

# Q3 Financial Report SuperOffice Group

(Group consists of SuperOffice Group AS and all subsidiaries)

Q3 and year to date 2021

(Unaudited figures)

November 30th, 2021



# Update from Gisle Jentoft, CEO of SuperOffice

- Q3/2021 – Continued positive development, launch of SuperOffice 10 and strong growth in new sales bookings and ARR

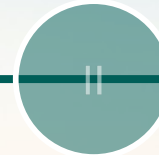


**Gisle Jentoft**  
CEO, SuperOffice

- The positive development across our business continued in the third quarter of 2021, including significant growth in sales and ARR. Booked new contract values, driven from sales to net new customers as well as upsell to the existing customer base, ended up 19% vs the same quarter last year and is up 21% ytd Q3/21. We are performing well and win-rates are developing positively in the net new deals area. Our competitive position in our target markets is solid versus both local European as well as the global CRM players.
- The Annual Recurring Revenue (ARR) growth continued its positive development and our ARR net growth ytd is 200% vs the same period last year. During the quarter, the reopening after C-19 has continued and businesses in our target segments are increasingly positive towards investing in technology which automates marketing, sales and customer service-oriented processes.
- We continue executing on our growth strategy. Focus is on accelerating growth, bringing exciting new software functionality to our customers and partners and expand our footprint in our existing markets. The new key executive hires are now well integrated in the business and team and progress across all our strategic initiatives is good. We will continue to expand our visibility, drive more net new customer business and deliver great value and experiences to our customers. With our position as the largest northern European player in SaaS CRM – and our local teams in Norway, Sweden, Denmark, Germany, Netherlands, Switzerland and UK – we are well positioned to expand our leadership in the growing CRM application market in Northern Europe.
- At the end of Q3/21, our new version SuperOffice 10 was launched. This version includes a new pricing & packaging model and exciting new capabilities and products. The new pricing model is far more flexible and scalable and will serve as an improved platform for winning new deals as well as offering existing customer a modular approach to expanding their business capabilities within marketing, sales and customer service.
- We have also launched a brand new App Store, which now offers more than 130 standardized Apps which connect and integrate SuperOffice to a wide number of other business applications and extend the functional scope of our solution. The latest new Apps include integrations to popular and widely used solutions like MailChimp, Trello, Slack, WordPress and Microsoft Teams – all developed by the InfoBridge team which was acquired in the fall of 2020. The apps in our App Store are easy to consume for our customers, they increase our reach and improve our right to win in the net new deal space.
- Our growth strategy is primarily based on organic growth, but we are also considering good-fit strategic acquisitions which expand our offering, strengthen our team and adds value to our customers. As mentioned above, the integration of the acquired InfoBridge Software B.V., completed in September 2020, is working well. We will continue to evaluate targeted acquisition opportunities in the time ahead.
- Our financial position is solid. The cloud business, which represents the most important part of our business moving forward, shows a revenue growth of 25% for the quarter and ytd 2021 versus 2020. Profits are also moving according to plan, with ytd EBITDA increasing versus last year. We are investing in future growth and this clearly affects our profits.
- The underlying forecasted SaaS CRM application growth in the SME segment is strong and we are committed to growing our share of this market in time ahead. The outlook for the last quarter of 2021 is good.



