



Q3 - 2020 Presentation

November 5, 2020

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Presenting

Nicolay Moulin
CEO



- CEO of Sikri from 2020
- Mr. Moulin led the team carving out the Sikri Organization from EVRY as well as part of the team negotiating with the Norwegian Competition Authority
- Mr. Moulin held various roles in EVRY Norway from 2013-2020, including Vice President and Business Unit Manager with responsibility for government clients
- Prior to EVRY Norge, Mr. Moulin has held position as CEO of Lenco Systems, in addition to Director in Crayon Group, among others

Camilla Aardal
CFO



- CFO of Sikri from 2020
- Ms. Aardal's most recent role was as SVP Service & Aftermarket in Optimar AS
- Ms. Aardal held the role of CFO in EVRY Norway from 2014-2018
- Prior to EVRY, Ms. Aardal has a consulting background from PwC as well as previous role as CFO for Capgemini Norway, where she also held various finance roles from 2001-2010

A photograph of two business professionals, a man and a woman, looking at a tablet together. The man is holding the tablet, and the woman is pointing at the screen. The tablet displays a dashboard with a pie chart, a bar chart, and a line graph. The background is blurred, showing an office setting.

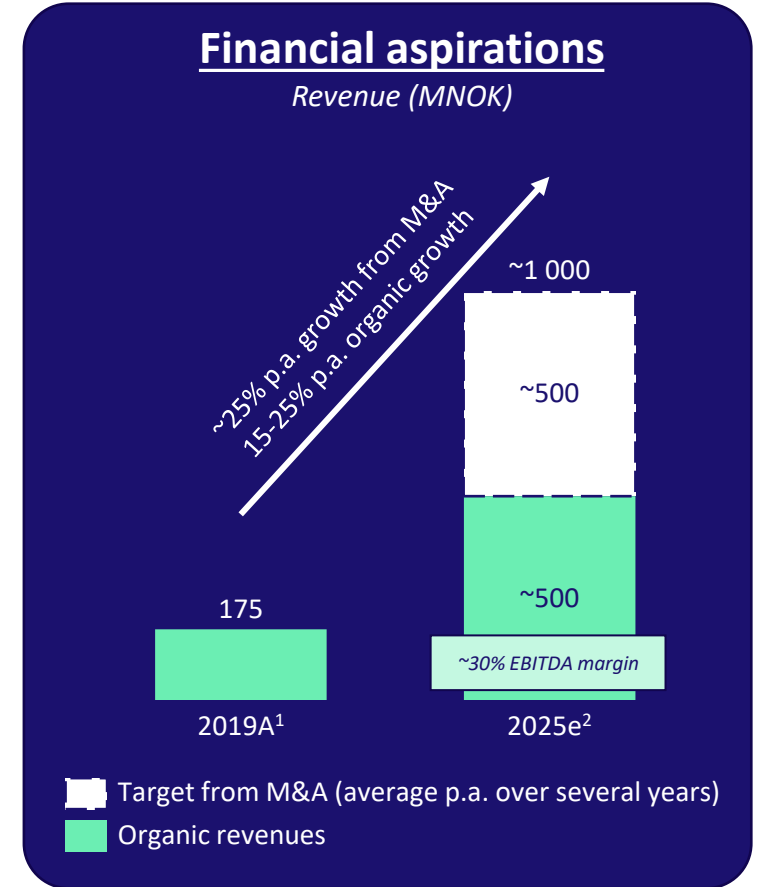
Sikri Business update

Sikri – a leading provider of critical IT solutions to the public sector

- Sikri was established as a carve-out from EVRY and has now 115 employees in Norway and 25 FTEs in Ukraine and India
- Sikri is a key player in the market for managing and archiving documents providing:
 - The software platforms Elements, eByggesak, PixEdit and Augment AI solutions
 - Consulting services
 - Other related software solutions
- The company is specialized towards the public sector and has +450 customers using the case and archiving software, in addition to +1,300 customers using the PixEdit software
- Sikri has a clear ambition to deliver above market growth, both organically and through M&A
- Majority owners have extensive buy-and-build M&A experience and seeks to leverage that to build Sikri as the #1 Nordic public sector software company

