



Ørn Software Holding Q1 2021 presentation

May 28, 2021

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Sten-Roger Karlsen
CEO



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CFO

The Big Picture



Analytics & optimization



Field apps for onsite maintenance & operations



Proptech



Industrial IoT



Energy meters

Digitizing asset-heavy industries

- Most companies have fixed assets that need to be efficiently managed
- Ørn provides industry-leading digital tools
 - Capture available data
 - Digitize workflow
 - Create field-apps for onsite maintenance & operations
 - Provide analytics and optimization

An industry leading software portfolio

Helping all owners of facilities or industrial assets improve operational efficiency and lift sustainability performance



REAL ESTATE MANAGEMENT

ARR NOK

81m



INDUSTRIAL MAINTENANCE AND QUALITY CONTROL

ARR NOK

28m



ENERGY & SUSTAINABILITY MANAGEMENT

ARR NOK

15m

Value propositions that enable strong financial KPIs

- Reduced cost
- Increased efficiency and uptime
- Extended asset lifetime
- Reduced environmental footprint
- Meeting reporting and regulatory compliance needs

An industry leading software portfolio

Helping all owners of facilities or industrial assets improve operational efficiency and lift sustainability performance



**REAL ESTATE
MANAGEMENT**

ARR NOK

81m



**INDUSTRIAL
MAINTENANCE AND
QUALITY CONTROL**

ARR NOK

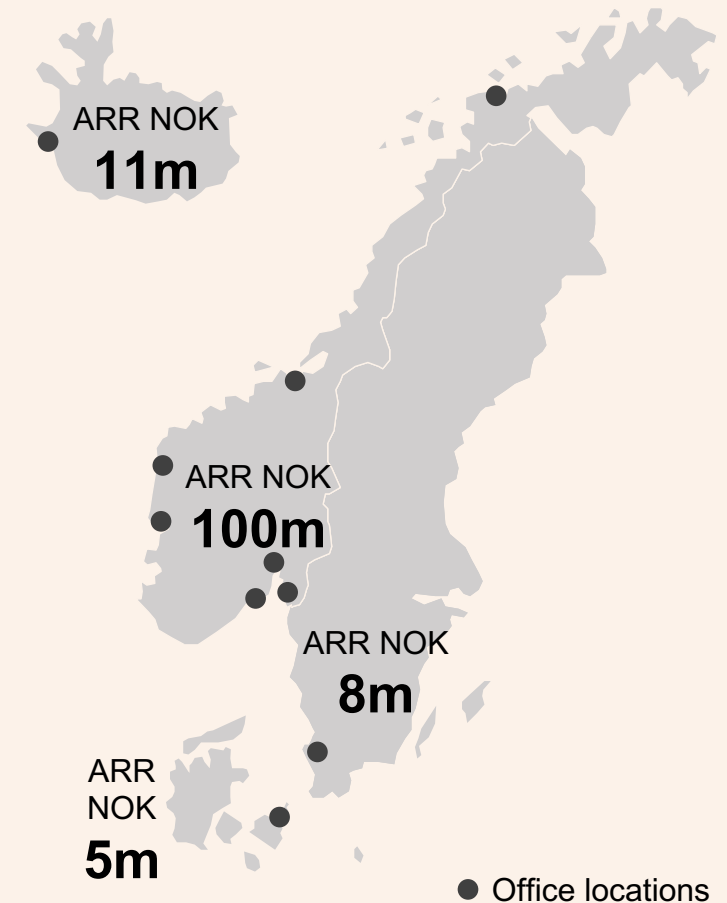
28m



**ENERGY &
SUSTAINABILITY
MANAGEMENT**

ARR NOK

15m



Complementary product offering



REAL ESTATE MANAGEMENT

Enables workflow automation and data-driven decision making across facility and property management activities



INDUSTRIAL MAINTENANCE AND QUALITY CONTROL

User-friendly digitalization of maintenance & quality control processes - improving asset uptime, operating efficiency & lifetime



ENERGY & SUSTAINABILITY MANAGEMENT

Helping operators reduce energy cost and improve sustainability record - with efficient monitoring and optimization tools

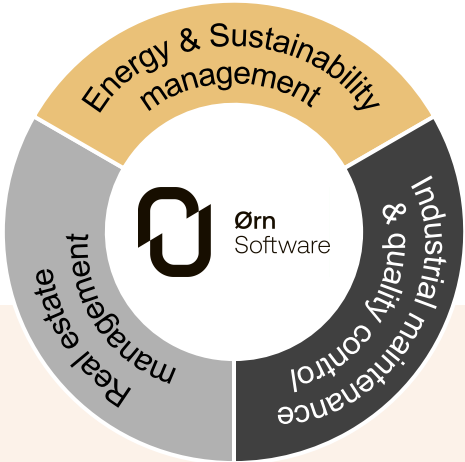
- Providing a user-friendly and agile, yet powerful, suite of process optimization tools
- Suite of complementary best-of-breed solutions covering key customer needs

Ørn meets the today's customer needs

Underlying market growth supported by growth in enabling technologies



As digital first movers reap the benefits, all players are forced to adapt digital tools to stay competitive



Corporate social responsibility combined with regulations and pressure from banks is driving focus on sustainability

ENABELING TECNOLOGIES



Technology enables automation and more efficient work processes



Proptech enables smart buildings and property management in a more efficient and sustainable way



