

# Interim Financial Report SuperOffice Group

(Group consists of SuperOffice Group AS and all subsidiaries)

Q2 and first half year 2021

(Unaudited figures)

September 1st, 2021



# An update from Gisle Jentoft, CEO of SuperOffice

## Q2/2021 – Strong growth in new sales bookings, annual recurring revenue, consulting revenues and profits



**Gisle Jentoft**  
CEO, SuperOffice

The second quarter of 2021 was strong across all areas of the business, with significant growth in sales, ARR, consulting revenues as well as profits. Booked new contract values, driven from sales to net new customers as well as upsell to the existing customer base, was up 44% vs the same quarter last year and ended up 22% in 1H/21. The Annual Recurring Revenue (ARR) growth continued its positive development, as a result of the above-mentioned growth in sales and a positive development in churn. ARR net growth ytd this year is 36% vs the same period last year. The consulting side of the business continues to work well and migrations from on-premise to our cloud offering continue to be strong. Also in Q2/21, there are certain C-19 effects across all our markets, leading to somewhat longer decisions making processes. The positive side related to C-19 is a growing focus on digitalization of customer facing processes as well as migrations to cloud based solutions. These are trends we, with our offering as well as organization competencies, are strongly positioned to capitalize on.

During the quarter we have continued the strategy implementation process, based on our 2021-25 strategy. Focus is placed on accelerating growth, bringing exciting new software functionality to our customers and partners and expand our footprint in our existing markets. As part of the strategy, we are strengthening the central management team with experienced executives from the software industry. At the time of this report, all key executive hires are on-board and have hit the ground running. Moving forward we will improve our visibility, drive net new customer business to higher levels and deliver great value and experiences to our customers. With our current standing as the largest northern European player in SaaS CRM – and our local teams in Norway, Sweden, Denmark, Germany, Netherlands, Switzerland and UK – we are in a strong position to expand our leadership in the growing CRM application market in Northern Europe.

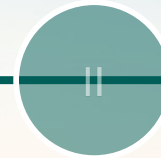
In October this year, we bring out SuperOffice 10, with a new pricing & packaging model and exciting new capabilities. This will further strengthen our position on being ahead of our Northern European based competitors in terms of offering a true SaaS CRM offering. This offers our customers a truly scalable and cost-effective platform for driving their business forward in the areas of marketing, sales and customer service. Enabling digitalization of customer journeys and automating process with the goal of improving business performance is at the core of what we offer our customers.

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. The integration of the acquired InfoBridge Software B.V., completed in September 2020, is progressing well. Their apps are now fully implemented as part of the SuperOffice offering and are already generating new sales opportunities to new and existing customers. With the InfoBridge team we are this fall bringing a new and improved SuperOffice App Store to market. In connection to this, the InfoBridge team has developed new apps which integrate SuperOffice CRM with market leading applications like MailChimp, Trello, Slack, WordPress and Microsoft Teams. This enables further integration points to popular and widely used productivity applications and secures flexibility and efficiency for all user our our solutions. We will continue to evaluate targeted acquisition opportunities in the time ahead.

From a financial point of view, our business is solid. The cloud business continues to grow and for Q2 2021 our EBITDA increased by 5,3% versus Q2 2020 (pro forma). Our current SaaS software solutions and our experienced go-to-market teams perform very well both vs the global US players and local European CRM vendors. This position will be further strengthened by our ambitious growth strategy. 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.



