

# Interim Financial Report SuperOffice Group

(Group consists of SuperOffice Group AS and all subsidiaries)

Q2 and first half year 2022

(Unaudited figures)

August 29th, 2022



# Update from Gisle Jentoft, CEO of SuperOffice

Q2/2022 – Another quarter with strong growth in ARR and cloud revenues

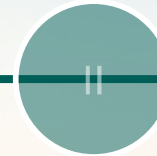


**Gisle Jentoft**  
CEO, SuperOffice

- SuperOffice has had another quarter with continued growth sales growth, driven by sales to new customers as well as upsell to the existing customer base. The migration of existing on-premise customers to cloud continues at good speed. The strong growth in ARR the last twelve months have contributed to an increase in license revenues by 11% versus Q2 2021, and we have a strong sales pipeline for the second half of 2022.
- At the end of Q2/22, ARR amounted to NOKm 451 in constant currency or NOKm 480 in current exchange rates. The growth in constant currency represents a growth of 15% vs last year. This gives us a strong tailwind into the second half of 2022 as recurring revenues represent more than 80% of our total revenues.
- Cloud based revenues continue to deliver strong growth and is up 29% in the quarter versus Q2 2021 and 28% for 1H/22.
- The EBITDA (adjusted for IFRS 16 and non-recurring items) landed at NOKm 22 (EBITDA margin of 16,4%) vs 23 (18,5%) for Q2 2021. The profit for the quarter is still affected by the significant operational investments made (e.g. recruitment of key management positions) in H2 2021 to gear the company for further growth. Margins are expected to improve as revenue continues to grow.
- SuperOffice 10, the latest software generation released late in 2021, continues to perform well. This version has strengthened our position within our target market segment. Input from users and analysis of usage data indicate that customers are appreciating the new features and capabilities included in the upgraded version.
- We observe 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 is still strong in our target segments.
- We believe that the positive development in sales and ARR growth the last twelve months is a result of the 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 long-term strategy for the group is still primarily based on organic growth, but we will continue to consider targeted acquisitions which fit in as a natural extension of our offering, team and current geographies.
- The Russian invasion of Ukraine has so far had minor direct effects on our business and risk picture. The general international unrest and growing inflation rates do however impact the NOK exchange. This clearly affects SuperOffice as close to 65% of our revenues are generated in foreign currencies. The general economic climate might affect businesses willingness to invest in the short-term.
- From a financial point of view, our business is solid. Despite the international unrest, the outlook for 2022 is positive. The market for cloud CRM applications continues to be strong, especially in the medium-sized B2B market where we are active. We expect to deliver improved growth in revenues and profit in the coming 12 months.