Industrial transformation is driven by new technology where IoT is at the core to facilitate automation

Large reputable Nordic customer base

Real Estate Management



of customers

440

NOK ARR

81m

Industrial Maintenance & Quality Control



of customers

301

NOK ARR

28m

Energy & Sustainability Management



of customers

456

NOK ARR

15m

Total key
figures:

Churn Y/Y2021

3%

of customers

1,197

of buildings

~56,000

of users

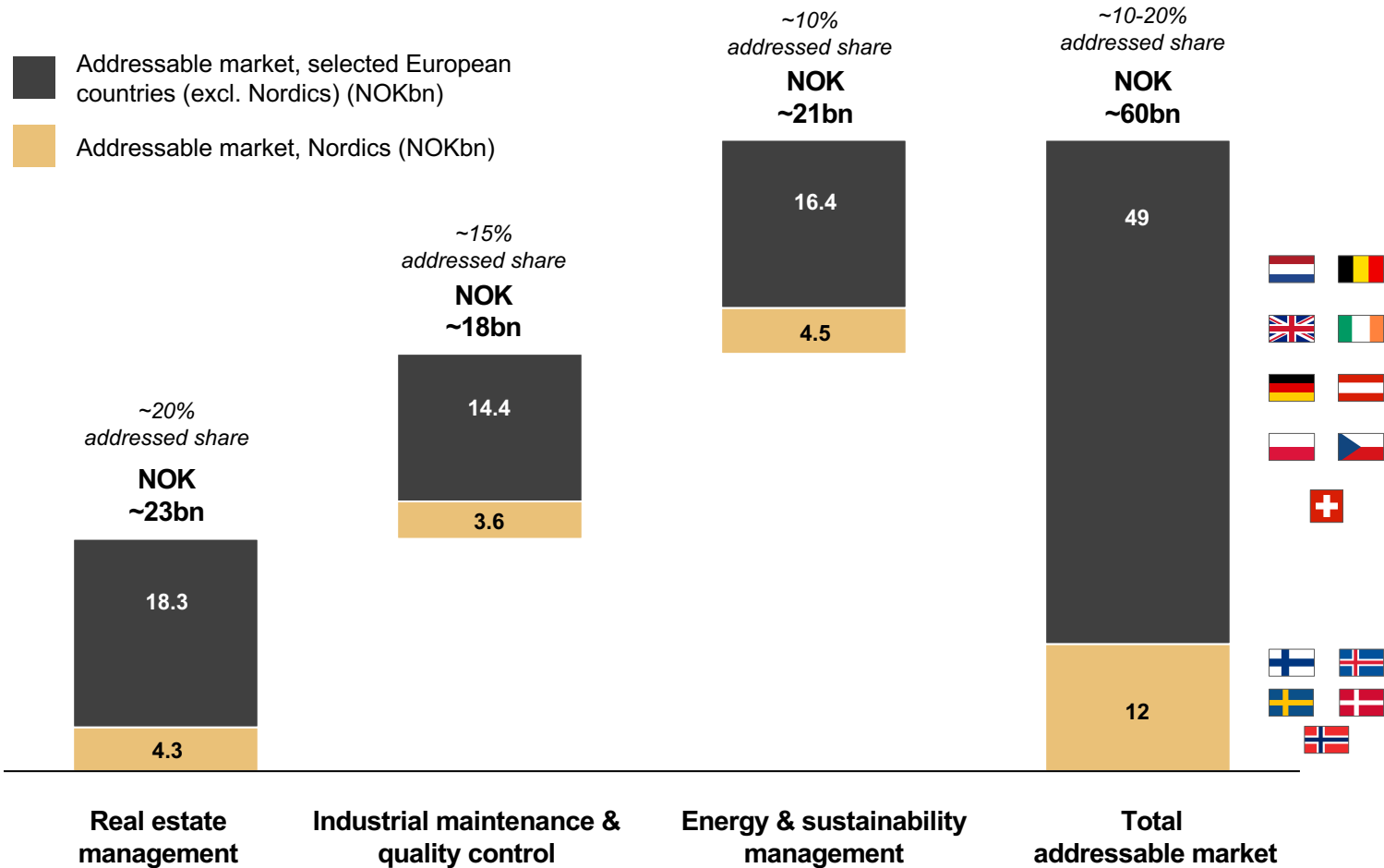
~187,000

of apartments

~38,000

Sizeable Nordic Market opportunity

And vast European upside

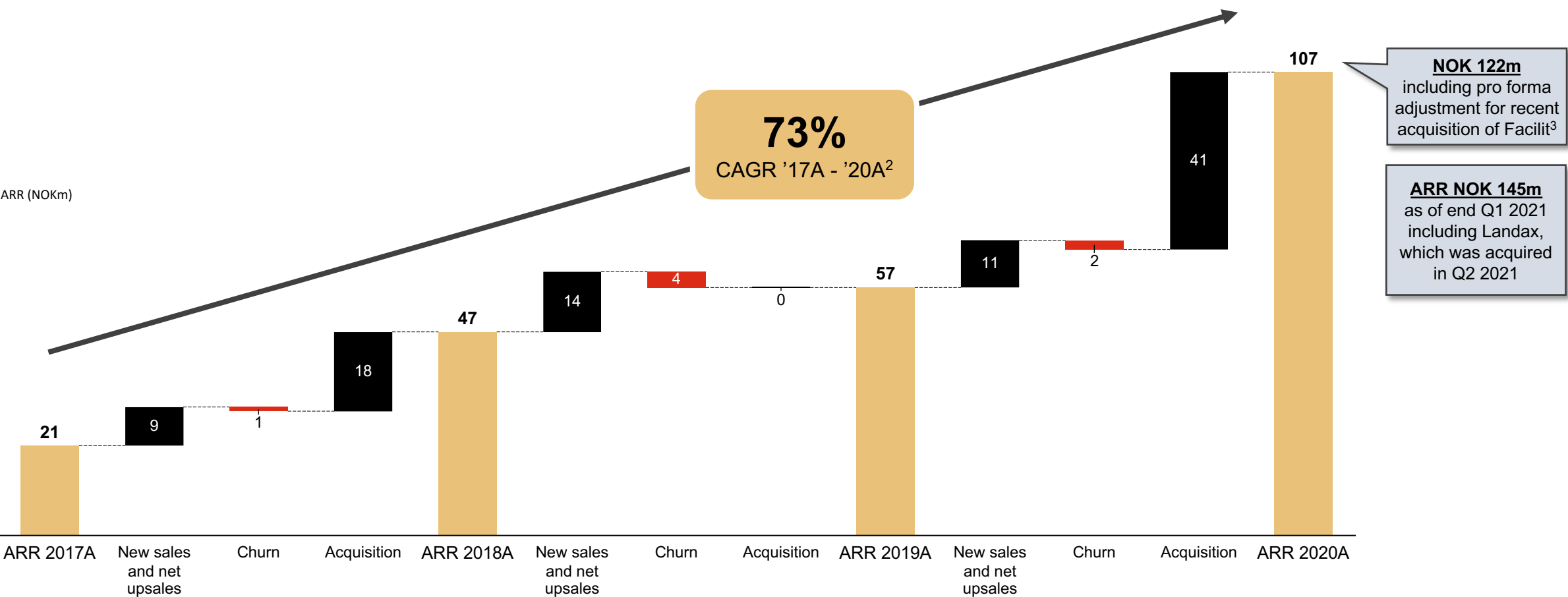


NOK 12bn market size in the Nordics; NOK 60bn including Europe

- Well positioned to take part of a large untapped potential market within Europe and the Nordics
- The addressable market is the theoretical amount that should be spent on the software solutions
- Share addressed is the current spend on specialized software, ERP modules & in-house solutions
- The remainder is untapped potential, from companies yet to adopt software tools, though they ought to. This is today partially spent on analogue substitutes

Strong and consistent long-term ARR growth

Driven by very high net retention and acquisitions



1) Net upsales include upsales, price increases and contraction
2) ARR CAGR '17A-'20A of 80% including Facilit

A person wearing a yellow raincoat and a white helmet is working on a fishing boat. They are handling green fishing nets that are spread out across the deck. The boat is on a body of water, and in the background, there are large, rugged mountains covered in snow under a cloudy sky. The text 'Q1 highlights' is overlaid on the image.

