Interim Financial Report SuperOffice Group

(Group consists of SuperOffice Group AS and all subsidiaries)

Q3 and year to date 2022

(Unaudited figures)

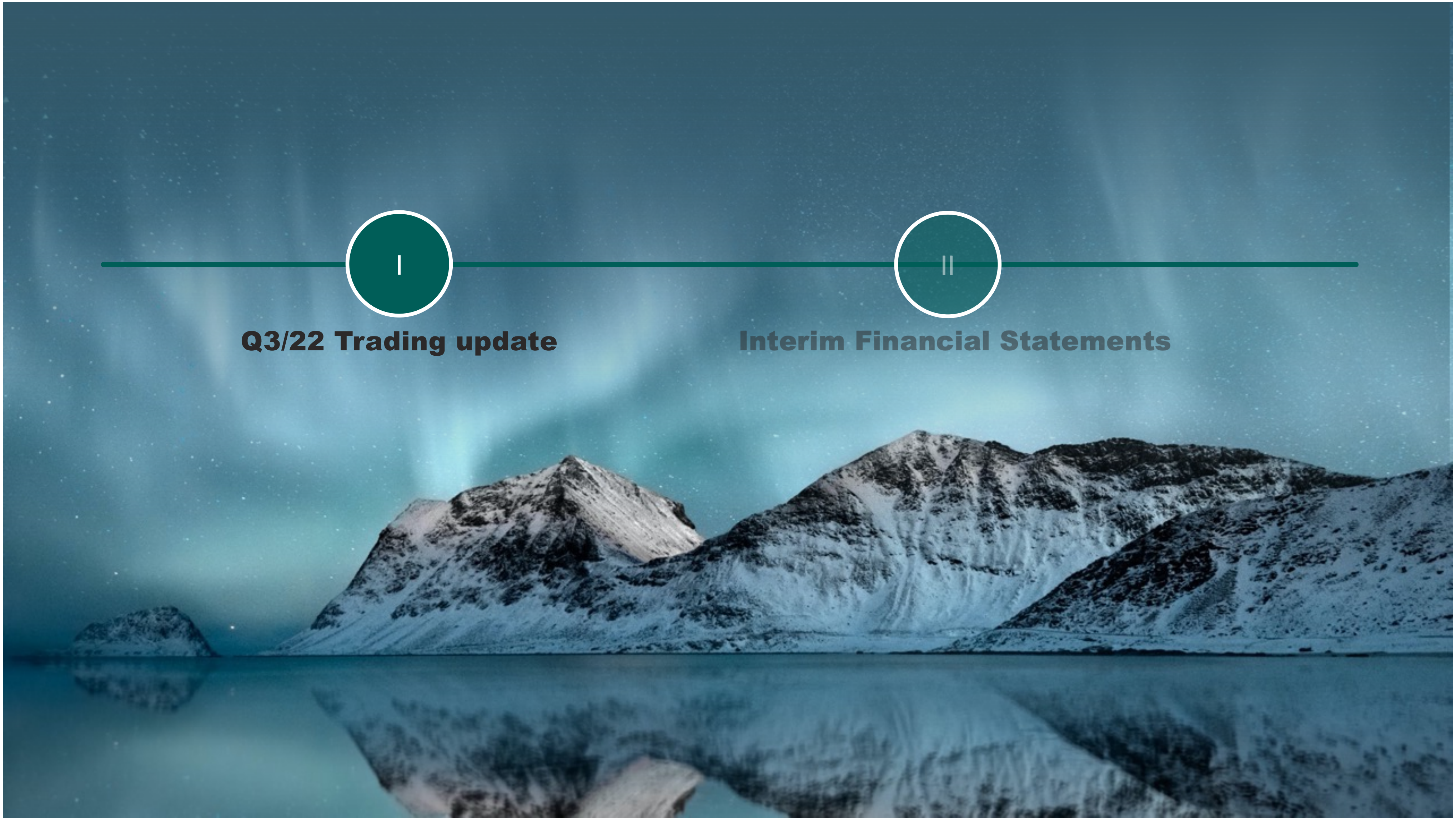
November 28th, 2022

Update from Gisle Jentoft, CEO of SuperOffice

Q3/2022 – A quarter with strong growth in ARR, cloud revenues and improved profit margin