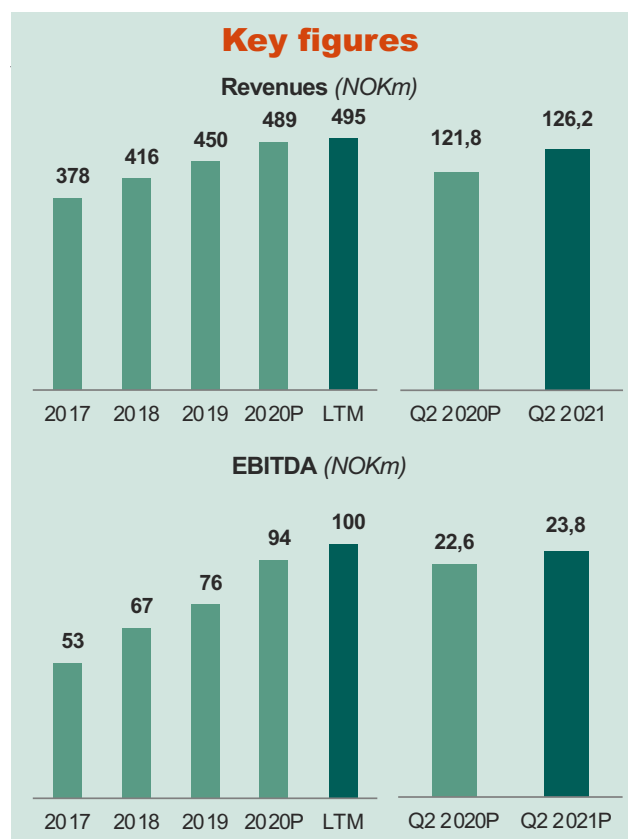
**Second Quarter 2021 Highlights**



**Interim Financial Statements**



# Second Quarter 2021 Highlights



## Financial development

### Income statements (unaudited)

#### Q2 2021:

- Total operating income ended at NOKm 126,2 (121,8). The Cloud revenues continue to grow with a growth of 22,7% in the quarter versus pro-forma Q2 2020. The consulting services delivered a growth of 21,4%. The successful transition of existing customers to Cloud continues, and revenues from on premise solutions (maintenance) decreased by 29% from last year. SuperOffice generate close to 65% of its revenues in foregin currency. A stronger NOK exchange rate in Q2 2021 compared to Q2 2020 has affected the revenues and EBITDA negatively by respectively NOKm 6,6 and NOKm 2,5.
- Total operating expenses landed in Q2 2021 at NOKm 90,8 versus NOKm 85,8 in the proforma Q2 2020 accounts. The increase relates amongst others to increased commissions following improved sales performance versus the same quarter last year, and strategy implementation costs. In addition, the C-19 pandemic was followed by some reduced social taxes in some entities in Q2 2020. Marketing costs have also increased to drive the demand generation.

- The EBITDA ended at NOKm 23,8 (NOKm 22,6) including a one off adjustment of NOKm 2,5, and the EBITDA margin (adjusted for IFRS 16) increased from 18,6% in 2020 to 18,9% in 2021 as a result of increased recurring revenues and solid cost control. The group has at end of the quarter an annual recurring revenue (ARR) base of NOKm 419 at current exchange rates.

### Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 30 June were NOKm 1 704. The majority of the balance sheet is related to intangibles (NOKm 1 344).
- At the end of the quarter the Group had bank deposits of MNOK 107 and long term borrowings of NOKm 695.
- Cash flow from operating activities is for the quarter is negative by NOKm 14,3. The negative cash flow is closely related to a high share of customers paying upfront for 12 months in Q1.

### Last twelve months

- Pro-forma revenues and EBITDA last twelve months ended at respectively NOKm 495 and NOKm 100.

# 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

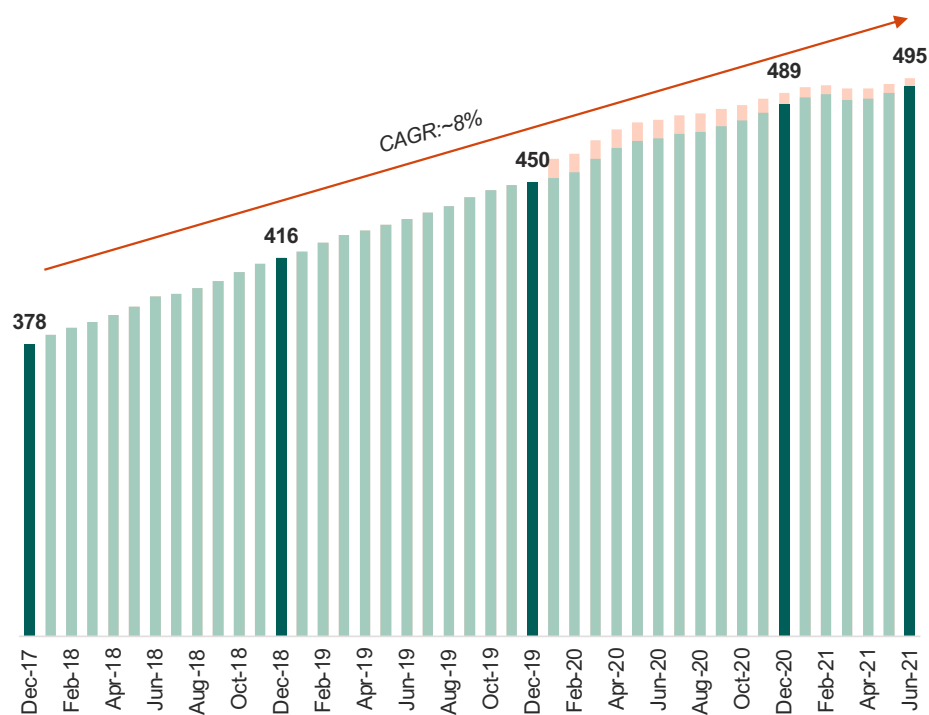
- ARR is defined as the annual recurring revenues the group expects to receive on a yearly basis from existing contracts with customers.
- EBITDA is defined as the profit for the year before net financial items, income tax, depreciation and amortization.
- EBITDA margin is defined as the EBITDA as a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

