

cyviz

QUARTERLY REPORT

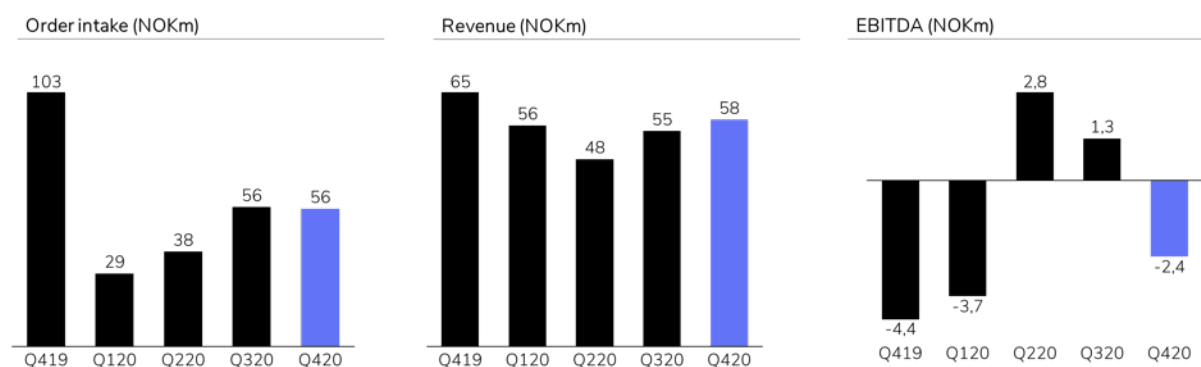
Q4 2020



We transform how people work.

## Q4 2020 highlights

- Cyviz was listed on Euronext Growth at Oslo Stock Exchange on December 18, 2020.
- Raised NOK 66 million in new capital and converted NOK 83 million of loans to shares.
- NOK 97 million in available credit and cash at hand at the end of the quarter.
- Covid-19 continued to have a negative impact on the activity in Q4 but showed a notable improvement from 1H.
- Awarded contracts valued at NOK 17 million from a global Fortune 500 customer and NOK 23 million from the U.S. Department of Defense. The customers are continuing to invest in their standardization on Cyviz solutions.
- Cost reduction initiatives helped balance lower revenues.
- Initiated eleven strategic initiatives to scale up the business, drive growth and strengthen the product development efforts with a cloud-based platform, cloud services and software.



## CEO comment

The most important event in Q4 was the listing of Cyviz on Euronext Growth at Oslo Stock Exchange. Prior to the listing, investors showed confidence in our expansion plans by investing NOK 66 million. The company's listing allows us to pick up the growth plans and start 2021 with a solid financial position. With a global footprint and an impressive list of customers in place, paired with a growing demand for collaboration technology, we can accelerate our journey to help more customers standardize and digitalize their control rooms, conference rooms, and innovation centers.

Q4, like the rest of 2020, was challenging, but we saw a positive development in 2H 2020 with an increased pipeline and a 66% higher order intake than in 1H 2020.

We are tracking well against our financial and operational goals and we have several strategic initiatives that will enable Cyviz to grow and improve profitability at the projected pace.

## Financial review

Financial highlights (NOK million)	Q4 2020	Q4 2019	FY 2020	FY 2019
Total revenue	57.5	64.9	217.0	229.4
Gross profit <sup>1</sup>	26.8	30.0	102.2	106.3
Gross margin	46.6%	46.2%	47.1%	46.3%
EBITDA <sup>2</sup>	-2.5	-4.4	-2.1	-27.5
EBITDA margin	-4.3%	-6.7%	-0.9%	-12.0%
Cash flow from operations	-6.6	-4.7	1.2	-3.5
Cash and cash equivalents	47.4	7.6	47.4	7.6
Net interest-bearing debt (-) / deposits (+)	37.4	-73.7	37.4	-73.7
Equity-ratio	61.9%	2.6%	61.9%	2.6%
Order intake	55.6	102.7	179.5	315.1
Order backlog	86.6	134.0	86.6	134.0
Book-to-bill ratio <sup>3</sup>	1.0	1.6	0.8	1.4

