



# INTERIM FINANCIAL REPORT SUPEROFFICE GROUP

(GROUP CONSISTS OF SUPEROFFICE GROUP AS AND ALL SUBSIDIARIES)

Q2 and first half year 2023

(Unaudited figures)

August 30th, 2023

# Update from Gisle Jentoft, CEO of SuperOffice

Q2/2023 – A quarter with strong growth in revenues and profit



**Gisle Jentoft**  
CEO, SuperOffice

- SuperOffice continues the trend from Q1 2023 to Q2 2023 with strong revenue and EBITDA growth. Total revenues for the quarter amounted to NOKm 164 (NOKm 136), up 20% versus Q2 2022. Cloud-based revenues were up by 33%. With our value proposition of increased efficiency, streamlining and automation of marketing, sales and customer service processes, and competitive pricing our competitive position remains strong. We do however experience that the current macro-economic situation also affects our target market and customer's willingness to invest, leading to decision-making processes becoming longer.
- The EBITDA (adjusted for IFRS 16 and nonrecurring items) for Q2 2023 landed at NOKm 36 (EBITDA margin of 21,7%) vs NOKm 22 (16,4%) for Q2 2022. The strong profit improvement for the quarter reflects our ARR growth during the last 12 months and the effects from streamlining of our go to market organization.
- At end of Q2 2023, total ARR at current currencies amounted to NOKm 580 (NOKm 480 at the same time last year), representing a growth of 21%. This solid uplift in ARR serves as a strong revenue driver for the next 12 months as recurring revenues represent close to 88% of our total revenues.
- Investments in product development clearly remains high on our agenda, focused on bringing our customers improved and new value adding capabilities. The recently launched new version of our cloud-based Customer Service software has been well received and strengthens the positioning of our completely integrated CRM suite. We continue our investments and make good progress in our move to Microsoft Azure Public Cloud, which will result in exciting new business capabilities for our customers and additional competitive advantages for SuperOffice. Finally, our ambitions in the Marketing area are finding its form and we plan to launch feature improvements in this area during the first half of 2024.
- Our growth strategy continues with focus on our key markets in Scandinavia, Germany, Switzerland and the Netherlands – as well as our customer support and development centre in Vilnius. We remain focused on driving organic growth, but we will continue to consider targeted acquisitions which fit in as a natural extension of our offering, team and focus geographies. Our main goal remains clear; to be a preferred CRM choice for our target markets and customers and continue to be an attractive and sustainable company for our customers, partners, employees and owners.
- Under the current economic climate there will continue to be uncertainty related to the impact on our business. We are however confident that we – with our strong cloud CRM offering and highly competent team – are well positioned to claim a good portion of the forecasted long-term growth in the CRM space in Europe.
- From a financial point of view, our business is solid, and our ambition is to continue to deliver improved growth in revenues and profit in the coming quarters.

