



# Ørn Software Holding Q1 2022 presentation

20 May 2022

# Disclaimer

This presentation (the "Presentation") has been produced by Ørn Software Holding AS (the "Company", and together with its subsidiaries the "Group") solely for information purposes. This Presentation is dated May 20, 2022. The Company does not intend, and does not assume any obligation, to update or correct any information included in this Presentation.

This Presentation includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements reflect the Company's beliefs, intentions and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not historic facts. Persons reviewing this Presentation are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Presentation. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. These forward-looking statements speak only as of the date on which they are made.

The information contained in this Presentation is furnished by the Company and has not been independently verified. No representation or warranty (express or implied) is made as to the accuracy or completeness of any information contained herein. None of the Company or any of its subsidiary undertakings or any such person's directors, officers, employees, advisors or representatives shall have any liability whatsoever arising directly or indirectly from the use of this

Presentation. No reliance should be placed on, any information, including projections, estimates, targets and opinions,

This presentation includes the use of the following Alternative Performance Measures: Annual Recurring Revenue (ARR), Organic growth in ARR, Net retention, Adjusted EBITDA and Churn rate. These are defined in Ørn Software's Q1 2022 report.

contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of their parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this presentation.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. Information in this Presentation, including forecast financial information (if any), should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. This Presentation must be read in conjunction with the Company's recent financial information and the disclosures therein.

AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH OUR BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION.

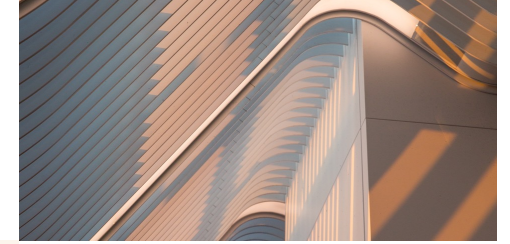
This Presentation is subject to Norwegian law and any dispute arising out of or in connection with this Presentation is subject to the exclusive jurisdiction of the ordinary Norwegian courts, with Oslo District Court as agreed legal venue.



Sten-Roger Karlsen  
CEO



Vidar André Løken  
CFO



## Strong performance in Q1 2022

### 2022 priorities communicated in March 2022

- Take out revenue and cost synergies from the string of acquisitions in 2020 and 2021
- Implement measures to significantly increase profitability and cash generation
- Continuing to scale commercial organization to improve new business and exploit potential in cross sales

*Foundation laid in 2021 allows for Ørn to take a step-change in profitability in 2022*

**67.5m**

Operating cash flow

**22.4%**

Y/Y organic ARR growth<sup>2)</sup>

**29.4%**

Adj. EBITDA margin<sup>1)</sup>

**89.1%**

Gross margin

**107%**

Net retention rate<sup>2)</sup>

**3%**

Churn

1. Adjusted for special items  
2. Adjusted for FX effects



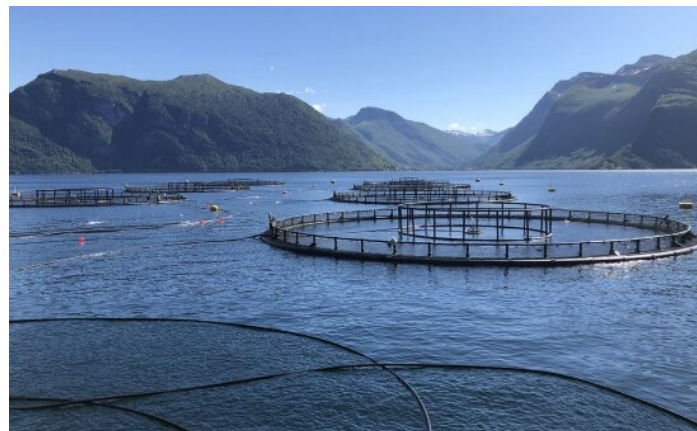
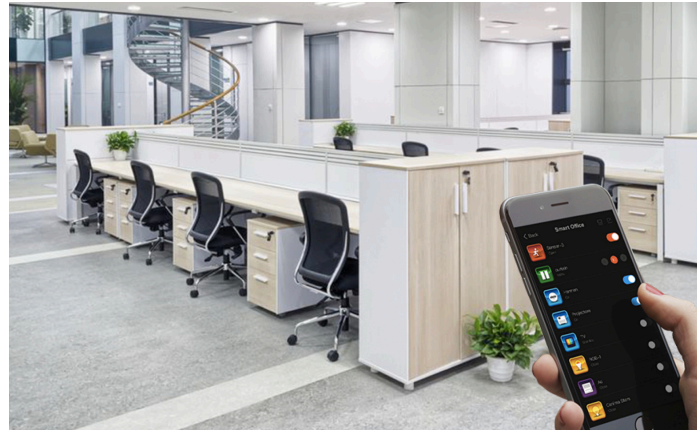
# Q1 Operational highlights