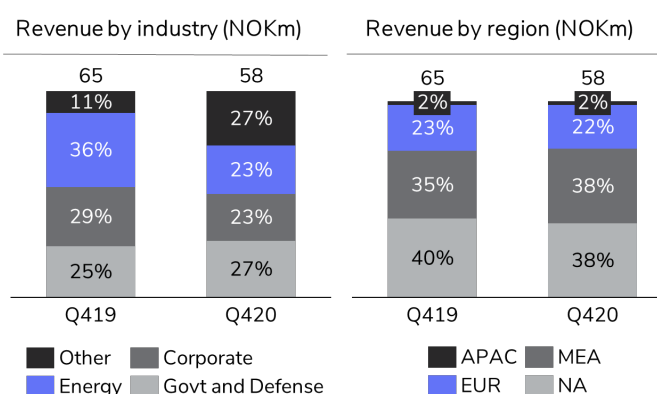
<sup>1</sup> Gross profit is defined as revenues less cost of goods sold, including subcontractor costs

<sup>2</sup> EBITDA is earnings before depreciation and amortization calculated adding depreciation

<sup>3</sup> Book-to bill ratio is order intake in the period divided by revenue in the same period. A ratio above 1.0 indicated an increased order backlog and vice versa

### Revenue and gross margin

Total revenue for the fourth quarter 2020 ended at NOK 57.5 million, down from NOK 64.9 million in the same quarter 2019. Throughout the year revenues have been negatively impacted by Covid-19. This is partly due to slower sales cycles caused by increased market uncertainty, in addition to delays in deliveries due to locked down customer facilities and travel restrictions. Gross margin for the quarter ended at 46.6% (46.2%).



### EBITDA and EBIT

EBITDA ended at NOK -2.5 million, an improvement from NOK -4.4 million in Q4 2019.

Reported EBITDA for Q4 2020 includes one-off expenses of NOK 0.8 million related to the listing of the company at Euronext Growth Oslo. Reported EBIT ended at NOK -7.0 million after depreciations and amortizations of NOK 4.5 million.

### Cash flow

Cyviz had an operational cash flow of NOK -6.6 million in the quarter (-4.7 million) due to the negative results from the operations. Total cash flow in Q4 2020 was NOK 43.8 million, leaving the company with a cash balance of NOK 47.4 million by the end of the period.

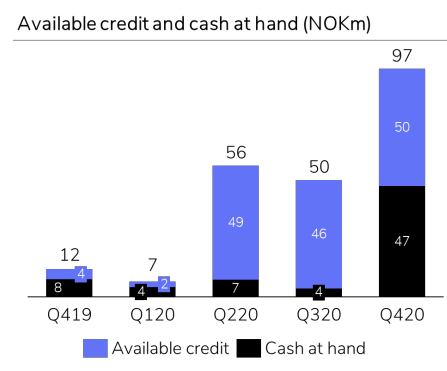
## Financial position

During Q4 2020, NOK 83 million in shareholder loans (bridge loan and convertible loan), including accrued interests, were converted to shares in the company. The convertible loan of NOK 40 million was raised in 1H 2020 and was classified as other equity until conversion. In addition, the company raised gross proceeds of NOK 66.1 million in new capital in a share issue mainly directed towards new shareholders in connection with the listing of Cyviz' shares on Euronext Growth Oslo.

The company's total equity at the end of Q4 2020 was NOK 106.7 million, corresponding to an equity ratio of 61.9%. The equity ratio at the end of Q4 2019 was 2.6%. NOK 6.7 million in expenses related to the loan conversion and the directed share issue are booked directly to equity.

Interest bearing debt amounted to NOK 10 million at the end of the quarter (81.4 million). Following the debt conversion and share issue in December 2020, the only remaining interest-bearing debt is a long-term loan from Innovation Norway.

As of December 31, 2020, Cyviz had a net cash position of NOK 37.4 million. In addition, the company has a NOK 50 million credit facility available for working capital financing.



## Subsequent events

On February 24, 2021, Cyviz announced that it partners with Microsoft Corporation (Redmond, Washington, U.S.) to jointly design, develop and deliver next-generation visual collaboration solutions for Microsoft Technology Centers worldwide. First phase of orders from Microsoft valued NOK 33 million is to U.S. Technology Centers. The next phases of the rollout will be to Microsoft's Technology Centers in Europe, Middle East, and Asia-Pacific sites.

Cyviz was selected after a rigorous evaluation and testing of different technologies in the market. Microsoft based their decision on the high-performance capabilities of Cyviz software, the standardized delivery and support globally, and the long-standing track record of delivering to Fortune 500 customers.

