

# Q4 2022

CEO Nicolay Moulin & CFO Camilla Aardal

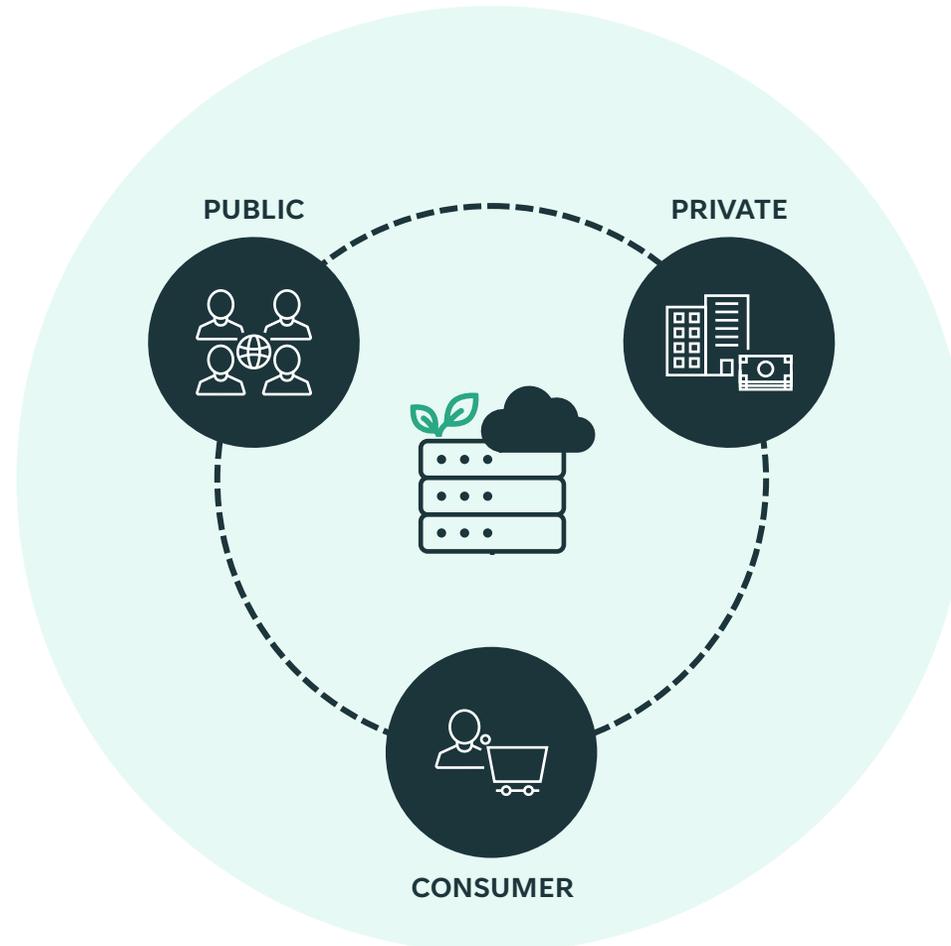
16 February 2023



# This is Sikri Group

# A Nordic software house facilitating growth between businesses, individuals and the public

We're situated in the intersection between public sector, private businesses and consumers



# Continued growth and good margins in Q4 2022

373

NOK MILLION  
ARR [SAAS REVENUE]  
+8%

272

NOK MILLION  
TOTAL REVENUE  
+2% organic growth

18%

ADJ. EBITDA MARGIN  
Stable profitability

75%

RECURRING AND RECURRING  
LIKE REVENUE

66%

INORGANIC REVEUE GROWTH

0.8%

CHURN [PUBLIC/SIKRI]