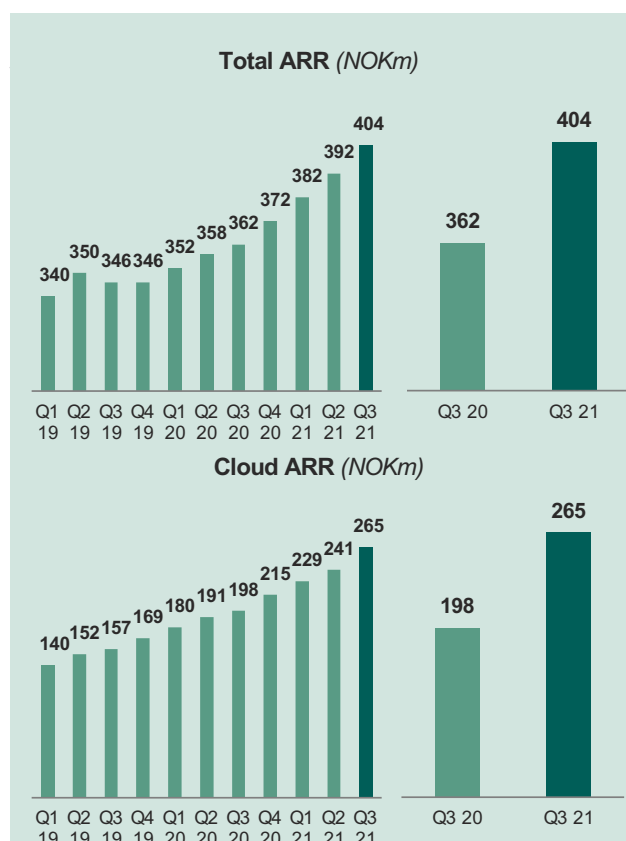
**Third Quarter 2021 Highlights**



**Interim Financial Statements**



# ARR in SuperOffice



## 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 contracts with customers.
- The ARR has been measured in constant currency since 2015 in order to follow the underlying development of the ARR development per country and on group level without currency effects.
- The group is exposed to translation risk for the consolidated ARR and group revenues as close to 65% is generated in other currencies than the reporting currency NOK. All comments are related to constant currencies, but the total value at current rates are listed at the end.

### Q3 2021:

- The total ARR increased by NOKm 12 (3%) in Q3 2021 versus a growth of NOKm 4 (1%) in Q3 2020. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 23 (10%) vs NOKm 7 (4%) in Q3 2020
- Onsite subscription: increase of NOKm 1 (2%) vs NOKm 1 (3%) in Q3 2020
- Buy/maintenance: decrease of NOKm 12 (-12%) vs NOKm 5 (-3%)
- Customers remaining on Buy/maintenance have the annual termination/reduction window in September each year. This has historically contributed to a low ARR growth in Q3.
- The Cloud ARR growth versus the total ARR relates amongst others to customers that migrate from Buy/maintenance (on premise solution)

### ARR Growth year to date:

- The total ARR has increased by NOKm 32 (9%) year to date 2021 versus a growth of NOKm 16 (5%) year to date 2020. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 49 (23%) vs NOKm 30 (18%) year to date 2020.
- Onsite subscription: increase of NOKm 10 (25%) vs decrease of NOKm 1 (-3%) year to date 2020.
- Buy/maintenance: decrease of NOKm 27 (-23%) vs decrease NOKm 13 (-9%) year to date 2020

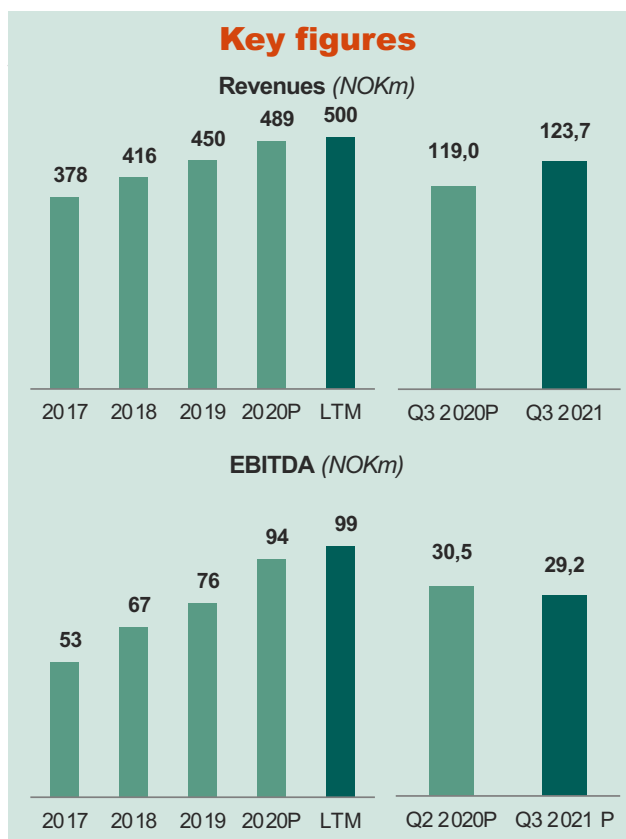
### ARR Last Twelve Months:

