



Interim report

Q1 2021





Contents – Interim report Q1 2021

- About Sikri 2
- Q1 highlights..... 2
- Operational review..... 3
- Financial review..... 5
- Responsibility statement by Board and CEO..... 7
- Consolidated statement of profit and loss..... 8
- Statement of comprehensive income 8
- Consolidated statement of financial position 9
- Consolidated statement of changes in equity..... 10
- Consolidated statement of cash flows 11
- Notes to the consolidated financial statements 12
- Alternative performance measures 14

About Sikri

We are specialized towards the public sector and have 500 customers using the case and archiving software, in addition to 1,300 customers using the PixEdit software. We aim to play an instrumental role in public sector achieving their goals within digitization and efficiency improvement. Through a close collaboration with government and municipalities we create innovation that makes this possible.

Our most important goal is to ensure close cooperation with public sector, continue our partnership strategy with private sector and have the best subject matter expertise in the services our customers deliver.

It is important for us that we follow regulatory requirements, national standards, best in class security and technological trends. This enables us to be on the frontline, making sure that our customers always have updated, modern products and solutions. This is how we secure the future and preserve the past.

Q1 highlights

- Revenue was MNOK 57.2, up from MNOK 52.6 in the first quarter of 2020 (proforma figures) – representing organic growth of 9.9%
- EBITDA adjusted of MNOK 15.7 vs MNOK 14.2 in the first quarter of 2020 (proforma figures)
- ARR at MNOK 142
- Win rate of 66% in Q1
- Won over 100 contracts so far under the Election Frame Agreement
- Stronger pull towards Cloud from our customers resulting in higher upgrade activity
- Build of new module-based platform for Health, Safety, Environment and Quality (HSEQ), started to bid on cases in Q1, first delivery in Q2
- High M&A activity, resulting in acquisition of Ambita AS in May 2021

Q1 in brief – based on proforma figures*

(NOK 1.000)	Q1-2021	Q1-2020*
Operating income	57,166	52,561
EBITDA	14,352	15,794
EBITDA (%)	25%	30%
Other income and expenses	1,310	-1,575
Adjusted EBITDA	15,662	14,219
Adjusted EBITDA (%)	27%	27%

*Proforma = as if all companies in Sikri Holding whole period

Operational review

During the first quarter of 2021, Sikri continued our pursuit of M&A opportunities, which culminated in the acquisition of Ambita AS in May 2021. The acquisition is a significant milestone for the company, as it will add ARR to the Group and expand the Group's offering both to public and private sector customers. With the acquisition, Sikri Group represents over 300 FTEs. Implementation of Ambita will be done in Q2, with consolidation of financials from May 1, 2021.

The year started a bit slow regarding public bids, but the market has picked up during Q1, and we have won 66% of public bids, while signing over 100 contracts under the Election Frame Agreement. Sales activity is still high, and the company has built a strong sales force during 2020. An increasing pull towards Cloud solutions has led to more transitions to Cloud for our customers, while also leading to a slight reduction of revenue from license sales. However, our consulting revenue more than compensated for this in Q1, as we are running many implementation projects that will lead to future ARR.

Sikri's business model is to sign long-term licensing, maintenance and support agreements, as well as providing consulting services in implementing our solutions to customers' needs. We also provide training and long-term support and consulting agreements, ensuring that our customers always have access to the latest technology, the best knowledge and support on our software. A growing part of our revenue comes from SaaS services, reported as subscription fees, which includes licensing and maintenance.

Sikri's annual recurring revenue base (ARR) was MNOK 142 at the end of Q1, stable from year end 2020. Sikri's recurring revenue relates to the sale of own software and services with 89% gross margin.

Sales momentum

Sikri continued to maintain a high win rate in Q1, bidding on all public bids in the market. We won 66% of bids during Q1, representing a further improvement in our sales success. We are experiencing a pull from customers toward Cloud and are upgrading more customers to our Cloud solutions. An important win for Sikri in Q1 has also been in regards to the Election Frame Agreement, where we have already signed over 100 contracts to provide revenue post-summer.

The Group is involved in many ongoing tenders, and after investing in our sales force during 2020 we are confident that we will maintain or improve our win rate further. Our market knowledge, close customer dialogue and market monitoring has given us direct invitation to customer cases, and we are bidding on all potential deals that fit our service and product portfolio. With the addition of Ambita AS to the Group, we look forward to exciting common opportunities and co-development of products, expanding our future product portfolio.

The sale and implementation of the eByggesak runs as planned.