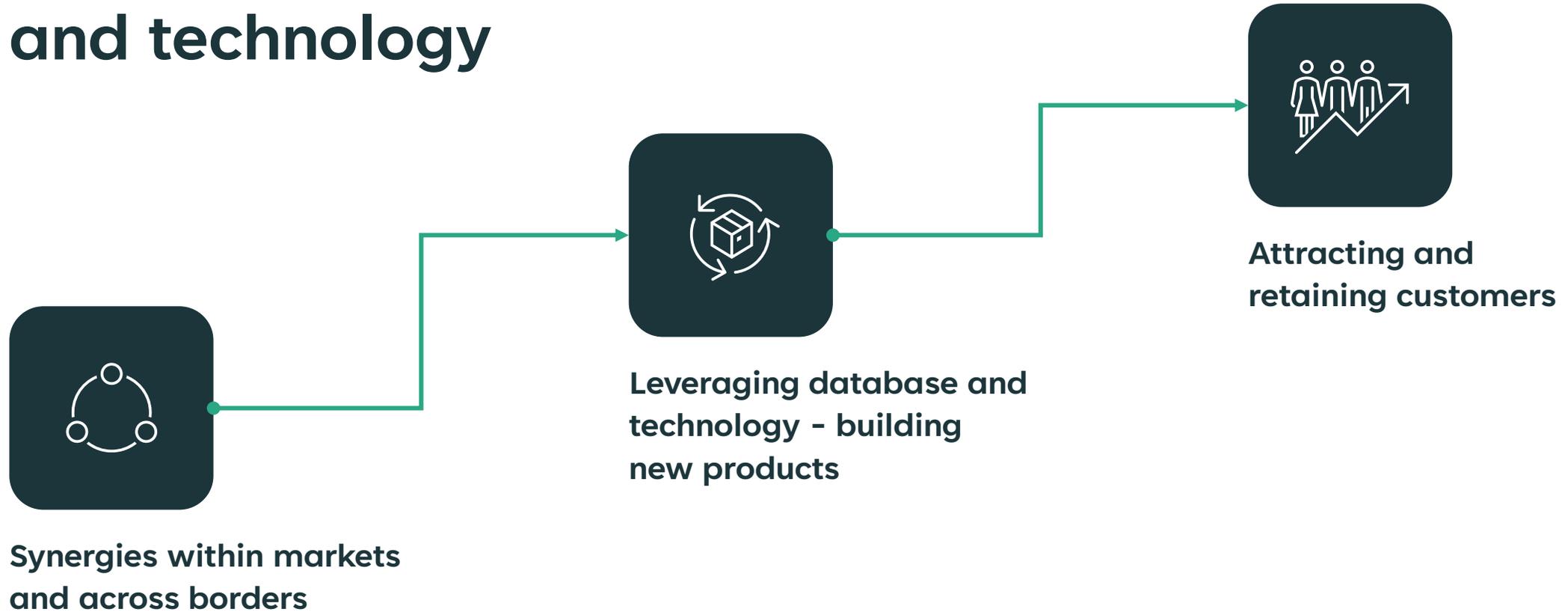
61%

WIN-RATE IN PUBLIC SECTOR  
CONTRACTS

45%

PUBLIC SECTOR REVENUE  
Group total revenue

# Clear growth strategy rooted in data and technology

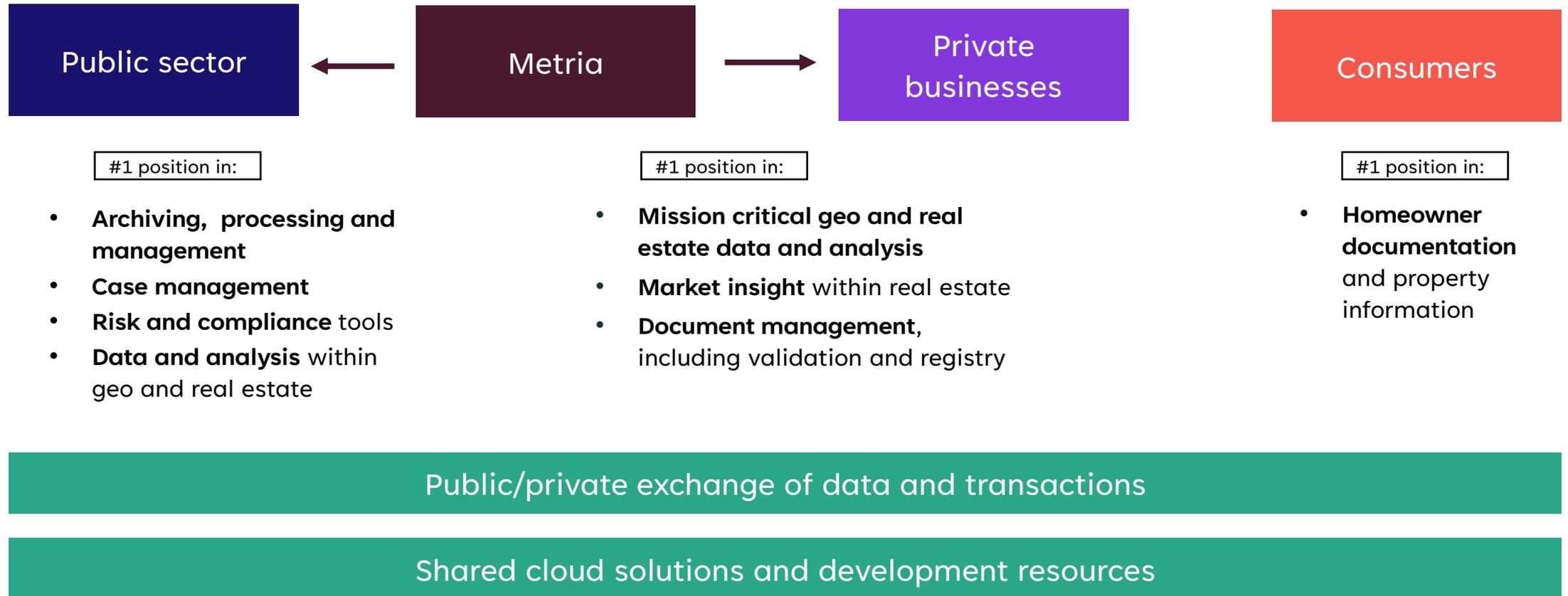


# Perfectly positioned in a highly attractive Nordic market

- Continued investments in digitalization in public and private sector
- Increased expectations for digital and swift processes
- Tech-savvy population, adopting digital processes rapidly
- Increased regulations and requirement for documentation in public and private sector



# Highly scalable SaaS based platforms with established Nordic market position



# High ambitions for continued public and private sector digitalization in Norway and Sweden

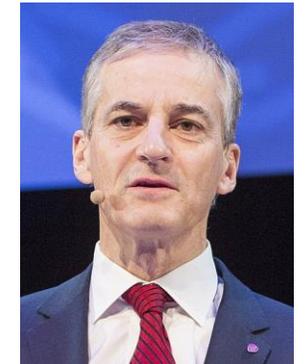
## Sweden<sup>1</sup>

“The government’s target for the digitalization of the public sector is an easier day-to-day life for citizens, a more open administration that supports innovation and participation, as well as higher quality and efficiency in operations.”



## Norway<sup>2</sup>

“New technologies are key to ensure a sustainable and efficient public sector. Digitalization will be a core competency in the public sector and must take place in partnership with the private sector to help build new growth industries.”



Sikri Group has 45% of revenue from public sector, delivering mission critical software

1) Source: <https://www.regeringen.se/regeringens-politik/digitaliseringspolitik/mal-for-digitaliseringspolitik/>

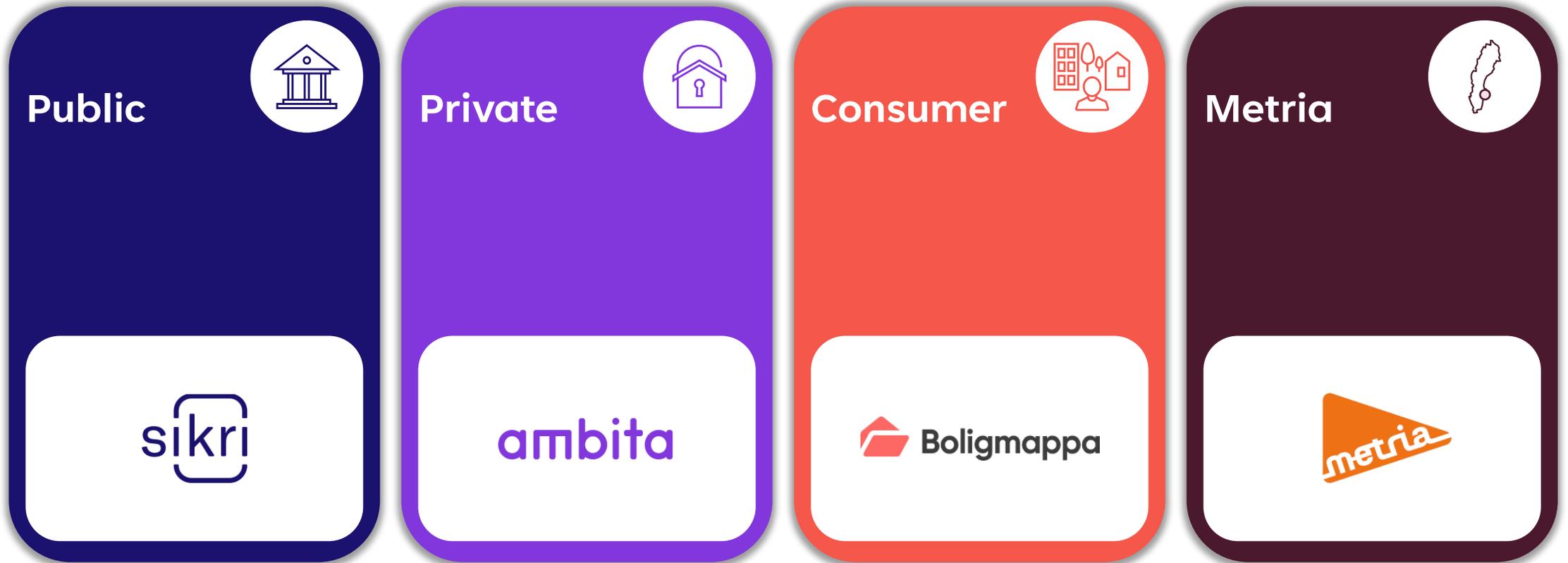
2) Source: <https://www.regjeringen.no/no/dokumenter/hurdalsplattformen/id2877252/?ch=3>

# Growth accelerated through targeted M&A and focus on portfolio optimization

We have a disciplined approach to M&A, targeting bolt-on acquisitions to add products, technology and customer segments with synergy potential, while also optimizing the portfolio through focus on cloud-based software.



# Diversified business with activities across complimentary segments and business areas



A man and a woman are standing in an office, looking at a tablet together. The man is wearing a purple long-sleeved shirt and the woman is wearing a light green button-down shirt. They are both smiling and appear to be engaged in a collaborative work activity. The background shows a white bookshelf filled with books and papers.