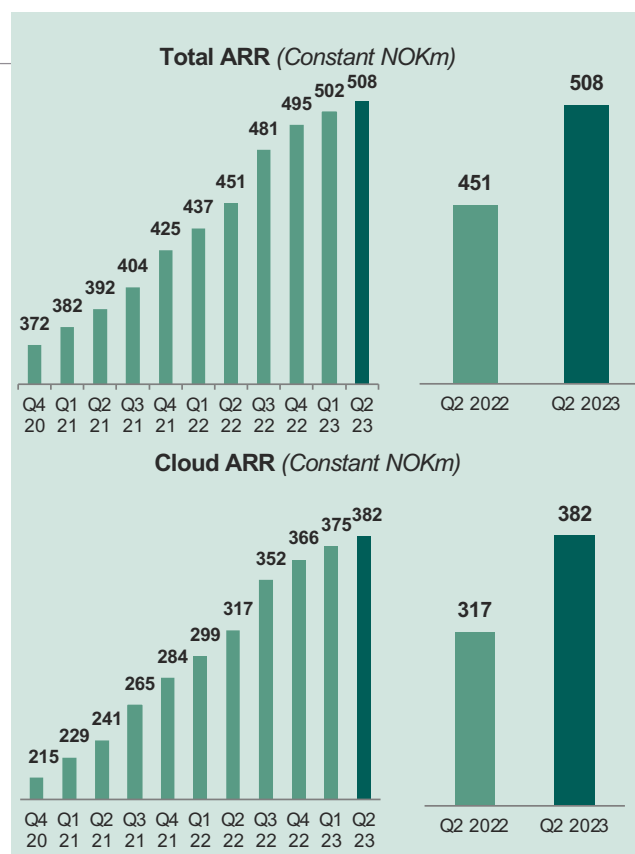


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Q2/23 Trading update

Interim Financial Statements

# ARR in SuperOffice



## ARR development\*

### ARR growth Last Twelve Months (LTM):

- In constant currency, the total ARR has increased by NOKm 57 (13%) versus a growth of NOKm 59 (15%) for the last twelve months at end of Q2 2022.
- In current currency rates, the total ARR has increased by 21% and ended at NOKm 580 (NOKm 480).

### ARR growth Year To Date (YTD):

- In constant currency, the total ARR has increased by NOKm 13 (3%) versus a growth of NOKm 26 (6%) YTD Q2 2022. See ARR development by installation type below.
  - Cloud subscription: increase of NOKm 16 (4%) vs NOKm 32 (11%) in 2022.
  - Onsite subscription: increase of NOKm 4 (6%) vs NOKm 5 (9%) in 2022.
  - Buy/maintenance: decrease of NOKm 8 (-13%) vs NOKm 11 (-14%) in 2022.

### Q2 2023 isolated:

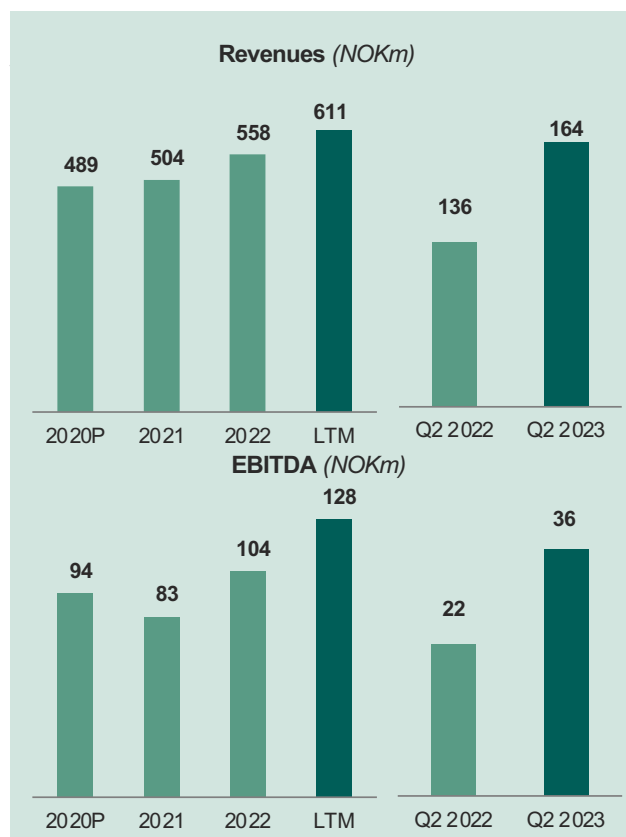
- The total ARR increased by NOKm 5 (1%) in Q2 2023 versus a growth of NOKm 14 (3%) in Q2 2022. See ARR development by installation type below.
  - Cloud subscription: increase of NOKm 7 (2%) vs NOKm 18 (6%) in Q2 2022.
  - Onsite subscription: increase of NOKm 3 (4%) vs NOKm 2 (3%) in Q2 2022.
  - Buy/maintenance: decrease of NOKm 5 (-8%) vs NOKm 6 (-8%) in Q2 2022.

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\*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.



# Second Quarter 2023 Highlights



## Financial development

### Income statements (unaudited)

#### Q2 2023:

- Total operating income amounted to NOKm 164 (Q2 2022 at NOKm 136).
- The EBITDA (adjusted for IFRS and none recurring items) landed at NOKm 36 (Q2 2023: NOKm 22). The improved margin is a result of ARR growth in 2022 now being reflected in revenues, and investments in the organization being balanced with streamlining of our go to market organization.
- The development of the NOK exchange rates affects both revenues and costs as close to 65% of total revenues are generated outside of Norway, and 60% of all employees have their compensation in other currencies than NOK.