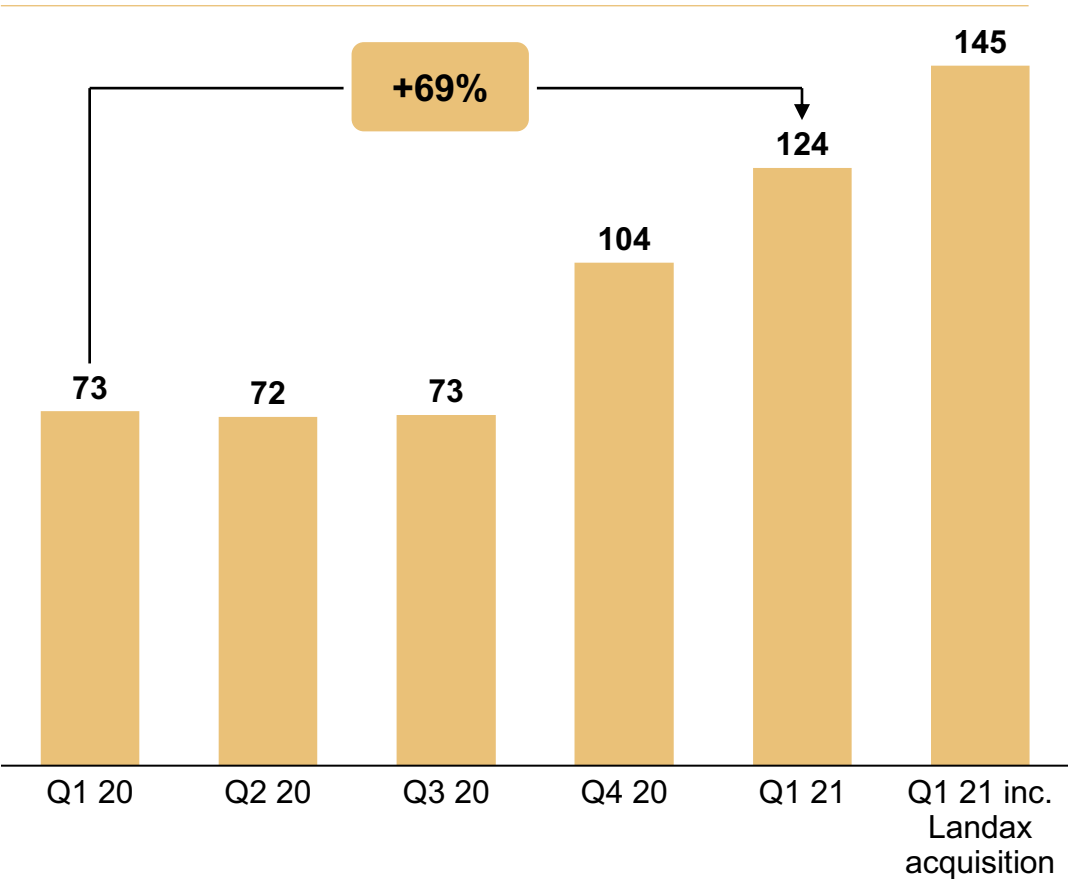
Q1

highlights

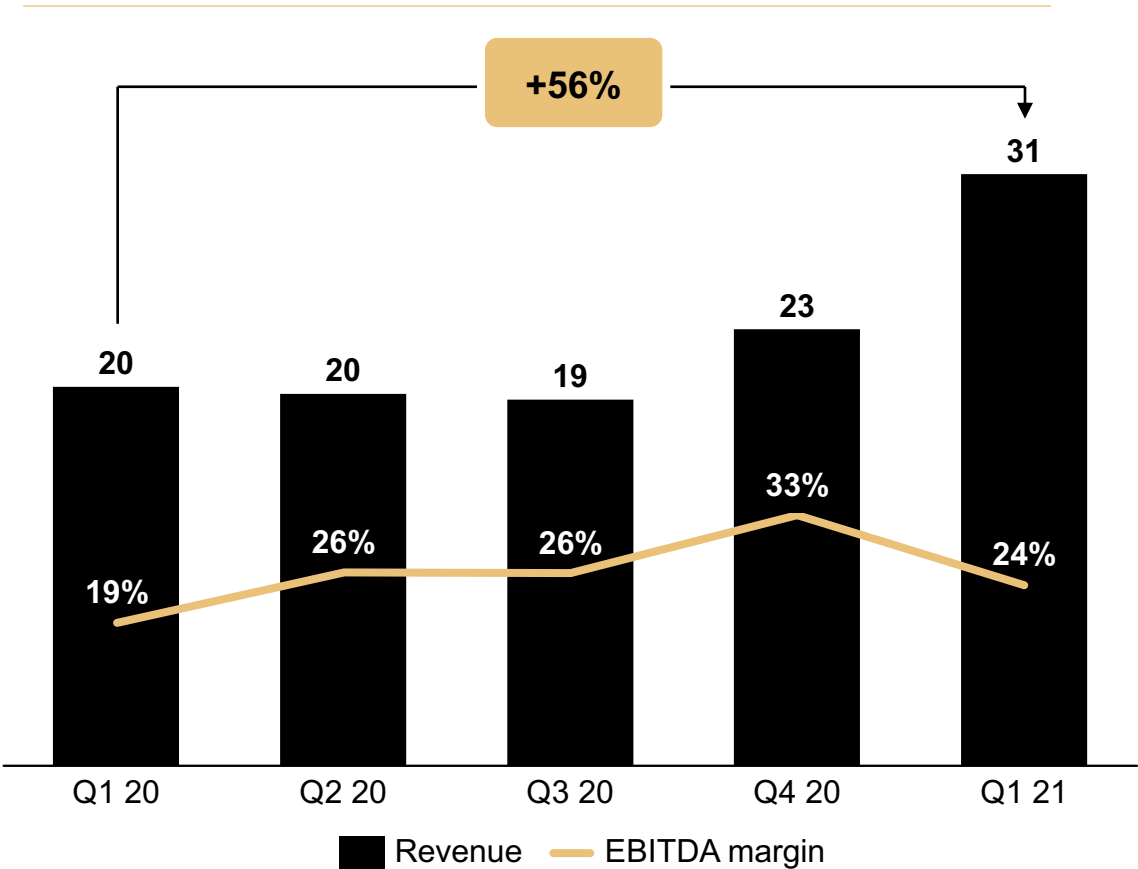
Continuing to deliver on the growth plan

Steady growth driven by organic initiatives and M&A

Annual Recurring Revenue (ARR)



