

Company announcement no. 16 / 2023
Schindellegi, Switzerland – 31 October 2023

Trifork Group – Report of the third quarter ending 30 September 2023

Trifork Group: 10.6% revenue growth in Q3 despite a continued slow business environment

Financial results in the third quarter of 2023

Trifork Group

- Trifork Group revenue amounted to EURm 48.0, an increase of 10.6% from Q3/2022. Organic growth was 7.7%. When adjusting for non-core sales of hardware and third-party licenses, organic growth was 8.2%. The largest geographical market, Denmark, continued to display a double-digit organic growth rate (Q3/2023: 11.9%), and once again, the highest growth came from the private sector.
- Trifork Group EBITDA amounted to EURm 6.5, corresponding to a 13.5% EBITDA margin (Q3/22: 17.2%) and a decline of 13.3%. The lower margin was primarily the result of increased investments in business development to offset the slower market environment.
- Trifork Group EBIT amounted to EURm 3.1, corresponding to a 6.6% EBIT margin and a decline of 29.7%.
- Trifork Group net income amounted to EURm 1.6, resulting in a basic earnings per share of EUR 0.05.

Trifork Segment

- Adjusted EBITDA in the Trifork Segment amounted to EURm 7.0, a decline of 10.7% from Q3/2022. The adjusted EBITDA margin was 14.5% (Q3/2022: 17.9%). The lower margin is mainly explained by increased investments in business development.
- Sub-segments:
 - Inspire revenue increased by 23.1% to EURm 0.7 and realized an adjusted EBITDA of EURm -0.9 (Q3/2022: EURm -0.3). Q3 is a seasonally quiet quarter for conferences.
 - Build revenue increased by 4.8% (all organic) to EURm 35.5 and realized an adjusted EBITDA of EURm 6.6 corresponding to a margin of 18.5% (Q3/2022: 22.9%). The lower margin is mainly explained by increased investments in business development. Growth was especially driven by the Smart Enterprise business area.
 - Run revenue increased by 29.8% (15.6% organic growth) to EURm 11.4 and realized an adjusted EBITDA of EURm 2.6 corresponding to a margin of 23.2% (Q3/2022: 19.0%). Adjusted for aperiodic hardware and third-party software sales, Run revenue grew organically by 20.9%.

Trifork Labs

- Net financial result in Trifork Labs was EURm 0.4 (Q3/2022: EURm 1.3). The result was driven by dividends received from two of our profitable startup companies and currency fluctuations between our investment currencies and Trifork's reporting currency. Further, Trifork Labs participated in an add-on financing round in Arkyn Studios Ltd.
- The book value of investments in Trifork Labs amounted to EURm 56.5m (Q2/2023: EURm 55.9)

Jørn Larsen, CEO of Trifork, comments: *“As flagged in previous quarters, we continued our investments in business development in the third quarter. I am happy to see that these initiatives are starting to bear fruit as we have maintained positive sales momentum despite the slower market situation in the private sector. Especially in the US, we see many interesting opportunities and are gearing up sales initiatives there.*

During Q3, we negotiated two investment agreements which materialized in the beginning of Q4. One was the acquisition of Chapter 5 in Denmark, which expands our services and footprint in FinTech, and the other was the Labs investment in Bluespace Ventures in Switzerland, which brings us closer to the center of Swiss digital health infrastructure. I look forward to following both in the future.”

Financial outlook for 2023 is maintained

Guidance for the full year 2023 was updated on 5 October 2023 in Company Announcement no. 14/2023. Trifork Group is doing its best to navigate a difficult geopolitical and economic environment. Based on the current visibility, Trifork reiterates the guidance:

- Revenue of EURm 207-212
- Trifork segment adjusted EBITDA of EURm 34.5-36.5
- Trifork Group EBIT of EURm 20.5-22.5

Main events in the third quarter of 2023

Trifork Group

Trifork delivered organic revenue growth of 7.7% in the third quarter of 2023 despite a continued challenging business environment. Organic revenue growth was mainly driven by the Run sub-segment (+15.6%).

Organizational key figures:

- The Trifork Group now counts 1,202 employees (Q3/2022: 1,044) distributed across 72 customer facing business units.
- 48 different nationalities
- The average age was recorded to 38.7 years (Q3/2022: 38.3)
- Rolling 12 months employee churn rate was 14.1% at the end of Q3/2023 (Q2/2023: 13.6% and Q1/2023: 14.3%)
- Sick leave was 2.1% in the first nine months of 2023 (9M/2022: 2.5%).