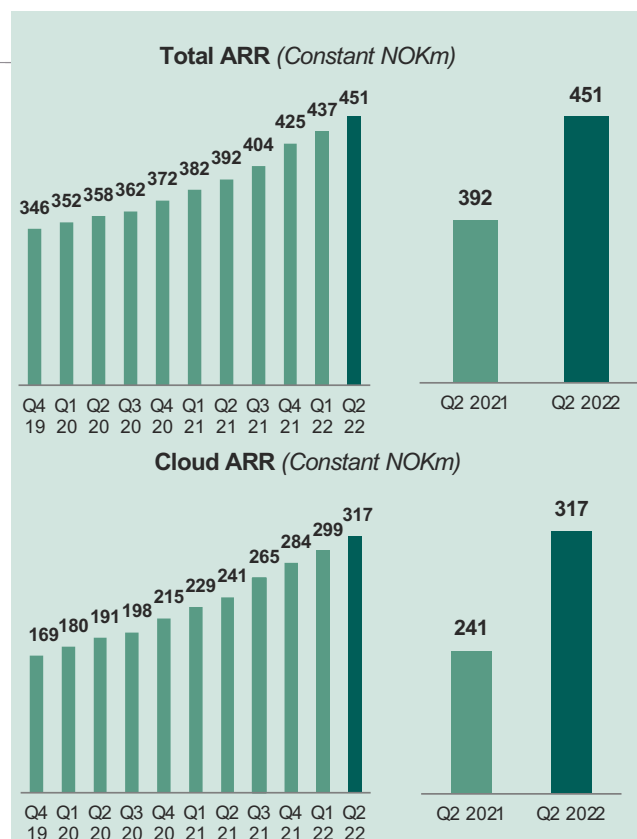
**Q2/22 Trading update**



**Interim Financial Statements**



# ARR in SuperOffice



## ARR development\*

### Q2 2022:

- The total ARR increased by NOKm 14 (3%) in Q2 2022 versus a growth of NOKm 10 (3%) in Q2 2021. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 18 (6%) vs NOKm 12 (5%) in Q2 2021.
- Onsite subscription: increase of NOKm 2 (3%) vs NOKm 4 (10%) in Q2 2021.
- Buy/maintenance: decrease of NOKm 6 (-8%) vs NOKm 6 (-6%) in Q2 2021.
- 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 Year To Date (YTD):

- The total ARR has increased by NOKm 26 (6%) YTD Q2 2022 versus a growth of NOKm 20 (6%) YTD Q2 2021. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 33 (11%) vs NOKm 26 (12%) YTD Q2 2021.
- Onsite subscription: increase of NOKm 5 (9%) vs NOKm 9 (23%) YTD Q2 2021.
- Buy/maintenance: decrease of NOKm 12 (-14%) vs decrease NOKm 15 (-13%) YTD Q2 2021.

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

- The total ARR at the end of Q2 2022 LTM has increased by NOKm 59 (15%) versus NOKm 34 (10%) LTM Q2 2021.

### ARR at current rates:

- Total ARR at current exchange rates amounted to NOKm 480 at end of Q2 2022.

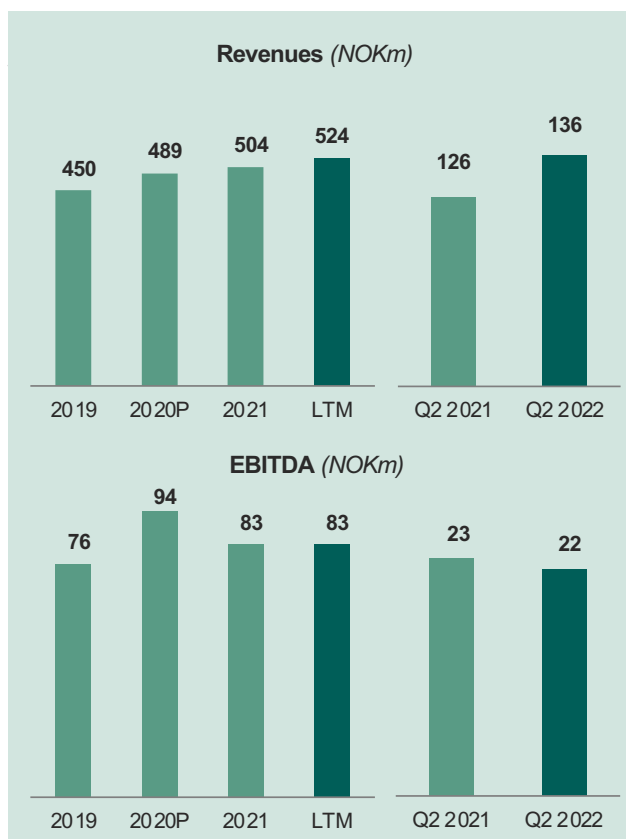
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\*About ARR in SuperOffice: ARR is defined as the annual recurring revenues the group expects to receive on a yearly basis from existing customer contracts. ARR has been tracked in constant currency since 2015 to allow for comparability over time, 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 2022 Highlights



## Financial development

### Income statements (unaudited)

#### Q2 2022:

- Total operating income amounted to NOKm 136 (Q1 2021 at NOKm 126).
- The EBITDA (adjusted for IFRS 16 and none recurring items) landed at NOKm 22 (Q2 2021: NOKm 23). The reduced margin is a result of continued operational investments in line with the growth strategy.
- The stronger NOK had an adverse revenue and EBITDA impact in Q2 2022 of NOKm 1 and NOKm 0,4 respectively versus Q2 2021.