Gisle Jentoft
CEO, SuperOffice

- SuperOffice delivered a solid Q3/22, with continued growth in sales, ARR, revenues and profit. The sales growth in the quarter had a good mix between sales to net new customers and up- and cross-sales to the existing customer base. The migration of existing on-premise customers to the SuperOffice cloud continued at good speed. The sales growth is reflected in a healthy ARR growth, which over the last twelve months has contributed to an increase in license revenues by 14% versus Q3 2021. The sales pipeline for the rest of the year is good.
- At the end of Q3/22, ARR amounted to NOKm 481 in constant currency or NOKm 518 in current exchange rates. The growth in constant currency equals 19% last twelve months. This strong ARR growth provides a solid basis for revenues into Q4 as well as 2023 as recurring revenues represent more than 80% of our total revenues.
- Total revenues are up by 14% versus Q3 2021, and 12% year to date. Cloud based revenues continue to deliver strong growth and is up 29% in the quarter versus Q3 2021 and 28% year to date.
- The Q3/22 EBITDA (adjusted for IFRS) landed at NOKm 36 (EBITDA margin of 25,4%) vs 29 (23,6%) for Q3 2021. The profit for the quarter reflects the revenue growth and a balanced focus with respect to operational investments to gear the company for further growth. Margins are expected to improve as revenue continues to grow. YTD, the EBITDA landed at NOKm 80 vs 76,3 at the same time in 2021.
- Investments have continued during the quarter, with focus on strengthening our R&D team, demand generation activities as well as the go to market organization. The relatively newly established R&D team in Vilnius functions well and further expansions into 2023 are planned.
- As the sales and ARR development clearly show, the investments in our growth strategy are paying off and we have built a stronger and more competitive footprint within our target market segments and geographies. The partner channel especially in Scandinavia is growing, which in the time ahead will contribute to strengthening our reach in terms of both net new and existing customers. The interest to invest in digitalization and automation of marketing, sales and customer-service oriented processes is still strong in our target segments.
- 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 current situation and economic climate in Europe will clearly influence the level of investments made by businesses, but it is challenging to predict the extent to which SuperOffice will be affected. So far, we have only seen minor direct effects on our business and risk picture. However, the general international unrest and growing inflation rates do impact our business through its influence on the NOK exchange, as close to 65% of SuperOffice´s revenues are generated in foreign currencies.
- From a financial point of view, our business is solid. 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.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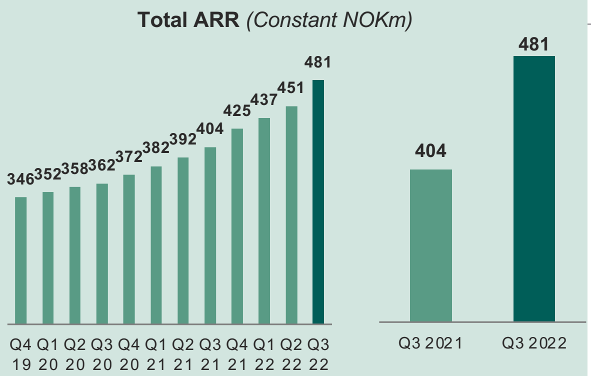
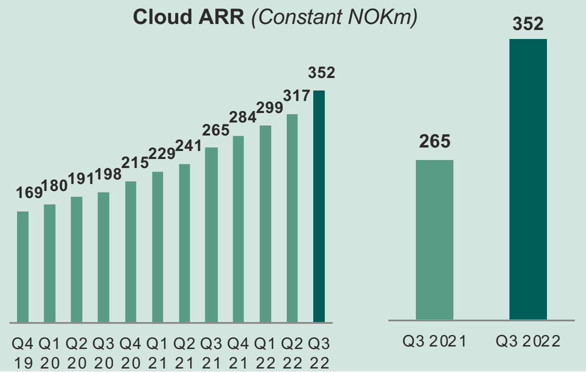
ARR in SuperOffice





ARR development*

Q3 2022:

- The total ARR increased by NOKm 30 (7%) in Q3 2022 versus a growth of NOKm 12 (3%) in Q3 2021. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 35 (11%) vs NOKm 24 (10%) in Q3 2021.
- Onsite subscription: increase of NOKm 4 (7%) vs NOKm 1 (2%) in Q3 2021.
- Buy/maintenance: decrease of NOKm 10 (-14%) vs NOKm 12 (-12%) in Q3 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 56 (13%) YTD Q3 2022 versus a growth of NOKm 32 (9%) YTD Q3 2021. See ARR development by installation type below.
- Cloud subscription: increase of NOKm 68 (24%) vs NOKm 49 (23%) YTD Q3 2021.
- Onsite subscription: increase of NOKm 9 (16%) vs NOKm 10 (25%) YTD Q3 2021.
- Buy/maintenance: decrease of NOKm 21 (-26%) vs decrease NOKm 27 (-23%) YTD Q3 2021.

ARR growth Last Twelve Months (LTM):

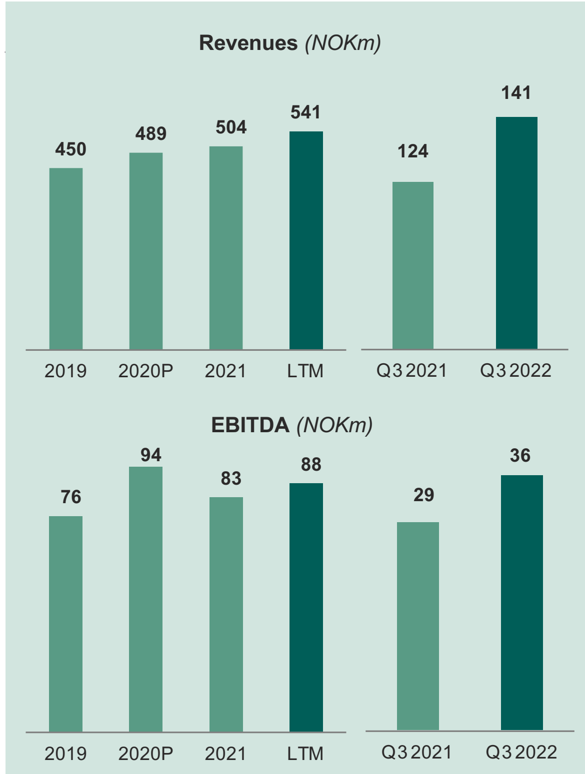
- The total ARR at the end of Q3 2022 LTM has increased by NOKm 77 (19%) versus NOKm 42 (12%) LTM Q3 2021.

ARR at current rates:

- Total ARR at current exchange rates amounted to NOKm 518 at end of Q3 2022.

*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.

Third Quarter 2022 Highlights



Financial development

Income statements (unaudited)

Q3 2022:

- Total operating income amounted to NOKm 141 (Q3 2022 at NOKm 124). The increase from Q3 2022 of 14% is mainly due to increased recurring revenues reflecting the increased ARR the last twelve months.

- The EBITDA (adjusted for IFRS 16) landed at NOKm 36 (Q3 2021: NOKm 29). The improved margin is a result of continued growth in sales and a balanced growth in opex to drive sales and profit for the next years. There are no one offs in Q3 2022, and no significant effects from exchange rates on the EBITDA versus Q3 2021 (NOKm -0,5).

Last Twelve months:

- Total revenues amounted to NOKm 541 (2021: NOKm 504), and EBITDA at NOKm 88 (2021: NOKm 83).

Balance sheet and liquidity (unaudited)

- Total reported assets (unaudited) as at 30 September were NOKm 1 583. The majority of the balance sheet is related to intangibles (NOKm 1 272). Total cash at end of the Q3 2022 amounts to NOKm 37 (free and restricted). The group has a long term bond loan of NOKm 700, and has in Q3 2022 invested NOKm 5,0 at nominal value in the bond. In total NOKm 81 have been invested in the bond at nominal value. The balance sheet reflects the net value.

- Cash flow from operating activities was in Q3 2022 NOKm 27 (Q3 2021: NOKm 7).