- The ARR growth at end of Q3 2021 for the last 12 months amounts to NOKm 42 (12%) versus NOKm 26 (7%) for the entire calendar year 2020.

### ARR at current rates:

- Total ARR at current exchange rates amounted to NOKm 433 at end of Q3.

# Third Quarter 2021 Highlights



## Financial development

### Income statements (unaudited)

#### Q3 2021:

- Total operating income ended at NOKm 123,7 versus NOKm 119,0 in the proforma Q3 2020 accounts. The Cloud revenues continue to grow with a growth of 25% in the quarter versus pro-forma Q3 2020. The successful transition of existing customers to Cloud continues, and revenues from on premise solutions (maintenance) for the quarter decreased by 32% from last year.
- Total operating expenses landed in Q3 2021 at NOKm 94,5 versus NOKm 88,5 in the proforma Q3 2020 accounts. The increase relates mainly to new key executive hires to drive growth, improved sales and ARR performance versus the same quarter last year. The revenues from the increased sales and ARR performance will mainly be reflected in 2022.
- SuperOffice generates close to 65% of its revenues in foreign currency. A stronger NOK exchange rate in Q3 2021 compared to Q3 2020 has affected the revenues and EBITDA negatively by respectively NOKm 2,3 and NOKm 1,0.

- The EBITDA ended at NOKm 29,2 (2020: NOKm 30,5) including one off adjustments of NOKm 3,5, and the EBITDA margin (adjusted for IFRS 16) decreased from 25,9% in 2020 to 23,6% in 2021. The reduced margin is a result of strong sales that triggered higher commissions. The associated revenues will mainly be reflected in 2022. In addition, new key executive positions in accordance with the strategy plan.

### Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 30 September were NOKm 1 641. The majority of the balance sheet is related to intangibles (NOKm 1 329).
- At the end of the quarter the Group had bank deposits of NOKm 86 and long term borrowings of NOKm 696.
- Net cash flow from operating activities is for the quarter negative by NOKm 9,5 mainly due to the development in the working capital.

### Last twelve months

- Last twelve months revenues and EBITDA ended at respectively NOKm 500 and NOKm 99.