#### 1H 2022:

- Total revenues amounted to NOKm 269 (1H 2021: NOKm 250), and EBITDA at NOKm 44 (2021: NOKm 47).
- For 1H 2022 the negative revenue and EBITDA effect is respectively NOKm 4,5 and NOKm 1,6 versus 1H 2021.

#### Last Twelve months:

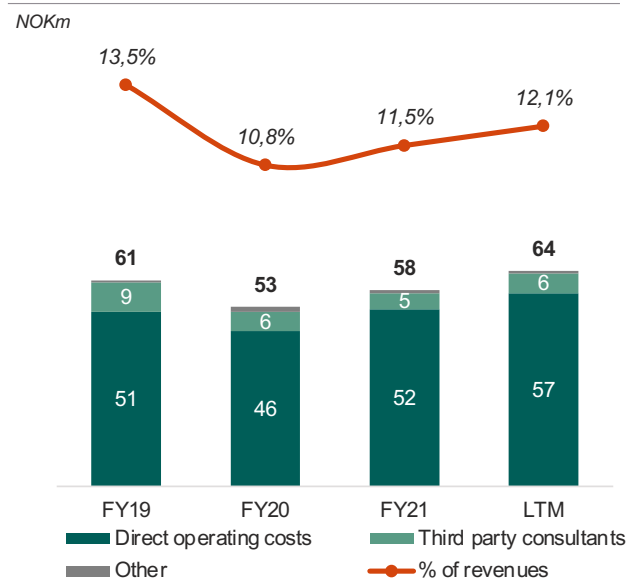
- Total revenues amounted to NOKm 524 (2021: NOKm 504), and EBITDA at NOKm 81 (2021: NOKm 83).

### Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 30 June were NOKm 1 608. The majority of the balance sheet is related to intangibles (NOKm 1 285). Total cash at end of the Q2 2022 amounts to NOKm 39,9 (free and restricted). The group has a long term bond loan of NOKm 700, and has in Q2 2022 invested NOKm 48,8 at nominal value in the bond. In total NOKm 76,3 has been invested in the bond at nominal value. The balance sheet reflects the net value.
- Cash flow from operating activities was in Q2 2022 NOKm -11 (Q2 2021: NOKm -14). The negative cash flow in Q2 is closely related to a high share of customers paying upfront in Q1 than in Q2.
- 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.

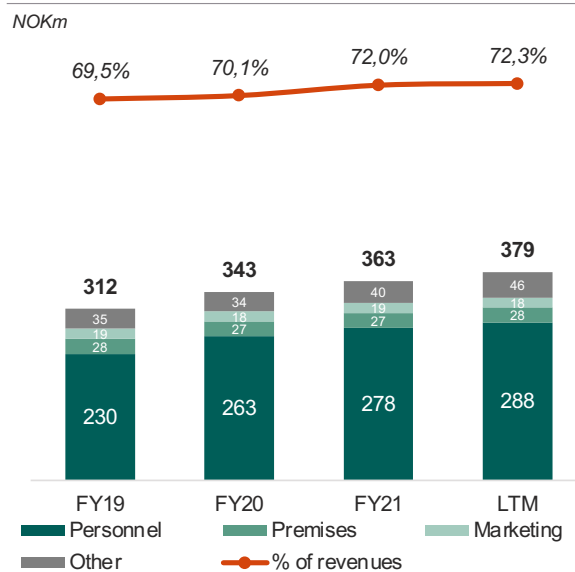
# Cost base overview and EBITDA

## Purchase of materials & services



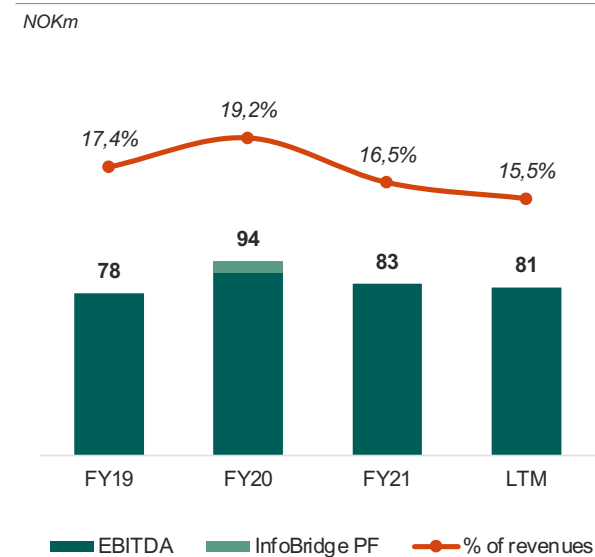
- Direct operating costs include operation of the cloud platform and partner commissions. The growth relates to the increased revenues from the cloud platform and partner commissions.

