

02/2023 · Trifork Group – 2022 annual report and interim report for the quarter ending 31 December 2022

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Trifork Group reports organic revenue growth of 19% for 2022 and 20.1% in Q4 2022

Full-year 2022

- Trifork Group
 - In 2022, Trifork Group revenue amounted to EURm 184.9, an increase of 16.7% from 2021. Revenue was in the top of the guidance range of EURm 180-185. Adjusted for the deconsolidation of Dawn Health, total revenue growth was 20.0%. Organic growth was 19.0% driven by high activity levels in Digital Health, Cloud Operations, and Cyber Security. Inorganic growth of 1.0% came from the acquisitions of Vilea Group and Strongminds at Work ApS.
 - Trifork Group EBITDA amounted to EURm 30.4 corresponding to 16.5% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 18.3 corresponding to 9.9% EBIT margin. EBIT was in the upper half of the guidance range of EURm 16.5-19.0.
 - Trifork Group net income amounted to EURm 18.1 corresponding to 9.8% net income margin.

- Trifork Segment
 - In 2022, adjusted EBITDA of the Trifork segment amounted to EURm 31.9, an increase of 11.5% from 2021. This was in the top half of the guidance range of EURm 30.5-33.0. The adjusted EBITDA margin was 17.3%, down from 18.1% in 2021 mainly due to a EURm 0.5 impairment of customer debt in Build and EURm 1.4 of uncapitalized growth-investments in Run.
 - Sub-segments
 - Inspire revenue increased by 140% to EURm 5.7 and realized an adjusted EBITDA of EURm 0.0 (2021: -0.6)
 - Build revenue increased by 13.6% to EURm 139.7 and realized an adjusted EBITDA margin of 20.9% (2021: 21.2%)

- Run revenue increased by 18.9% to EURm 38.8 and realized an adjusted EBITDA margin of 16.7% (2021: 22.8%)
- Trifork Labs
 - In 2022, positive fair value adjustment of Trifork Labs investments amounted to EURm 6.2. EURm 1.9 of this came from realized gains from dividends and exit proceeds, and EURm 4.3 came from unrealized gains based on updated valuations from new financing rounds and better operating performance in our startup investments.

Q4 2022

- Trifork Group
 - In Q4 2022, Trifork Group revenue amounted to EURm 49.8, an increase of 17.9% from Q4 2021. Adjusted for the deconsolidation of Dawn Health, total sales growth was 20.3%. Q4 organic growth was 20.1%.
 - Trifork Group EBITDA amounted to EURm 9.2 corresponding to 18.4% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 6.1 corresponding to 12.3% EBIT margin.
 - Trifork Group net income amounted to EURm 6.9 corresponding to 13.8% net income margin.
- Trifork Segment
 - In Q4 2022, adjusted EBITDA in the Trifork Segment amounted to EURm 9.7, an increase of 31.8% from Q4 2021. The adjusted EBITDA margin was 19.5%, up from 17.5% in Q4 2021.
 - Sub-segments
 - Inspire revenue increased by 135.5% to EURm 2.5 and realized an adjusted EBITDA of EURm 0.4 (Q4 2021: EURm -0.1).
 - Build revenue increased by 16.4% to EURm 37.2 and realized an adjusted EBITDA margin of 20.5% (Q4 2021: 19.6%).
 - Run revenue increased by 10.2% to EURm 9.8 and realized an adjusted EBITDA margin of 20.1% (Q4 2021: 28.3%).

- Trifork Labs
 - In Q4 2022, positive fair value adjustment of Trifork Labs investments was EURm 2.4 resulting from unrealized gains from new financing rounds and better operating performance, as well as dividends.

CEO Jørn Larsen commented: *"2022 proved to be a challenging year for most of the world - including Trifork. Therefore, I am extra proud of how the entire Trifork organization worked together in an agile way and achieved a resilient organic revenue growth with continued strong profitability. The global economy is still challenged, but at the same time, we are met by continuous demand for our next-generation digital solutions. We strive to play a pivotal role in our customers' journey to become more sustainable, more cost-effective, more customer-centric, and more secure. In 2023, we expect organic growth to continue, and we will continue to use our strong balance sheet for value-creating acquisitions and startup investments."*

Financial outlook for 2023

- Revenue in Trifork Group is expected to be in the range of EURm 205-215
- Adjusted EBITDA in Trifork Segment (i.e. excluding Trifork Labs and special items) is expected in the range of EURm 34-37
- EBIT in Trifork Group is expected to be in the range of EURm 20-23.