# Q4 2022 Operational Highlights

# Continuous growth and defending margins

Solid operational and financial development during the quarter as Sikri Group has integrated acquired companies, rebalanced the portfolio with the divestment of Prognosesenteret, and strengthened the balance sheet with a private placement of MNOK 100.

 <h2>Public</h2> <ul style="list-style-type: none"> <li>• 17% revenue growth</li> <li>• Tender activity remained high, 61% win rate</li> <li>• 28% adjusted EBITDA margin</li> </ul>	 <h2>Private</h2> <ul style="list-style-type: none"> <li>• 2% revenue growth supported by improving real estate market</li> <li>• Synergies from acquisitions leading to improved cost base and profitability</li> </ul>	 <h2>Consumer</h2> <ul style="list-style-type: none"> <li>• 30% revenue growth driven by strong demand</li> <li>• Strengthened position as leading provider of property documentation</li> <li>• Investments are expected to translate into accelerated growth and higher margins in 2023</li> </ul>	 <h2>Metria</h2> <ul style="list-style-type: none"> <li>• 1% growth in local currency</li> <li>• Identified synergies in cross-border and cross-segment sales and margin improvements</li> </ul>
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# Innovative cloud solutions increase efficiency for municipalities

## New contracts signed during Q4 2022

- Fredrikstad, Norway's 10<sup>th</sup> <sup>1</sup> largest municipality, can now solve electronic building applications (“ebyggesaker”) way faster than before
- Fredrikstad had 216 cases pending before starting to integrate the Sikri solution. At the end of 2022, only 10 cases were pending
- New contract signed with Asker municipality, Norway's 8<sup>th</sup> <sup>1</sup> largest municipality
- Adding to Sikri's market-leading position among Norwegian municipalities
- Close to all new deliveries are cloud based



**FREDRIKSTAD  
KOMMUNE**



**Asker  
kommune**

# Value added services secure growth in highly attractive markets

## Developing new services with lower correlation to the real estate market

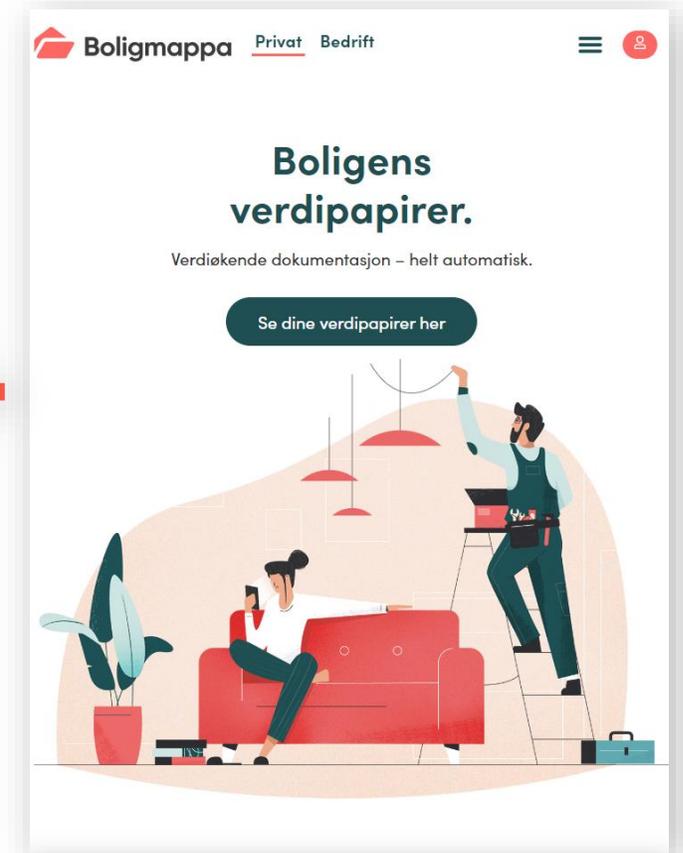
- Revenues grew 20 percent for the building application solution «Byggesøknaden»
- Number of paying customers increased by 11 percent
- New customers successfully rolled on to new Infoland «Meglerpakke» solution in Q4 and a roll-out of greater scope will be continued in 2023



# Increased focus on user growth initiatives among private users

## Consumer segment developing as planned

- 130% increased new sales in Q4 2022 compared to the same period last year
- 204% increase in monthly active users in Q4 2022 compared to Q4 2021
- New deals with leading electro chain El-Proffen and Konstel



# Significant SEK 430m contract award with the Swedish Environmental Protection Agency

## Two seven-year framework agreements signed

- First contract – encompasses geographical IT systems and covers operations, management, support and development of administrative support and GIS (geographical information system) support systems
- Second contract – providing expert consulting, operational support for remote sensor analysis and management of geographical information

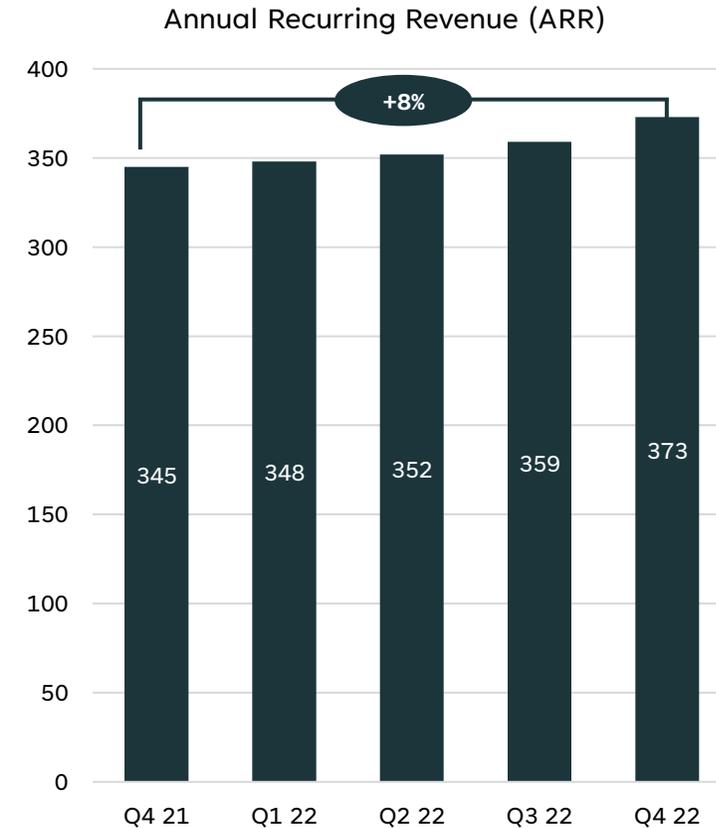
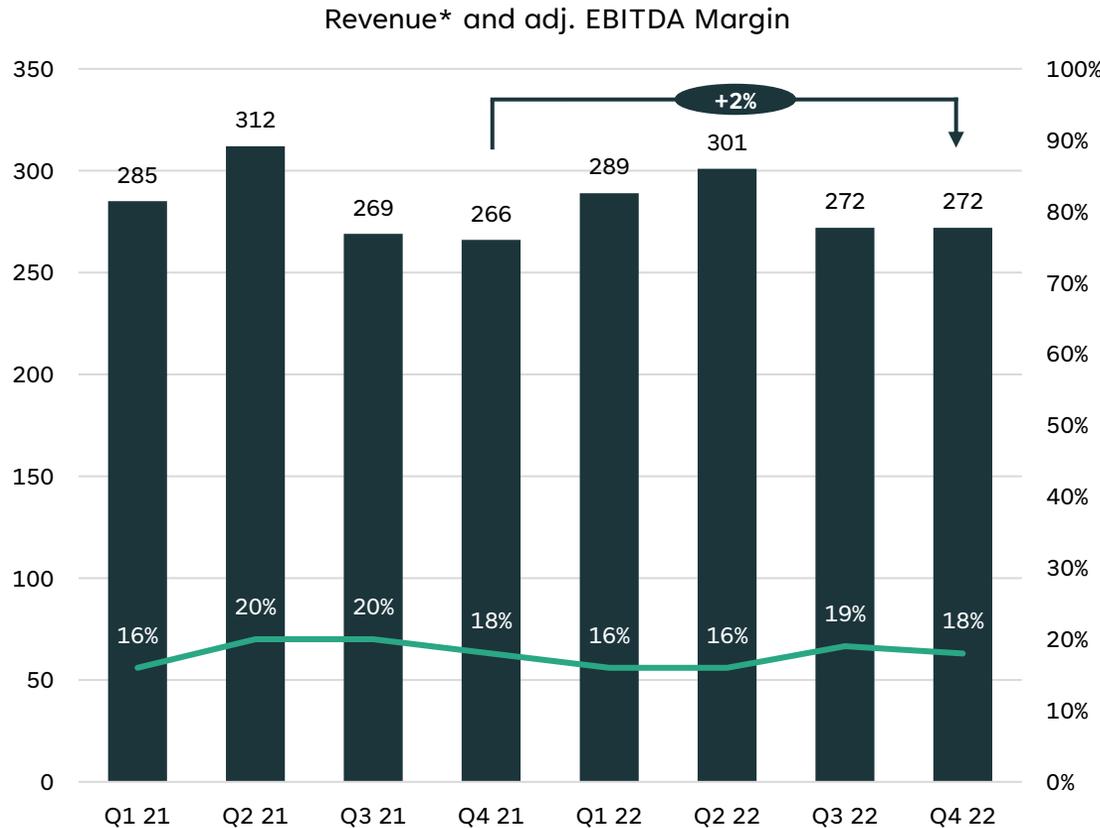