# 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

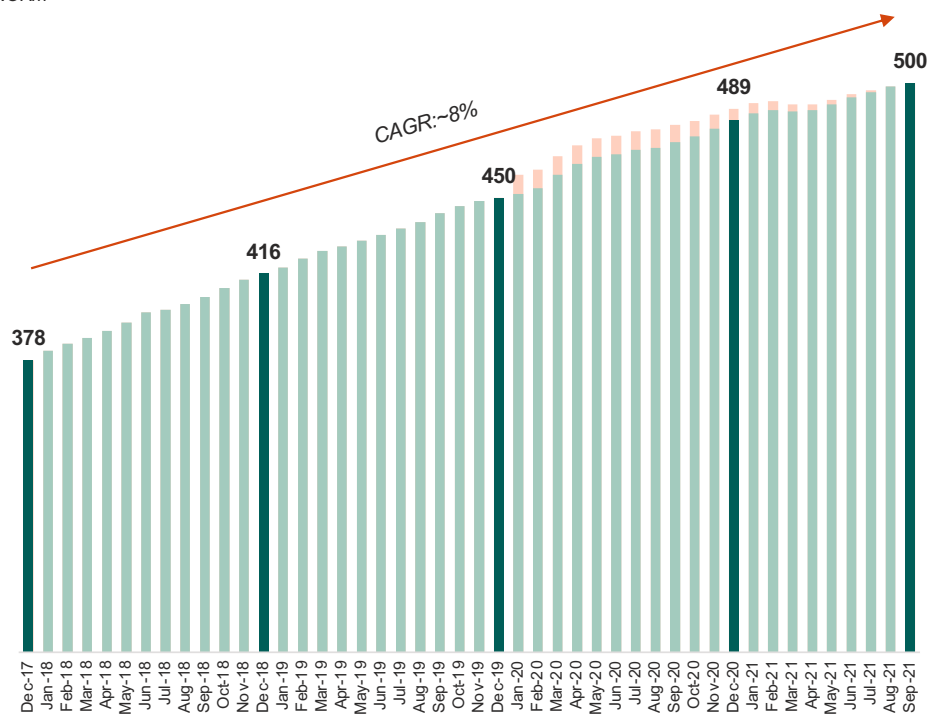
- ARR is defined as the annual recurring revenues the group expects to receive on a yearly basis from existing contracts with customers.
- EBITDA is defined as the profit for the year before net financial items, income tax, depreciation and amortization.
- EBITDA margin is defined as the EBITDA as a 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.

# Historical financial performance

Proforma including add on acquisition of InfoBridge closed in September 2020 and one offs

## Revenue development LTM

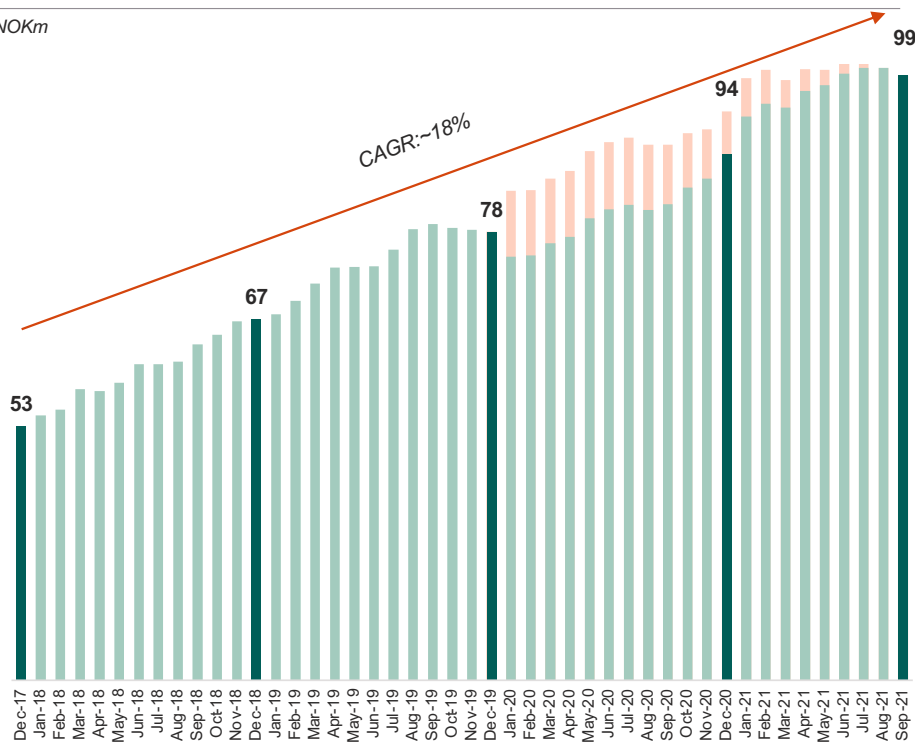
NOKm



Pro forma including add-on acquisition closed in September 2020, and the following 12 months.