#### 1H 2023:

- Total revenues amounted to NOKm 321,5 (1H 2022: NOKm 269), and EBITDA at NOKm 69 (2022 NOKm 44).

#### Last Twelve months:

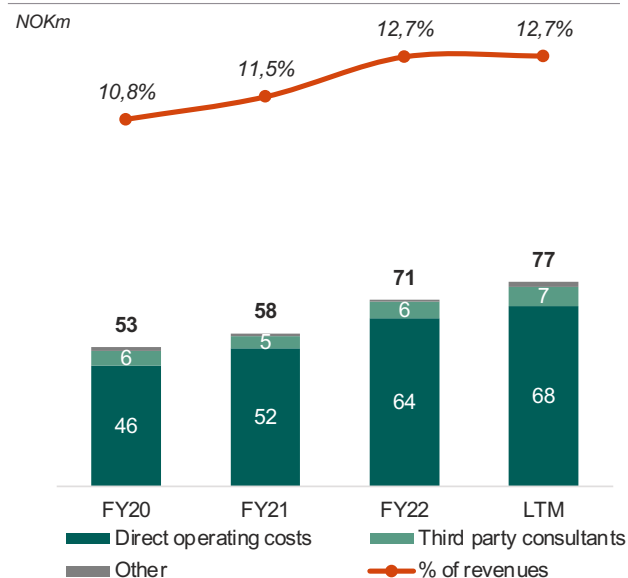
- Total revenues amounted to NOKm 611 (LTM June 2022: NOKm 524), and EBITDA at NOKm 128 (LTM June 2022: NOKm 81).

### Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 30 June were NOKm 1 590. The majority of the balance sheet is related to intangibles (NOKm 1 250). Total cash at end of Q2 2023 amounts to NOKm 48 (free and restricted). The group has a long term bond loan of NOKm 700, and has at end of Q2 2023 in total invested NOKm 122 at nominal value in the bond loan. The balance sheet reflects the net value.
- Cash flow from operating activities was in Q2 2023 NOKm 11 (Q2 2022 NOKm -11).
- The LTM average working capital continue to become increasingly negative following an increasing share of Cloud customers. Most Cloud customers pay upfront for 12 months.

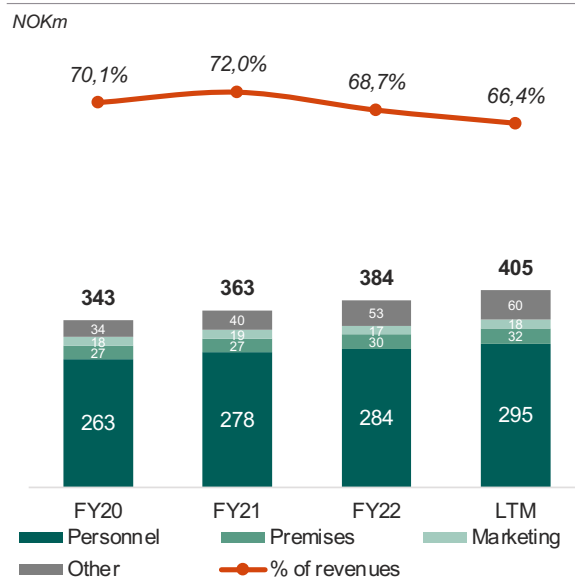
# Cost base overview and EBITDA

## Purchase of materials & services



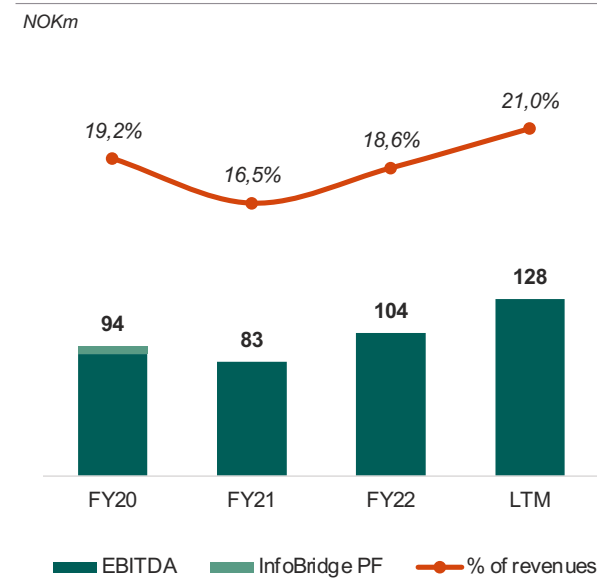
- Direct operating costs include operation of the cloud platform and partner commissions. The growth relates to the increased revenues from the cloud platform and partner commissions.