SWEDISH ENVIRONMENTAL  
PROTECTION AGENCY

A person wearing a dark coat and glasses is riding a bicycle on a paved path. The path is adjacent to a modern building with large glass windows. The sun is low on the horizon, creating a warm, golden glow and casting long shadows. The person's reflection is visible in the glass of the building. The overall scene is peaceful and suggests a commute or a leisure ride.

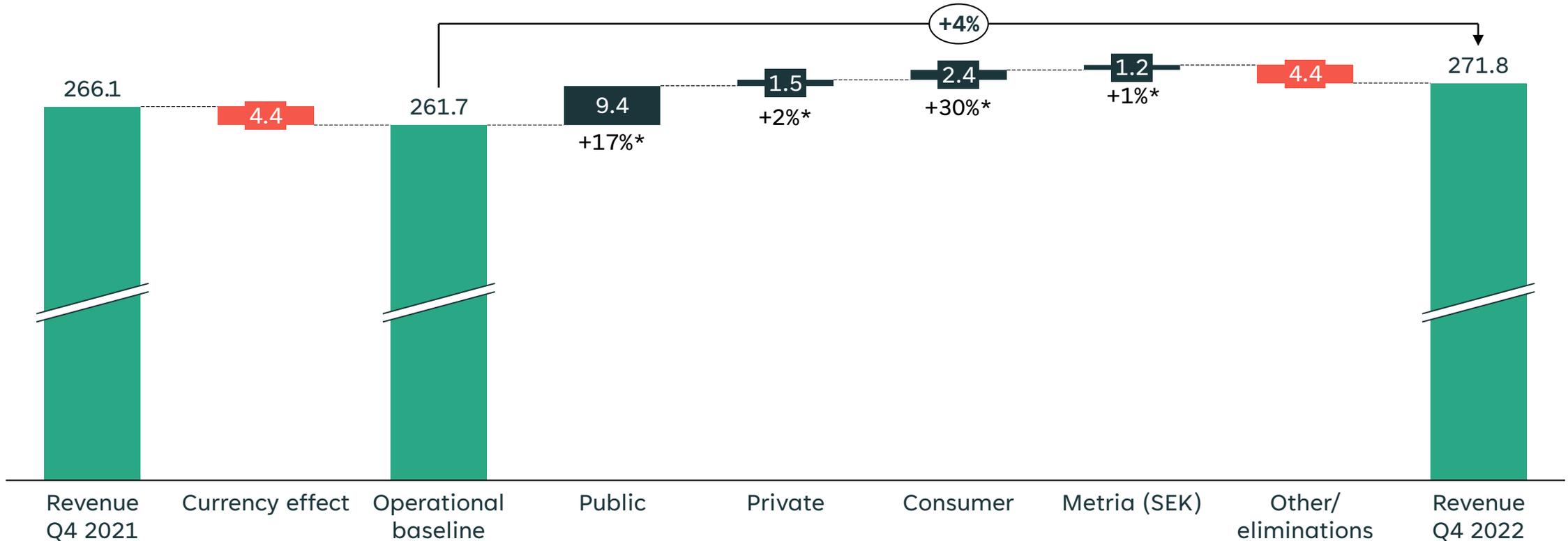
# Q4 2022 Financial Review

# Increasing ARR and positive development in all segments



\*Proforma figures as if: Metria AB and Ambita AS were owned by Sikri Group ASA full year 2021 and 2022, and adjusted for divestment of 4CGroup AS / Prognosenteret AS, fully removed from all proforma figures

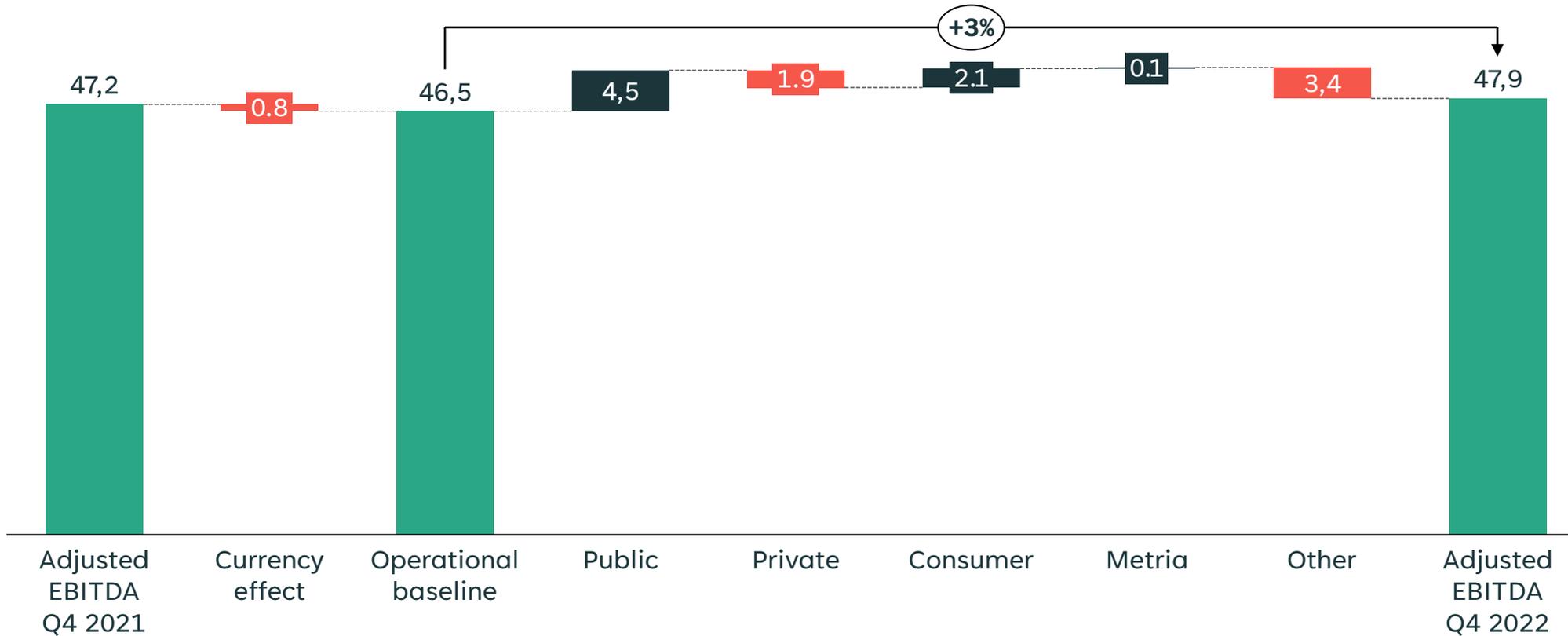
# 4% organic revenue growth, with all main drivers developing positively