- The LTM average working capital continue to become increasingly negative following an increaseing share of Cloud customers. Most Cloud customers pay upfront for 12 months.

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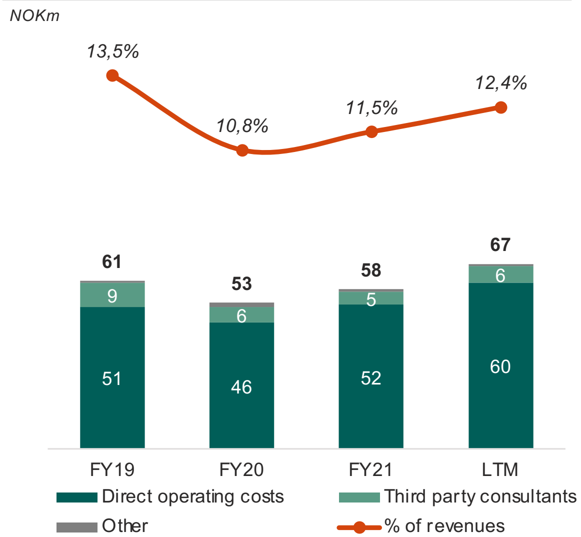
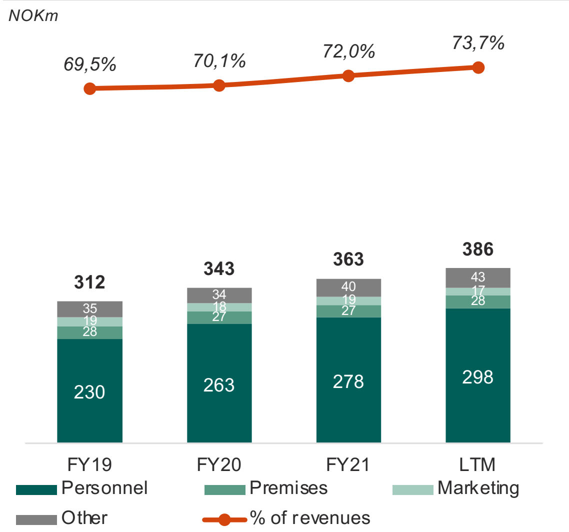
Cost base overview and EBITDA

Purchase of materials & services



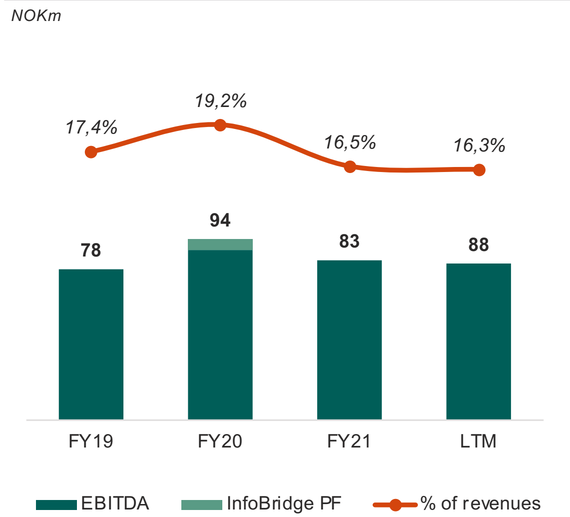
- Direct operating costs include operation of the cloud platform and partner commissions. The growth relates to the increased revenues from the cloud platform and partner commissions.

Operating expenses



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

EBITDA



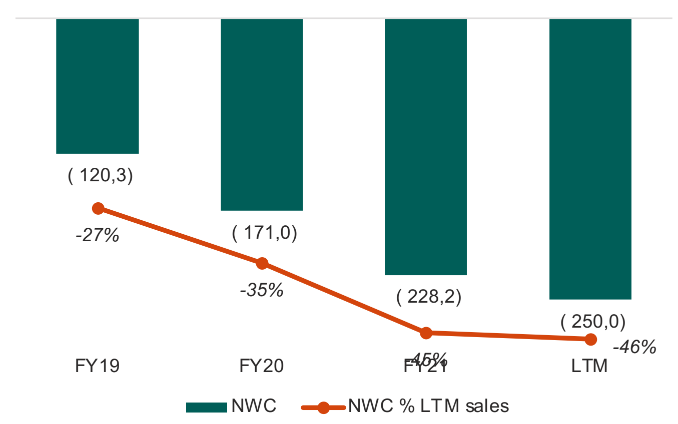
- The decrease in EBITDA from 2020 is mainly a result of the increased investments made in the organization to drive continued ARR growth going forward.