Sikri AS – Ambitions and financial aspirations

- Sikri is positioned as one of the key software players delivering essential solutions to the public sector market
- Sikri expects the public sector market in Norway to see substantial growth in the next few years on the back of digitalization
- Sikri provides innovative cloud-based services with a SaaS business model
- Highly fragmented universe of software players towards the public sector offers significant M&A opportunities
- Ambition for Sikri to become the #1 Software provider to public sector in the Nordics



¹ Illustrative combined financials based on management accounts (unaudited)

² Expected revenue development based on management forecast

Sikri AS – Q3 2020 Highlights

1 Delivering according to financial plan with a steady growth in Annual Recurring Revenue (ARR)

2 M&A strategy being implemented and completed acquisitions according to plan

3 Innovation agreement signed with Viken Fylkeskommune

4 Delivering according to DevOps methodology and our Public Cloud strategy

5 Well positioned to reach financial ambitions for 2020 and good run rate into 2021

Events after Q3 2020 – closing of acquisition

Successful closing of acquisition of Sureway AS and Whatif AS on October 12, 2020



- Annual revenue 2020 approx. NOK 11 million, EBITDA margin approx. 27%
- 12 FTEs; 4 employees Harstad, 1 Oslo, 7 developers Sri Lanka
- 170 Customers in the municipality, health and power industry
- With this acquisition, we bring the risk management area in Sikri to the Cloud
- Improves Sikri's product portfolio with cloud-based compliance and risk management solutions that integrates with Sikri's Elements platform
- Increased focus on – and demand for – compliance tools in connection with the adaption of the new GDPR regulations, fitting well with these acquisitions

Business Review – innovation and customer development



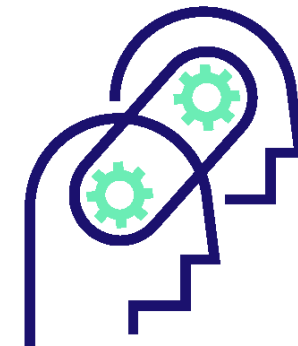
Photo: Marius Fält-Vannum

Innovation agreement with Viken fylkeskommune

Viken fylkeskommune has signed an agreement with Sikri, aimed at utilizing artificial intelligence in a secure and safe manner.

Product innovation by acquisition

Sikri will be able to exploit synergies with acquired technology and knowledge, developing new products and solutions combined with existing offering. This will enable upselling to new customers and reaching new markets.



Business Review – internal efficiency



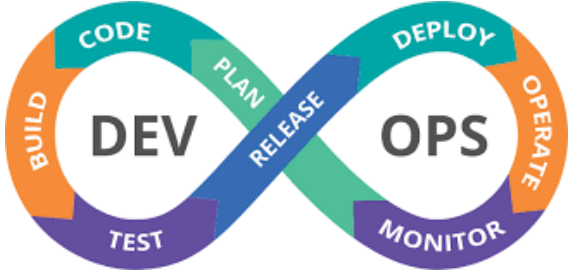
Product innovation by acquisition

Migration of our customers to the secure Public Cloud platform is a high priority to ensure more efficient deliveries. We have migrated several municipalities successfully.

We plan to migrate customers weekly, until we are independent of existing platform.

