

Company announcement no. 08 / 2021
Schindellegi, Switzerland - 4 May 2021

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Trifork announces intention to launch Initial Public Offering on Nasdaq Copenhagen

Trifork Holding AG ("the Company" or together with its subsidiaries "Trifork" or "the Group"), a next-generation IT and business services provider which strives to be at the forefront of digital innovation, today announced its intention to launch an Initial Public Offering ("IPO" or "Offering") and to list its shares on Nasdaq Copenhagen.

Julie Galbo, Chairperson of Trifork, said:

"Societies are in the middle of a digital transformation, and with Trifork's key role in some of the most widely used solutions in a highly digitized society as Denmark, Trifork is well positioned to drive digitization processes internationally. A listing of Trifork will support our international growth ambitions as well as cement our position as one of the most innovative IT solution providers to both private and public customers in Denmark, Switzerland, the Netherlands and the United Kingdom."

Jørn Larsen, Founder and CEO of Trifork, said:

"With an annual average growth rate of 23% since 2007 and a strategy for future growth, an IPO is a natural next step for Trifork. Some of our close peers and partners are listed on Nasdaq Copenhagen, and we can see that the investor community - both private and institutional investors as well as equity analysts - have a very good understanding of our industry. We also believe that a listing can boost the Trifork brand and further improve our ability to attract and retain talented employees."

Information on the IPO

The contemplated IPO is expected to consist of the sale of existing as well as new shares to be issued by the company in the amount of 5% of the existing share capital. The existing shares are being offered by GRO Holding I ApS, Kresten Krab Holding ApS, Jørn Larsen and certain other shareholders in the Company (jointly referred to the "Selling Shareholders"). Jørn Larsen intends to remain the largest shareholder after the contemplated IPO.

The Company's Executive Management, including Jørn Larsen, and the Board of Directors will commit to lock-up arrangement of 540 days. The Company, GRO Holding I ApS, Kresten Krab Thorup Holding ApS and other Selling Shareholders, not being members of the Board of Directors or Executive Management, will commit to lock-up arrangement of not less than 180 days for any remaining shares left after the contemplated IPO.

Net proceeds are expected to be used for the purpose of (i) expanding through strategic and tactical acquisitions in the Group's four core geographies, Denmark, the Netherlands, Switzerland and the United Kingdom, (ii) explore opportunistic expansion, including in countries and regions other than the core geographies, (iii) potentially expanding investments in companies in which the Group holds non-controlling interests and (iv) for general corporate purposes.

Following the potential Offering on Nasdaq Copenhagen the Company plans to apply for admission to trading of the Company's shares on SIX Swiss Exchange as a dual-listing.

Cornerstone investors

Certain investors have committed to subscribe for shares in the contemplated IPO for an aggregated amount of DKK 600 million based on a post-money equity value of up to approximately DKK 2.96 billion, comprising of the following commitments: Ferd AS for DKK 270 million, Chr. Augustinus Fabrikker A/S for DKK 115 million, Danica Pension, Livsforsikringsaktieselskab for DKK 115 million, Funds managed by I&T Asset Management (Fondsmæglerselskabet Investering & Tryghed A/S) for DKK 50 million and Spar Nord Bank A/S for DKK 50 million (together the "Cornerstone Investors").

Trifork highlights

- Trifork is a next-generation IT and business service provider, founded in Denmark in 1996 and now headquartered in Switzerland. Trifork is striving to be at the forefront of technological innovation by inspiring and teaching customers about new technological possibilities, building innovative software solutions and operating and maintaining these solutions.
- Focus on quickly growing business areas, namely three verticals *FinTech*, *Digital Health* and *Smart Building* as well as three megatrend-driven horizontals *Smart Enterprise*, *Cyber Protection* and *Cloud Operation* in core geographies Denmark, the Netherlands, the United Kingdom and Switzerland.
- Long-term relationships with blue-chip and other customers driving growth through repeat business.
- Innovative approach to R&D by investing in promising technology start-ups through the Trifork Labs segment.
- Full-year 2021 financial targets: Revenue of EURm 140-150 and Trifork segment adjusted EBITDA of EURm 23.7-28.5.
- Full-year 2020 performance: Revenue of EURm 115.4, up by 13.8% when adjusting for deconsolidation and adjusted EBITDA of EURm 17.9 corresponding to an adjusted EBITDA margin of 15.5%