## Operating expenses



- Personnel expenses is the largest cost category, more than 75% of the total opex cost base is personnel related.

## EBITDA

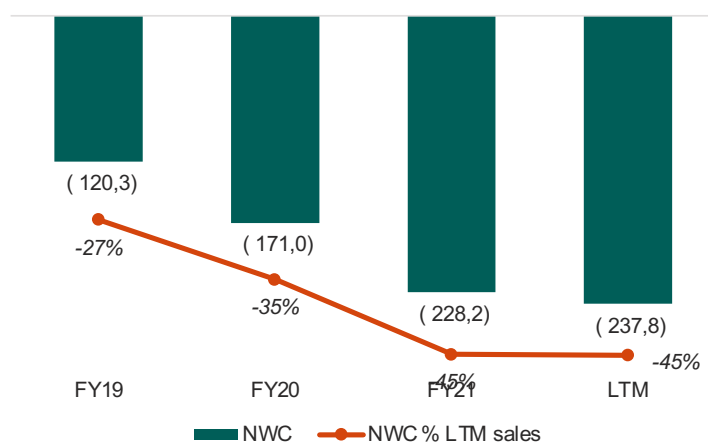


- The decrease in EBITDA from 2020 is mainly a result of the increased investments made in the organization to drive continued ARR growth going forward.

# Net working capital and Capex

## Net working capital

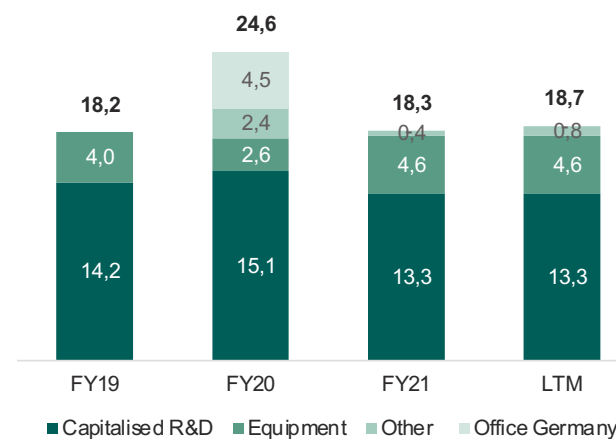
NOKm



- 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 fair value of the Groups interest swaps have in 2022 been excluded from the LTM calculations of net working capital. At end of Q2 the fair market value amounted to NOKm 17,8.

## Capex overview

NOKm



- Development costs are capitalised according to the capitalisation principles applied by the company, and in accordance with IAS.
- 2020 Capex includes investments in a new office in Germany.
- 2021 & LTM Capex is related to capitalized R&D and operational capex.

# Quality of earnings

## Pro-forma EBITDA – Non audited

NOKm	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
EBITDA	25,9	27,2	49,8	57,0	119,4
Margin	19,0 %	22%	18,5 %	22,8 %	23,7 %
Adjusted for IFRS 16	-6,0	-6,4	-12,0	-12,4	-24,3
Severance pay	2,5		6,6		1,7
Bond Listing Costs					2,0
Marketing Restructuring					1,5
Strategy implementation costs		2,5		2,5	2,5
Reversal of on previous estimate on earn-out					-19,9
<b>Adjusted EBITDA</b>	<b>22,4</b>	<b>23,3</b>	<b>44,4</b>	<b>47,1</b>	<b>83,0</b>
Margin	16,4%	18,5%	16,5%	18,9%	16,5%

## Adjustments Q2 2022 and Q2 2021

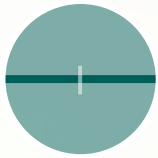
### Q2 2022:

- IFRS 16 is included in the Financial Statements, and the pro-forma EBITDA is before IFRS 16.
- Severances packages for consultants in Sweden that will not be replaced: NOKm 2,5.