# Continuous solid financial performance

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

## Revenue development LTM

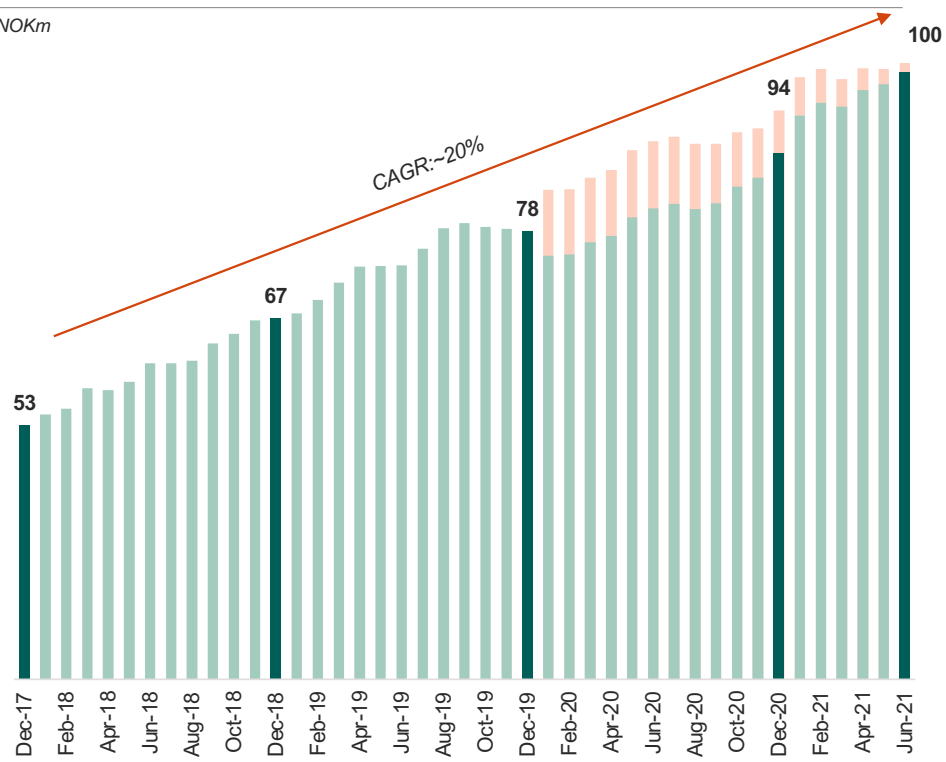
NOKm



Pro forma including add-on acquisition closed in September 2020

## EBITDA development LTM

NOKm



Pro forma including add-on acquisition closed in September 2020

6 | • CAGR 2017- Q2 2021 LTM including full year pro forma effect of InfoBridge

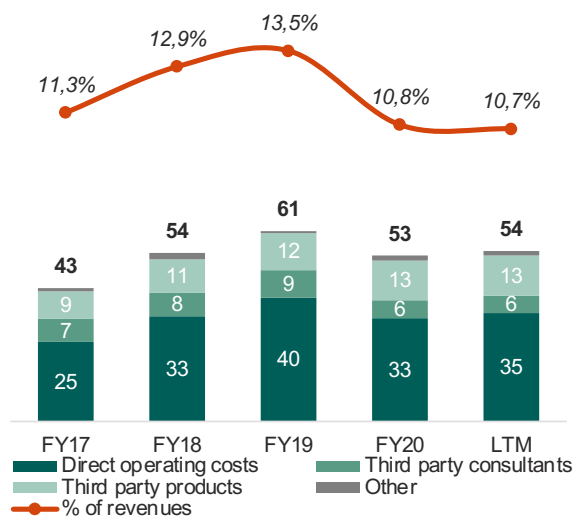
• December EBITDA 2019, December EBITDA 2020 and Q2 2021 include adjustments for non-recurring items described in the QoE section.



