

Trifork Group – 2024 annual report and interim report for the quarter ending 31 December 2024

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Schindellegi, Switzerland – 28 February 2025

**Trifork Group reports full-year 2024 net profit of EURm 17.9 and EPS growth of 13.3%.
Trifork Segment reports Q4 2024 revenue growth of 1.8% and EBITDA margin of 16.1%.**

Full-year 2024

- Trifork Group
 - In 2024, Trifork Group revenue amounted to EURm 205.9, a decline of 0.9% from 2023. Adjusted for the effect of third-party software and hardware sales, revenue grew by 0.4% of which inorganic growth of 3.0% was offset by an organic decline of 2.6%. The organic decline was driven by market headwinds throughout the year in Build and Run.
 - Trifork Group EBITDA amounted to EURm 24.7, corresponding to 12.0% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 8.2, corresponding to 4.0% EBIT margin.
 - Trifork Group net income amounted to EURm 17.9. Realized and unrealized gains in Trifork Labs of EURm 16.2 contributed significantly to net income.
 - Basic earnings per share was EUR 0.85 (2023: EUR 0.75). Diluted earnings per share was EUR 0.85 (2023: EUR 0.74).
- Trifork Segment
 - In 2024, adjusted EBITDA of the Trifork segment amounted to EURm 26.9, a decline of 23.2% from 2023. The adjusted EBITDA margin was 13.1%, down from 16.9% in 2023 mainly due to lower revenue growth and increased investments in business development in the first half of the year.
 - Sub-segments
 - Inspire revenue increased by 18.1% to EURm 7.4 and realized an adjusted EBITDA of EURm -2.4 (2023: -2.7).
 - Build revenue declined by 0.2% to EURm 149.3 and realized an adjusted EBITDA margin of 13.4% (2023: 18.8%).
 - Run revenue declined by 4.3% to EURm 49.1 and realized an adjusted EBITDA margin of 24.5% (2023: 24.3%). If adjusted for sales of third-party licenses and hardware, Run grew 1.4%.
- Trifork Labs
 - In 2024, Trifork Labs recorded EBT of EURm 13.3 driven by realized and unrealized gains from the agreement to partially exit an investment in the company XCI and unrealized gains from updated valuations due to liquidity events driven by external investors or better-than-expected operational and financial performance in some companies. Three smaller investments were fully impaired and other risk-based partial impairments were made.

- At year-end 2024, the total book value of active Labs investments amounted to EURm 83.2 (2023: 69.7).

Fourth quarter 2024

- **Trifork Group**
 - In Q4 2024, Trifork Group revenue amounted to EURm 56.0, an increase of 1.8% from Q4 2023. Adjusted for the effect of third-party software and hardware sales, revenue declined by 0.2%.
 - Trifork Group EBITDA amounted to EURm 8.3, corresponding to 14.9% EBITDA margin.
 - Trifork Group EBIT amounted to EURm 3.7, corresponding to 6.7% EBIT margin.
 - Trifork Group net income amounted to EURm 12.7. Realized and unrealized gains in Trifork Labs contributed significantly to net income.
- **Trifork Segment**
 - In Q4 2024, adjusted EBITDA in the Trifork Segment amounted to EURm 9.0, a decline of 23.4% from Q4 2023. The adjusted EBITDA margin was 16.1%, down from 21.4% in Q4 2023.
 - **Sub-segments**
 - Inspire revenue increased by 30.1% to EURm 3.7 and realized an adjusted EBITDA of EURm -0.8 (Q4 2023: EURm -0.3).
 - Build revenue increased by 0.2% to EURm 38.8 and realized an adjusted EBITDA margin of 13.2% (Q4 2023: 18.3%).
 - Run revenue increased by 4.3% to EURm 13.7 and realized an adjusted EBITDA margin of 31.0% (Q4 2023: 31.2%).
- **Trifork Labs**
 - In Q4 2024, Trifork Labs recorded EBT of EURm 9.3 driven by realized and unrealized gains from an agreement to partially exit an investment in the company XCI and unrealized gains from updated valuations due to liquidity events driven by external investors or better-than-expected operational and financial performance in some companies. Three smaller investments were fully impaired and other risk-based partial impairments were made.

Comment from CEO Jørn Larsen

“2024 was an eventful year for Trifork, marked by an unstable economic environment and the growing negative impact of climate change worldwide. We all need to become more sustainable, and I am proud to observe the impact we have on our customers’ ESG agenda through digital innovation. In 2024, we also had exciting technological breakthroughs, and growing interest and strong operational performance in our portfolio companies in Trifork Labs. Despite the tough customer environment in the private sector and reduced EBITDA, our diluted earnings per share grew 15%, proving the strength of our two-legged business model – profitable operations in the Trifork Segment paired with strategic R&D investments in Trifork Labs. We had to adapt as some large customers scaled back, but won new business and grew our public sector revenue, and we continued to sharpen our go-to-market approach and product offering. Our products and capabilities within AI and spatial computing are in high demand, and these may become significant revenue drivers in the coming years. At the same time, our EURm 10 cost savings program will set us up for stronger margins in 2025.”

Financial guidance for 2025

- Revenue is expected to be in the range of EURm 215-225 equal to 4.4-9.3% total growth
- Organic revenue growth is expected in the range of 2.9-7.8%
- Adjusted EBITDA in Trifork Segment is expected in the range of EURm 32.0-37.0
- EBIT in Trifork Group is expected to be in the range of EURm 14.5-19.5.