## Outlook

Despite the short-term challenges related to Covid-19, the pandemic is expected to accelerate the shift towards a hybrid way of working that will increase the need for standardized collaboration solutions going into the new normal. Increased demand for hybrid meetings and critical operations control rooms within corporate and industrial sectors will make Cyviz' product offerings increasingly relevant going forward, and the company is well positioned to capitalize on the positive market trends coming out of Covid-19.

There is a continuous influx of large projects and new customers, investing in standardization across the collaboration technologies. The value of using the same platform across geographies and use cases helps reduce the total cost of ownership as support and management can be centralized and streamlined. The consistent and reliable user experience is also attractive to customers, such as software giant Microsoft.

Order booking during the first half of the year was negatively impacted by market uncertainty related to Covid-19. In 2H, however, the activity picked up with order intake 65% higher than in 1H. Even if the order booking in 2020 was weak due to uncertainty, the pipeline of new sales opportunities increased in 2020 with a pipeline 35% higher Y.E. 2020 compared to Y.E. 2019. The medium-term outlook confirms the company's target to grow sales by 30% YoY.

## Scaling a proven concept

- The hiring plan for 2021 is aggressive, and several new colleagues have already started early in 2021. Attracting talent is an important investment for Cyviz' growth.
- The main focus for recruitment is to increase sales capacity, strengthen the operations team and add R&D resources to accelerate the development of new and improved technology, software and solutions.
- Several new products and solutions are projected for 2021, building on the existing Cyviz Easy Software Platform and its capabilities.
- The Cyviz Easy Software Platform will be delivered through the cloud, enabling clients with cloud-based services, support and solutions.
- An increase in recurring revenue will be realized by redesigning pricing and packaging of services and an increased share of software revenues.
- With increased scale and operational excellence, the company aspires to deliver medium term EBITDA-margin of 15-20%.

# Consolidated financial statements





## Consolidated profit and loss accounts

NOK	Note	Unaudited Q4 2020	Unaudited Q4 2019	Unaudited FY 2020	Audited FY 2019
<b>Operating revenues</b>					
Sales revenue	5	57 526 524	64 918 185	217 031 189	229 435 396
<b>Total operating revenues</b>		<b>57 526 524</b>	<b>64 918 185</b>	<b>217 031 189</b>	<b>229 435 396</b>
<b>Operating costs</b>					
Cost of goods sold		30 726 367	34 929 486	114 867 397	123 104 180
Salary and personnel costs	6	20 838 911	22 939 789	71 402 581	87 914 471
Depreciation	7, 8	4 510 125	6 734 797	16 959 594	18 149 959
Impairments		-	-	-	966 252
Other operating costs		8 428 186	11 420 640	32 848 905	45 947 984
<b>Total operating costs</b>		<b>64 503 589</b>	<b>76 024 712</b>	<b>236 078 477</b>	<b>276 082 846</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>-6 977 065</b>	<b>-11 106 527</b>	<b>-19 047 288</b>	<b>-46 647 450</b>
<b>Financial income and expenses</b>					
Interest income		30 402	79 979	73 905	120 522
Net currency gains (losses)		-1 883 769	619 072	-5 433 989	1 378 886
Interest expenses	4	-1 668 048	-2 152 632	-8 464 950	-5 082 985
<b>Net financial income and expenses</b>		<b>-3 521 415</b>	<b>-1 453 581</b>	<b>-13 825 034</b>	<b>-3 583 577</b>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>-10 498 480</b>	<b>-12 560 108</b>	<b>-32 872 322</b>	<b>-50 231 027</b>
Income tax expense		55 358	14 381 354	234 703	14 999 269
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>-10 553 838</b>	<b>-26 941 462</b>	<b>-33 107 025</b>	<b>-65 230 296</b>