## EBITDA development LTM

NOKm



Pro forma including add-on acquisition closed in September 2020, and the following 12 months.

7 | CAGR 2017- Q3 2021 LTM including full year pro forma effect of InfoBridge

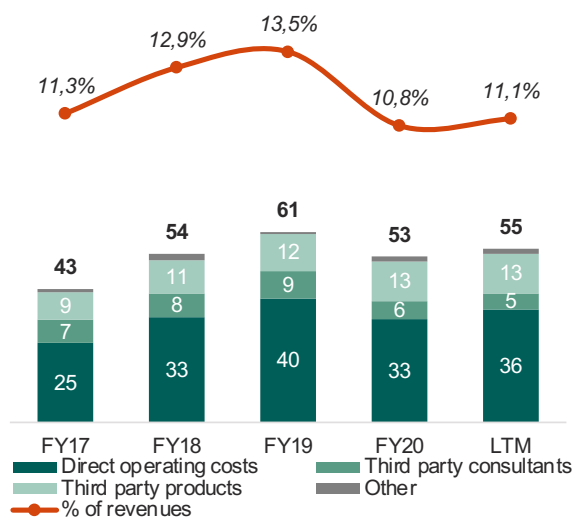
December EBITDA 2019, December EBITDA 2020 and ytd 2021 include adjustments for non-recurring items.



# Cost base overview and EBITDA

## Purchase of materials & services

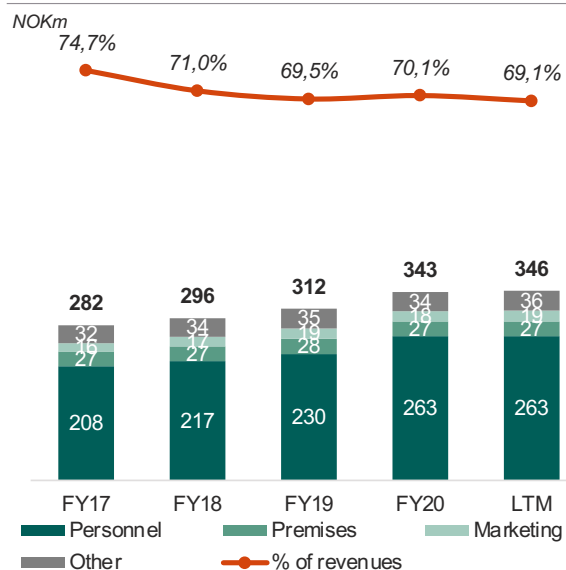
NOKm



- Purchase of materials & services have been reduced in FY 2020 and LTM following the acquisition of InfoBridge (eliminated in group accounts), and reduced use of third-party consultants. Almost 50% of InfoBridge sales have historically been sold through SuperOffice, and purchase of materials and & services for the group will be reduced.

## Operating expenses

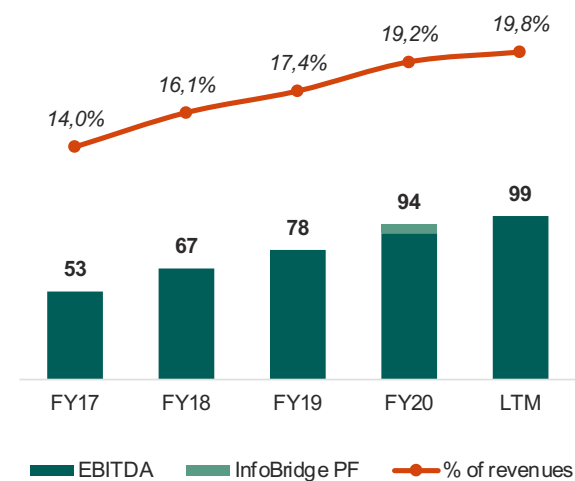
NOKm



- Personnel expenses are the largest cost category, approximately 40% of the personnel is based in Norway. Salaries, especially for sales employees, is based on variable compensation schemes with new sales and churn as key KPIs.
- Non-recurring items are adjusted for in 2020, and InfoBridge opex for the full year are included in pro forma accounts.

