

Trifork Group – 2023 annual report and interim report for the quarter ending 31 December 2023

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Trifork Group reports revenue growth of 12.4% for 2023 and 10.4% in Q4 2023

Full-year 2023

- Trifork Group
 - In 2023, Trifork Group revenue amounted to EURm 207.9, an increase of 12.4% from 2022. Organic growth was 9.3% driven by good activity in Digital Health, Smart Enterprise, Smart Building, and Cloud Operations. Inorganic growth of 3.1% came from the acquisitions of IBE and Chapter 5.
 - Trifork Group EBITDA amounted to EURm 33.2, corresponding to 16.0% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 19.7, corresponding to 9.5% EBIT margin.
 - Trifork Group net income amounted to EURm 17.4. Positive fair value adjustments in Trifork Labs of EURm 6.9 contributed to net income.
- Trifork Segment
 - In 2023, adjusted EBITDA of the Trifork segment amounted to EURm 35.0, an increase of 9.7% from 2022. The adjusted EBITDA margin was 16.9%, down from 17.3% in 2022 mainly due to increased investments in business development throughout the year. Capitalized product development increased to EURm 3.6 in 2023 (2022: EURm 0.6) as we continue to pursue the strategy of increasing our share of revenue from value-based pricing with own IP.
 - Sub-segments
 - Inspire revenue increased by 9.2% to EURm 6.3 and realized an adjusted EBITDA of EURm -2.7 (2022: 0.0).
 - Build revenue increased by 7.0% to EURm 149.6 and realized an adjusted EBITDA margin of 18.8% (2022: 20.9%).
 - Run revenue increased by 32.1% to EURm 51.3 and realized an adjusted EBITDA margin of 24.3% (2022: 16.7%).
- Trifork Labs
 - In 2023, positive fair value adjustment of investments amounted to EURm 6.9. EURm 10.9 of unrealized gains were recorded, based on updated valuations from new external financing rounds and better operational and financial performance. Realized losses of EURm 4.0 were recorded, driven by three investments that were fully impaired in the second quarter.

- At year-end 2023, the total value of financial assets amounted to EURm 69.7 (2022: 60.3).

Fourth quarter 2023

- **Trifork Group**
 - In Q4 2023, Trifork Group revenue amounted to EURm 55.0, an increase of 10.4% from Q4 2022. Organic growth was 7.0%.
 - Trifork Group EBITDA amounted to EURm 11.3, corresponding to 20.5% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 7.4, corresponding to 13.5% EBIT margin.
 - Trifork Group net income amounted to EURm 14.0. Positive fair value adjustments in Trifork Labs of EURm 9.9 contributed to net income.
- **Trifork Segment**
 - In Q4 2023, adjusted EBITDA in the Trifork Segment amounted to EURm 11.8, an increase of 20.9% from Q4 2022. The adjusted EBITDA margin was 21.4%, up from 19.5% in Q4 2022.
 - **Sub-segments**
 - Inspire revenue increased by 11.8% to EURm 2.8 and realized an adjusted EBITDA of EURm -0.3 (Q4 2022: EURm 0.4).
 - Build revenue increased by 3.9% to EURm 38.7 and realized an adjusted EBITDA margin of 18.3% (Q4 2022: 20.5%).
 - Run revenue increased by 33.7% to EURm 13.1 and realized an adjusted EBITDA margin of 31.2% (Q4 2022: 20.1%).
- **Trifork Labs**
 - In Q4 2023, positive fair value adjustment of Trifork Labs investments was EURm 9.9 driven by unrealized gains, primarily driven by two investments delivering significantly stronger-than-expected operational and financial performance through 2023.