Proforma figures as if: Metria AB and Ambita AS were owned by Sikri Holding ASA full year 2021 and 2022 and adjusted for divestment of 4CGroup AS / Prognosesenteret AS, fully removed from all proforma figures. All numbers MNOK.

\*) Organic pro forma growth

# Stable EBITDA margin with a slight dilution from Private

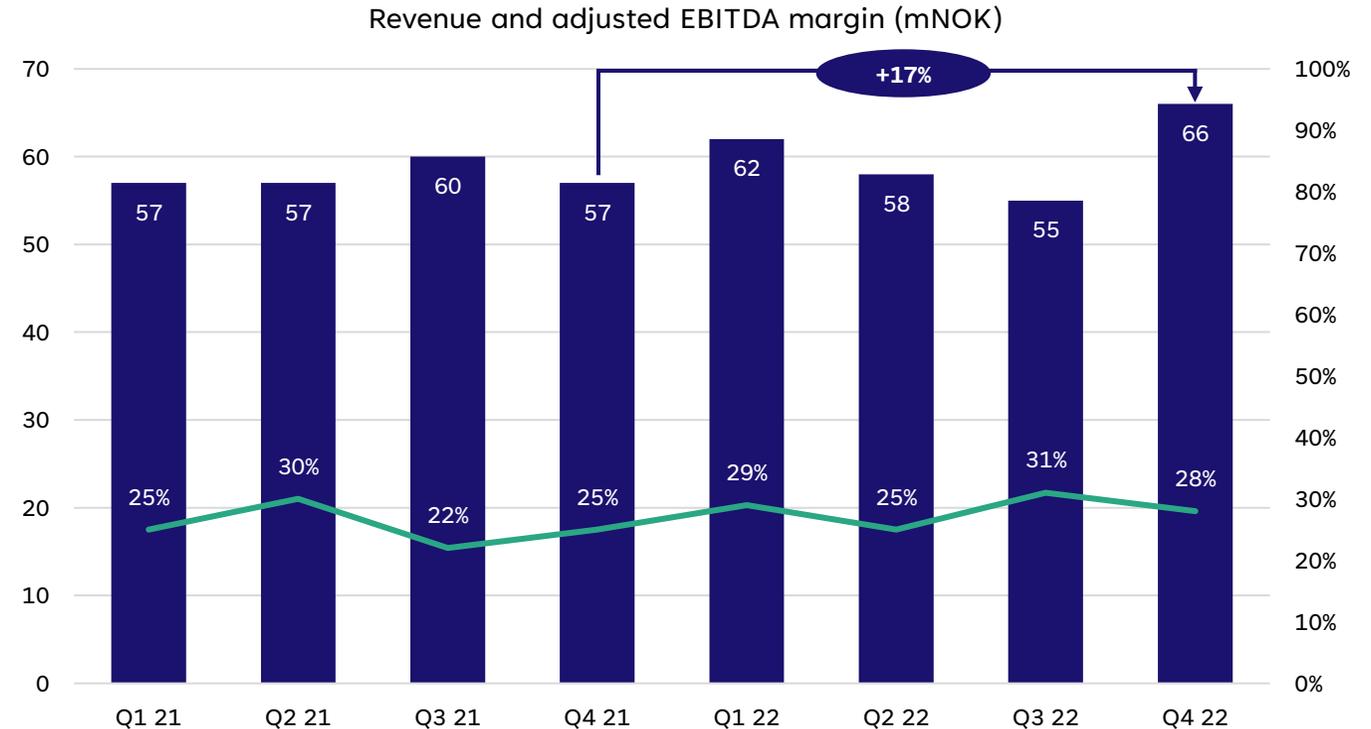


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# Solid underlying growth driven by new customer wins

## Main developments

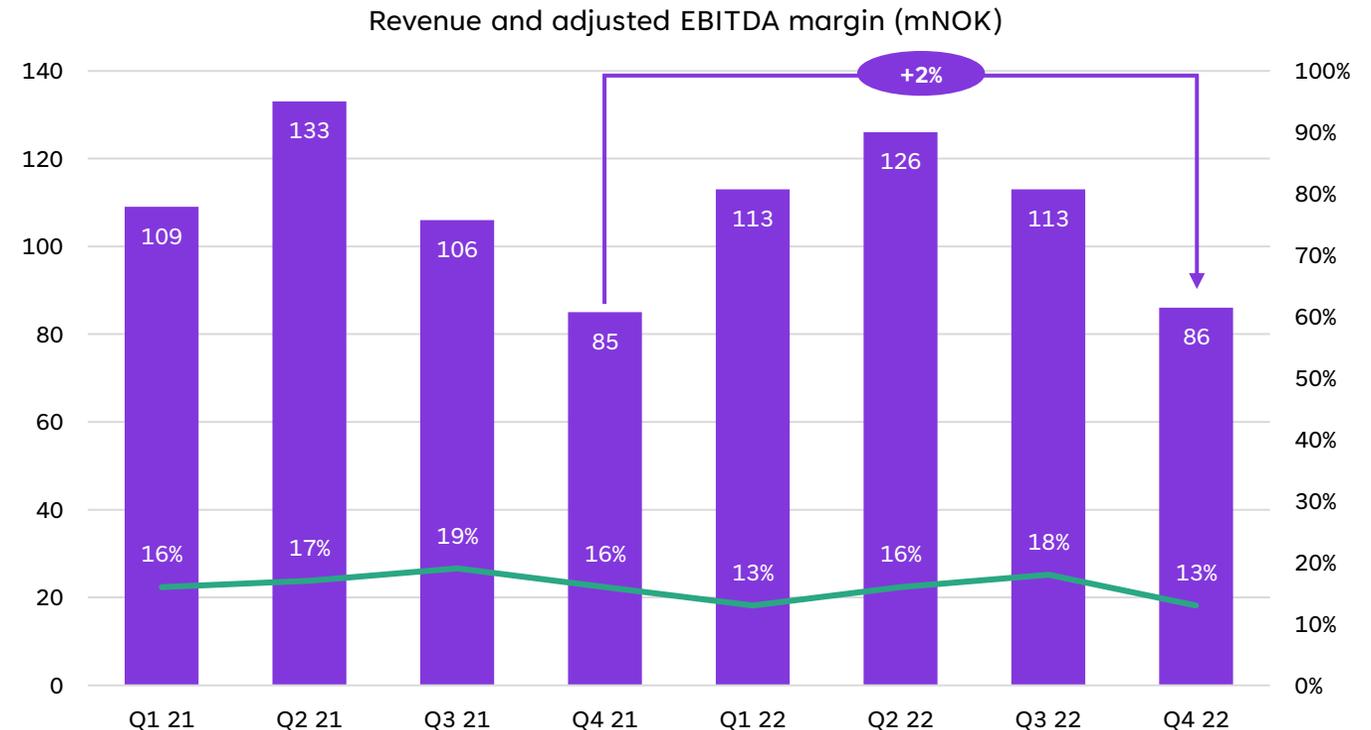
- Cloud transformation paying off with 17% revenue growth
- Win rate 61% on public bids in 2022
- Increased adjusted EBITDA margin from Q4 2021
- ARR MNOK 176 at end of Q4
- Number of Cloud customers 160 compared to 153 in Q3 – close to 100% of new agreements on Cloud solutions