## EBITDA

NOKm



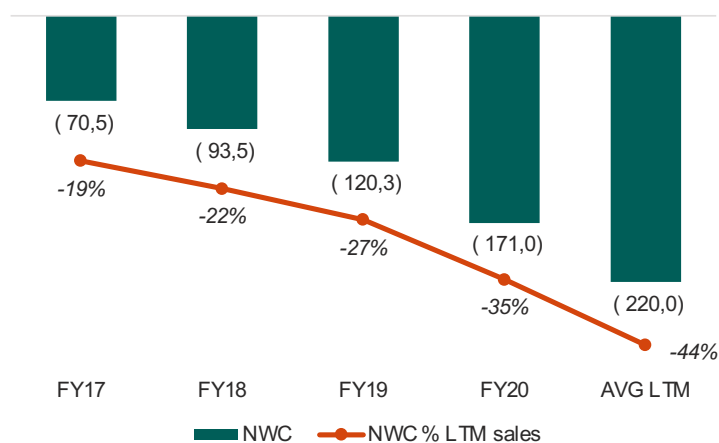
- EBITDA has increased significantly over the periods, both due to increased sales and margin expansion.
- InfoBridge PF (pro-forma) relates to the net effect on the EBITDA as if it had been part of the group for the entire period.



# Net working capital and Capex

## Net working capital

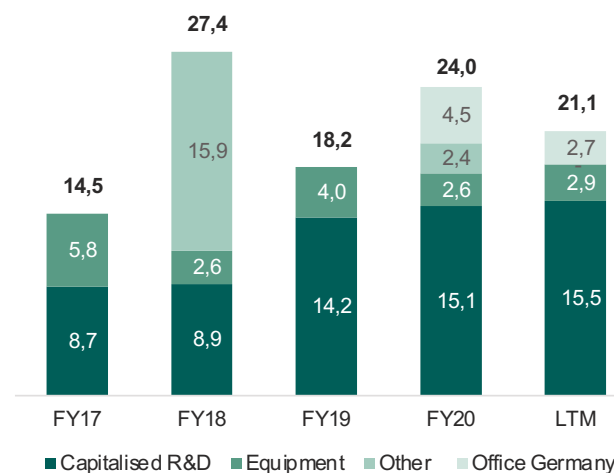
NOKm



- Net working capital continue an increasingly negative profile, driven by customer prepayments, more than 80% of cloud customers are paid annually in advance.
- Average net working capital last twelve months at end of Q3 is affected by the share of maintenance from customers that are still on the on premise platform. They pay maintenance up front for 12 months.
- Earn out provision related to sale of the shares in SuperOffice AS from SuperInvest AS to SuperOffice Group AS in 2020 has been excluded from the short-term liabilities.

## 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 rights to sell SuperOffice products to the American market (NOK15.9m).
- The 2020 Capex and LTM are related to capitalized R&D, marketing investments and moving to a new office in Germany.

# Quality of earnings

## Pro-forma EBITDA – Non audited

NOKm	Q3 2021 P	Q3 2020 P	YTD 2021
EBITDA	63,9	39,6	108,5
Margin	51,7 %	33,6 %	29,1 %
Adjusted for IFRS 16	-18,3	-9,1	-18,3
Infobridge pf adjustment		1,3	
Bond Listing Costs	2,0		2,0
Marketing Restructuring	1,5		1,5
Reversal of on previous estimate on earn out	-19,9		-19,9
<b>Pro-forma EBITDA</b>	<b>29,2</b>	<b>30,5</b>	<b>76,3</b>
Margin	23,6%	25,9%	20,4%