### Q2 2021:

- IFRS 16 is included in the Financial Statements, and the pro-forma EBITDA is before IFRS 16.
- Strategy implementation NOKm 2,5 related to advisory services in connection with the implementation of the long-term strategic plan





**Q2/21 Trading update**



**Interim Financial Statements**



# Condensed income statement

## Unaudited

NOKm	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Operating income		136,5	126,2	269,2	249,7	503,8
<b>Total revenues</b>	3	<b>136,5</b>	<b>126,2</b>	<b>269,2</b>	<b>249,7</b>	<b>503,8</b>
Purchase of materials and services		17,9	14,1	34,0	28,2	57,8
Payroll and related expenses		74,2	69,7	148,8	133,8	281,8
Other operating expenses		18,4	14,8	36,3	30,3	44,2
Bad debts		0,1	0,3	0,3	0,4	0,5
Total operating expenses		110,6	98,9	219,4	192,7	384,3
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>25,9</b>	<b>27,2</b>	<b>49,8</b>	<b>57,0</b>	<b>119,4</b>
Depreciation and amortisation		23,9	23,8	47,8	47,5	95,4
<b>Operating Profit (EBIT)</b>		<b>1,9</b>	<b>3,4</b>	<b>2,0</b>	<b>9,4</b>	<b>24,0</b>
Net financial items		14,3	15,0	26,2	27,3	58,3
<b>Profit before tax</b>		<b>-12,3</b>	<b>-11,6</b>	<b>-24,2</b>	<b>-17,9</b>	<b>-34,2</b>
Income tax		-3,1	1,7	-6,2	4,3	2,5
<b>Profit/loss for the period</b>		<b>-9,2</b>	<b>-13,3</b>	<b>-18,0</b>	<b>-22,2</b>	<b>-36,8</b>

## Comments

- Other operating expenses for FY 2021 includes a reversal of an earn-out of NOKm 19.

# Statement of comprehensive income

## Unaudited

<i>NOKm</i>	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Profit (loss) for the period	-9,2	-13,3	-18,0	-22,2	-36,8
Other comprehensive income:					
Currency translation differences (may be reclassified)	4,6	0,3	7,3	1,2	3,2
<b>Total comprehensive income</b>	<b>-4,6</b>	<b>-13,0</b>	<b>-10,7</b>	<b>-21,0</b>	<b>-33,6</b>

# Condensed consolidated balance sheet

## Assets - unaudited

<i>NOKm</i>	30/06/2022	31/12/2021
<i>Non-current assets</i>		
Deferred tax assets	15,2	15,2
Goodwill	666,2	665,2
Intangible assets	619,1	645,2
Tangible assets	15,6	16,2
Right-of-use assets	134,3	126,0
Other non-current receivables	1,0	0,9
<b>Total non-current assets</b>	<b>1 451,3</b>	<b>1 468,7</b>
<i>Current assets</i>		
Account receivables	68,2	49,4
Other current assets	48,7	31,9
Cash and cash equivalents	39,9	90,7
<b>Total current assets</b>	<b>156,8</b>	<b>172,0</b>
<b>Total Assets</b>	<b>1 608,1</b>	<b>1 640,7</b>