Delivering on DevOps strategy

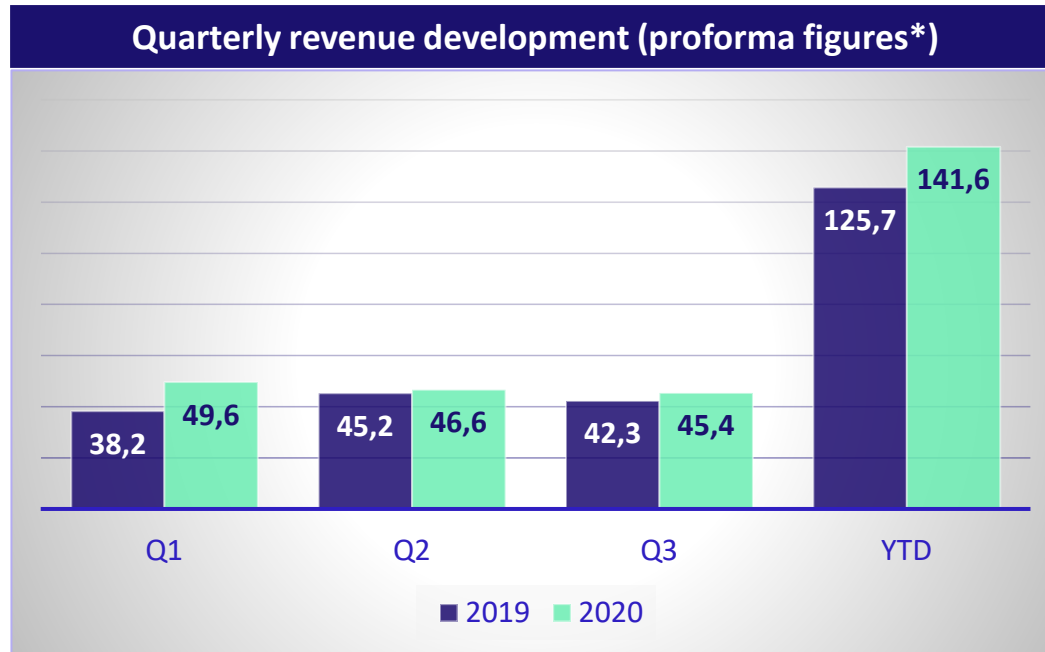
Sikri is introducing canary releases. A **canary release** is a software testing technique used to reduce the risk of introducing a new software version into production by gradually rolling out the change to a small subgroup of users, before rolling it out to the entire platform/infrastructure.



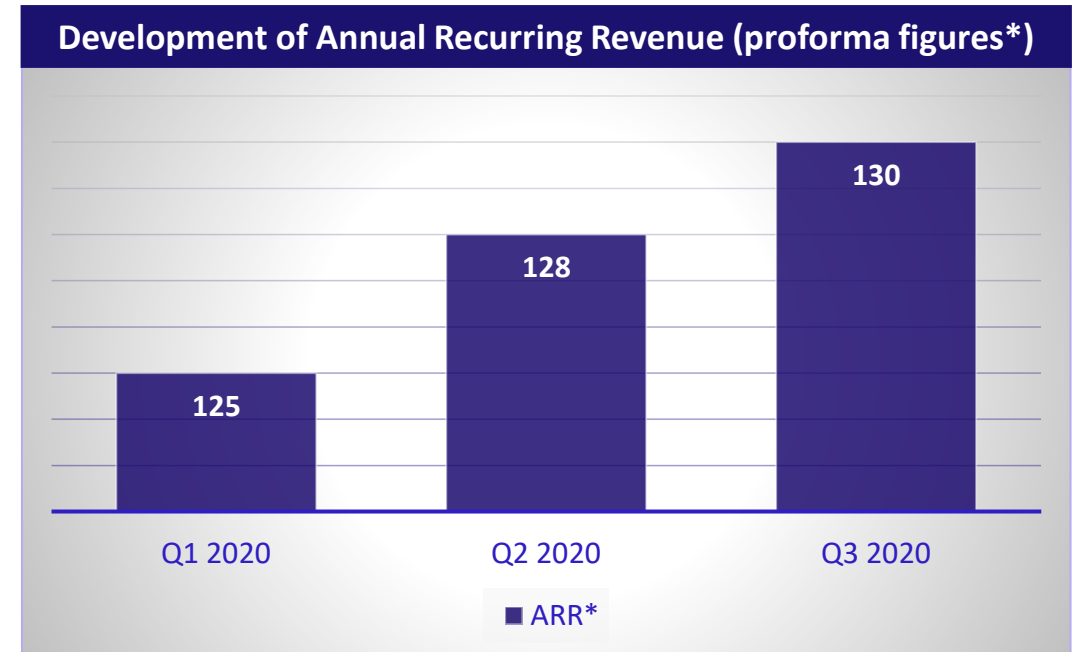
A woman with glasses and a ponytail is sitting at a desk in an office. She is looking at a large computer monitor displaying a financial candlestick chart. Her right hand is pointing at a specific point on the chart. To her left is a laptop, also displaying financial data. In the foreground, a tablet is visible, showing a bar chart with red and yellow bars. The background shows a window with a view of a city street.