Mid-term financial targets

Mid-term financial targets (rolling three-year period) are unchanged:

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

Main events in 2022

- **Inspire**
As of 31 December 2022, Trifork's Inspire sub-segment reached more than 40 million total views through the GOTO YouTube channel, and more than 6,800 people attended our in-person conferences in Copenhagen, Aarhus, London, Amsterdam, Palo Alto, Sydney, Melbourne, and Brisbane.

The growth in the Inspire sub-segment was supported by Trifork taking over the YOW! conference brand to strengthen our global position in software conferences which inspire our colleagues as well as existing and future customers. Trifork has extensive experience in operating and running our GOTO conferences, and adding YOW! to the offering means that Trifork now is in an even better position to facilitate the newest technology trends shaping the future of our work.

- **Build**

Trifork's Build sub-segment, where we develop innovative software solutions for customers, grew revenue by 16.5% organically. This was driven by strong demand especially in Digital Health, where Trifork delivered e.g., the Danish pregnancy record app and the Quality Reporting Platform for RKKP (Regionernes Kliniske Kvalitetsudviklingsprogram) in Denmark. The growth in Digital Health was supported by Trifork entering into an agreement with the Swiss company BlueSpace Ventures to build a new digital platform (Compassana) combining Swiss health insurance and healthcare providers in a patient-centric way. Becoming the lead technology partner was a milestone in Trifork's effort to bring digital health products and services to more markets outside of Denmark.

In 2022, 77% 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 18.9% driven by strong demand in Cyber Protection and Cloud Operations. Most revenue in this sub-segment is recurring in its nature.

In December, Trifork agreed to acquire 60% in the Zurich-based company Institut für Bildungsevaluation Zürich AG ("**IBE**"). The acquisition was completed on 6 January 2023 and will be included in the group consolidation for 2023. IBE has for many years worked within the area of educational measurement and methods of item response theory. Trifork has for several years been an active partner in the development of IBE's software which is used for computer-based adaptive testing and learning. The acquisition is aligned with Trifork's strategy to digitalize education, and it strengthens the position for both companies in the Swiss market. The inorganic growth from this acquisition is expected to account for 2.0-2.4% of total revenue growth in 2023.

- **Trifork Labs**

Trifork Labs, the R&D investment arm of Trifork Group, invested in Promon AS (cyber protection for apps), Feats ApS (professional network), TSBThree ApS (smart building), and Fauna (digital health for pets) and participated in follow-on investments in Arkyn Studios ApS (app suite for SAP enterprises), DRYP A/S (water infrastructure IoT), Kashet Ltd. (mobile first banking), Visikon ApS (healthcare communication), &Money ApS (fintech app), and Edia B.V. (AI solutions).

New candidate for Board of Directors

Christoffer Holten, member of the Board of Directors since April 2022, has informed the Board of Directors that he will not stand for re-election at the coming Annual General Meeting on 12 April 2023. The Board of Directors and Executive Management would like to thank Christoffer for his valuable contributions.

The Board of Directors will propose to the shareholders to elect Erik Theodor Jakobsen as new member to the Board of Directors at the coming Annual General Meeting. Erik is a Norwegian national with a MSc in Business and Economics from the BI Norwegian Business School in Oslo. Erik works as an investment professional at Ferd AS and prior to joining Ferd AS in 2016 Erik worked several years at Ernst & Young in the Transaction Advisory Services division. Erik has solid experience in identifying new investments, deal execution, and active ownership through board representation.

Further information will be provided in the notice convening the Annual General Meeting.

Webcast

Trifork will host a Financial Year 2022 and Q4 2022 results presentation with CEO Jørn Larsen and CFO Kristian Wulf-Andersen today, 28 February 2023 at 11:00 CET in a live webcast that can be accessed under the following link:

<https://trifork.zoom.us/j/99849420581?pwd=TDdTbzE3Z1VSbzVXSmN6RVpNa3R2UT09>

A recording will be made available on our investor website. Please visit <https://investor.trifork.com/events/> for more information.

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About Trifork

Trifork is a global NextGen IT company that develops innovative software solutions in

collaboration with its customers. The company has 1,062 employees across 66 business units and offices in 14 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 329,000 subscribers and more than 40 million views on YouTube as per end 2022.