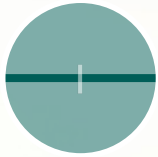
## Adjustments

### Q3 2021 and Q3 2020:

- Bond listing costs Q3 2021: In total, NOKm 2,0. The costs were mainly related to audit costs for all Guarantors for 2019 and 2020, and advisory costs.
- Restructuring of the marketing team Q3 2021: NOKm 1,5
- The proforma adjustment for SuperOffice InfoBridge in Q3 2020 has been included by NOKm 1,3.
- Reversal of previous estimate for earn-out: The original provision for earn out has been reduced by NOKm 19,9. The reduction relates to a lower than expected earn out than was provided at the acquisition. This is mainly due to the current exchange rates.
- IFRS 16 is included in the Financial Statements, and the pro-forma EBITDA is before IFRS 16.

### Year to date 2021 (not discussed above):

- Strategy implementation costs Q2 2021: NOKm 2,5 has been adjusted for related to consultancy for the implementation of the long-term strategic plan for the period 2021-2025.



## **Third Quarter 2021 Highlights**



## **Interim Financial Statements**



# Condensed income statement

## Unaudited

<i>NOKm</i>	<i>Note</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>
Operating income		123,7	117,7	373,4	187,6
<b>Total revenues</b>	<b>3</b>	<b>123,7</b>	<b>117,7</b>	<b>373,4</b>	<b>187,6</b>
Purchase of materials and services		13,6	14,4	41,8	23,8
Payroll and related expenses		60,3	52,1	194,1	87,5
Other operating expenses		-14,2	11,7	28,5	23,9
Bad debts		0,0	0,0	0,4	0,0
Total operating expenses		59,8	78,2	264,9	135,3
<b>Operating profit before depreciation, amortisation and transaction costs</b>		<b>63,9</b>	<b>39,6</b>	<b>108,5</b>	<b>52,3</b>
Depreciation and amortisation		34,3	15,4	71,3	26,9
<b>Operating Profit (EBIT)</b>		<b>29,6</b>	<b>24,1</b>	<b>37,3</b>	<b>25,4</b>
Net financial items		18,0	10,5	42,8	19,3
<b>Profit before tax</b>		<b>11,6</b>	<b>13,6</b>	<b>-5,5</b>	<b>6,1</b>
Income tax		-1,3	6,4	3,1	6,4
<b>Profit/loss for the period</b>		<b>12,9</b>	<b>7,2</b>	<b>-8,6</b>	<b>-0,3</b>

## 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 year to date 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 one month in the Q3 accounts for 2020.

# Comprehensive Income Statement

## Unaudited

<i>NOKm</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Profit/loss for the period	12,9	7,2	-8,6	-0,3
Other comprehensive income/loss:				
Currency translation differences (may be reclassified to profit or loss):	-0,8	-1,9	0,4	-0,5
<b>Total comprehensive income/loss for the period</b>	<b>12,1</b>	<b>5,3</b>	<b>-8,2</b>	<b>-0,8</b>

# Condensed consolidated interim balance sheet

## Assets - unaudited

NOKm	30/9 2021	31/12 2020
<i>Non-current assets</i>		
Deferred tax assets	16,4	16,4
Intangible assets	1 328,9	1 369,7
Tangible assets	15,6	17,0
Right-of-use assets	130,9	143,2
Other non-current receivables	0,9	0,9
<b>Total non-current assets</b>	<b>1 492,7</b>	<b>1 547,2</b>
<i>Current assets</i>		
Account receivables	39,6	39,7
Other current assets	22,7	23,1
Cash and cash equivalents	85,5	44,2
<b>Total current assets</b>	<b>147,8</b>	<b>107,0</b>
<b>Total Assets</b>	<b>1 640,5</b>	<b>1 654,2</b>

