITDA	10,9	46,8	119,4
Margin	8,4 %	37,0 %	23,7 %
Adjusted for IFRS 16	-6,0	-8,5	-24,3
Infobridge pf adjustment		5,6	
Severance pay	1,7	4,9	1,7
Acquisition related costs		7,8	
Bond Listing Costs			2,0
Marketing Restructuring			1,5
Strategy implementation costs			2,5
Reversal of on previous estimate on earn-out		-34,2	-19,9
Pro-forma EBITDA	6,6	22,4	83,0
Margin	5,1%	17,7%	16,5%

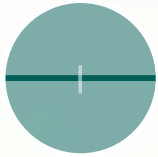
Adjustments

2021:

- Strategy implementation costs Q2 2021: NOKm 2,5 has been adjusted for related to advisory services in connection with the implementation of the long-term strategic plan.
- Bond listing costs Q3 2021: In total, NOKm 2,0. The costs were mainly related to audit costs, and advisory costs.
- Restructuring of the marketing team Q3 2021: NOKm 1,5
- Severance packages for positions that will not be replaced Q4 2021: NOKm 1,7
- IFRS 16 is included in the Financial Statements, and the pro-forma EBITDA is before IFRS 16.
- Reversal of previous earn-out estimate: The original provision has been reduced by NOKm 19,9.

Q4 2020:

- Adjustment for InfoBridge Pro forma
- Severance pay in Norway and Sweden.
- Acquisition and strategy costs NOKm 4,9.
- Reversal of previous estimate for earn-out: NOKm 34,2.



Fourth Quarter 2021 Highlights



Interim Financial Statements



Condensed income statement

Unaudited

<i>NOKm</i>	<i>Note</i>	Q4 2021	Q4 2020	2021	2020
Operating income		130,4	126,4	503,8	314,0
Total revenues	3	130,4	126,4	503,8	314,0
Purchase of materials and services		16,0	13,6	57,8	37,4
Payroll and related expenses		87,6	73,8	281,8	161,3
Other operating expenses		15,7	6,7	44,2	30,7
Bad debts		0,1	0,3	0,5	0,3
Total operating expenses		119,5	94,3	384,3	229,6
Operating profit before depreciation, amortisation and transaction costs		10,9	32,1	119,4	84,4
Depreciation and amortisation		24,1	35,3	95,4	62,2
Operating Profit (EBIT)		-13,2	-3,3	24,0	22,2
Net financial items		15,5	34,5	58,3	53,8
Profit before tax		-28,7	-37,8	-34,2	-31,6
Income tax		-0,6	-0,5	2,5	-10,4
Profit/loss for the period		-28,1	-37,2	-36,8	-21,3

Comments

- SuperOffice Group AS was established in February 2020 and acquired all the shares in SuperOffice AS in May 2020.
- The condensed consolidated group financial statements for 2020 include the results for the SuperOffice AS Group for the period from the acquisition date on 8 May 2020. There was no operational activity in SuperOffice Group AS before the acquisition of SuperOffice AS in May 2020.
- SuperOffice AS acquired SuperOffice InfoBridge in Q3 2020, and is reflected with four months in 2020.

Comprehensive Income Statement

Unaudited

<i>NOKm</i>	
Profit/loss for the year	-21,3
Other comprehensive income:	
Currency translation differences (may be reclassified)	-2,7
Total comprehensive income for 2020	-24,0
Profit/(loss) for the period	-18,3
Other comprehensive income:	
Currency translation differences (may be reclassified)	1,2
Total comprehensive income ytd 2021	-17,2

Condensed consolidated balance sheet

Assets - unaudited

NOKm	31/12 2021	31/12 2020
<i>Non-current assets</i>		
Deferred tax assets	15,2	16,4
Intangible assets	1 314,1	1 369,7
Tangible assets	15,6	17,0
Right-of-use assets	126,0	143,2
Other non-current receivables	0,9	0,9
Total non-current assets	1 471,7	1 547,2
<i>Current assets</i>		
Account receivables	49,4	39,7
Other current assets	31,9	23,1
Cash and cash equivalents	90,7	44,2
Total current assets	172,0	107,0
Total Assets	1 643,8	1 654,2

Equity and liabilities - unaudited

NOKm	31/12 2021	31/12 2020
<i>Equity</i>		
Total Equity	377,2	364,8
<i>Non-current liabilities</i>		
Deferred tax liabilities	145,8	153,8
Pension liability	0,3	0,3
Non-current lease liability	112,1	125,9
Borrowings	698,8	695,4
Other non-current liabilities	0,0	19,2
Total non-current liabilities	957,0	994,6
<i>Current liabilities</i>		
Prepayments from customers	190,5	146,0
Current lease liabilities	16,4	17,8
Other current liabilities	102,7	131,0
Total current liabilities	309,6	294,7
Total equity and liabilities	1 643,8	1 654,2

Condensed consolidated interim statement of changes in equity

Unaudited

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
2020					
Equity 25.02.2020	0,03				0,03
Profit (loss) for the period				-21,3	-21,3
Currency translation effects			-2,7		-2,7
Total comprehensive income for the period			-2,7	-21,3	-24,0
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	580,2			580,2
Paid dividend				-191,5	-191,5
Equity 31.12.2020	0,06	580,2	-2,7	-212,8	364,8