Sikri Financial update

Growth 2020 – delivering according to plan



*Proforma figures according to current Sikri Holding structure



*ARR defined as subscriptions current run rate annualized

- Revenue growth YTD of 12,6% in proforma terms
- Recurring revenue share of total revenue is increasing, which provides higher stability and predictability in long term revenues

PnL Proforma

TNOK	Q1 2020	Q2 2020	Q3 2020	YTD 2020	Comments
Revenue	49,643	46,584	45,394	141,621	<ul style="list-style-type: none"> Proforma P&L has been prepared by incorporating Sikri, PixEdit and Augment as if they had been part of the group from the beginning of 2020* Seasonality impacted Q3 revenues and profitability, results were in line with expectations
Cost of goods	2,642	1,974	3,835	8,451	
Gross profit	47,001	44,610	41,559	133,170	
Personell expenses	25,824	23,584	25,371	74,779	
Other operating expenses	4,640	6,553	6,412	17,605	
EBITDA	16,537	14,473	9,776	40,786	<ul style="list-style-type: none"> Proforma EBITDA-margin at 29% YTD Q3-2020 Capitalized costs of 14.5 MNOK YTD Q3-2020 Goodwill depreciation of 6 MNOK in first 3 quarters 2020
<i>EBITDA margin</i>	33%	31%	22%	29%	
Depreciations	5,564	9,844	7,958	23,366	
EBIT	10,973	4,629	1,818	17,420	
Net financial expenses	608	1,054	1,170	2,832	
EBT	10,365	3,575	648	14,588	<p>Outlook</p> <ul style="list-style-type: none"> On track to achieve 2020e targets

*Sikri AS was formally taken over by Sikri Holding AS March 1,2020. PixEdit and Augment were taken over May 1, 2020