Product development

Sikri has renewed our Risk Manager platform and can now offer a Cloud based solution. The acquisition of Whatif and Sureway in Q4 has led to exciting co-development of the new solution on offer. The new offering is a module-based platform for HSEQ is based on the products from Whatif and Sureway and

Sikri's Risk Manager product. The new platform, Samsvar, is already being presented to customers and receiving positive feedback.

Growth through partnerships

The use of Robotic Process Automation (RPA) has not traditionally been used extensively with modern interfaces due to high maintenance requirements. In collaboration with our partner, Best of Breed, we have developed RPA processes using Sikri's API with Case and archive management. This enables the interface to develop over time while the RPA process functions without errors. Viken Fylkeskommune has had a go-live of their first RPA processes using API in Q1.

Sikri is working closely with "Digitaliseringsdirektoratet", responsible for the national common solutions. A new REST API is replacing the old EDU standard, and employees in Sikri have been actively involved in the standard development. We have implemented the standard and are ready for implementation and pilots. This is a central transportation channel between public sector institutions and companies in Norway.

M&A and capital raise

As part of our growth strategy, we successfully completed the acquisition of Ambita AS (post Q1) and were able to raise MNOK 460 of new capital as part of the financing of the acquisition.

Financial review

Q1 highlights (actual figures)

(NOK 1.000)	Q1-2021	Q1-2020
Operating income	57,166	15,245
Gross profit	50,947	13,858
EBITDA	14,352	3,270
EBIT (Operating profit)	6,321	1,776
Basic earnings per share	0.27	0.10
Diluted earnings per share	0.27	0.10
Cash flow from operating activities	64,130	-138
Cash and cash equivalents end of period	183,392	45,469
Gross margin	89%	91%
EBITDA (%)	25%	21%

The interim financial information has not been subject to audit.

The subsidiary Sikri AS was in 2020 consolidated from time of control/acquisition date March 1st, while PixEdit AS and Augment AS were in 2020 consolidated from May 1st. All companies are included fully in Q1 2021 financials.

Sikri's consolidated revenue was MNOK 57.2 in Q1 2021, compared to MNOK 15.2 in the same period in 2020.

Gross margin was 89% in Q1 2021 and 91% in Q1 2020. Cost of goods sold are related to direct sales costs.

Personnel expenses amounted to MNOK 28.9 in Q1 2021 (51% of revenue). Sikri Group had 125 employees at the end of Q1 2021, up from 121 at the start of the year (figures include employees added through acquisitions).

Other operating expenses amounted to MNOK 7.7 (13% of revenue). Costs for internal IT and operating platform (Cloud, support system, etc.) comprise close to 50% of other operating expenses.

EBITDA was MNOK 14.4 in Q1 2021 compared to MNOK 3.3 last year (25% of revenue). Capitalization of development costs was MNOK 4.2 in Q1 2021.

Sikri had **depreciation and amortization costs** of MNOK 8 in Q1 2021.

Operating profit (EBIT) was MNOK 6.3 for Q1 2021, compared to MNOK 1.8 in Q1 2020.

Financial position

Sikri's total assets at the end of Q1 2021 were MNOK 508.4 compared to 450.7 at the end of 2020. The increase was mainly due to an increase in cash and cash equivalents, as well as some higher receivables due to invoicing profiles.

Intangible assets amounted to MNOK 274, and total receivables were MNOK 37.1 at the end of Q1 2021.

Sikri's total liabilities were MNOK 250 at the end of Q1 2021, increased from MNOK 197.1 at start of year due to contract liabilities. Current liabilities amounted to MNOK 141.5 at the end of Q1 2021. Non-current liabilities were MNOK 108.5 at the end of the quarter.

Sikri had total equity of MNOK 258.4 at the end of Q1 2021 and the equity ratio was 51%.

Cash Flow

Cash and cash equivalents at the end of Q1 2021 amounted to MNOK 183.4, up from MNOK 132.4 at the end of 2020.

Sikri had a positive cash flow from operating activities of MNOK 64.1 in Q1 2021.

Cash flow from investing activities was negative with MNOK 4.3 in Q1 2021 mainly due to payment of capitalized development costs.

Cash flow from financing activities was negative with MNOK 8.8 in Q1 2021.

The share capital of Sikri Holding AS was, pr March 31, 2021, NOK 1,480,385.50, divided on 14,803,855 shares.

In total Sikri had a net increase in cash and cash equivalents of MNOK 51 from Q4 2020 to Q1 2021, increasing the cash and cash equivalents to MNOK 183.4 at the end of Q1 2021.