Revenue and EBITDA

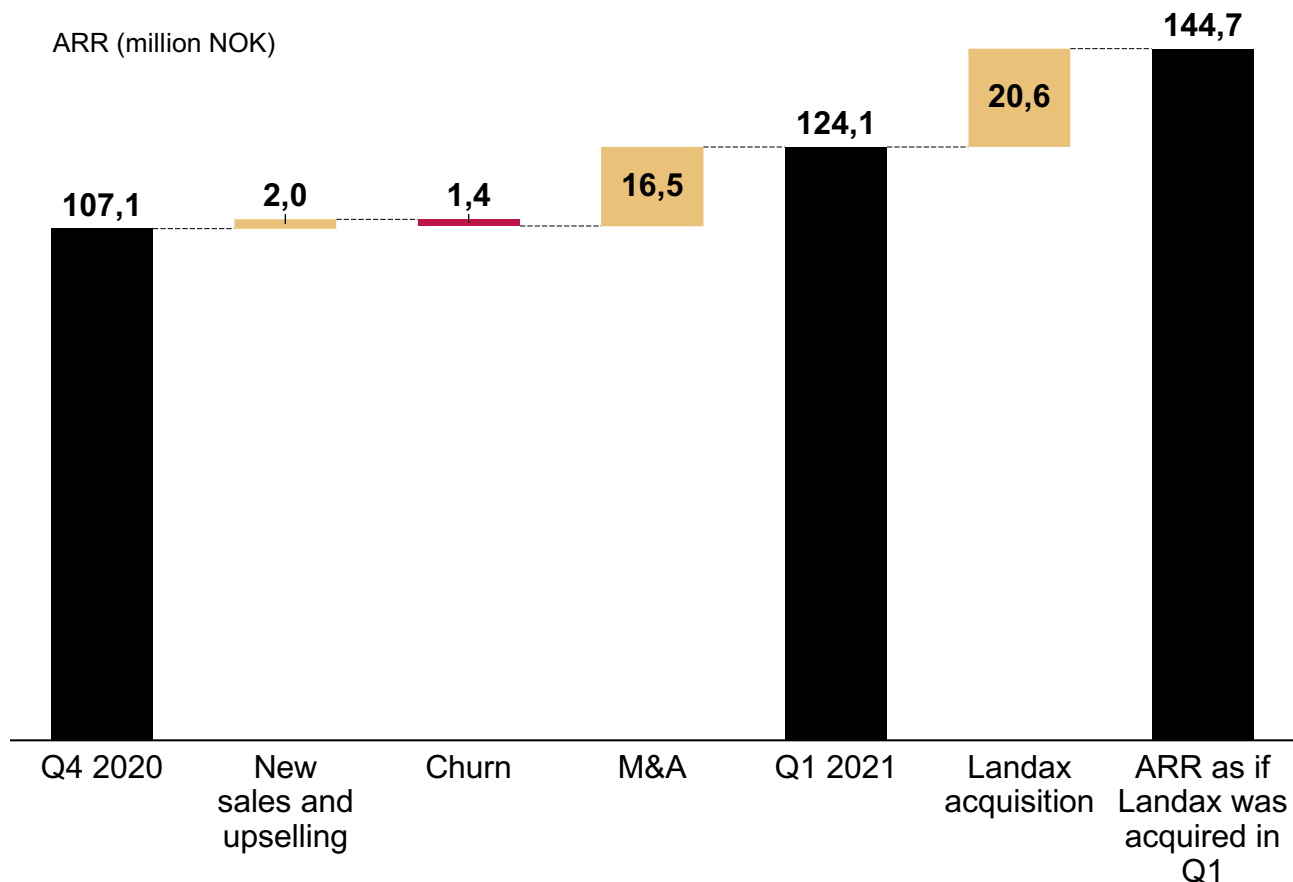


Acquisition of Facilit closed in Q1, bringing additional NOK 16.5 million of ARR

Successful listing on Euronext Growth – raising NOK 250 million

Acquisition of Landax in Q2, bringing ARR of NOK 21 million and 540 new customers

Execution of M&A strategy drives ARR growth

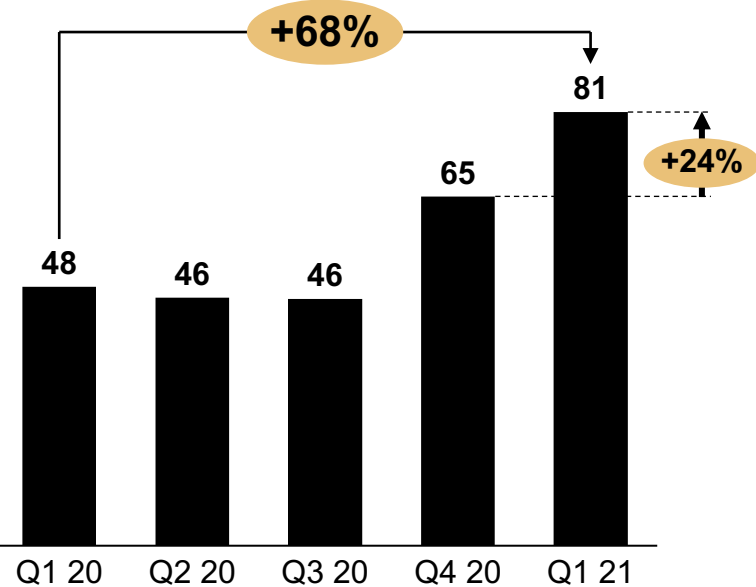


- ARR growth primarily driven by acquisition of Facilit in Q1
- Low Q1 churn of 1.3%
- New sales expected to ramp up in the second half of 2021, as newly hired sales personnel starts to deliver results
- Net retention rate 102%, negatively affected by reduced spending of NOK 1.5 million by one specific customer in Sweden
- Note that Q4 2020 ARR has been corrected downwards to NOK 104.4 million
- Agreed to acquire Landax, with closing in Q2, adding NOK 20.6 million to ARR (March 2021)

