

Trifork Group reports Q2 revenue growth of 0.8% in the core business

Second quarter 2024

- Trifork Group
 - In Q2 2024, Trifork Group revenue amounted to EURm 52.5, a decrease of 5.0% from Q2 2023. In the quarter, Trifork had EURm 3.2 less revenue from the more volatile and non-core hardware and third-party licenses compared to Q2 2023. Adjusted for this, Group revenue growth was 0.8% in Q2 2024.
 - Trifork Group adjusted EBITDA amounted to EURm 5.8, corresponding to 11.0% margin. Special items of EUR 0.05m were recorded.
 - Trifork Group EBIT amounted to EURm 1.9, corresponding to 3.6% EBIT margin.
 - Trifork Group net income amounted to EURm 1.3.
- Trifork Segment
 - In Q2 2024, adjusted EBITDA in the Trifork Segment amounted to EURm 6.3 (Q2 2023: EURm 7.8). The adjusted EBITDA margin was 12.0% (Q2 2023: 14.0%).
 - Sub-segments
 - Inspire revenue increased by 8.6% to EURm 2.4 and realized an adjusted EBITDA of EURm 0.0 (Q2 2023: EURm -0.8).
 - Build revenue increased by 0.1% to EURm 37.2 and realized an adjusted EBITDA margin of 13.0% (Q2 2023: 17.1%).
 - Run revenue decreased by 19.2% to EURm 12.7. Adjusted for EURm 3.2 less revenue from the more volatile and non-core hardware and third-party licenses, revenue growth was 1.5%. The adjusted EBITDA margin was 19.2% (Q2 2023: 21.7%).
- Trifork Labs
 - In Q2 2024, fair value adjustment of Trifork Labs investments was EURm 0.1. The book value of all minority investments was EURm 73.4 at the end of the quarter. EBT from Trifork Labs was EURm 0.6 in the quarter.

Comment from CEO Jørn Larsen:

“The second quarter and first half of 2024 has been more challenging than we expected going into the year. Amongst private enterprises, we have not yet been able to grow new engagements to a size where they compensate for the loss of revenue from engagements that were delayed or stopped in Q4 and Q1. So overall, revenue for the first half of 2024 was at the same level as in 2023. However, I am pleased to see that after a tough start to the year in our public business in Denmark, we are now winning and delivering on new engagements that have made up for the reduction of scope in other engagements. Our profitability is still below where it should be but we are progressing according to plan with our strategic initiatives. These include selling more of our own software products and platforms, getting our conference activities to run better, and reorganizing our teams and delivery model in Cyber Protection. While we continue investing in business development to widen our sales pipeline, we are at the

same time working hard at finding more efficient ways of working to control our costs. We will continue to pursue M&A in the current slow market environment. In Q2, we announced three small acquisitions with high growth potential: Marstrand in Denmark (planning intelligence tools), Spantree Technology Group in the US (scaling of mission-critical systems), and Sapere Group in Denmark (SAP integration). With all the groundbreaking work we are being recognized for, I am still very positive about the medium- and long-term prospects for Trifork Group, even if 2024 is not turning out to be as good as expected.”

The financial outlook for 2024 was updated on 19 August 2024 (see company announcement 29/2024) to the following:

- Revenue is expected in the range of EURm 215-220 (previously EURm 220-230) equal to 3.4-5.8% growth. Inorganic revenue is still expected to be EURm 5.4.
- Adjusted EBITDA in Trifork Segment is expected in the range of EURm 31-34 (previously EURm 34-38)
- EBIT in Trifork Group is expected in the range of EURm 14-17 (previously EURm 17-21).

Main events in the second quarter of 2024

- **Inspire**
In Q2, conference activities increased but it was still at a recovering level. We saw early positive results from the reorganization initiated in Q1 with a breakeven EBITDA. Looking ahead, the planned conferences for the second half of 2024 are progressing better than they were at the same time in the past years. In August, we reached one million subscribers on our YouTube channel and thus passed an important milestone. Our workshop activity was high in the quarter as we continue to embrace technology partnerships and business development. In Q2, we co-hosted events with amongst others Nvidia, SAP, Apple, Porsche, Microsoft, Lenovo, and GitHub. 375 people representing existing and potentially new customers attended these events. We are currently working with multiple enterprises on qualifying business cases on Apple Vision Pro and with vision AI.
- **Build**
Overall, Q2 revenue was similar to the same quarter last year. The underlying performance was a bit weaker than expected. The majority of Build revenue comes from Smart Enterprise, which grew revenues by 8.5% in Q2 and 6.6% in the first half of the year. We have seen new engagements starting in the public administration in Denmark, resulting in a small growth of 4% in the first half of the year despite other existing contracts reducing in scope. We are cautiously optimistic about improving momentum in our public business after a slow start to the year. In the private sector in Denmark and other countries, the business environment continued to be slow.
- **Run**
Revenue in Run declined by 19.2% in Q2 (all organic) compared to the same quarter last year. The main reason behind the decline was EURm 3.2 less revenue deriving from non-core third-party licenses and hardware. Adjusted for this, the underlying growth rate in the core Run business (Licenses & Support, Hosting, and Security) was 1.5%. Two international Cloud Operations customers were onboarded in the quarter, drawing significant resources to ensure a smooth go-live. The second half of the year is expected to exhibit growth in our core recurring revenues in Cloud Operations. Within Cyber Protection, our managed services business grew by a double-digit rate in Q2.
- **Trifork Labs**
In Q2, Trifork Labs completed an early-stage investment in the digital health platform

Rokoko Care in Denmark, and a planned follow-up investment in Bluespace Ventures, which owns the Compassana digital health platform in Switzerland.

Results presentation

Trifork will host a results presentation and Q&A session with CEO Jørn Larsen and CFO Kristian Wulf-Andersen today, 20 August 2024 at 11:00 CEST in a live webcast that can be accessed via the following link:

<https://trifork.zoom.us/j/92971745032?pwd=aljGs8x2oYPefEbfpesYRVldpc94LX.1>

A recording will be made available on our investor website. More information can be found at <https://investor.trifork.com/events/>.

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About Trifork Group

Trifork is a globally pioneering technology partner to its enterprise and public sector customers. The group has 1,273 employees across 74 business units in 15 countries. Trifork works in six business areas: Digital Health, FinTech, Smart Building, Smart Enterprise, Cloud Operations, and Cyber Protection. Trifork's research and development takes place in Trifork Labs, where Trifork continuously invests in and develops technology companies. Trifork owns and operates the software conference brands GOTO and YOW! and the global GOTO tech community with more than one million online subscribers and 72 million video views. Trifork Group AG is a publicly listed company on Nasdaq Copenhagen. Learn more at trifork.com.