Outlook and events after end of Q1 2021

As part of the strategy to accelerate growth, Sikri completed the successful acquisition of Ambita AS on May 3, 2021. To finance the acquisition, a private placement was completed, raising MNOK 460 in new capital through allocation of 4,000,000 new shares, at a price of NOK 115 per share. The private placement was oversubscribed and attracted strong interest from existing shareholders in the Company, as well as high quality institutional investors. In connection with the acquisition, new debt was also issued, so total long-term debt after the acquisition is MNOK 510.

The company will continue to pursue its growth strategy in building a Nordic technology-powerhouse and will continue to invest in own solutions as well as further M&A opportunities.

Responsibility statement by Board and CEO

The Board and CEO have considered and approved the condensed set of financial statements for the period 1 January to 31 March 2021. We confirm to the best of our knowledge that the condensed set of financial statements for the above-mentioned period has been prepared in accordance with IFRS (International Financial Reporting Standards), and they present a true and fair view of the Group's assets, liabilities, financial position, and overall result for the period viewed in in their entirety. Furthermore, we declare that the interim management report gives a fair overview of any significant events that arose during the above-mentioned period and their effect on the financial report, and that it gives a correct view of any significant related parties' transactions, principal risks and uncertainties faced by the Group.

Lysaker, May 19, 2021

Jens Rugseth

Chairman of the Board

Nicolay Moulin

CEO

Preben Rasch-Olsen

Board member

Christian Krag Breddam

Board member

Fredrik Cappelen

Board member

Rune Syversen

Board member

Torbjørn G. Krøvel

Board member

Consolidated statement of profit and loss

(NOK 1.000)	Q1-2021	Q1-2020	2020
Revenue	57,166	15,245	167,755
Cost of providing services	6,219	1,387	12,058
Gross profit	50,947	13,858	155,697
Personnel expenses	28,944	7,195	87,540
Other operating expenses	7,651	3,393	23,734
EBITDA	14,352	3,270	44,423
Depreciation and amortisation expenses	8,031	1,493	23,003
Operating profit	6,321	1,776	21,420
Financial income	23	0	321
Financial expenses	-944	-768	-4,555
Profit before income tax	5,400	1,008	17,186
Income tax expense	1,353	636	2,982
Profit for the year	4,047	372	14,204
Profit for the year is attributable to:			
Owners of Sikri Holding AS	4,047	372	14,204
Earnings per share:			
Basic earnings per share	0.27	0.10	1.26
Diluted earnings per share	0.27	0.10	1.26

Statement of comprehensive income

(NOK 1.000)	Q1-2021	Q1-2020	2020
Profit for the year	4,047	372	14,204
Other comprehensive income (net of tax):			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	0	0	0
Total comprehensive income for the year	4,047	372	14,204
Total comprehensive income for the year is attributable to:			
Owners of Sikri Holding AS	4,047	372	14,204

Consolidated statement of financial position

(NOK 1.000)	31/3/21	31/12/20
ASSETS		
Non-current assets		
Equipment and fixtures	2,864	3,028
Right-of-use assets	10,973	11,464
Intangible assets	273,983	276,908
Other investments	60	60
Total non-current assets	287,880	291,460
Current assets		
Trade and other receivables	37,089	26,864
Cash and cash equivalents	183,392	132,376
Total current assets	220,481	159,240
TOTAL ASSETS	508,361	450,699
EQUITY AND LIABILITIES		
Equity		
Share capital	1,480	1,480
Share premium	237,173	237,173
Other equity	19,733	14,938
Total equity	258,386	253,591
Liabilities		
Non-current liabilities		
Borrowings	82,167	89,667
Other financial liabilities	6,534	6,534
Lease liabilities	8,408	8,882
Deferred tax liabilities	11,382	10,154
Total non-current liabilities	108,491	115,237
Current liabilities		
Trade and other payables	56,534	45,967
Contract liabilities	64,873	15,735
Current tax liabilities	2,284	2,409
Borrowings	15,000	15,000
Lease liabilities	2,794	2,760
Total current liabilities	141,485	81,872
Total liabilities	249,975	197,108
TOTAL EQUITY AND LIABILITIES	508,361	450,699