- Finalizing plan for revenue and cost synergies from recent M&A
  - Execution initiated in Q2, with financial results Q2-Q4 2022
- High public tender activity - building sales pipeline
- Accelerated organic growth with several significant wins:
  - 2.2 NOKm ARR agreement with Trøndelag County Authority
  - 7.8 NOKm ARR upsell and expansion for Finnish customer MAKU (Maakuntien tilakeskus Oy)
  - 1.7 NOKm ARR agreement with Norwegian Public Road Administration (awarded in March, but signed in April)
- Implemented price optimization representing +12 NOKm
- Implemented IFRS financial reporting standard
- Product releases:
  - A new Customer Portal for our real estate platform is launched
  - New Power BI integration for energy and sustainability solution

Q1 2022 presentation

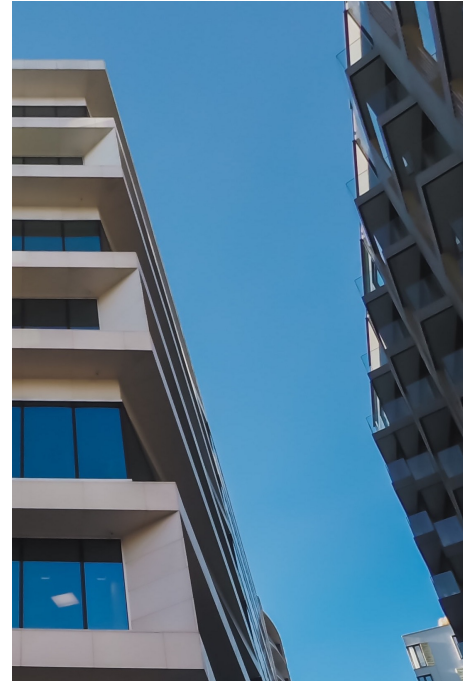
Value creation through best-of-breed worksite management software

We enable stakeholders of facilities and assets to improve quality, operational efficiency and sustainability performance



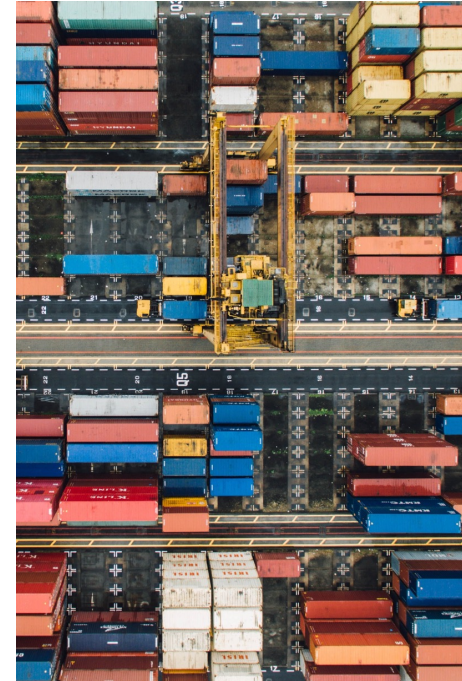
Leading position within  
several segments