Significant ARR and customer growth by segment

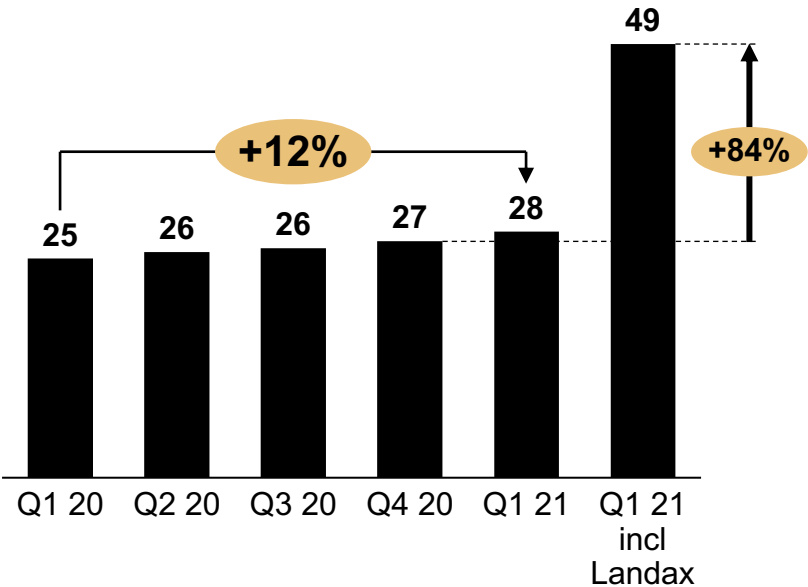
Successful M&A execution combined with low churn

Real Estate Management
(ARR mNOK)



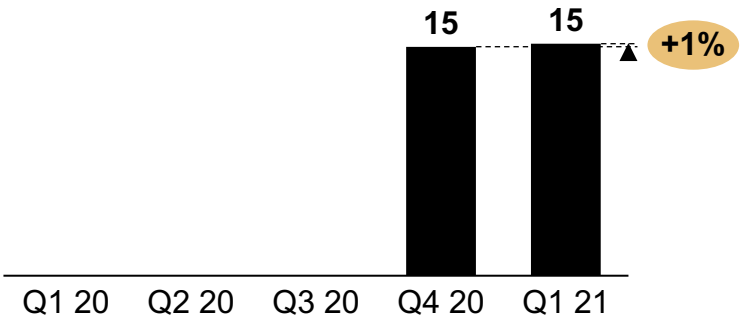
- Growth reflecting acquisitions made in 2020 and 2021, as well as strong development in new sale and upsell

Industrial Maintenance & Quality Control
(ARR mNOK)



- Q1 growth driven by new sale and upselling, as well as continued low churn (1.7%).
- Landax acquisition in Q2 adds 540 customers and ARR of NOK 20.6

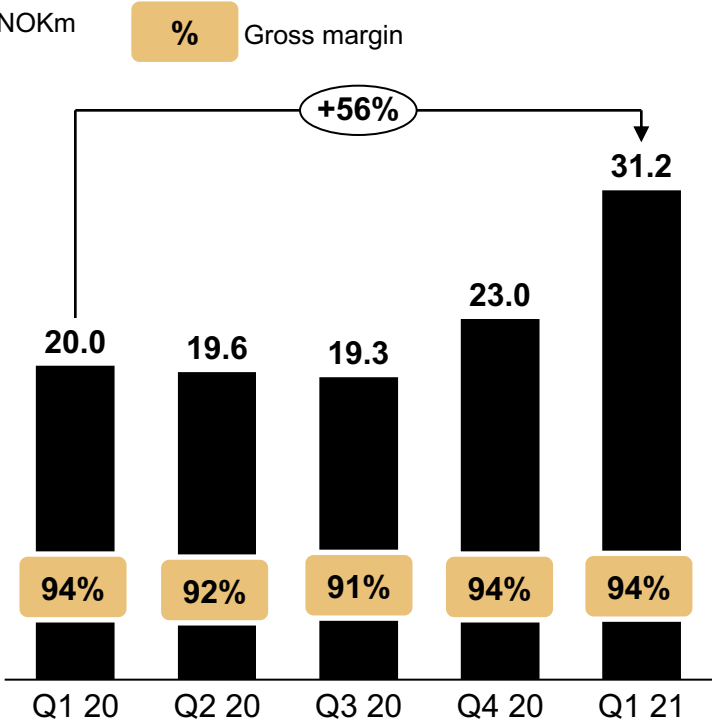
Energy & Sustainability Management
(ARR mNOK)



- New segment as of Q4 2020 as a result of acquisition. Growth in Q1 driven by upselling to existing customers.
- New sales resources under training, expected to enhance new sales in H2 2021

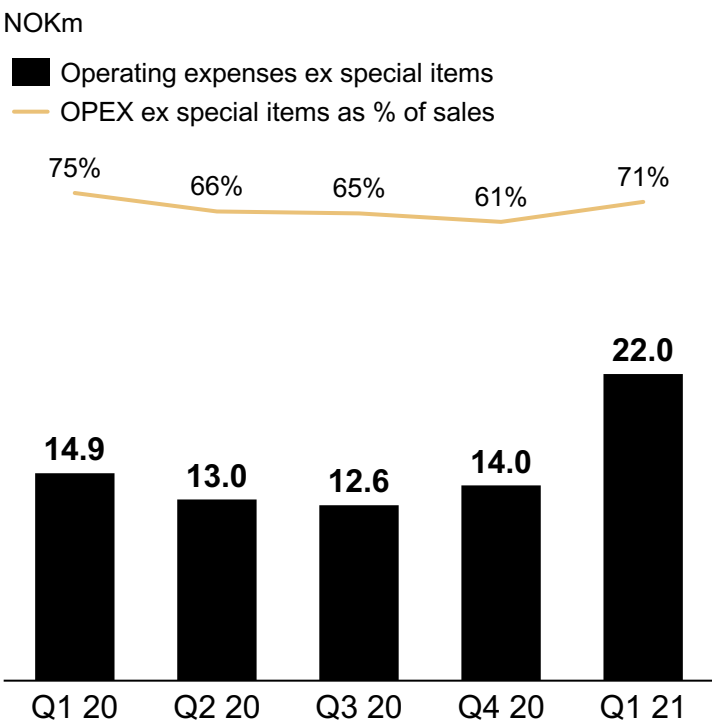
Strong revenue growth and sustained high gross margin