# Cost base overview and EBITDA

## Purchase of materials & services

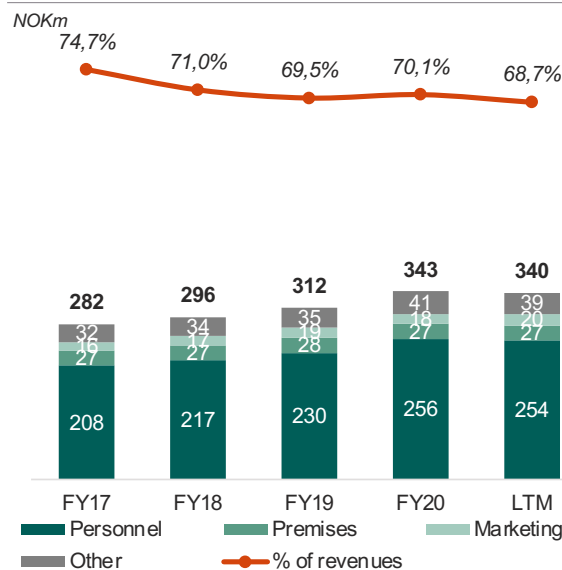
NOKm



- 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

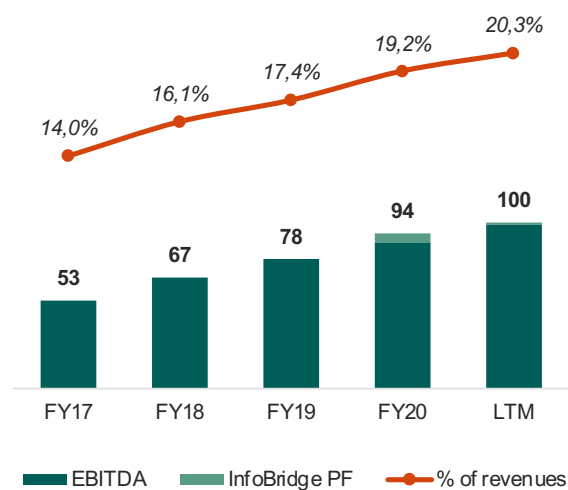
NOKm



- 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

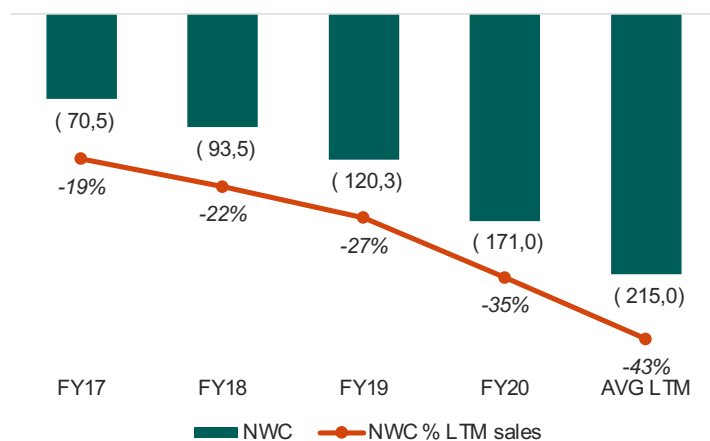


- EBITDA has increased significantly over the periods, both due to increased sales and margin expansion.
- InfoBridge PF (pro-forma) relates to the net effect on the EBITDA as if it had been part of the group for the entire period.