# Slow real estate market in 2022, but the market regained momentum at year-end

## Main developments

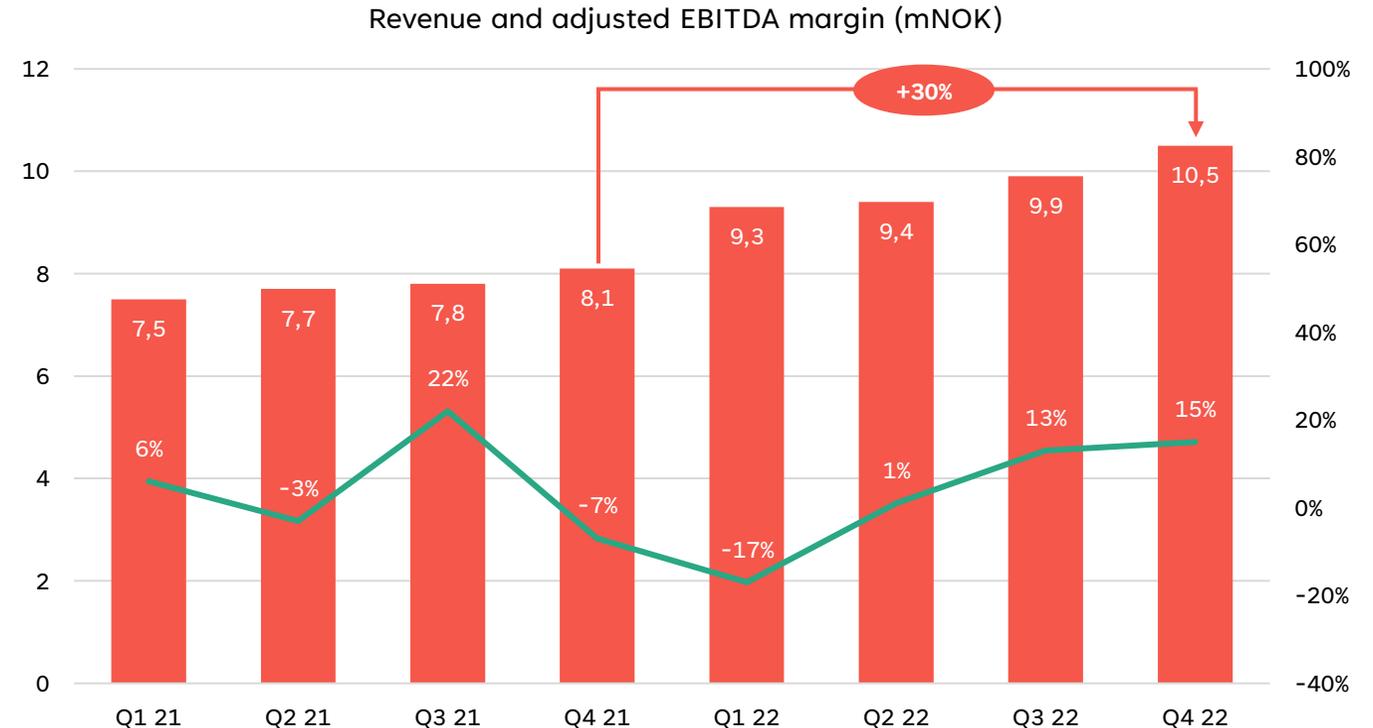
- Private segment touches 9 of 10 real estate transactions in Norway
- Number of properties put up for sale down by 2% in 2022, but the market showed regained momentum in Q4 with an increase of 5%
- Slight decrease in adjusted EBITDA compared to 2021. This was mainly due to shift in revenue mix – lower sales of high margin services. Furthermore, costs related to traveling, sales and marketing returned to pre-covid levels.
- Sikri Group focuses on developing new products and services with lower correlation to the volume of properties put up for sale



# Rapid growth and profitability according to plan

## Main developments

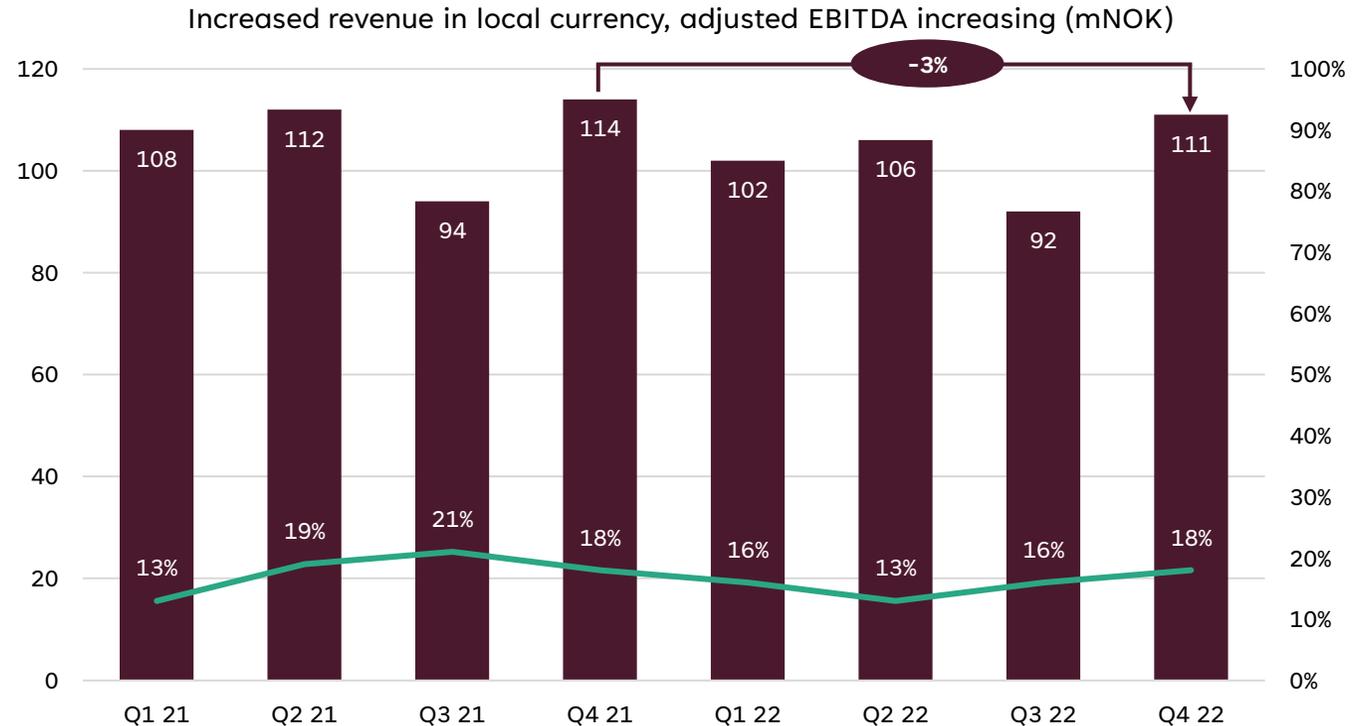
- Growth of 30% in Q4 , driven by successful growth initiatives and several new customer deals
- “Avhendingsloven” has provided tail winds
- ARR per Q4 is MNOK 37, 15% growth from Q4 2021
- New enterprise deal signed with El-Proffen, and new licence deal with the electro chain Konstel
- The consumer segment is currently focusing on continuing the user growth initiatives among private users, with a 204% increase in monthly active users in Q4 2022 compared to Q4 2021