Consolidated statement of changes in equity

(NOK 1.000)	Share capital	Share premium	Other equity	Total equity
Balance at 31 December 2019	30	0	0	30
Profit for the year			372	372
Other comprehensive income			0	0
Total comprehensive income for the period	0	0	372	372
Contributions by and distributions to owners:				
Issue of share capital net of transaction costs and tax	1,170	58,200		59,370
	1,170	58,200	0	59,370
Balance at 31 March 2020	1,200	58,200	372	59,772
Balance at 31 December 2020	1,480	237,173	14,938	253,591
Profit for the year			4,047	4,047
Other comprehensive income			0	0
Total comprehensive income for the period	0	0	4,047	4,047
Contributions by and distributions to owners:				
Share-based payments			748	748
	0	0	748	748
Balance at 31 March 2021	1,480	237,173	19,733	258,386

Consolidated statement of cash flows

(NOK 1.000)	Q1-2021	Q1-2020
Cash flows from operating activities		
Profit before income tax	5,400	1,008
<i>Adjustments for</i>		
Depreciation and amortisation expenses	8,031	1,493
Share-based payment expense	748	0
Net gain/loss on sale of non-current assets	0	0
Interest received and paid - net	721	600
<i>Change in operating assets and liabilities, net of effects from purchase of subsidiaries</i>		
Change in trade and other receivables and contract assets	-10,225	2,962
Change in trade and other payables and contract liabilities	59,705	-6,202
Interest received	0	0
Income taxes paid	-250	0
Net cash inflow from operating activities	64,130	-138
Cash flows from investing activities		
Payment for acquisition of subsidiaries, net of cash acquired	0	-108,675
Payment for equipment and fixtures	-128	0
Payment of capitalised development costs	-4,175	-1,854
Proceeds from sale of equipment and fixtures	0	0
Net cash inflow/outflow from investing activities	-4,303	-110,529
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	0	59,370
Proceeds from borrowings	0	97,421
Repayment of borrowings	-7,500	0
Principal element of lease payments	-589	-85
Interest paid	-722	-600
Net cash inflow/outflow from financing activities	-8,811	156,106
Net increase/decrease in cash and cash equivalents	51,016	45,439
Cash and cash equivalents 1 January	132,376	30
Effects of exchange rate changes on cash and cash equivalents	0	0
Cash and cash equivalents 31 March	183,392	45,469

Notes to the consolidated financial statements

Note 1. General

Sikri Holding AS is the parent company in the Sikri Group. The Group includes the parent company Sikri Holding AS and its wholly owned subsidiary Sikri AS (which has the wholly owned subsidiaries PixEdit AS), Sureway AS and WhatIf AS. The Group's head office is located at Vollsveien 4a, Lysaker, Norway.

Sikri Holding AS is listed on the Euronext Growth Market at Oslo Stock Exchange under the ticker SIKRI.

The consolidated condensed interim financial statements comprise the financial statements of the Parent Company and its subsidiaries as of 31 March 2021.

The condensed interim financial statements are unaudited.

Note 2. Accounting principles

The interim consolidated financial statements are prepared under International Financial Reporting Standards (IFRS) and the interim financial report is presented in accordance with IAS 34 Interim Financial Reporting. This quarterly report does not include a complete set of accounting principles and disclosures, and therefore should be read in conjunction with the Group's Annual Financial Statements for 2020. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2020, and the Group has not adopted any new standards, interpretations or amendments issued but not yet effective. The report has not been audited. Rounding differences may occur.

Note 3. Revenue and segment information

The Group has one segment, sale of software services. The market for Sikri's software and services is currently mainly domestic. The Management Group is responsible for allocating resources and assessing performance as well as making strategic decisions.

Information about major customers

The Group conducts its sales directly and through channel partners. No customer or channel partner represents more than 10% of the Group's revenue.

Information about share of recurring revenue from own products

Recurring revenue from own products is defined as revenue from time-limited contracts where the purchase is recurring in nature. Revenue from time-limited software subscriptions and related mandatory maintenance contracts are considered recurring. Revenue from third-

party software licenses, perpetual software-licenses, and project-based professional services, such as a customer-specific proof-of-concept project or installation project, are considered non-recurring. For Q1 2021, more than 60% of revenue was recurring.

Note 4. Share capital and shareholders

The company only has one class of shares and all shares have the same voting rights. The holders of shares are entitled to receive dividends as and when declared and are entitled to one vote per share at general meetings of the company.

The company's share capital as of March 31, 2021 was NOK 1,480,386, consisting of 14,803,855 ordinary shares with a nominal value of NOK 0.10.