 FY2019 & FY2021 are based on audited accounts, 2020 is based on pro forma accounts. Q3 2022 and year to date 2022 are not audited.

Net working capital and Capex

Net working capital

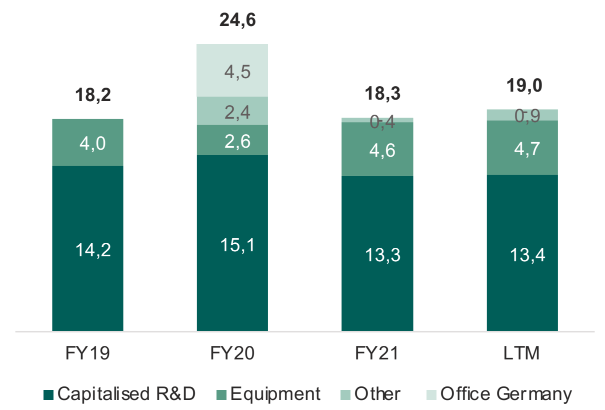
NOKm



- 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 Q3 the fair market value amounted to NOKm 21.

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	Q3 2022	Q3 2021	YTD 2022
EBITDA	42,0	63,9	91,7
Margin	*29,7 %*	*51,6 %*	*22,4 %*
Adjusted for IFRS 16	-6,1	-18,3	-18,1
Severance pay			6,6
Bond Listing Costs		2,0	
Marketing Restructuring		1,5	
Reversal of on previous estimate on earn-out		-19,9	
Adjusted EBITDA	**35,8**	**29,2**	**80,2**
Margin	*25,4%*	*23,6%*	*19,6%*

Adjustments Q3 2022 and Q3 2021

Q3 2022:

- IFRS 16 is included in the Financial Statements, and the pro-forma EBITDA is before IFRS 16.

Q3 2021:

- Bond listing costs: 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.
- 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 2022 (not discussed above):

- Severances packages e.g. for management positions in Holland and Sweden that will not be replaced: NOKm 4,1.
- Severance packages for consultants in Sweden that will not be replaced: NOKm 2,5.