Trifork Segment

- In the Inspire sub-segment, Q3 is seasonally a slow quarter where we do not arrange any large conferences. Revenue increased slightly compared to the same period in 2022 - but not enough to cover the additional cost invested in increasing the organization and activities. Due to a weaker market environment, large companies are currently reducing their costs for training and marketing. In Q2, we started the preparations to scale down our activities to match the market demand, but it was not possible to adjust already planned activities in Q3. We now expect to focus our efforts on fewer conferences. In Q4, we will continue with the planned and booked activities, which also for US activities is seen as an

important part of the branding of Trifork in the strategically important US market.

- In the Build sub-segment (72.5% of revenue in the first nine months of 2023), our increased investments in business development are starting to show results. We saw an increase in revenue from new customers which accounted for 31% of total revenue in Q3. For the first nine months of 2023, it was 25%, compared to 21% in 2022. Performance was good in Smart Enterprise, our largest business area, which grew revenue by 13% in Q3. Customer highlights included a self-service portal for Evida, a store exit portal connected to the self-scan app for REMA 1000, and a quality management system released for a large manufacturing company. In September, Smart Enterprise strengthened the partnership with SAP through well-attended SAP Business Technology Platform inspiration days in Copenhagen and Aarhus for CTOs and enterprise developers in the SAP ecosystem. In Q3, Smart Building grew 29% and showed promising customer engagements, including two customer engagements focused on the US market. The US and Swiss markets continued growing with high double-digit rates. Trifork plans to continue investing into market and business development to offset the softer market environment.
- In the Run sub-segment (24.9% of revenue in the first nine months of 2023), growth was once again strong, also when looking at the core business (i.e. when excluding hardware and third-party software licenses). Cloud Operations gained revenue momentum with 17.6% growth in Q3 compared to 8.3% in Q2. In Q3, we saw a high demand for our Cloud Native standardized services. The adj. EBITDA margin was satisfactory at 23.2%. As Run is growing faster than the average for the Group, and with higher profit margins, Trifork will over time benefit from increased stability in revenue and operating earnings.

Trifork Labs

The venture capital environment remained difficult for startups in the third quarter but funding appetite seems to be improving in the early-stage market. While we generally prioritize allocating capital to M&A over Trifork Labs investments in the current climate, we will continue to evaluate potential minority investments in Trifork Labs with focus on strategic partnerships.

In the third quarter of 2023, the activities in the Trifork Labs segment included:

- Completed add-on financing round in Arkyn Studios Ltd.
- Unrealized fair value gain due to positive foreign currency exchange differences.
- Realized gains in the form of dividends received from two investments.

After the close of the third quarter, we announced an investment in Bluespace Ventures AG, an existing Trifork customer. This investment will position Trifork well to continue our work in building a state-of-the-art digital platform to the benefit of Swiss patients, healthcare professionals, and insurance providers. The co-owners are six large insurance companies and healthcare providers in Switzerland.

Initiation of share buy-back program

Today, 31 October 2023, the Board of Directors decided to initiate a share buy-back program of up to DKKm 15.0 (EURm 2.0) for the period from 2 November 2023 up to and including no later than 31 March 2024. A separate announcement will be distributed with further details.

Access to financial report

The Q3/2023 Interim Report and the quarterly key figures spreadsheet can be downloaded from Trifork's investor pages:

<https://investor.trifork.com/financial-reports/>

Presentation by executive management

Trifork will host a presentation of the Q3/2023 results today, 31 October, at 11:00 CET in a live webcast and Q&A that can be accessed from our investor site

<https://investor.trifork.com/events/> or by using the following link:

<https://trifork.zoom.us/j/93441442946?pwd=eDRyZFJmbVJrRHh1ZzU0TDZGWEwxZz09>

By clicking the link, you should enter the conference call directly. However, some older versions of Zoom may ask for a passcode: 451811.

A replay of the conference call will be made available on the Investor Events page at

<https://investor.trifork.com/events/> soon after the call has concluded.

Information and questions can be directed to:

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About Trifork

Trifork is a global NextGen IT company that develops innovative software solutions in collaboration with its customers. As of Q3 2023, the company has 1,202 employees across 72 business units and offices in 15 countries in Europe, USA, and Australia. Trifork works in six business areas: Digital Health, FinTech, Smart Building, Cloud Operations, Cyber Protection, and Smart Enterprise. Trifork's research and development takes place in Trifork Labs, where Trifork continuously invests in and develops technology startups with clear synergies between the startup and Trifork. Trifork is behind the brand GOTO, which runs a global tech community with more than 58 million views on YouTube and Instagram. Trifork Holding is a publicly listed company on Nasdaq Copenhagen.