# Net working capital and Capex

## Net working capital

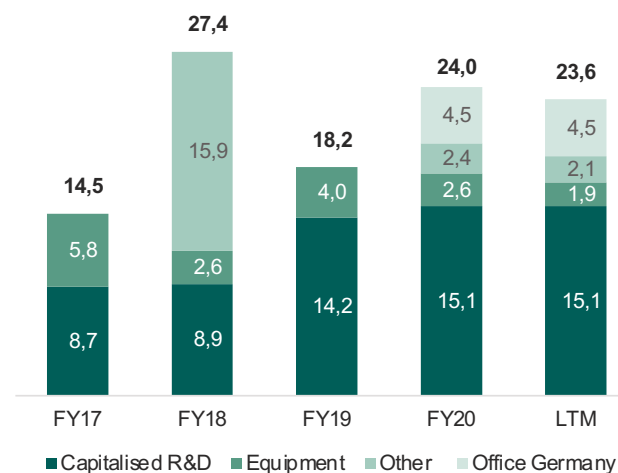
NOKm



- 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 Q2 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

NOKm	Q2 2021 P	Q2 2020 P	LTM P
EBITDA	21,3	20,3	116,9
Margin	16,9%	16,6%	23,6%
Infobridge pf adjustment		2,3	2,3
Severance pay			4,9
Acquisition related costs			7,9
Strategy implementation costs	2,5		2,5
Reversal of on previous estimate on earn out			-34,2
<b>Pro-forma EBITDA</b>	<b>23,8</b>	<b>22,6</b>	<b>100,3</b>
Margin	18,9%	18,6%	20,3%

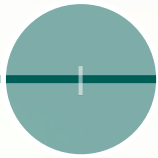
## Adjustments

### Q2 2021 and Q2 2020:

- Strategy implementation costs of NOKm 2,5 has been adjusted for in Q2 2021 related to consultancy for the implementation of the long-term strategic plan for the period 2021-2025.
- The proforma adjustment for InfoBridge in Q2 2020 has been included by NOKm 2,3.

### Last twelve months ( adjustments not described above):

- Severance pay: The total cost of severance pay was NOKm 4,9 and relates to positions in Sweden, Norway and the Netherlands.
- Acquisition costs: These costs are non-recurring acquisition related costs. The majority is related to third party consultancy for building a long-term strategic plan for the group for the period 2021-2025. In total, NOKm 7,9.
- Reversal of previous estimate for earn-out: The original provision for earn out has been reduced by NOKm 34,2. The reduction relates to a lower than expected earn out than was provided at the acquisition.



**Second Quarter 2021 Highlights**



**Interim Financial Statements**



# Condensed income statement

## Unaudited

<i>NOKm</i>	<i>Note</i>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>1H 2021</b>	<b>1H 2020</b>
Operating income		126,2	69,9	249,7	69,9
<b>Total revenues</b>	3	<b>126,2</b>	<b>69,9</b>	<b>249,7</b>	<b>69,9</b>
<i>Operating expenses</i>					
Purchase of materials and services		14,1	9,4	28,2	9,4
Payroll and related expenses		69,7	35,4	133,8	35,4
Other operating expenses		20,8	12,4	42,7	12,4
Bad debts		0,3		0,4	
Total operating expenses		104,9	57,2	205,1	57,2
<b>Operating profit before depreciation, amortisation and transaction costs (EBITDA)</b>		<b>21,3</b>	<b>12,7</b>	<b>44,6</b>	<b>12,7</b>
Depreciation and amortisation		18,6	11,4	37,0	11,4
<b>Operating Profit (EBIT)</b>		<b>2,8</b>	<b>1,3</b>	<b>7,7</b>	<b>1,3</b>
Net financial items		13,8	8,8	24,8	8,8
<b>Profit before tax</b>		<b>-11,0</b>	<b>-7,5</b>	<b>-17,1</b>	<b>-7,5</b>
Income tax		1,7		4,4	
<b>Profit/loss for the period</b>		<b>-12,7</b>	<b>-7,4</b>	<b>-21,5</b>	<b>-7,4</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 for Q2 2020 and 1H 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.

# Comprehensive Income Statement

## Unaudited

<i>NOKm</i>	Q2 2021	Q2 2020	1H 2021	1H 2020
Profit/loss for the period	-12,7	-7,4	-21,5	-7,4
Other comprehensive income/loss:				
Currency translation differences (may be reclassified to profit or loss):	0,3	1,4	1,2	1,4
<b>Total comprehensive income/loss for the period</b>	<b>-12,4</b>	<b>-6,0</b>	<b>-20,3</b>	<b>-6,0</b>