Sikri's largest shareholders as of March 31, 2021 are:

Name	Number of shares	% of shares
Karbon Invest AS	7,211,273	49%
Carucel N59 AS	1,872,818	13%
M25 INDUSTRIER AS	1,805,409	12%
State Street Bank and Trust Comp (Nominee)	582,366	4%
Skandinaviska Enskilda Banken AB (Nominee)	385,000	3%
Skandinaviska Enskilda Banken AB (Nominee)	365,000	2%
Eirikdenhardbalne AS	245,000	2%
Mølle Invest AS	245,000	2%
Verdipapirfondet Fondsfinans NOR	230,443	2%
Verdipapirfondet Nordea Norge Verdi	185,263	1%
Verdipapirfondet DNB SMB	183,544	1%
Verdipapirfondet Nordea Avkastning	161,017	1%
Remaining shareholders	1,331,722	9%
Total number of shares	14,803,855	100%

Note 5. Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months. All restricted cash are taxes withheld.

(NOK 1.000)	31/03/21	31/12/20
Cash and cash equivalents	183,392	132,376
Restricted cash	-3,379	-4,347
Free available cash	180,013	128,029
Available credit facility	30,000	30,000
Liquidity reserve	210,013	158,029

Note 6. Subsequent events

Acquisition of Ambita AS

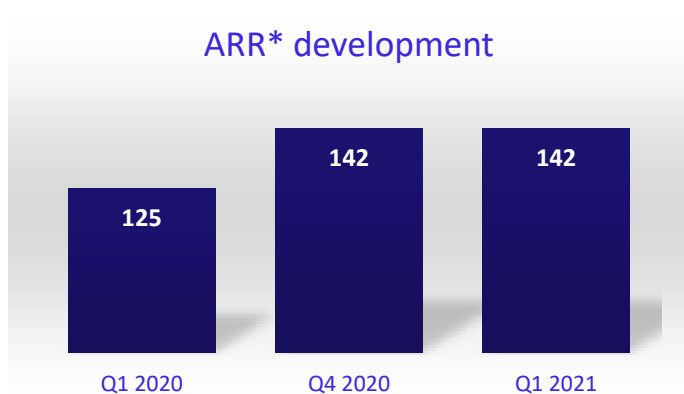
Sikri announced on April 19, 2021 an agreement to acquire 100% of the shares in Ambita AS for a total enterprise value of MNOK 950 per December 31, 2020, and an agreed purchase price of MNOK 962.8. The transaction was completed on May 3, 2021. Ambita is a technology company delivering solutions digitizing the real estate market. The company's services are used by several thousands of users in real estate transactions and construction projects every day. Ambita's portfolio of services includes Infoland, Ambita's digital registration service, Viridi, Boligmappa and a solution for digital building applications amongst others. The company is also the majority shareholder in Prognosesteret. The acquisition will complement Sikri and combined the companies will represent a strong Nordic innovation center, uniquely positioned to offer the public sector, private businesses, and citizens better services.

Alternative performance measures

Sikri's financial information is prepared in accordance with IFRS (International Financial Reporting Standards). To enhance the understanding of the Group's performance, the company has presented a number of alternative performance measures (APMs) that are regularly reviewed by management. An APM is defined by ESMA guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the relevant financial reporting framework (IFRS).

Annual Recurring Revenue (ARR) and Recurring Revenue (RR)

The Group calculates Annual Recurring Revenue (ARR) by annualizing the last month's Recurring Revenue (RR), ie by multiplying previous month's RR by 12. RR are revenues that are highly likely to continue in future, such as SaaS subscriptions, maintenance and support and other subscription-based revenues. The purpose of using ARR is to estimate the future RR, ie providing a view on expected revenue recognition of RR during the upcoming 12 months.



Gross profit

Gross profit is calculated as operating revenue less cost of services provided.

EBIT

Earnings before interest expense, other financial items and income taxes.

EBITDA

Earnings before interest expense, other financial items, income tax and depreciations and amortisations.

EBITDA before other income and other expenses (Adjusted EBITDA)

EBITDA before other income and other expenses is defined as EBITDA adjusted for costs of a non-recurring nature. Such non-recurring costs include, but are not limited to; restructuring costs, acquisition costs, one-time advisory costs and other non-recurring costs. This measure is useful to users of the Group's financial information in evaluating underlying operating profitability.

The EBITDA margin presented is defined as EBITDA before other income and other expenses divided by total revenues.

(NOK 1000)	Q1 2021
EBITDA	14,352
Other income and expenses	1,310
Adjusted EBITDA	15,662

Specification of other income and expenses

(NOK 1000)	Q1 2021
Acquisition costs	0
Other M&A costs	85
One-time advisory costs	1,225
Total other income (-) and expenses (+)	1,310