ARR NOK  
157m



Real Estate  
Management

ARR NOK  
65m



Industrial  
Maintenance &  
Quality Control

ARR NOK  
16m



Energy &  
Sustainability  
Management

# The beauty of Software as a Service (SaaS)



Recurring  
subscriptions



Sticky solutions with  
low churn



High  
sales ROI



High  
gross margin



Cloud-based multi-  
tenant architecture



# Our growth journey

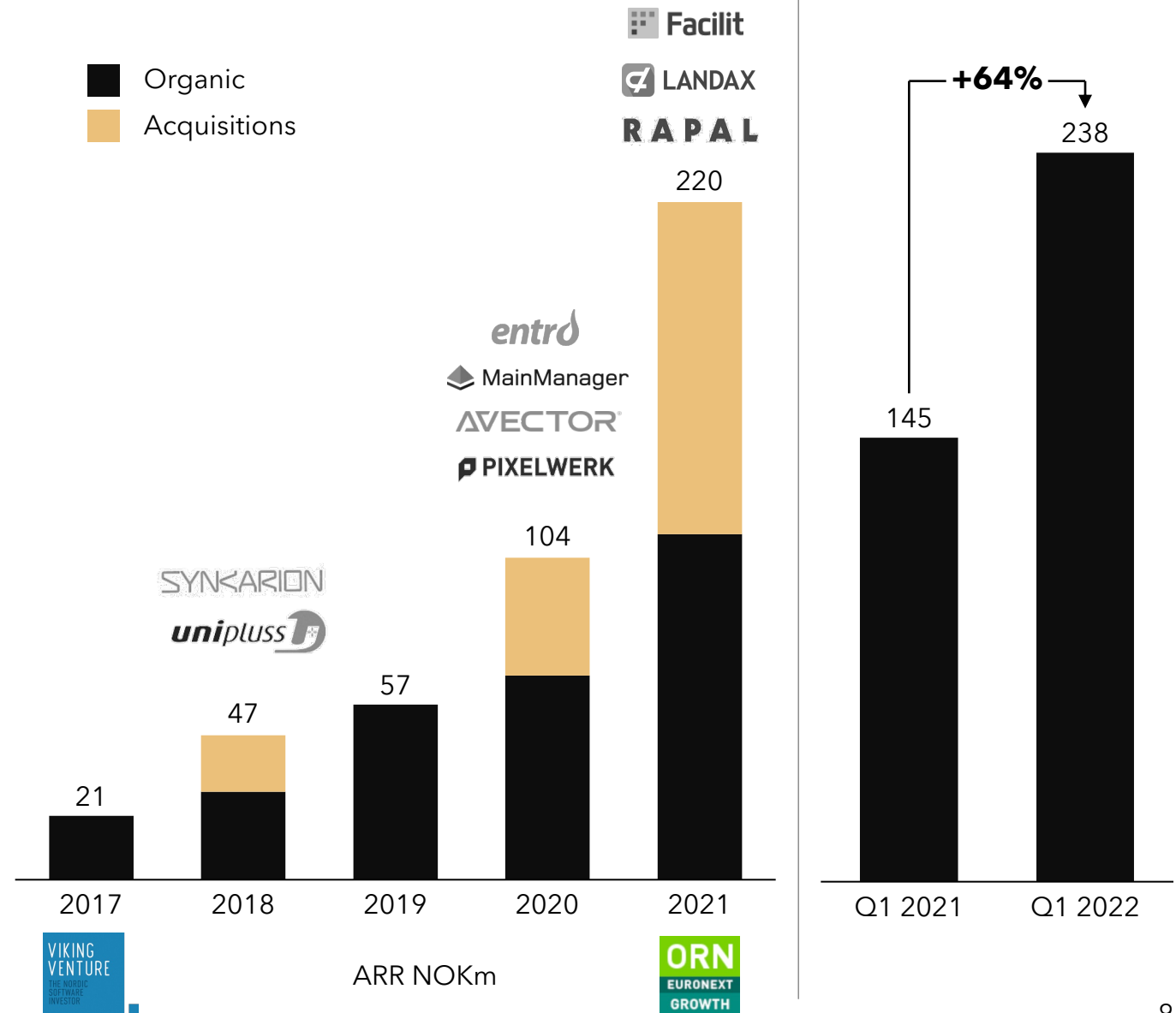
11.5x  
ARR increase

9  
Acquisitions

77.5%<sup>1)</sup>  
CAGR (total)

34.7%<sup>1)</sup>  
CAGR (organic)