Trifork in detail

Well positioned in the fast growing and attractive next-generation IT market driven by digital transformation

Trifork is focused on the large, fast growing next-generation technology market, which represents the architecture of information and communication technology based on the newest and most modern technologies. The market size is estimated to have been EUR 105 billion in 2019 in Western Europe and is expected to grow at a CAGR of 7% between 2020 and 2024. This growth is primarily driven by increasing demand for digital transformation and high-value added services. Within the next-generation IT market, Trifork's activities are well diversified in six quickly growing business areas, namely the three verticals *FinTech*, *Digital Health* and *Smart Building* in which the Group combines strong technical skills and deep domain knowledge as well as the three megatrend-driven horizontals *Smart Enterprise*, *Cyber Protection* and *Cloud Operations*. Geographically, core markets include Denmark, the Netherlands, Switzerland and the United Kingdom, representing a target market size of around EUR 19 billion, which are expected to grow a CAGR of 10%.

Go-to-market model promoting ideation and execution of new technologies and solutions

Trifork supports customers in the individual, customized development of novel technical solutions applying next-gen technologies. The Group's three sub-segments *Inspire*, *Build*, and *Run* are interrelated and represent the three phases of a relationship between Trifork and a customer. Through the *Inspire* segment, Trifork enables ideation by arranging and hosting conferences under the GOTO brand and initiating meaningful workshops for the Group, its vendors and its potential customers. The Group's GOTO conferences are a series of conferences hosting global thought leaders. Trifork's own

YouTube channel offers more than 1,400 videos, has over 215,000 subscribers and more than 20 million views so far. In the *Build* segment, Trifork offers product development services for customers, often entailing full-featured software solutions using the latest technologies presented to customers in the *Inspire* phase. The Group's comprehensive technology stack includes expertise in Elixir, Scala, Python, NET, Java and Erlang while standard components and open-source components are also frequently included. In the *Run* segment, once the *Build* phase has been completed, Trifork operates and maintains the product solution over time while continuously updating a customer's platform with the newest technology.

Long-term relationships with blue-chip and other customers driving growth through repeat stacked business

Trifork has a large number of long-standing relationships with a diverse base of blue-chip customers across all six business areas and within both the private and public sector. In both sectors, many of these customers have continuously entrusted the Group with solving some of their highly complex operational challenges. The Group considers this as a sign of trust in the Group's innovation capabilities. By applying the *Inspire-Build-Run* approach, the Group can develop various stacked solutions for the same customer, creating a stable base of recurring revenue through long-term support contracts, repeat business, cloud operations and other products delivered and operated by the Group. Over the past years, the Group has increased the share of its recurring and repeat revenue as a percentage of total revenue. Revenue derived from Trifork's top 20 customers grew at a CAGR of 26% in the period 2018 to 2020 with a low churn among the top 20 customers.

At the forefront of innovation venture-financed R&D capabilities through Trifork Labs

Trifork utilizes an innovative approach to research and development by investing into and sparring with promising technology start-ups that develop innovative software solutions under the Trifork Labs segment. This enables Trifork to stay close to technology inventors, gain important knowledge and to attract and retain top talent. The cooperation with external investors de-risk the Trifork Labs exposure and increase the chances of success. This model has proved to be successful, and an accumulated net value for Trifork Labs of EUR 84.8 million since 2018 and until Q1 2021 had been created as measured by the Group's aggregate realized and unrealized profits. Today, Trifork Labs has 21 companies in its portfolio, spread over Trifork's six business areas. Among the most successful Labs investments to date include Humio, AxonIQ, XCI ApS, CloudCredo, Tradeshift, Chainalysis and Container Solutions based on increases in fair value.

Attractive financial profile with established track record of long-term profitable growth

Trifork has grown consistently and considerably in the past years with an average annual revenue growth of 15.5% from 2018 to 2020, mainly driven by organic growth and supported by selected strategic acquisitions. Since 2007, Trifork has generated annual revenue growth of 23% on average per year. The group intends to diversify its revenue base and increase the share of recurring revenue. Operational profitability and cash flow generation is strong and supported by lean cost structures and limited capital expenditure needs. Value from Trifork Labs offers a potential upside.