# Condensed consolidated interim balance sheet

## Assets - unaudited

<i>NOKm</i>	30/6 2021	31/12 2020
<i>Non-current assets</i>		
Deferred tax assets	16,4	16,4
Intangible assets	1 343,6	1 369,7
Tangible assets	15,8	17,0
Right-of-use assets	143,2	143,2
Other non-current receivables	0,9	0,9
<b>Total non-current assets</b>	<b>1 519,9</b>	<b>1 547,2</b>
<i>Current assets</i>		
Account receivables	50,1	39,7
Other current assets	26,5	23,1
Cash and cash equivalents	107,4	44,2
<b>Total current assets</b>	<b>183,9</b>	<b>107,0</b>
<b>Total assets</b>	<b>1 703,8</b>	<b>1 654,2</b>

## Equity and liabilities - unaudited

<i>NOKm</i>	30/6 2021	31/12 2020
<i>Equity</i>		
<b>Total equity</b>	<b>390,0</b>	<b>364,8</b>
<i>Non-current liabilities</i>		
Deferred tax liabilities	146,7	153,8
Pension liability	0,3	0,3
Non-current lease liability	126,0	125,9
Borrowings	695,2	695,4
Other non-current liabilities		19,2
<b>Total non-current liabilities</b>	<b>968,1</b>	<b>994,6</b>
<i>Current liabilities</i>		
Prepayments from customers	221,7	146,0
Current lease liabilities	17,8	17,8
Other current liabilities	106,2	131,0
<b>Total current liabilities</b>	<b>345,7</b>	<b>294,7</b>
<b>Total equity and liabilities</b>	<b>1 703,8</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>	<b>0,03</b>				<b>0,03</b>
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				-18,3	-18,3
Currency translation effects			1,2		1,2
<b>Total comprehensive income for the period</b>			<b>1,2</b>	<b>-18,3</b>	<b>-17,2</b>
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,4			42,4
<b>Equity 30.06.2021</b>	<b>0,09</b>	<b>622,6</b>	<b>-1,6</b>	<b>-231,1</b>	<b>390,0</b>

# Condensed consolidated statement of cash flow

## Unaudited

<i>NOKm</i>	Q2 2021	Q2 2020	1H 2021	1H 2020
Profit before income tax	-11,0	-7,5	-17,1	-7,5
Depreciation and amortisation	20,9	11,4	42,7	11,4
Change NWC	-35,1	-43,8	79,3	-43,8
Other	11,0	11,5	2,5	11,5
<b>Cash flow from operating activities</b>	<b>-14,3</b>	<b>-28,4</b>	<b>107,3</b>	<b>-28,4</b>
Interest paid	-13,8	-3,4	-26,0	-3,4
Income tax paid	-1,0	-1,0	-2,0	-1,0
<b>Net cash flow from operating activities</b>	<b>-29,1</b>	<b>-32,8</b>	<b>79,3</b>	<b>-32,8</b>
<i>Investing activities</i>				
Purchase of property, plant and equipment (PPE)	-0,8	-0,7	-2,2	-0,7
Development and purchase of intangible asset	-4,2	-2,8	-8,2	-2,8
Acquisition of subsidiary, less cash acquired	-42,4	-740,9	-42,4	-740,9
<b>Net cash investments</b>	<b>-47,4</b>	<b>-744,4</b>	<b>-52,8</b>	<b>-744,4</b>
<i>Financing activities</i>				
Proceeds from issuance of share capital	42,4	435,7	42,4	435,7
Payment of principal portion of lease liabilities	-2,3	-3,4	-5,7	-3,4
Proceeds from borrowings		443,6		443,6
Repayment of borrowings		-5,0		-5,0
<b>Net cash used in financing activities</b>	<b>40,1</b>	<b>870,9</b>	<b>36,7</b>	<b>870,9</b>
<b>Net decrease/increase in cash, cash equivalents and bank overdrafts</b>				
	<b>-36,4</b>	<b>93,7</b>	<b>63,2</b>	<b>93,7</b>
Cash and cash equivalents at beginning of period	143,8	0,0	44,2	0,0
<b>Cash and cash equivalents at the end of the period</b>	<b>107,4</b>	<b>93,7</b>	<b>107,4</b>	<b>93,7</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 Q2 2020 and 1H 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 June 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, except for IFRS 16 leasing not adjusted in opex. 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 June 2021.

# Responsibility Statement

We, confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 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 interim report for the first half of 2021 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 2021, and significant related party transactions.

September 1st, 2021

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