## Consolidated balance sheet

NOK	Note	Unaudited 31.12.2020	Audited 31.12.2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Research and development	6	25 944 799	24 042 930
Licenses, patents, other	6	8 480 853	4 510 847
<b>Total intangible fixed assets</b>		<b>34 425 652</b>	<b>28 553 417</b>
<b>Tangible fixed assets</b>			
Property, plant & equipment	7	10 523 645	15 601 518
<b>Total tangible fixed assets</b>		<b>10 523 645</b>	<b>15 601 518</b>
<b>Total fixed assets</b>		<b>44 949 297</b>	<b>44 154 935</b>
<b>Current assets</b>			
Inventories	4	15 855 061	18 419 925
<b>Total inventories</b>		<b>15 855 061</b>	<b>18 419 925</b>
<b>Receivables</b>			
Accounts receivables	4	55 253 651	65 320 692
Other receivables		8 876 800	8 543 955
<b>Total receivables</b>		<b>64 130 451</b>	<b>73 864 647</b>
<b>Cash and Cash equivalents</b>		<b>47 443 658</b>	<b>7 628 217</b>
<b>Total current assets</b>		<b>127 429 170</b>	<b>99 912 789</b>
<b>TOTAL ASSETS</b>		<b>172 378 467</b>	<b>144 067 724</b>



## Consolidated balance sheet

NOK	Note	Unaudited 31.12.2020	Audited 31.12.2019
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Contributed equity</b>			
Share capital	2, 3	12 909 157	5 824 793
Share premium	2, 3	194 314 160	63 953 470
Other contributed equity	2, 3	1 718 452	1 483 315
<b>Total contributed equity</b>		<b>208 941 769</b>	<b>71 261 578</b>
<b>Retained earnings</b>			
Retained equity	2, 3	-102 209 048	-67 533 787
<b>Total retained earnings</b>		<b>-102 209 048</b>	<b>-67 533 787</b>
<b>TOTAL EQUITY</b>		<b>106 732 721</b>	<b>3 727 791</b>
<b>LIABILITIES</b>			
<b>Other non-current liabilities</b>			
Long-term interest bearing loans	4	10 000 000	5 000 000
Other non-current liabilities		2 987 117	2 238 174
<b>Total other non-current liabilities</b>		<b>12 987 117</b>	<b>7 238 174</b>
<b>Current liabilities</b>			
Short-term interest bearing loan	4	-	30 683 219
Overdraft facility	4	-	45 664 130
Accounts payable		22 877 157	35 629 384
Public duties payable		8 583 337	5 247 049
Other current liabilities		21 198 135	15 877 977
<b>Total current liabilities</b>		<b>52 658 629</b>	<b>133 101 759</b>
<b>TOTAL LIABILITES</b>		<b>65 645 746</b>	<b>140 339 933</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>172 378 467</b>	<b>144 067 724</b>

## Consolidated cash flow statement

	Unaudited	Unaudited	Unaudited	Audited
(NOK million)	Q4 2020	Q4 2019	FY 2020	FY 2019
<b>Cash flow from operating activities</b>				
Profit (loss) before income tax	-10 498 480	-12 560 108	-32 872 322	-50 231 027
Option costs	49 794	-	235 137	-
Income tax paid	-55 359	408 736	-234 703	-209 179
Depreciation, amortization and impairment	4 510 125	6 734 798	16 959 594	19 116 212
Change in accounts receivables	-15 898 962	-2 736 376	10 067 041	25 610 645
Change in inventories	6 040 181	- 3 086 921	2 564 864	-5 554 693
Change in accounts payables	6 961 091	944 376	-12 752 227	4 299 737
Change in receivables, payables and provisions	2 242 642	5 565 167	17 195 361	3 454 497
<b>Net cash flow from operating activities</b>	<b>-6 648 968</b>	<b>-4 730 327</b>	<b>1 162 745</b>	<b>-3 513 408</b>
<b>Cash flow from investing activities</b>				
Investments in fixed assets	-4 930 561	-8 990 502	-20 134 991	-21 134 580
Proceeds from sale of fixed assets	-	-	-	356 911
<b>Net cash flow from investing activities</b>	<b>-4 930 561</b>	<b>-8 990 502</b>	<b>-20 134 991</b>	<b>-20 777 669</b>
<b>Cash flow from financing activities</b>				
Additions to equity	59 406 670	-	99 406 670	-
Proceeds from issuance of long term debt	-	-	5 000 000	5 000 000
Proceeds from issuance of short term debt	-	-	-	27 500 000
Net change in bank overdraft	-3 760 365	17 180 109	-45 664 130	-3 231 021
<b>Net cash flow from financing activities</b>	<b>55 646 305</b>	<b>17 180 109</b>	<b>58 742 540</b>	<b>29 268 979</b>
Effects of changes in exchange rates on cash and cash equivalents	-286 170	35 561	45 147	48 243
<b>Net change in cash and cash equivalents</b>	<b>43 780 606</b>	<b>3 494 840</b>	<b>39 815 441</b>	<b>5 025 745</b>
Cash/cash equivalents at the beginning of period	3 663 051	4 133 377	7 628 217	2 602 472
<b>Cash/cash equivalents at the end of period</b>	<b>47 443 658</b>	<b>7 628 217</b>	<b>47 443 658</b>	<b>7 628 217</b>