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
2021					
Equity 31.12.2020	0,06	580,2	-2,7	-212,8	364,8
Profit (loss) for the period				-36,8	-36,8
Currency translation effects			6,5		6,5
Other				0,5	0,5
Total comprehensive income for the period			3,8	-249,0	335,0
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,2			42,2
Equity 31.12.2021	0,09	622,4	3,8	-249,0	377,2

Condensed consolidated statement of cash flow

Unaudited

<i>NOKm</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Profit before income tax	-28,7	-37,8	-34,2	-31,6
Depreciation and amortisation	24,1	35,3	95,4	62,2
Change NWC	23,9	28,6	58,6	-57,4
Other	12,1	-19,8	26,1	1,8
Cash flow from operating activities	31,4	6,3	145,8	-25,1
Interest paid	-15,2	-2,4	-57,0	-16,4
Income tax paid	-1,8	-2,9	-4,8	-6,9
Net cash flow from operating activities	14,3	1,1	84,0	-48,3
<i>Investing activities</i>				
Purchase of property, plant and equipment (PPE)	-1,9	-5,3	-4,6	-6,8
Development and purchase of intangible asset	-2,8	-4,5	-13,7	-10,1
Acquisition of subsidiary, less cash acquired		-3,3	-42,4	-797,9
Net cash investments	-4,7	-13,0	-60,7	-814,8
<i>Financing activities</i>				
Proceeds from issuance of share capital			42,4	435,7
Payment of principal portion of lease liabilities	-4,4	-1,3	-19,2	-10,4
Proceeds from borrowings		687,2		1180,0
Repayment of borrowings		-501,4		-506,4
Dividend paid to company's shareholders		-191,5		-191,5
Net cash used in financing activities	-4,4	-7,1	23,2	907,4
Net decrease/increase in cash, cash equivalents and bank overdrafts	5,2	-19,0	46,5	44,3
Cash and cash equivalents at beginning of period	85,5	63,3	44,2	0,0
Exchange gains/losses on cash and bank overdrafts				-0,1
Cash and cash equivalents at the end of the period	90,7	44,2	90,7	44,2

Comments

- SuperOffice Group AS was established in February 2020 and acquired all the shares in SuperOffice AS in May 2020.
- The condensed consolidated statement of cash flow for 2020 include the results for the SuperOffice AS Group for the period from the acquisition date on 8 May 2020. There was no operational activity in SuperOffice Group AS before the acquisition of SuperOffice AS in May 2020.

Notes

Note 1 – Company information

- SuperOffice Group AS is a limited liability company incorporated at 25 February 2020 and domiciled in Norway. The address of its registered office is Wergelandsveien 27, P.O. Box 1884 Vika, NO-0124 Oslo. SuperOffice Group AS is owned 100% by SuperOffice Holding I AS, which is owned by SuperOffice Holding II AS which is owned 89,9% by SuperOffice Holding III AS.
- SuperOffice is Europe's leading supplier of CRM software solutions to the professional business-to-business market. SuperOffice's solutions are delivered and implemented through subsidiaries, distributors and value added resellers. In addition to providing software solutions, SuperOffice also delivers consulting services related to strategic CRM issues, implementation, integrations and user education.
- SuperOffice Group AS is the parent company in the SuperOffice group.

Note 2 - Basis for preparation and accounting principles

Basis for preparation

- The consolidated financial statements for the SuperOffice Group have been prepared in accordance with IFRS as adopted by the EU, and interpretations stated by the International Accounting Standards Board. The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances. The interim financial statements for the period ending December 31th 2021 are prepared in accordance with IAS 34. The interim financial statements do not include all the information disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ending 31 December 2020. The interim financial statements are unaudited.
- The consolidated financial statements for 2020 have been prepared for the period from 25 February to 31 December 2020. There was no activity in SuperOffice Group AS before the acquisition of SuperOffice AS in May 2020.

Accounting principles:

- The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's financial statement for the year ending 31 December 2020. All amounts in the notes are in NOKm, except where otherwise indicated.

Notes

Note 3 – Segment Reporting

- The Group has identified only one segment across the Group’s companies and sites, thus no separate segment reporting is required.

Note 4 – Risks

- There have not been any changes to the risk factors described in note 21 in the Annual Report for 2020.

Notes

Note 5 – Related Parties

- There have not been transactions with any related parties that significantly impact the group's financial position or result of the period.

Note 6 - Events after the balance sheet date

- There have not been events that have significantly affected or may significantly affect the operations of the group after 31 December 2021.

Responsibility Statement

We, confirm that, to the best of our knowledge, the condensed unaudited consolidated interim financial statements for 2021 which have been prepared in accordance with IFRS adopted by EU and IAS 34 interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of the operation. To our best knowledge, the report for 2021 includes a fair review of important events that have occurred during the year and their impact on the condensed financial statements, the principal risks and significant related party transactions.

March 1st, 2022

Sign	Sign	Sign	Sign	Sign
Klaus Holse	Christian Bamberger Bro	Björn Erik Larsson	Endre Rangnes	Eilert Hanoa
Chair	Deputy chair	Board member	Board member	Board member

Sign
Gisle Jentoft
CEO