1) Average annual ARR growth Q4-17 - Q1-22

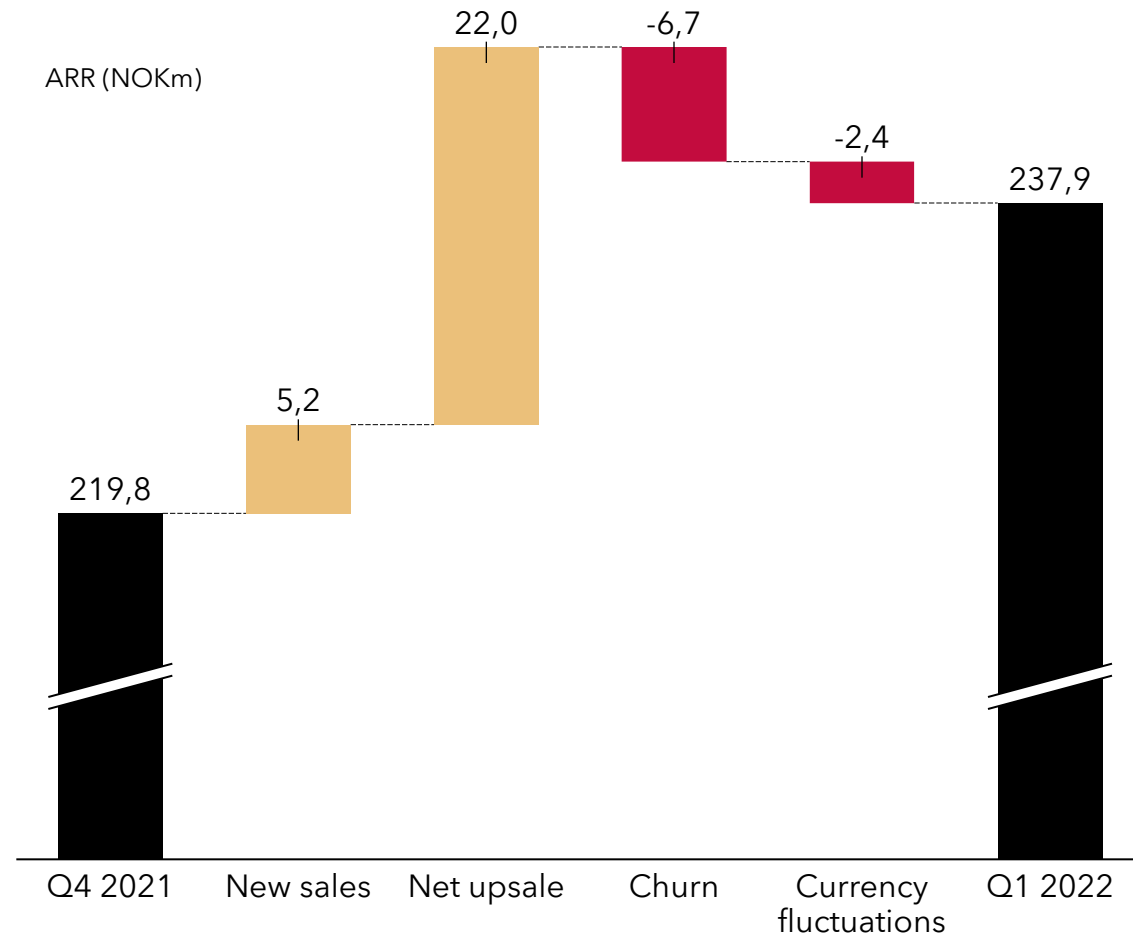


# Q1 highlights

# Significant organic ARR growth acceleration

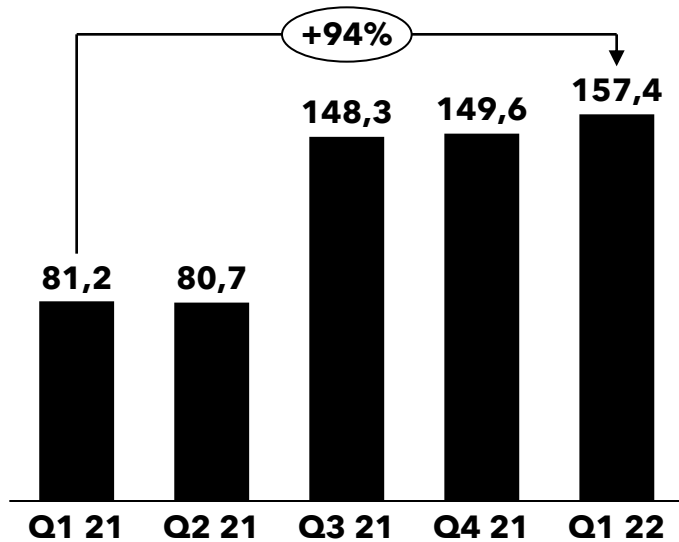
- Accelerated organic ARR growth of 9.3%<sup>1)</sup> quarter-on-quarter in Q1
- Strong new sales supported by increased sales capacity
- Significant effect of annual price optimizations imposed in Q1
- Q1 churn of 3.0%
- The trend of increased new sales has continued in Q2