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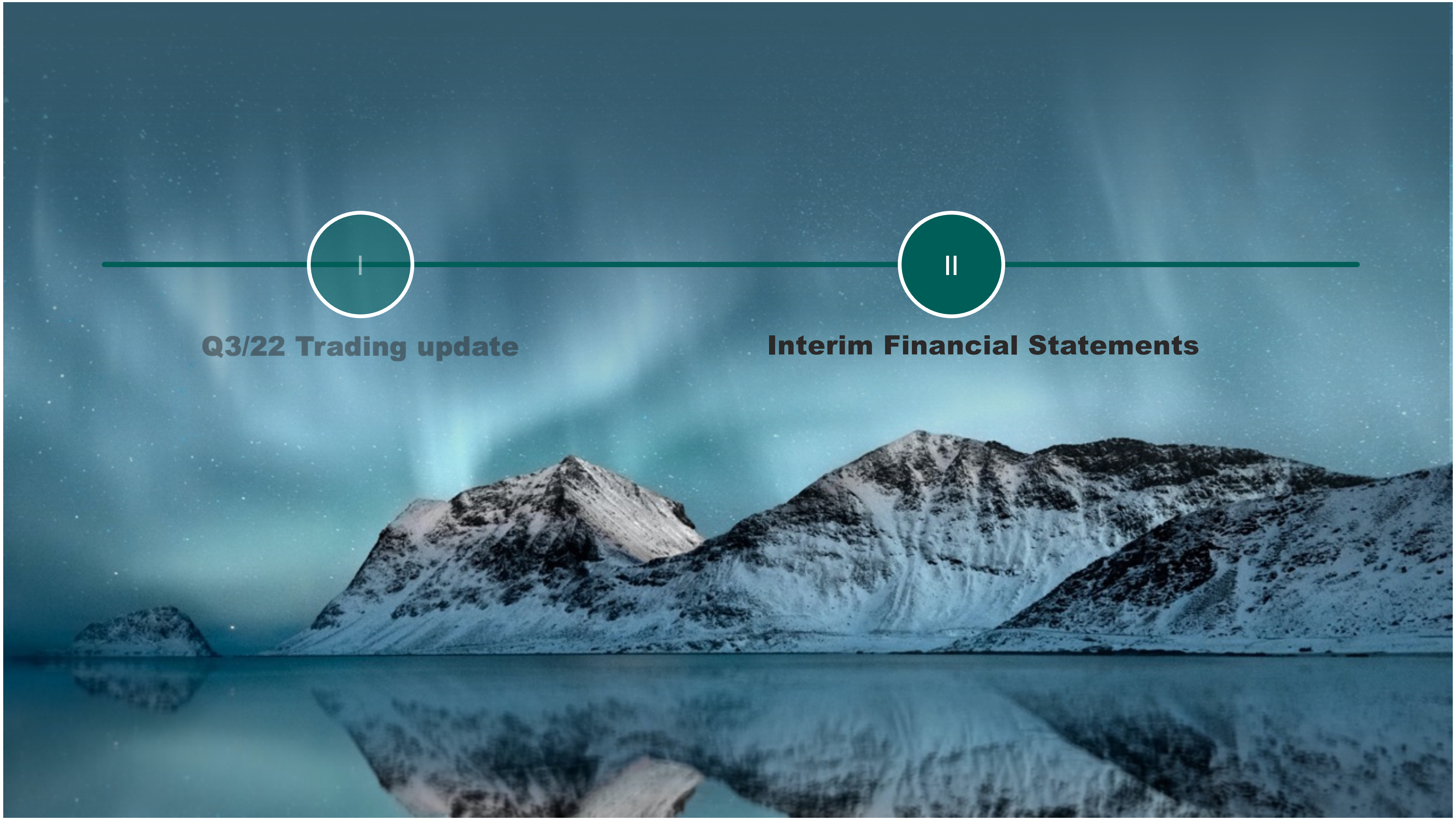
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Condensed income statement

Unaudited

NOKm	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating income		141,1	123,7	410,3	373,4
Total revenues	3	**141,1**	**123,7**	**410,3**	**373,4**
Purchase of materials and services		16,9	13,6	50,9	41,8
Payroll and related expenses		63,8	60,3	212,6	194,1
Other operating expenses		18,3	-14,2	54,6	28,5
Bad debts		0,1	0,0	0,4	0,4
Total operating expenses		99,1	59,8	318,5	264,9
Operating profit before deprecation and amortisation (EBITDA)		**42,0**	**63,9**	**91,7**	**108,5**
Depreciation and amortisation		24,9	34,3	72,7	71,3
Operating Profit (EBIT)		**17,1**	**29,6**	**19,1**	**37,3**
Net financial items		9,9	18,0	36,1	42,8
Profit before tax		**7,1**	**11,6**	**-17,0**	**-5,6**
Income tax		-3,2	-1,3	-9,4	3,1
Profit/loss for the period		**10,4**	**12,9**	**-7,6**	**-8,6**

Comments

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

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Statement of comprehensive income

Unaudited

NOKm	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profit (loss) for the period	10,4	12,9	-7,6	-8,6	-36,8
Other comprehensive income:					
Currency translation differences (may be reclassified)	0,1	0,2	7,4	0,4	3,2
Total comprehensive income	**10,5**	**13,1**	**-0,2**	**-8,2**	**-33,6**

Condenced consolidated balance sheet

Assets - unaudited

NOKm	30/09/2022	31/12/2021
Non-current assets		
Deferred tax assets	15,2	15,2
Goodwill	667,4	665,2
Intangible assets	604,2	645,2
Tangible assets	15,6	16,2
Right-of-use assets	131,0	126,0
Other non-current receivables	1,0	0,9
Total non-current assets	**1 434,3**	**1 468,7**
Current assets		
Account receivables	59,8	49,4
Other current assets	51,6	31,9
Cash and cash equivalents	36,9	90,7
Total current assets	**148,3**	**172,0**
Total Assets	**1 582,6**	**1 640,7**