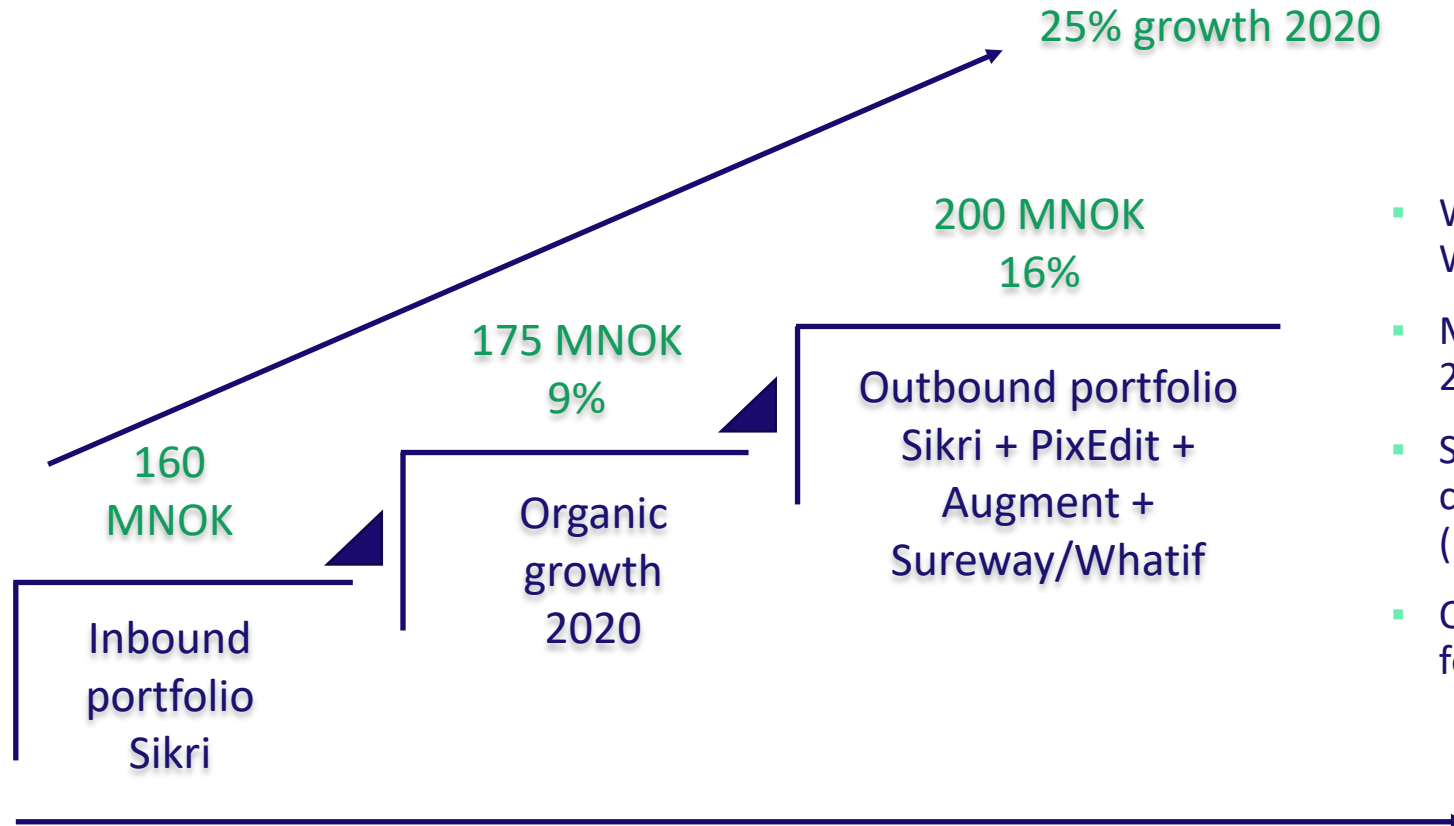
Balance sheet as of Q3 2020

TNOK	Q1 2020	Q2 2020	Q3 2020
ASSETS			
Total Ingtangible assets	166,110	248,406	245,771
Total tangible assets	2,835	3,012	3,031
Total financial assets	110	60	60
Total receivables	40,867	47,225	24,984
Cash and cash equivalents	45,469	33,642	132,786
TOTAL ASSETS	255,391	332,345	406,632
EQUITY AND LIABILITIES			
Total equity	61,359	93,129	237,316
Total long-term liabilities	80,000	105,000	97,500
Total current liabilities	114,032	134,216	71,816
TOTAL EQUITY AND LIABILITIES	255,391	332,345	406,632
<i>Equity ratio</i>	24%	28%	58%

Comments

- The presented balance sheet for Sikri Holding AS is based on unaudited figures as of Sept 30th, 2020
- Intangible assets largely relate to licenses and patents allocated in connection with the carve out of Sikri from EVRY, in addition to allocated Goodwill from acquisitions
- Strong cash position of 133 MNOK at end of Q3-2020, after IPO in July
- No net interest-bearing debt at Sept 30th, 2020

2020 expected outcome



- With the acquisition of Sureway AS and Whatif AS our year end target is 200 MNOK
- Meeting revenue targets for 2020 gives a 25% growth in 2020
- Sikri AS delivers 9% growth, while acquired companies comprise the remainder (proforma – as if owned full year)
- On track towards an ambitious growth rate for 2021

Sikri, in brief

1 A key player in the market for software towards the public sector and a strong ARR base

2 Attractive end market with solid margins, long contracts and customer need for digitalization

3 Renewed commercial strategy with strong organic growth opportunities

4 A highly fragmented suppliers market offers ample inorganic growth opportunities

5 Key owners with a proven track record for growth, M&A and value creation