1. Adjusted for FX effects



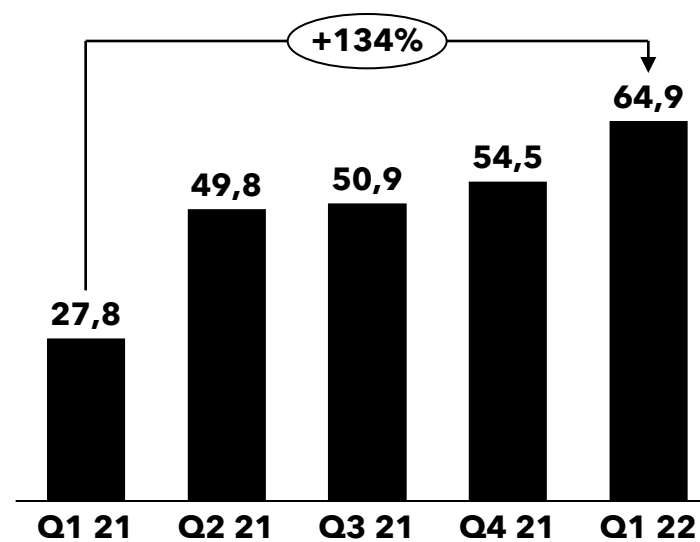
# Significant ARR and customer growth

Real Estate Management  
(ARR NOKm)



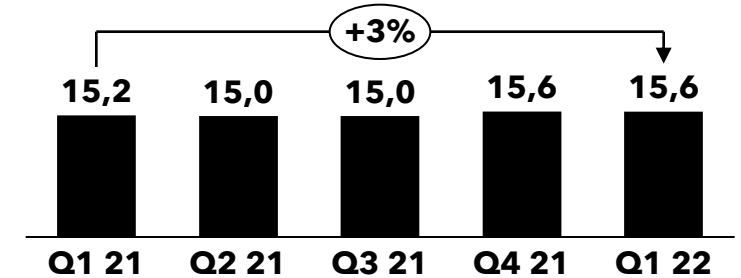
- Growth reflecting acquisitions made in Q1-21 and Q3-21
- Organic growth of 14.1% Y/Y Q1-22<sup>1)</sup>

Industrial Maintenance & Quality Control  
(ARR NOKm)



- Q2-21 growth driven by acquisition of Landax
- Organic growth of 57.2% Y/Y Q1-22

Energy & Sustainability Management  
(ARR NOKm)

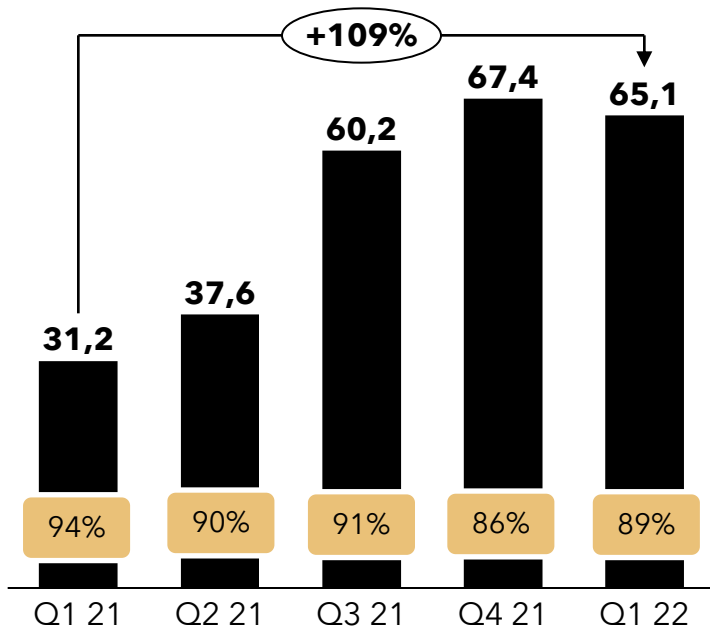


- New segment as of Q4-2020 as a result of acquisition
- Organic growth of 3% Y/Y Q1-22<sup>1)</sup>