The guidance does not include potential effects from new acquisitions or divestments.

Mid-term financial targets for 2026

Based on the lower-than-expected performance in 2024 and the continued instability in the economic environment in 2025, the mid-term revenue targets for 2026 are adjusted:

- Total revenue CAGR of 10-15% from a baseline in 2024 (prev. 15-25% with a baseline in 2023)
- Organic CAGR of 5-10% from a baseline in 2024 (prev. 10-15% with baseline in 2023)

The margin and gearing targets for 2026 are maintained:

- 16-20% adj. EBITDA margin in Trifork Segment in 2026
- 10-14% EBIT margin in Trifork Group in 2026
- Net interest-bearing debt leverage of up to 1.5x Group adj. EBITDA (may temporarily exceed during the period)

Change to Executive Management

The Group CRO role will transition into a decentralized structure, with four regional CRO positions covering our core markets in Denmark, US, Switzerland, and UK to better reflect our decentralized organization. Some of these positions will be filled internally. As a consequence, Trifork will reduce Executive Management to CEO Jørn Larsen and CFO Kristian Wulf-Andersen. Morten Gram will leave the Group Executive Management.

Main events in 2024

- **Inspire**
Trifork's Inspire sub-segment, where we arrange technology conferences and online tech content, planned to stabilize performance in 2024 compared to the loss of EURm -2.7 in 2023. Overall, it turned out to be difficult and we did not see any major market improvements in willingness to invest in sponsorships to conferences and education of their employees. The result was a growth of 18.1% with an EBITDA improvement of just EURm 0.3 compared to 2023. This was not satisfactory and we have now decided to exit part of our conference activities in 2025 and co-work or potentially co-own minority stakes in some of these with other partners. In total, we had 5,900 attendees to our conferences. Our GOTO tech channels on YouTube and Instagram ended the year with more than 80 million accumulated views – equal to more than 18 million views in 2024. The YouTube channel now has more than 1 million subscribers and we received a gold-reward plate from Google. According to Tech Talk Weekly, GOTO was behind the single most watched tech talk on YouTube in 2024. GOTO had five videos in the top 10, and 22 times in the top 100.

- Build**
 Trifork's Build sub-segment, where we develop innovative software solutions for customers, saw unchanged revenue compared to 2023. Build accounted for 72.5% of total revenue. Corporates continued to take a cautious approach to IT spending in light of the global economic and geopolitical uncertainty. The continued low activity from private sector customers has been particularly visible in UK, whereas private sector engagements in US displayed comparatively better performance due to successful business development efforts. Overall, new customers accounted for 28% of revenue – similar to 2023. The public sector customer base primarily consists of Danish engagements. Danish public revenue grew 9.4% in 2024. After a soft start to the year with disruptions to existing customer engagements, the Danish Public business gained momentum with several key wins and ramp-up of delivery on existing framework agreements won in previous quarters and years. In January 2024, Trifork increased its stake in Erlang Solutions, a previous acquisition. In May, Trifork acquired Spantree in the US. In June, Trifork acquired Sapere Group in Denmark. All companies primarily deliver Build revenue.
- Run**
 Trifork's Run sub-segment, where we operate and maintain internally or externally developed products for our customers, grew by 1.4% on hosting, service agreements, and Trifork licenses. Run-based revenue now accounts for 23.8% of total revenue. Growth was lower than expected due to delayed start or ramp-up of new agreements. During 2024, we continued to develop on existing Trifork IP and products but also launched new product offerings like Corax AI and Contain hosting platform products.
- 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, saw a continued strong momentum in 2024 in its 24 investments. Revenue in the portfolio companies (not consolidated in Trifork Group due to minority ownership stakes) surpassed EURm 100, up from EURm 50 two years ago. Trifork Labs co-founded TSBX and Mirage Insights, and made a new external investment in Rokoko Care. Trifork Labs provided additional funding to Arkyn Studios, Bluespace Ventures, and Dryp. A partial exit was announced in December in XCI where an institutional investor joined the growth journey with a 30% acquisition of existing shares. The sale was done above book value and contributed significantly to Group net income.

Initiation of share buyback program

Today, 28 February 2025, the Board of Directors decided to initiate a share buyback program of up to DKKm 14.92 (EURm 2.0) for the period from 4 March 2025 up to and including no later than 30 June 2025. A separate announcement will be distributed with further details.

Results presentation

Trifork will host a results presentation and Q&A session with CEO Jørn Larsen and CFO Kristian Wulf-Andersen today, 28 February 2025 at 11:00 CET in a live webcast that can be accessed via the following link: <https://investor.trifork.com/events/>. A recording will be made available on our investor website.

Investor and media contact

Frederik Svanholm, Group Investment Director & Head of Investor Relations
frsv@trifork.com, +41 79 357 7317

About Trifork

Trifork is a pioneering global technology partner, empowering enterprise and public sector customers with innovative solutions. With 1,229 professionals across 73 business units in 16 countries, Trifork delivers expertise in inspiring, building, and running advanced software solutions across diverse sectors, including public administration, healthcare, manufacturing, logistics, energy, financial services, retail, and real estate. Trifork Labs, the Group's R&D hub, drives innovation by investing in and developing synergistic and high-potential technology companies. Trifork Group AG is a publicly listed company on Nasdaq Copenhagen. Learn more at trifork.com.