Revenue and gross profit



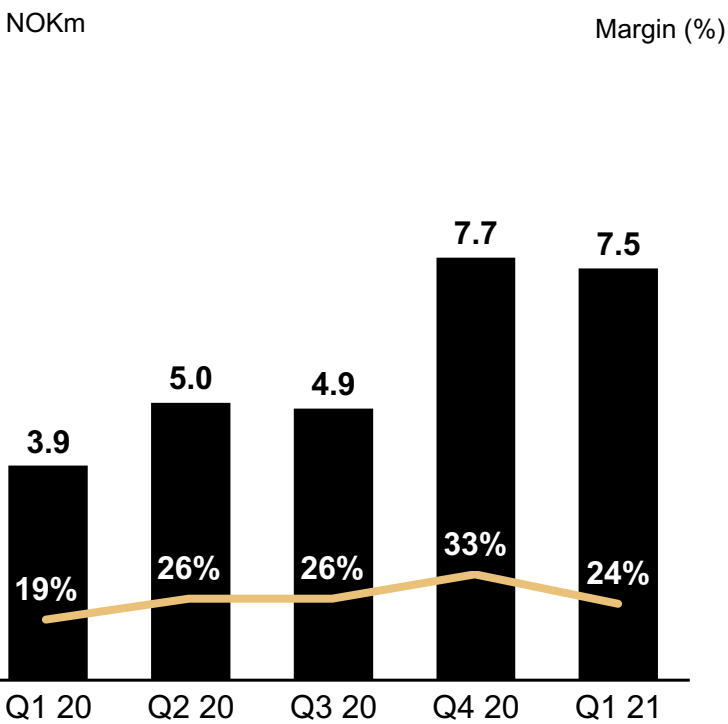
- The revenue growth was primarily driven by acquisitions of MainManager, Entro IT and Facilit. The group's organic revenue growth was 1.2%

Adjusted OPEX



- Substantial untapped scale potential in OPEX base as ARR grow rapidly and cost synergies are extracted from recent and planned acquisitions

Adjusted EBITDA



- Strong development in EBITDA. Increase of 92% compared to the same quarter in 2020.
- Q1 21 margin lower than Q4 20 as a result of increased headcount related to sales and M&A

Profit and loss statement

P&L Q1 2020 vs Q1 2021

	Q1 20	Q4 20	Q1 21	FY20
Recurring revenue	17 984	18 631	27 325	71 395
Non-recurring revenue	2 022	4 387	3 882	10 530
Total revenue	20 006	23 017	31 207	81 925
COGS	-1 180	-1 306	-1 722	-5 900
Gross profit	18 826	21 712	29 485	76 025
Total Opex	-14 931	-14 042	-22 006	-54 500
Adjusted EBITDA	3 895	7 670	7 479	21 525
Special items		3 652	15 703	3 652
EBITDA	3 895	4 018	-8 224	17 872
Depreciation and amortisation	-4 807	-5 798	-9 142	-21 271
Reported EBIT	-912	-1 780	-17 366	-3 399
Net financial income	-507	-1 684	5 921	-2 683
Reported EBT	-1 418	-3 465	-11 445	-6 081
Tax	421	422	2 747	1 685
Net income	-997	-3 043	-8 698	-4 396
Gross margin	94 %	94 %	94 %	93 %
Adjusted EBITDA margin	19 %	33 %	24 %	26 %

- Operating revenue growth in Q1 2021 compared to Q1 2020 driven by acquisitions and organic growth of +1.2%
- Adjusted EBITDA +92%
- Special items of NOK 15.7 million is related to the capital raise and IPO
- Increased Depreciations & amortizations reflecting increased activity in the group and the acquisitions
- Positive Net financial income as a result of a NOK 9.2 million currency gain related to SEK denominated interest bearing debt
- Tax calculated as 24% of reported EBT

Successful capital raise and listing on Euronext Growth

Providing solid platform for execution of growth strategy

Listed on Euronext Growth (Oslo) on 29 March 2021

- Capital raise of NOK 250 million, securing capacity to execute on M&A strategy
- Attracted competent, international cornerstone investors
- 165 shareholders in total