1) Adjusted for FX effects

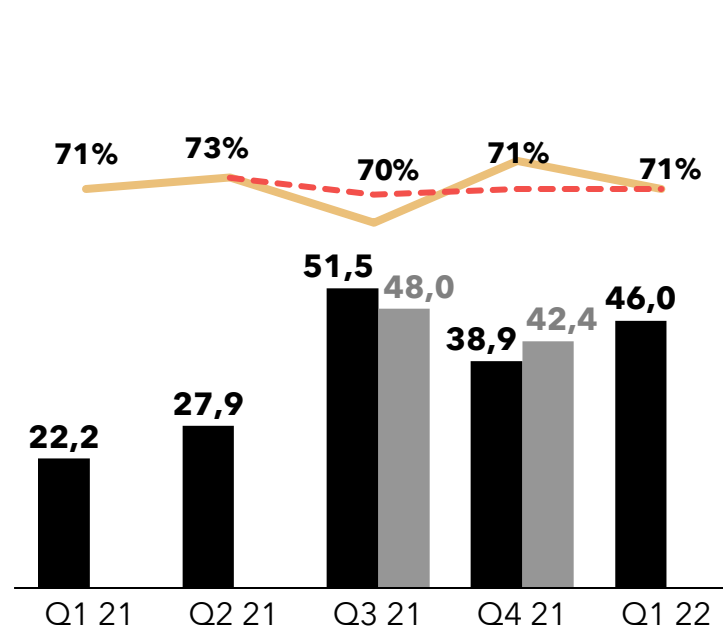
# Strong revenue growth and sustained high gross margin

Revenue and gross profit



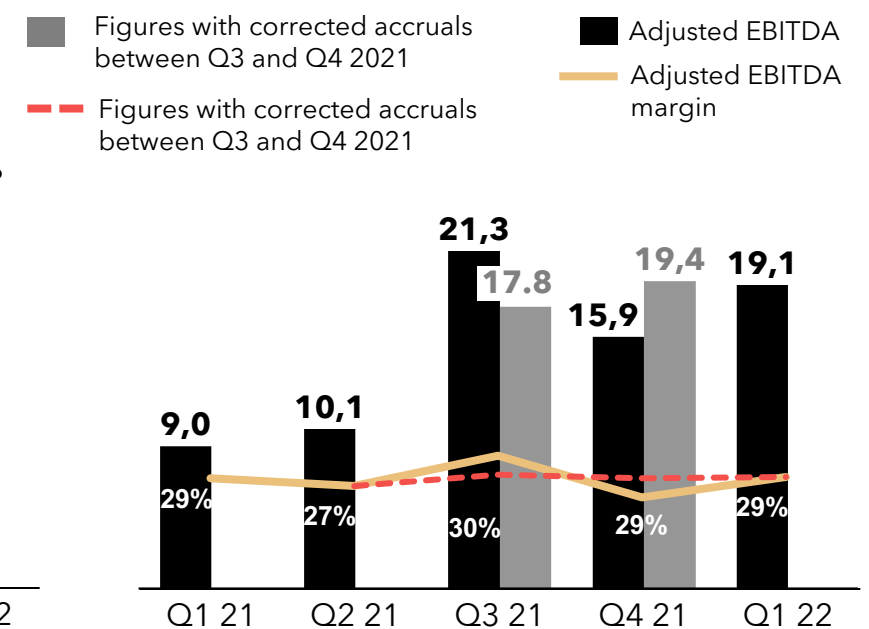
- Growth is primarily driven by acquisitions of MainManager, Entro IT, Facilit, Landax and Rapal
- Gross margin decrease in Q4 as acquired companies have higher COGS related to non-recurring revenue. In Q1-22 gross margin increased to 89%, but still lower because of low non-recurring revenues in Q1-22