## Equity and liabilities - unaudited

NOKm	30/9 2021	31/12 2020
<i>Equity</i>		
<b>Total Equity</b>	<b>398,9</b>	<b>364,8</b>
<i>Non-current liabilities</i>		
Deferred tax liabilities	143,5	153,8
Pension liability	0,3	0,3
Non-current lease liability	115,5	125,9
Borrowings	695,8	695,4
Other non-current liabilities	0,0	19,2
<b>Total non-current liabilities</b>	<b>955,1</b>	<b>994,6</b>
<i>Current liabilities</i>		
Prepayments from customers	190,3	146,0
Current lease liabilities	17,4	17,8
Other current liabilities	78,7	131,0
<b>Total current liabilities</b>	<b>286,4</b>	<b>294,7</b>
<b>Total equity and liabilities</b>	<b>1 640,5</b>	<b>1 654,2</b>

# Condensed consolidated interim statement of changes in equity

## Unaudited

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

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
<b>2021</b>					
<b>Equity 31.12.2020</b>	<b>0,06</b>	<b>580,2</b>	<b>-2,7</b>	<b>-212,8</b>	<b>364,8</b>
Profit (loss) for the period				-8,6	-8,6
Currency translation effects			0,4		0,4
<b>Total comprehensive income for the period</b>			<b>-2,7</b>	<b>-221,4</b>	<b>356,5</b>
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,4			42,4
<b>Equity 30.09.2021</b>	<b>0,09</b>	<b>622,6</b>	<b>-2,7</b>	<b>-221,4</b>	<b>398,9</b>

# Condensed consolidated statement of cash flow

## Unaudited

<i>NOKm</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Profit before income tax	11,6	13,6	-5,5	6,1
Depreciation and amortisation	28,6	15,4	71,3	26,9
Change NWC	-44,6	-42,2	34,7	-86,0
Other	11,6	10,1	14,0	21,6
<b>Cash flow from operating activities</b>	<b>7,2</b>	<b>-3,0</b>	<b>114,5</b>	<b>-31,4</b>
Interest paid	-15,8	-10,6	-41,8	-14,0
Income tax paid	-1,0	-3,0	-3,0	-4,0
<b>Net cash flow from operating activities</b>	<b>-9,5</b>	<b>-16,6</b>	<b>69,7</b>	<b>-49,4</b>
<i>Investing activities</i>				
Purchase of property, plant and equipment (PPE)	-0,5	-0,8	-2,7	-1,5
Development and purchase of intangible asset	-2,8	-2,8	-10,9	-5,6
Acquisition of subsidiary, less cash acquired		-53,7	-42,4	-794,6
<b>Net cash investments</b>	<b>-3,3</b>	<b>-57,3</b>	<b>-56,0</b>	<b>-801,7</b>
<i>Financing activities</i>				
Proceeds from issuance of share capital			42,4	435,7
Payment of principal portion of lease liabilities	-9,1	-5,7	-14,8	-9,1
Proceeds from borrowings		49,2		492,8
Repayment of borrowings				-5,0
<b>Net cash used in financing activities</b>	<b>-9,1</b>	<b>43,5</b>	<b>27,6</b>	<b>914,5</b>
<b>Net decrease/increase in cash, cash equivalents and bank overdrafts</b>	<b>-21,9</b>	<b>-30,4</b>	<b>41,3</b>	<b>63,3</b>
Cash and cash equivalents at beginning of period	107,4	93,7	44,2	0,0
Exchange gains/losses on cash and bank overdrafts				
<b>Cash and cash equivalents at the end of the period</b>	<b>85,5</b>	<b>63,3</b>	<b>85,5</b>	<b>63,3</b>

## 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 Q3 2020 and year to date 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

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- 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 91,5 % 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

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### 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 30 September 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

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

## Note 4 – Risks

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- 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

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- 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

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- There have not been events that have significantly affected or may significantly affect the operations of the group after 30 September 2021.