Comment from CEO Jørn Larsen:

"2023 was a challenging year for Trifork and our industry colleagues. Despite a slower business environment, I am happy to see that we maintained double-digit revenue growth with good profitability. There are still plenty of growth opportunities for an innovative company like Trifork in the current state of the market. That is why we invested in business development throughout the year, even though this reduced our margins on Build revenue. Our 72 business units have increased their outreach, leading to more active engagements with new customers. At the same time, our business units continued pursuing the strategy of becoming an even closer innovation partner to our existing and loyal customers. In the coming years, our customers will need to continuously improve their offering with technology and data insights, reduce their costs and environmental footprint, and comply with new data and cybersecurity regulations. I believe our strong capabilities across the technology landscape – from design- and ERP-optimized mobile applications to AI and security operations – will take us further in 2024. That is also why we expect our profitable growth journey to continue."

Financial outlook for 2024

- Revenue is expected to be in the range of EURm 230-240 equal to 10.6-15.4% growth
- Organic revenue growth is expected in the range of 9.7-14.5%
- Adjusted EBITDA in Trifork Segment is expected in the range of EURm 38.0-42.0
- EBIT in Trifork Group is expected to be in the range of EURm 21.5-25.5.

Mid-term financial targets

The mid-term financial targets (average over a rolling three-year period) remain unchanged:

- 15-25% annual Group revenue growth
- 10-15% annual Group organic revenue growth
- Improving Trifork Segment adjusted EBITDA margin and Group EBIT margin
- Net interest-bearing debt leverage of up to 1.5x Group adj. EBITDA (may temporarily exceed)

Main events in 2023

- **Inspire**
As of 31 December 2023, Trifork's Inspire sub-segment reached more than 62 million total views through the GOTO YouTube and Instagram channels, and 5,800 people attended our in-person conferences around Europe, in Australia and USA. We used more energy and resources in kickstarting in-person conferences again after Covid-19 effects had subsided. However, it turned out to be a difficult job as many companies limited or postponed their investments in sponsorships and education of their employees in light of an uncertain business environment. Hence, Inspire revenue did not increase enough to compensate for the cost of the increased activities which led to an EBITDA loss. During 2023, we had to rethink and re-organize our conference staff and the way we approach conferences in general.
- **Build**
Trifork's Build sub-segment, where we develop innovative software solutions for customers, grew revenue by 7.0%. This was driven by good demand in Digital Health, which grew 29.0%, and where Trifork delivered the platform and patient app to Compassana in Switzerland, as one of many customer engagements. Demand was also good in Smart Building (16.8% growth) and Smart Enterprise (13.9% growth). In 2023, 68% of the total revenue in Build came from strategic customers that have conducted business with Trifork for at least two years.
- **Run**
Trifork's Run sub-segment, where we operate and maintain internally or externally developed products for our customers, grew by 32.1% of which 19.2%-points were organic. Run-based revenue now accounts for 24.6% of total revenue. Demand was strong in Cloud Operations throughout the year. The vast majority of Run-based revenue is recurring and comes from sales of Trifork's own products and related services.
- **Trifork Labs**
Trifork Labs, the investment arm of Trifork Group that invests in strategic partnerships and uses venture-financing to grow some of our internally developed products, made new investments in Bluespace Ventures AG (Swiss digital health customer) and Ossmo

ApS (adoption management) in 2023. Existing investments were increased in &Money ApS, Arkyn Studios Ltd., ExSeed Health Ltd., Upcycling Forum ApS, and Visikon ApS.

Results presentation

Trifork will host a results presentation and Q&A session with CEO Jørn Larsen and CFO Kristian Wulf-Andersen today, 28 February 2024 at 11:00 CET in a live webcast that can be accessed via the following link:

<https://trifork.zoom.us/j/98723267006?pwd=T1ZoN1Y1cExvRU1KaCtxdkpLQXBEZz09>

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

For more information, please contact:

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About Trifork

Trifork is a global NextGen IT group that develops innovative software solutions in collaboration with its customers. The group has more than 1,200 employees across 72 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 62 million video views online. Trifork Holding AG is a publicly listed company on Nasdaq Copenhagen. Learn more at trifork.com.