Adjusted total OPEX



- Wrong accruals according to salaries in Q3 with NOK 3.5 million made Q3 OPEX figures lower than actual. Adjusted for this the adjusted OPEX level was around 70% in both Q3 and Q4, same as Q1-22

Adjusted EBITDA



- Driven by acquisitions Ørn's adjusted EBITDA is more than doubled from Q1-21
- After corrections for wrong accruals in Q3 and Q4 our adjusted EBITDA level was around NOK 18-19 million
- In Q1-22 adjusted EBITDA was NOK 19.1 million, negatively impact by lower non-recurring revenues in Q1-22

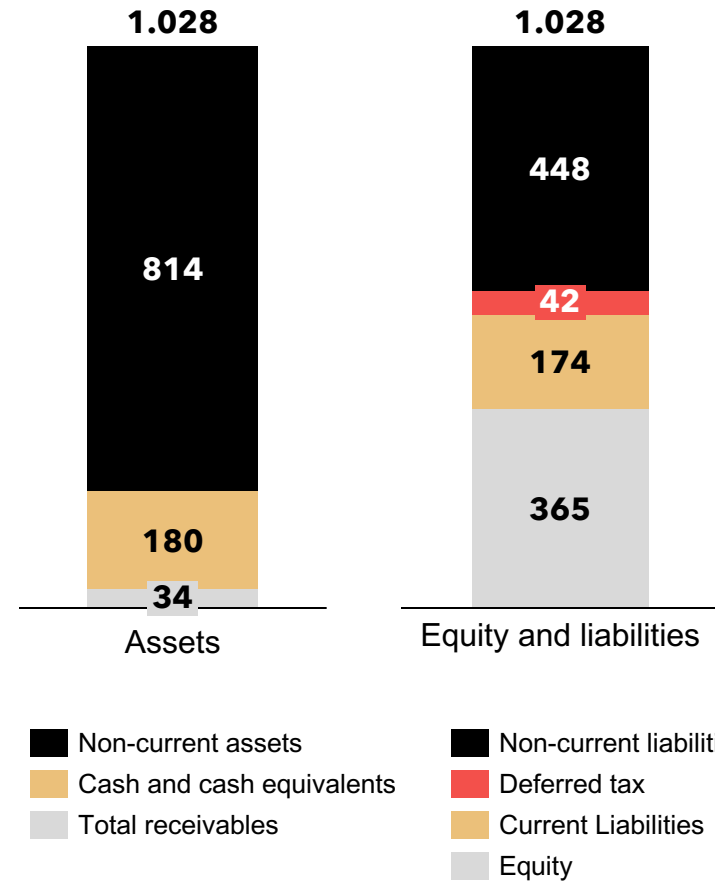
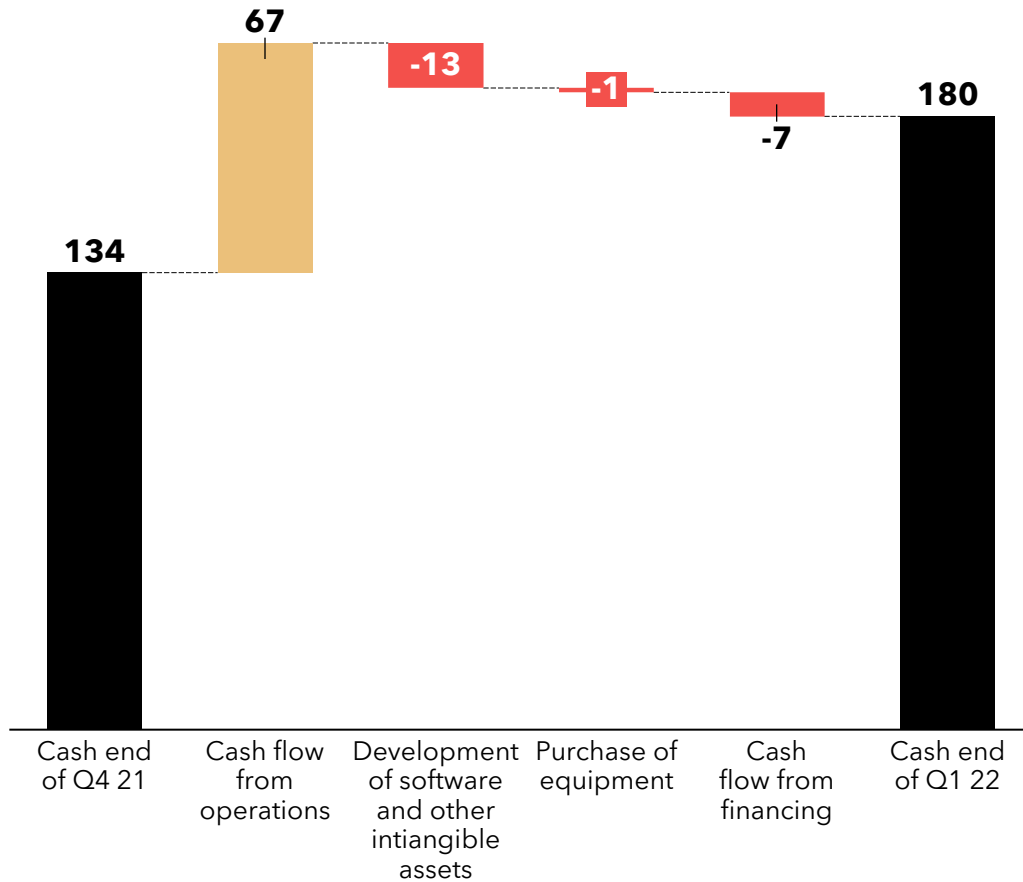
# Profit and loss statement