## Equity and liabilities - unaudited

<i>NOKm</i>	30/06/2022	31/12/2021
<i>Equity</i>		
<b>Total Equity</b>	<b>363,2</b>	<b>374,1</b>
<i>Non-current liabilities</i>		
Deferred tax liabilities	130,5	145,8
Pension liability	0,3	0,3
Non-current lease liability	121,1	112,1
Borrowings	625,5	698,8
<b>Total non-current liabilities</b>	<b>877,5</b>	<b>957,0</b>
<i>Current liabilities</i>		
Prepayments from customers	259,0	190,5
Current lease liabilities	17,2	16,4
Other current liabilities	91,3	102,7
<b>Total current liabilities</b>	<b>367,4</b>	<b>309,6</b>
<b>Total equity and liabilities</b>	<b>1 608,1</b>	<b>1 640,7</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 01.01.2021</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				-36,8	-36,8
Currency translation effects			3,2		3,2
<b>Total comprehensive income for the period</b>			<b>3,2</b>	<b>-36,8</b>	<b>-33,6</b>
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,2			42,2
Other				0,5	0,5
<b>Equity 31.12.2021</b>	<b>0,09</b>	<b>622,4</b>	<b>0,4</b>	<b>-249,0</b>	<b>0,0</b>
Profit (loss) for the period				-18,0	-18,0
Currency translation effects			7,3		7,3
<b>Total comprehensive income for the period</b>			<b>7,3</b>	<b>-18,0</b>	<b>-10,7</b>
Transactions with owners in their capacity as owners:					
<b>Equity 30.06.2022</b>	<b>0,09</b>	<b>622,4</b>	<b>7,7</b>	<b>-267,0</b>	<b>363,2</b>

<i>NOKm</i>	Share capital	Share premium	Currency difference	Other equity	Total equity
<b>Equity 01.01.2021</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				-22,2	-22,2
Currency translation effects			1,2		1,2
<b>Total comprehensive income for the period</b>			<b>1,2</b>	<b>-22,2</b>	<b>-21,0</b>
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,2			42,2
<b>Equity 30.06.2021</b>	<b>0,09</b>	<b>622,4</b>	<b>-1,5</b>	<b>-235,0</b>	<b>385,9</b>

# Condensed consolidated statement of cash flow

## Unaudited

NOKm	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Profit before income tax	-12,2	-11,6	-24,2	-17,9	-34,2
Depreciation and amortisation	23,7	20,9	47,8	42,7	95,4
Change NWC	-24,4	-35,1	33,1	79,3	58,6
Other	1,7	11,9	21,4	3,3	24,7
<b>Cash flow from operating activities</b>	<b>-11,2</b>	<b>-13,9</b>	<b>78,0</b>	<b>107,3</b>	<b>144,4</b>
Interest paid	-14,7	-13,8	-31,0	-26,0	-57,0
Income tax paid	-1,8	-1,0	-1,8	-2,0	-4,8
<b>Net cash flow from operating activities</b>	<b>-27,7</b>	<b>-28,7</b>	<b>45,2</b>	<b>79,3</b>	<b>82,6</b>
<i>Investing activities</i>					
Purchase of property, plant and equipment (PPE)	-0,7	-0,8	-1,4	-2,2	-4,6
Development and purchase of intangible asset	-4,5	-4,2	-9,0	-8,2	-13,7
<b>Net cash investments</b>	<b>-5,2</b>	<b>-5,0</b>	<b>-10,4</b>	<b>-10,4</b>	<b>-18,3</b>
<i>Financing activities</i>					
Proceeds from issuance of share capital		42,4		42,4	42,4
Earm-out liability		-42,4		-42,4	-42,4
Payment of principal portion of lease liabilities	-4,7	-2,3	-9,4	-5,7	-19,2
Investment in SuperOffice bonds	-48,8		-76,3		
<b>Net cash used in financing activities</b>	<b>-53,5</b>	<b>-2,3</b>	<b>-85,7</b>	<b>-5,7</b>	<b>-19,2</b>
<b>Net decrease/increase in cash, cash equivalents and bank overdrafts</b>	<b>-86,3</b>	<b>-36,0</b>	<b>-50,8</b>	<b>63,2</b>	<b>45,1</b>
Cash and cash equivalents at beginning of period	126,2	143,4	90,7	44,2	44,2
Exchange gains/losses on cash and bank overdrafts		0,0			1,4
<b>Cash and cash equivalents at the end of the period</b>	<b>39,9</b>	<b>107,4</b>	<b>39,9</b>	<b>107,4</b>	<b>90,7</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 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

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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 June 30<sup>th</sup> 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 2021. 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 2021. 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 2021.

# 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<sup>th</sup> June 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.
- 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.

# Responsibility Statement

We, confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2022 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 2022 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 2022, and significant related party transactions.

August 29th, 2022

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