## Operating expenses (adjusted)



- Personnel expenses is the largest cost category, and as a share of the total opex base personnel related costs decreased from 77% in 2021 to 73% LTM.

## EBITDA (adjusted)

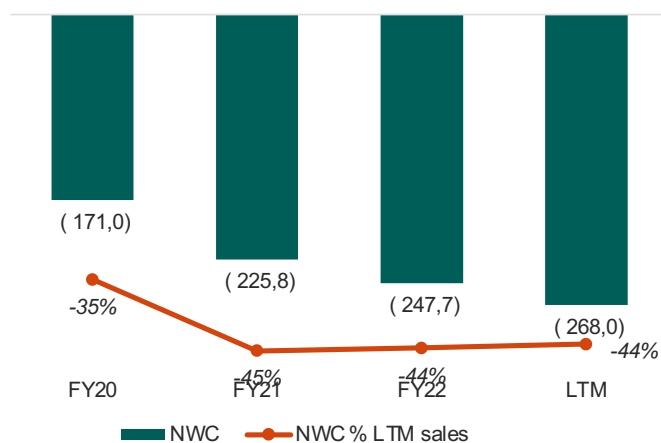


- The EBITDA decreased from 2020 to 2021 mainly as a result of investments made in the organization to drive continued ARR growth going forward. The improved EBITDA in 2022 and LTM reflects partly the investments in 2021 as well as continued focus on the cost base.

# Net working capital and Capex

## Net working capital

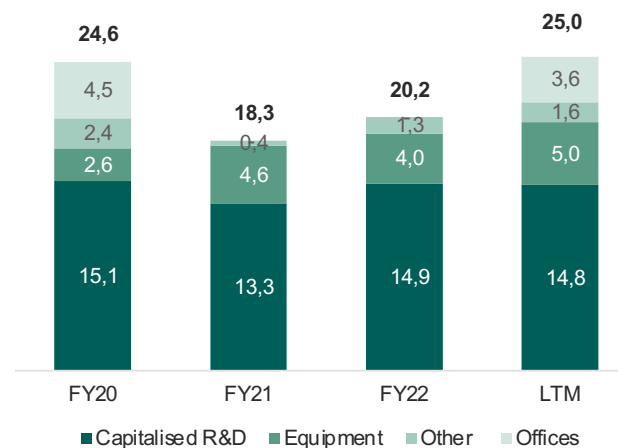
NOKm



- 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 fair value of the Groups interest swaps have in 2022 and LTM been excluded from the LTM calculations of net working capital. At end of Q2 2023 the fair market value amounted to NOKm 15.

## Capex overview

NOKm



- Development costs are capitalised according to the capitalisation principles applied by the company, and in accordance with IAS.

# Quality of earnings

## Adjusted EBITDA – Non audited

<i>NOKm</i>	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
EBITDA	39,2	25,9	74,0	49,8	106,3
<i>Margin</i>	23,9 %	19,0 %	23,0 %	18,5 %	19,1 %
Adjusted for IFRS 16	-6,5	-6,0	-13,4	-12,0	-24,7
Severance pay/restructuring	2,9	2,5	8,3	6,6	21,9
<b>Adjusted EBITDA</b>	<b>35,6</b>	<b>22,4</b>	<b>68,9</b>	<b>44,4</b>	<b>103,5</b>
<i>Margin</i>	21,7%	16,4%	21,4%	16,5%	18,6%