Equity and liabilities - unaudited

NOKm	30/09/2022	31/12/2021
Equity	373,9	374,1
Total Equity	**373,9**	**374,1**
Non-current liabilities		
Deferred tax liabilities	127,5	145,8
Pension liability	1,1	0,3
Non-current lease liability	118,1	112,1
Borrowings	620,8	698,8
Total non-current liabilities	**867,5**	**957,0**
Current liabilities		
Prepayments from customers	241,5	190,5
Current lease liabilities	17,2	16,4
Other current liabilities	82,5	102,7
Total current liabilities	**341,2**	**309,6**
Total equity and liabilities	**1 582,6**	**1 640,7**

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Condenced consolidated interim statement of changes in equity

Unaudited

NOKm	Share capital	Share premium	Currency difference	Other equity	Total equity
Equity 01.01.2021	**0,06**	**580,2**	**-2,7**	**-212,8**	**364,8**
Profit (loss) for the period				-36,8	-36,8
Currency translation effects			3,2		3,2
Total comprehensive income for the period			**3,2**	**-36,8**	**-33,6**
Transactions with owners in their capacity as owners:					
Issue of shares	0,03	42,4			42,4
Other				0,5	0,5
Equity 31.12.2021	**0,09**	**622,6**	**0,4**	**-249,0**	**374,1**
Profit (loss) for the period				-7,6	-7,6
Currency translation effects			7,4		7,4
Total comprehensive income for the period			**7,4**	**-7,6**	**-0,2**
Transactions with owners in their capacity as owners:					
Equity 30.09.2022	**0,09**	**622,6**	**7,8**	**-256,6**	**373,9**

Condensed consolidated statement of cash flow

Unaudited

NOKm	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Profit before income tax	7,1	11,6	-17,0	-5,5
Depreciation and amortisation	24,9	28,6	72,7	71,3
Change NWC	-17,6	-44,6	15,4	34,7
Other	12,6	11,6	33,9	14,0
Cash flow from operating activities	**27,0**	**7,2**	**105,0**	**114,4**
Interest paid	-13,5	-15,8	-44,5	-41,8
Income tax paid	-2,4	-1,0	-4,2	-3,0
Net cash flow from operating activities	**11,0**	**-9,5**	**56,3**	**69,7**
Investing activities				
Purchase of property, plant and equipment (PPE)	-1,3	-0,5	-2,6	-2,7
Development and purchase of intangible asset	-2,9	-2,8	-11,9	-10,9
Net cash investments	**-4,2**	**-3,3**	**-14,5**	**-13,6**
Financing activities				
Proceeds from issuance of share capital				42,4
Earn-out liability				-42,4
Payment of principal portion of lease liabilitites	-4,8	-9,1	-14,3	-14,8
Investment in SuperOffice bonds	-5,0		-81,3	
Net cash used in financing activities	**-9,8**	**-9,1**	**-95,5**	**-14,8**
Net decrease/increase in cash, cash eqivalents and bank overdrafts	**-3,0**	**-21,9**	**-53,8**	**41,3**
Cash and cash equivalents at beginning of period	39,9	107,4	90,7	44,2
Exchange gains/losses on cash and bank overdrafts		0,0		
Cash and cash equivalents at the end of the peri	**36,9**	**85,5**	**36,9**	**85,5**

Comments

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

Notes

Note 1 – Company information

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

Note 2 - Basis for preparation and accounting principles

Basis for preparation

- The consolidated financial statements for the SuperOffice Group have been prepared in accordance with IFRS as adopted by the EU, and interpretations stated by the International Accounting Standards Board. The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances. The interim financial statements for the period ending September 30th 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

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

Note 4 – Risks

- There have not been any changes to the risk factors described in note 21 in the Annual Report for 2021.

Notes

Note 5 – Related Parties

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

Note 6 - Events after the balance sheet date

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

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