In 2020, Trifork achieved adjusted revenues of EURm 115.4, up by 13.8% when adjusting for deconsolidation and adjusted EBITDA of EURm 17.9 (excluding offering and acquisition related costs), corresponding to an adjusted EBITDA margin of 15.5%. Trifork Labs did generate further value upside (capital gains) and contributed significantly to the net profit of EURm 44.7.

Revenue in the first three months of 2021 was EURm 39.4, an increase of 38.2% compared to Q1 2020. The strong revenue growth was primarily driven by inorganic growth from the recent acquisition of Nine and, secondly, increased demand from public sector customers (particularly in Denmark) for new digital solutions in the Digital Health and Smart Enterprise business areas driven by the Covid-19 pandemic. Sale of hardware to some large customers also contributed to the strong revenue growth in the first quarter of 2021. Adjusted EBITDA increased by 74.0% to EURm 7.1, corresponding to an adjusted EBITDA margin of 18.1%.

EURm	Q1 2021	Q1 2020	FY 2020	FY 2019	FY 2018
Revenue	39.4m	28.5m	115.4m	106.4m	86.5m
Adj. EBITDA	7.1m	4.1m	17.9m	15.9m	10.1m
Adj. EBITDA margin	18.1%	14.3%	15.5%	14.9%	11.6%
Adj. EBIT Trifork segment	4.9m	2.1m	10.1m	9.1m	7.1m

Financial guidance

For 2021, Trifork targets:

- Revenue EURm 140-150, of which 10-15% organic growth
- Trifork segment adj. EBITDA EURm 23.7-28.5
- Trifork segment adj. EBIT EURm 14.9-17.1

Medium-term targets

- *Revenue growth.* The Group targets revenue growth in the range of approximately 15-25% on average per year when measured over a three-year period, through a combination of organic and inorganic growth over the medium term. The Group targets organic revenue growth of 10-15% on average per year over a three-year period.
- *Trifork segment adjusted EBITDA and EBITA margins.* The Group targets to improve its margins for the existing businesses (excluding Trifork Labs).
- *Capital structure.* The Group intends to make acquisitions for full or partial cash consideration, and assume debt as a result. However, the groups targets to maintain a net debt (bank debt less cash and cash equivalents) level below 1.5x adjusted EBITDA. The actual capital structure may vary, depending on the availability of acquisition opportunities.

Shareholders

Trifork is currently owned, directly and indirectly, by founder and CEO Jørn Larsen (23.98%), GRO Holding I ApS (20.00%), Kresten Krab Thorup Holding ApS (17.60%), members of the Executive Management and Board of Directors and several other shareholders.

Bank syndicate

Carnegie Investment Bank, Credit Suisse and Danske Bank have been appointed to act as Joint Global Coordinators and Joint Bookrunners (the "Joint Global Coordinators").

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About Trifork

Trifork Group, headquartered in Schindellegi, Switzerland, with offices in 11 countries in Europe and North America, is an international IT group focusing on the development of innovative software solutions. The group was founded in Denmark in 1996 and now has more than 800 employees in 48 business units, focusing on three vertical business areas: Digital Health, FinTech and Smart Buildings and three horizontals: Cloud Operations, Cyber Protection and Smart Enterprise. Trifork optimizes its customers' businesses by delivering effective and user-friendly digital solutions. As part of its innovation program, Trifork produces technical content in collaboration with hundreds of tech-experts from the leading universities and startups. With the GOTO brand and the YouTube tech-channel, Trifork serves a world-wide tech community of more than 215,000 people and with more than 20 million views since its inception. Trifork's R&D is anchored in the Trifork Labs, where Trifork continuously co-founds and develops IT start-up companies. The startups deliver technology that Trifork uses to produce innovative solutions for customers. Read more on www.trifork.com

Important notice

This announcement does not constitute an offering memorandum or a prospectus as defined by Regulation (EU) No. 2017/1129 of 14 June 2017 (the "**Prospectus Regulation**") and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the Company, except on the basis of information in any prospectus published by the Company in connection with a potential offering and admission of such securities to trading and official listing on Nasdaq Copenhagen A/S. Copies of any such prospectus will, following publication be available from the Company's registered office and on the website of the Company.

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Matters discussed in this document may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.