## Adjustments

### Q1 2023:

- Restructurings in Switzerland and UK to focus our key operational investments on the key markets in Scandinavia, Germany and Holland. The customers in the UK will from April 2023 be served from Norway.
- IFRS 16 is included in the Financial Statements, and adjusted EBITDA is before IFRS 16

### Q2 2023:

- Restructurings in marketing and UK to focus our key operational investments.
- IFRS 16 is included in the Financial Statements, and adjusted EBITDA is before IFRS 16





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Q2/23 Trading update

Interim Financial Statement

# Condensed income statement

## Unaudited

<i>NOKm</i>	<i>Note</i>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>H1 2023</b>	<b>H1 2022</b>	<b>FY 2022</b>
Operating income		164,2	136,5	321,5	269,2	557,6
<b>Total revenues</b>	3	<b>164,2</b>	<b>136,5</b>	<b>321,5</b>	<b>269,2</b>	<b>557,6</b>
Purchase of materials and services		20,7	17,9	40,8	34,0	70,6
Payroll and related expenses		81,4	74,2	161,4	148,8	306,0
Other operating expenses		22,6	18,4	45,2	36,3	73,8
Bad debts		0,2	0,1	0,2	0,3	0,9
Total operating expenses		125,0	110,6	247,5	219,4	451,3
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>39,2</b>	<b>25,9</b>	<b>74,0</b>	<b>49,8</b>	<b>106,3</b>
Depreciation and amortisation		26,8	23,9	52,5	47,8	96,3
<b>Operating Profit (EBIT)</b>		<b>12,4</b>	<b>1,9</b>	<b>21,5</b>	<b>2,0</b>	<b>10,0</b>
Net financial items		12,9	14,3	29,6	26,2	54,7
<b>Profit before tax</b>		<b>-0,4</b>	<b>-12,3</b>	<b>-8,2</b>	<b>-24,2</b>	<b>-44,7</b>
Income tax		-0,4	-3,1	-0,8	-6,2	8,6
<b>Profit/loss for the period</b>		<b>-0,1</b>	<b>-9,2</b>	<b>-7,4</b>	<b>-18,0</b>	<b>-53,3</b>

## Comments

# Statement of comprehensive income

## Unaudited

<i>NOKm</i>	Q2 2023	Q2 2022	1H 2023	1H 2022	2022
Profit (loss) for the period	-0,1	-9,2	-7,4	-18,0	-53,3
Other comprehensive income: Currency translation differences (may be reclassified)	9,9	4,6	8,1	7,3	9,7
<b>Total comprehensive income</b>	<b>9,8</b>	<b>-4,6</b>	<b>0,7</b>	<b>-10,7</b>	<b>-43,6</b>

# Condensed consolidated balance sheet

## Assets - unaudited

<i>NOKm</i>	30/06/2023	31/12/2022
<i>Non-current assets</i>		
Deferred tax assets	8,9	8,9
Goodwill	671,6	667,2
Intangible assets	565,2	592,0
Tangible assets	20,7	14,4
Right-of-use assets	145,1	137,3
Other non-current receivables	1,8	1,6
<b>Total non-current assets</b>	<b>1 413,2</b>	<b>1 421,3</b>
<i>Current assets</i>		
Account receivables	78,9	68,7
Other current assets	49,5	44,2
Cash and cash equivalents	48,3	44,3
<b>Total current assets</b>	<b>176,6</b>	<b>157,2</b>
<b>Total assets</b>	<b>1 589,9</b>	<b>1 578,5</b>

## Equity and liabilities - unaudited

<i>NOKm</i>	30/06/2023	31/12/2022
<i>Equity</i>	331,2	330,5
<b>Total Equity</b>	<b>331,2</b>	<b>330,5</b>
<i>Non-current liabilities</i>		
Deferred tax liabilities	116,3	132,4
Pension liability	0,4	0,3
Non-current lease liability	126,0	123,8
Borrowings	580,5	621,3
<b>Total non-current liabilities</b>	<b>823,2</b>	<b>877,8</b>
<i>Current liabilities</i>		
Prepayments from customers	307,3	242,8
Current lease liabilities	25,3	17,9
Other current liabilities	103,0	109,4
<b>Total current liabilities</b>	<b>435,5</b>	<b>370,1</b>
<b>Total equity and liabilities</b>	<b>1 589,9</b>	<b>1 578,5</b>