## Notes to Q4 2020 interim consolidated statements

### Note 1 Accounting policies and basis for preparation

The interim consolidated financial statements for the Cyviz Group comprise interim consolidated statement of profit and loss, interim consolidated balance sheet, interim consolidated statement of cash flows and selected notes.

Recognition and measurement in the interim financial statements are based on the requirements of the Norwegian Accounting Act and generally accepted accounting principles in Norway and are otherwise consistent with the principles applied in the annual report for 2019.

The interim financial statements are unaudited and do not include a complete set of financial statement disclosures, thus they should be read together with the annual report for 2019. All amounts are presented in Norwegian kroner (NOK).

### Note 2 Share capital, subscription rights and shareholder information

The share capital consists of one class only	Number	Par value	Share capital
Ordinary shares	11 735 597	1.10	12 909 157

#### The 20 largest shareholders per 31.12.2020

	Shares	%
Investinor AS	4 911 267	41,8 %
Planar Systems, Inc	769 367	6,6 %
Spinoza AS	464 173	4,0 %
Songa Capital AS	415 000	3,5 %
Silvercoin Industries AS	407 650	3,5 %
Norport AS	404 405	3,4 %
Lani Invest AS	235 000	2,0 %
Lin AS	217 278	1,9 %
Thabo Energy AS	215 000	1,8 %
K.A. Fem AS	200 000	1,7 %
Hviz AS	181 066	1,5 %
Torstein Tvenge	164 926	1,4 %
Joar Vaage	145 614	1,2 %
Haakon Morten Sæter	127 500	1,1 %
Dnb NOR Markets, aksjehan/analyse	125 000	1,1 %
Six-Seven AS	123 643	1,1 %
Skagenkaien Venture AS	102 426	0,9 %
Citibank, N.A.	100 275	0,9 %
Solan Capital AS	100 000	0,9 %
Camaca AS	97 500	0,8 %
<b>Total 20 largest</b>	<b>9 507 090</b>	<b>81,0 %</b>
Other	2 239 581	
<b>Total number of shares</b>	<b>11 735 597</b>	
Outstanding options	255 300	
<b>Total number of shares fully diluted</b>	<b>11 990 897</b>	

All shares have the same voting rights in the company's general meeting

Note 3 Changes in equity

	Share capital	Share premium	Other contributed equity	Retained equity	Total equity
Equity as of 31.12.2019	5 824 793	63 953 470	1 483 315	-67 533 787	3 727 791
Net profit (loss) for the period				-33 107 025	-33 107 025
Capital increase	7 084 364	130 360 690			137 445 054
Shared based compensation			235 137		235 137
Translation difference				-1 568 236	-1 568 236
<b>Equity as of 31.12.2020</b>	<b>12 909 157</b>	<b>194 314 160</b>	<b>1 718 452</b>	<b>-102 209 048</b>	<b>106 732 721</b>

Note 4 Interest bearing debt, overdraft facilities and covenants

Debt	31.12.2020	31.12.2019
Overdraft facility	0	45 664 130
Loan from shareholders (bridge loan)	0	30 683 219
Short term interest bearing debt	0	76 347 349
Other interest bearing debt (long term)	10 000 000	5 000 000
<b>Total</b>	<b>10 000 000</b>	<b>81 347 349</b>

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, operating result (EBIT) shall be positive year to date, measured quarterly and the equity ratio shall be minimum 30% measured yearly. During 2019 the Group was in breach with covenants and a waiver was agreed. The covenant requirements have been waived until after the second quarter of 2021 and the management is in discussions with the bank about a revised covenant structure more adapted to the current business plan.

The Bridge loan was converted to shares in December 2020.

The Convertible loan (classified under equity) was converted to shares in December 2020.

Accounts receivables, fixed assets and inventory are pledged as security for the overdraft facility. The pledged frame amounts to NOK 100 million for each asset class, totaling NOK 300 million. In addition, Innovasjon Norge has pledged a frame of NOK 10 million with 2. priority on the same assets for a NOK 10 million interest bearing loan.