- Operating revenue growth in Q1 2022 compared to Q1 2021 driven by acquisitions and organic growth
- Adjusted EBITDA +113%
- Special items of NOK -1.5 million mainly related to changes in employer's contribution to the option scheme bonuses and one-off corporate development projects
- Increased depreciations & amortizations mainly related to acquisitions
- Net financial income in Q4 2021 was NOK -1.6 million. NOK 5.7 million reflecting interest expenses and other loan related expenses, and positive currency effects
- Reported tax in Q1 2022 was NOK -0.4 million, using a flat 22% assumption on profit before tax

<b>NOKm</b>	<b>Q1 22</b>	<b>Q1 21</b>	<b>FY 21</b>
Recurring revenue	59 868	27 325	164 511
Non-recurring revenue	5 222	3 882	31 930
<b>Total revenue</b>	<b>65 089</b>	<b>31 207</b>	<b>196 441</b>
COGS	-7 074	-1 722	-20 567
Gross profit	58 015	29 485	175 874
Total Opex	-40 416	-37 382	-141 499
<b>EBITDA</b>	<b>17 600</b>	<b>-7 896</b>	<b>23 691</b>
Special items and M&A cost	-1 525	-16 873	-32 459
<b>Adjusted EBITDA</b>	<b>19 125</b>	<b>8 976</b>	<b>56 151</b>
Depreciation and amortisation	-17 735	-8 923	-52 174
<b>Reported EBIT</b>	<b>-135</b>	<b>-16 819</b>	<b>-28 482</b>
Net financial income	-1 583	5 702	-18 461
Reported EBT	-1 718	-11 117	-46 943
Tax	-378	-2 727	8 005
<b>Net income</b>	<b>-1 340</b>	<b>-8 390</b>	<b>-38 938</b>
Gross margin	89 %	94 %	90 %
Adjusted EBITDA margin	29 %	29 %	29 %

# Cash flow and balance sheet

## Cash flow bridge





Outlook



# Outlook full year 2022

Revenue around

**270 NOKm**

Up from 194 NOKm  
in 2021

Adj. EBITDA-margin

**32-34%**

Up from 29%  
in 2021

Target CAPEX/revenue

**16%**

Down from 17%  
in 2021

*Ørn Software expects to be cash positive in FY2022 <sup>1)</sup>*

1) Adjusted for special items

# High-level targets for 2025

Organic growth

**430 NOKm  
ARR**

Profitability

**EBITDA  
margin  
> 45%**

Market recognition

**Dominant  
European  
player**



O

CAREER  
GRADUATE  
SCHOOL  
TUESDAY  
THE