# Condensed consolidated interim statement of changes in equity

## Unaudited

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
<b>Equity 01.01.2022</b>	0,09	622,4	0,4	-248,8	374,1
Profit (loss) for the period				-53,3	-53,3
Currency translation effects			9,7		9,7
<b>Total comprehensive income for the period</b>			9,7	-53,3	-43,6
Transactions with owners in their capacity as owners:					
<b>Equity 31.12.2022</b>	0,09	622,4	10,1	-302,1	330,5
Profit (loss) for the period				-7,4	-7,4
Currency translation effects			8,1		8,1
<b>Total comprehensive income for the period</b>			8,1	-7,4	0,7
Transactions with owners in their capacity as owners:					
<b>Equity 30.06.2023</b>	0,09	622,4	18,2	-309,5	331,2

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
<b>Equity 01.01.2022</b>	0,09	622,4	0,4	-248,8	374,1
Profit (loss) for the period				-18,0	-18,0
Currency translation effects			7,3		7,3
<b>Total comprehensive income for the period</b>			7,3	-18,0	-10,7
Transactions with owners in their capacity as owners:					
Other				-0,2	-0,2
<b>Equity 30.06.2022</b>	0,09	622,4	7,7	-267,0	363,2

# Condensed consolidated statement of cash flow

## Unaudited

<i>NOKm</i>	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Profit before income tax	-0,4	-12,2	-8,2	-24,2	-44,7
Depreciation and amortisation	26,6	23,7	52,5	47,8	96,3
Change NWC	-27,5	-24,4	42,6	33,1	37,3
Other	11,9	1,7	13,4	21,4	47,8
<b>Cash flow from operating activities</b>	<b>10,7</b>	<b>-11,2</b>	<b>100,4</b>	<b>78,0</b>	<b>136,7</b>
Interest paid	-12,5	-14,7	-26,9	-31,0	-54,2
Income tax paid	-3,9	-1,8	-3,8	-1,8	-8,0
<b>Net cash flow from operating activities</b>	<b>-5,7</b>	<b>-27,7</b>	<b>69,7</b>	<b>45,2</b>	<b>74,5</b>
<i>Investing activities</i>					
Purchase of property, plant and equipment (PPE)	-2,7	-0,7	-5,5	-1,4	-4,0
Development and purchase of intangible asset	-5,2	-4,5	-10,3	-9,0	-16,2
<b>Net cash investments</b>	<b>-7,8</b>	<b>-5,2</b>	<b>-15,7</b>	<b>-10,4</b>	<b>-20,2</b>
<i>Financing activities</i>					
Payment of principal portion of lease liabilities	-5,0	-4,7	-10,5	-9,4	-19,6
Investment in SuperOffice bonds	-10,4	-48,8	-42,0	-76,3	-81,3
<b>Net cash used in financing activities</b>	<b>-15,3</b>	<b>-53,5</b>	<b>-52,4</b>	<b>-85,7</b>	<b>-100,8</b>
<b>Net decrease/increase in cash, cash equivalents and bank overdrafts</b>	<b>-28,9</b>	<b>-86,3</b>	<b>1,5</b>	<b>-50,8</b>	<b>-46,5</b>
Cash and cash equivalents at beginning of period	76,8	126,2	44,3	90,7	90,7
Exchange gains/losses on cash and bank overdrafts	0,4	0,0	2,6	0,0	0,1
<b>Cash and cash equivalents at the end of the period</b>	<b>48,3</b>	<b>39,9</b>	<b>48,3</b>	<b>39,9</b>	<b>44,3</b>

## Comments

- Interest paid relates mainly to interest to bond holders and IFRS 16 effects.

# Notes

## Note 1 – Company information

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- SuperOffice Group AS is a limited liability company incorporated on 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

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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 31 December 2022 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 2022. The interim financial statements are unaudited.

### 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 2022. 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 2022.



# 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 31 December 2022.

# 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.
- LTM: Last twelve months.
- 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.

# Responsibility Statement

We, confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2023 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 interim report for the first half of 2023 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2023, and significant related party transactions.

August 30th, 2023

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

Sign  
Gisle Jentoft  
CEO