Note 5 Revenues

Geographical distribution	FY 2020	FY 2019
Europe, Middle East and Africa (EMEA)	110 324 238	132 450 490
Americas	91 632 021	84 511 658
Other	15 074 930	12 473 248
<b>Total</b>	<b>217 031 189</b>	<b>229 435 396</b>

Note 6 Intangible assets

	Research and development	Licenses, patents, other	Total
Acquisition cost 01.01.2020	114 395 368	8 552 108	122 947 476
Assets purchased	13 973 607	3 991 686	17 965 293
Tax subsidy (SkatteFUNN)	-2 281 237	-	-2 281 237
<b>Acquisition cost 31.12.2020</b>	<b>126 087 738</b>	<b>12 543 794</b>	<b>138 631 532</b>
Accumulated depreciation 01.01.2020	90 352 434	4 041 621	94 394 055
Depreciation	9 790 505	21 320	9 811 825
<b>Accumulated depreciation 31.12.2020</b>	<b>100 142 939</b>	<b>4 062 941</b>	<b>104 205 880</b>
<b>Net book value 31.12.2020</b>	<b>25 944 799</b>	<b>8 480 853</b>	<b>34 425 652</b>
Depreciation plan (linear)	5 years	5 years	

Note 7 Fixed assets

	Property, plant and equipment	Total
Acquisition cost 01.01.2020	67 247 130	67 247 130
Assets purchased	2 169 698	2 169 698
<b>Acquisition cost 31.12.2020</b>	<b>69 416 828</b>	<b>69 416 828</b>
Accumulated depreciation 01.01.2020	52 004 517	52 004 517
Depreciation	7 147 769	7 147 769
<b>Accumulated depreciation 31.12.2020</b>	<b>59 152 286</b>	<b>59 152 286</b>
Currency effect	259 103	259 103
<b>Net book value 31.12.2020</b>	<b>10 523 645</b>	<b>10 523 645</b>
Depreciation plan (linear)	3-10 years	

Note 8 Going concern and outlook

The Board has concluded that it is appropriate to prepare the financial statement under the assumption of a going concern in accordance with section 3-3 (a) of the Norwegian Accounting Act, and that this condition is present.

The COVID-19 crisis affected the business significantly in 2020, with lower order intake than in a normal situation and delays in customer deliveries and installations. We experienced some improvements in 2H 2020 which we expect to continue in 2021 when vaccinations programs are rolled out. However, the crisis is still ongoing and some impact on the business is expected in 2021.

#### Note 9 Deferred tax asset

Due to history of recent losses, possible deferred tax assets are not recognized. As of December 31, 2020, the unrecognized deferred tax asset related to temporary differences and tax loss carried forward is estimated to NOK 37.3 million.

#### Note 10 Transactions with related parties

Certain shareholders, members of management and members of the board have participated in the new convertible loan disclosed in Note 4. The convertible loan was converted to shares in December 2020.

Otherwise, there are no related party transactions in 2020.

#### Note 11 Events after the balance sheet date

On February 24, 2021, Cyviz announced that it partners with Microsoft Corporation (Redmond, Washington, U.S.) to jointly design, develop and deliver next-generation visual collaboration solutions for Microsoft Technology Centers worldwide. First phase of orders from Microsoft valued at NOK 33 million is to U.S. Technology Centers. The next phase of the rollout will be to Microsoft's Technology Centers in Europe, Middle East, and Asia-Pacific sites.



Sandnes, February 24, 2021

Board of Directors

Cyviz AS

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<https://www.cyviz.com/investor-relations/>

## About Cyviz

Cyviz is a global technology provider for standardized conference rooms, control rooms and experience centers. Since 1998, Cyviz has empowered the digital workforce to connect, visualize, and collaborate on their critical data. The IT-driven turnkey solutions are easy to deploy, manage and support. Cyviz serves global enterprises and governments with the highest requirements for usability, security and quality, that engage people, encourage collaboration, and accelerate decision-making.

Find out more on [www.cyviz.com](http://www.cyviz.com) or visit one of our Cyviz Experience Centers in Atlanta, Dubai, Jakarta, Houston, London, Oslo, Riyadh, Singapore, Stavanger, or Washington DC.