# Signed contracts worth more than MSEK 430 in Q4

## Main developments

- 1 percent revenue growth in local currency
- Slow real estate market in Sweden affecting growth negatively
- ARR MNOK 118, up 8% from Q4 2021
- Metria signed two framework agreements with the Swedish Environmental Protection Agency (“Naturvårdsverket”) in Q4 2022 worth MSEK 430
- Gross margin and EBITDA negatively affected by increased use of subcontractors to deliver on the strong demand within Planning and Surveying
- Ongoing integration work with good results – synergy realization expected during 2023



# Q4 income statement

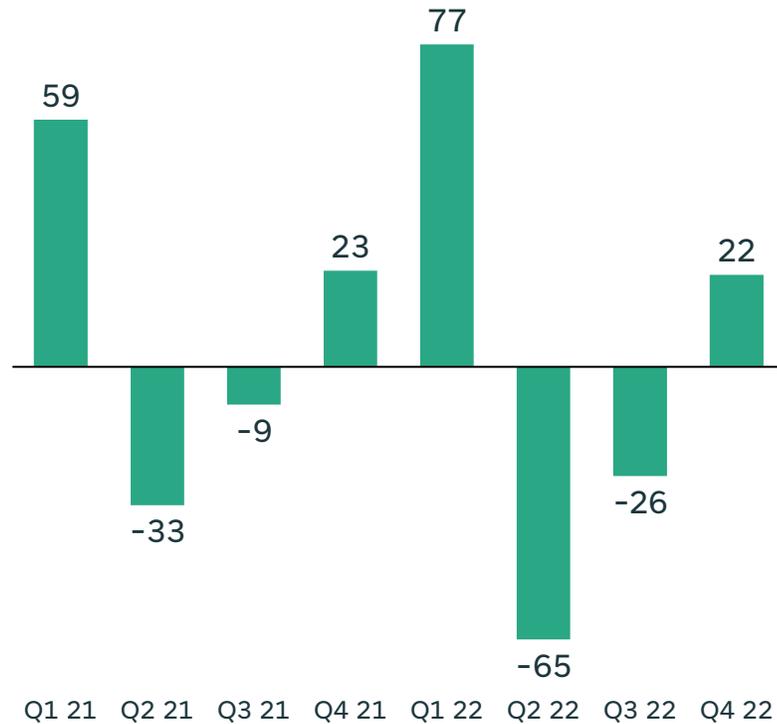
## Main developments

- Inorganic growth Q4 66% and FY 2022 86% - acquisition Metria (Apr 2022) and Ambita (May 2021)
- Personnel cost increase – grew the organization significantly as we welcomed 250 FTEs from Metria
- EBITDA Q4 impacted by MNOK 8.1 in “other income and expenses” – divestment Prognosesenteret and M&A / integration costs
- Capitalized development costs of MNOK 17 in Q4
- Interest expense increased due to increased borrowings
- Capital Gain divestment Prognosesenteret and 4CG of MNOK 49.2

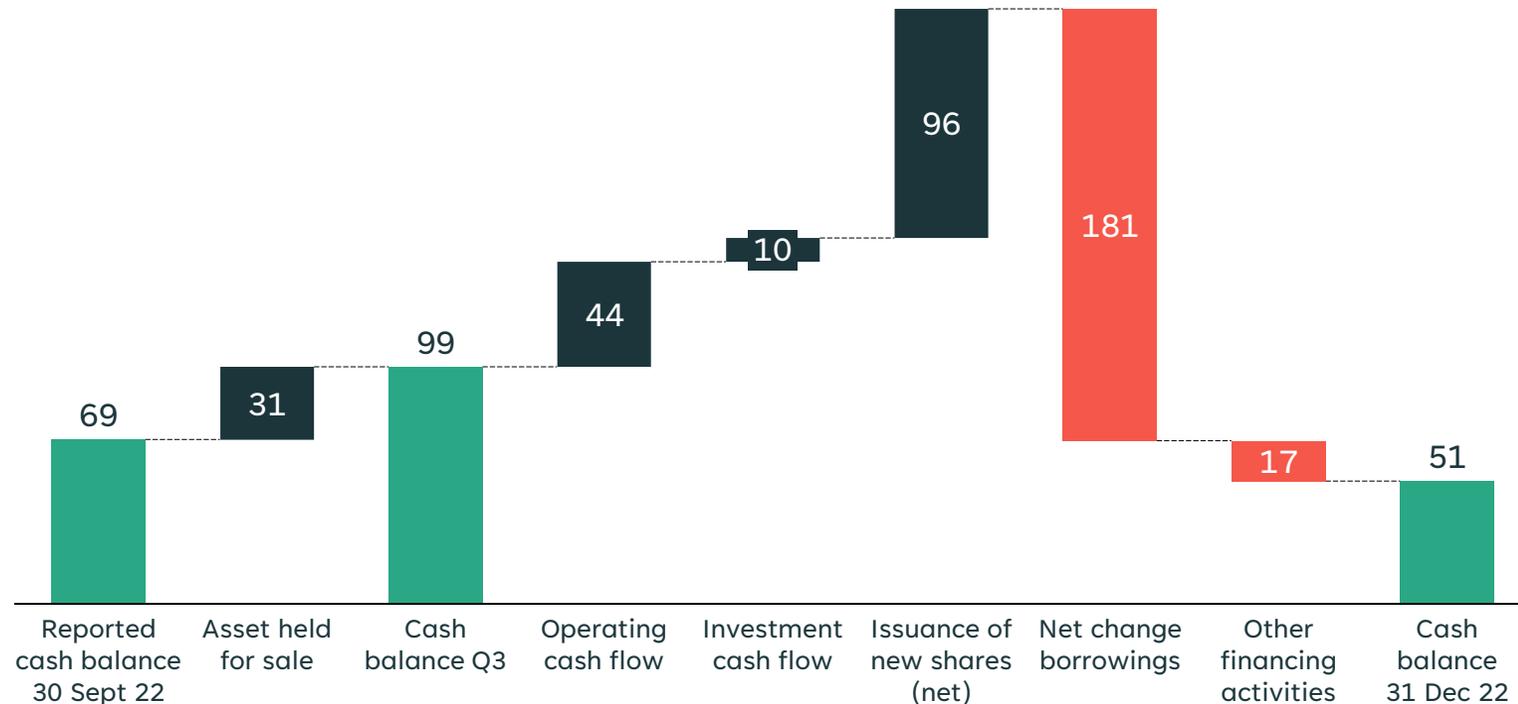
NOK 1000	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Revenue</b>	271 743	157 867	1 031 454	543 242
Cost of providing services	94 173	55 680	397 528	198 714
<b>Gross profit</b>	<b>177 571</b>	<b>102 186</b>	<b>633 926</b>	<b>344 528</b>
Personnel expenses	100 184	55 805	345 289	180 981
Other operating expenses	37 534	23 783	151 477	86 241
<b>EBITDA</b>	<b>39 853</b>	<b>22 598</b>	<b>137 160</b>	<b>77 306</b>
Depreciation and amortization expenses	32 477	20 796	116 307	64 847
Impairment losses	2 533		2 533	
<b>Operating profit</b>	<b>4 843</b>	<b>1 802</b>	<b>18 319</b>	<b>12 459</b>
Financial income	1 475	1 974	3 479	2 212
Financial expenses	-15 032	-5 478	-52 628	-15 290
<b>Profit before income tax</b>	<b>-8 715</b>	<b>-1 702</b>	<b>-30 830</b>	<b>-619</b>
Income tax expense	-2 458	1 154	-4 230	7 119
<b>Profit from continuing operations</b>	<b>-6 257</b>	<b>-2 856</b>	<b>-26 600</b>	<b>-7 738</b>
Profit from discontinued operations	50 483	-3 754	58 134	-746
<b>Net income</b>	<b>44 228</b>	<b>-6 611</b>	<b>31 534</b>	<b>-8 484</b>

# Expecting seasonally strong cash flow in Q1 2023

Free cash flow (MNOK)\*



Cash flow bridge Q4 2022



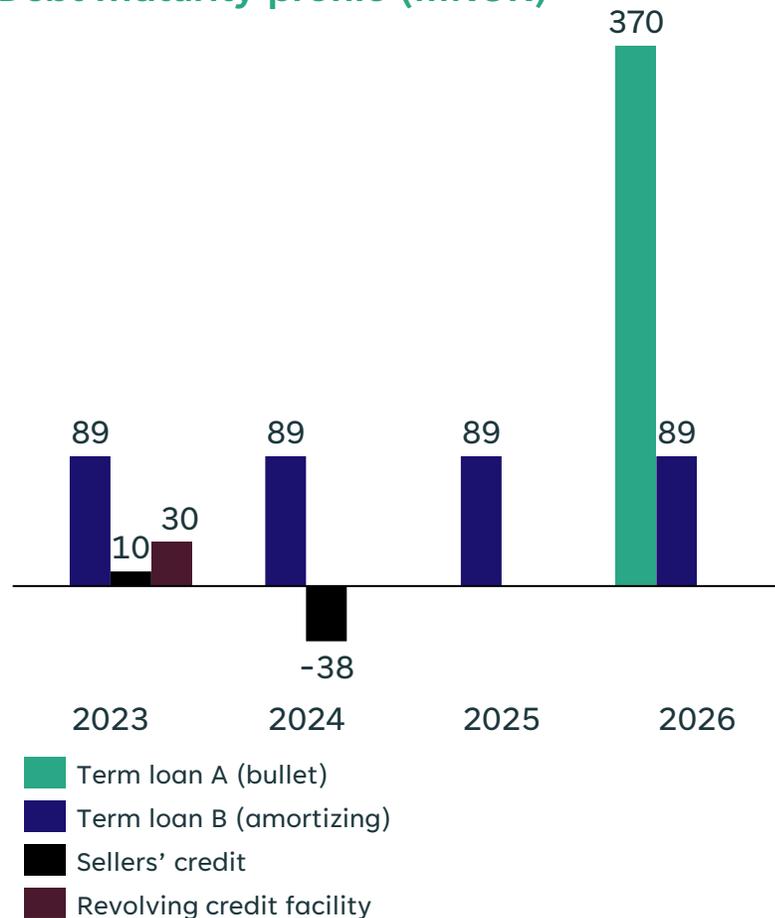
\*Free cash flow includes; operating cash flow, lease repayments and Capex (fixed assets and capitalized development costs). Excludes acquisition costs.

# Financial position

Financial position 31.12.2022 (MNOK)



Debt maturity profile (MNOK)



## Details

- Sale of Prognosesenteret improved balance sheet by MNOK 71 in Q4 2022 + MNOK 37.5 sellers' credit in 2024. Term loan A reduced by 35 MNOK
- Net borrowings reduced by MNOK 181 in Q4
- NIBD at quarter end of MNOK 755.8, including lease liabilities of MNOK 48.4



## Summary and outlook

# Summary and outlook

## Q4 summary

- Steady growth and solid profit margins
- Strong growth in the Public segment driven by new contracts and shift to cloud-based solutions
- Increased focus on mission critical SaaS solutions after divestment of Prognosesenteret
- Strengthened financial position after equity raise and divestment of Prognosesenteret

## Outlook

- Well positioned in an attractive market with underlying growth
- Product and customer mix, combined with high degree of recurring revenue, provides resilience
- Continued volatile markets may impact real estate transaction volume
- Key focus points going forward
  - Reinforcing the sales organization across the group
  - Realizing synergies on products and sales
  - Improving margins, realizing scale effects
- Product investments will lead to increased margins and cash flow over time

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# Q&A

# Appendix

Historical financial proforma figures, adjusted for divested business (post Q3)

# Updated proforma financials\*

Revenue (MNOK)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'20	FY'21	FY'22
Public	53	49	48	59	57	57	60	57	62	58	55	66	209	231	241
Private	97	108	109	85	109	133	106	85	113	126	113	86	398	433	439
Consumer	7	7	7	5	8	8	8	8	9	9	10	11	26	31	39
Metria	99	115	97	119	108	112	94	114	102	106	92	111	430	429	411
Other/elimination	4	3	2	3	3	2	1	2	3	1	1	-2	12	9	3
<b>Total revenues</b>	<b>259</b>	<b>281</b>	<b>263</b>	<b>271</b>	<b>285</b>	<b>312</b>	<b>269</b>	<b>266</b>	<b>289</b>	<b>301</b>	<b>272</b>	<b>272</b>	<b>1 074</b>	<b>1 132</b>	<b>1 134</b>

Adjusted EBITDA (MNOK)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'20	FY'21	FY'22
Public	16	14	16	20	15	17	13	14	18	14	17	18	67	59	68
Private	5	17	19	11	17	23	20	13	15	21	20	11	51	73	67
Consumer	0	0	1	-3	0	0	2	-1	-2	0	1	2	0	1	1
Metria	7	13	17	21	14	21	20	21	16	14	15	20	58	76	66
Other/elimination	-4	2	2	-3	0	1	-1	-1	-1	-1	-4	-4	-4	-1	-9
<b>Total adjusted EBITDA</b>	<b>24</b>	<b>46</b>	<b>55</b>	<b>46</b>	<b>46</b>	<b>61</b>	<b>54</b>	<b>47</b>	<b>47</b>	<b>48</b>	<b>50</b>	<b>48</b>	<b>171</b>	<b>208</b>	<b>193</b>

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