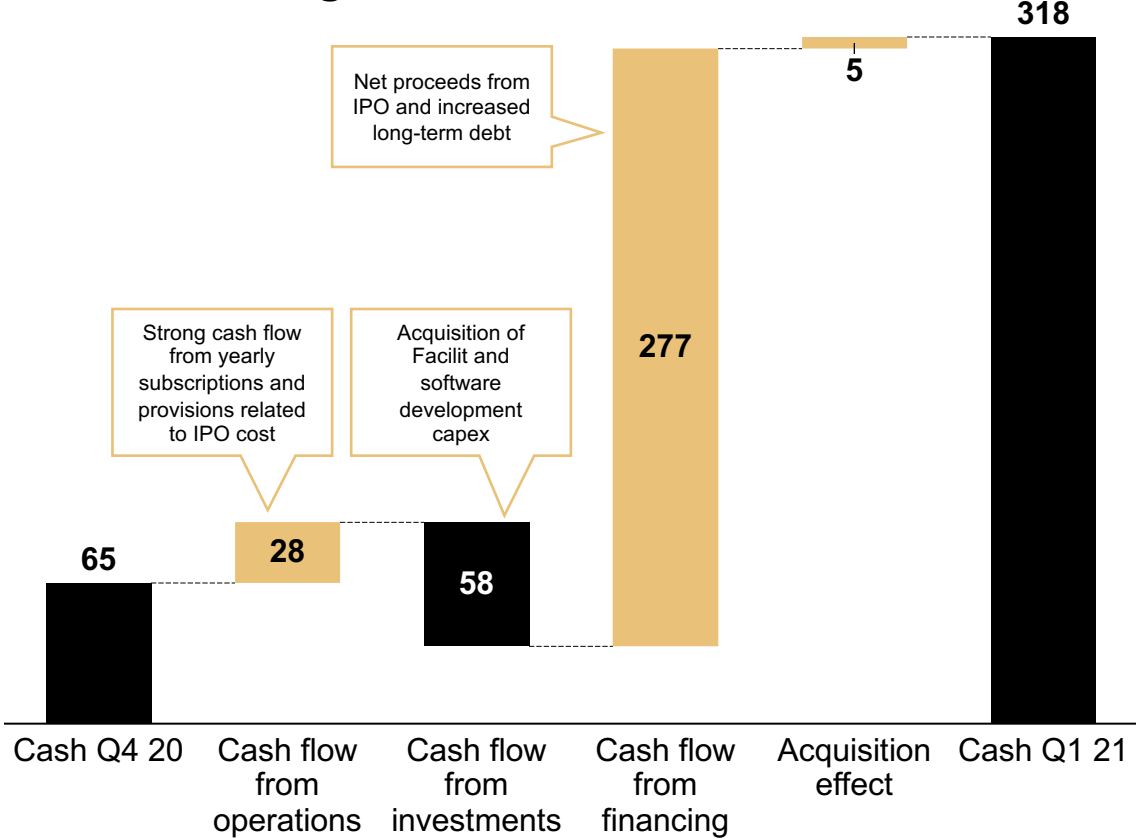
Emphasis on transparency and active approach to investor relations

- Quarterly reporting with webcast presentation
 - Q2 2021 report 3 September 2021
- Research coverage
 - ABG Sundal Collier

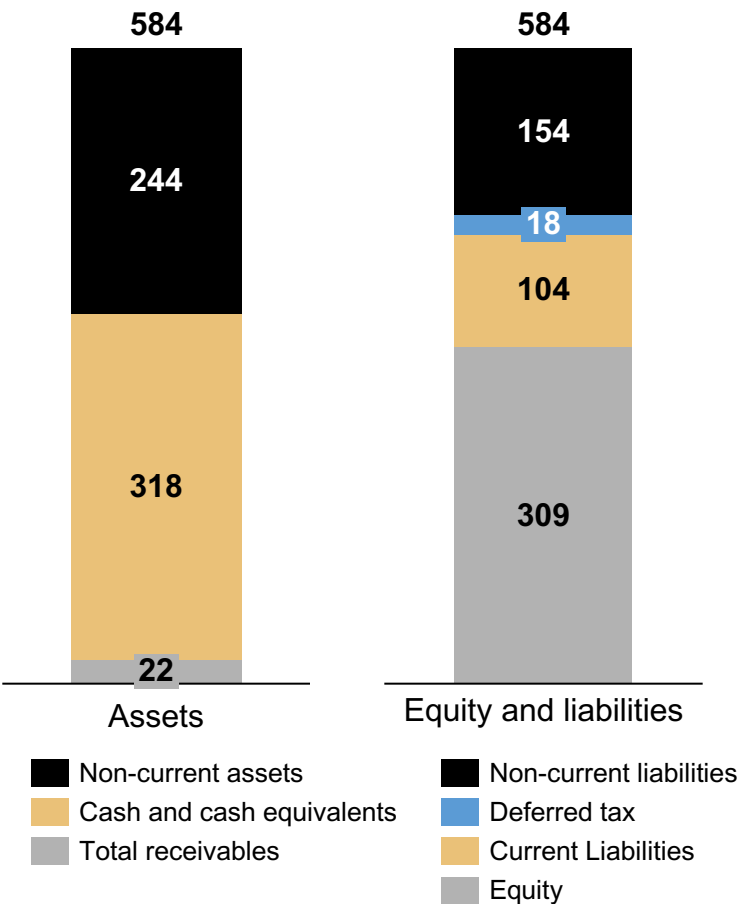
Strong cash flow and balance sheet

Solid operational cash flow, proceeds from capital raise provides M&A fire power

Cash flow bridge



Strong cash position after capital raise



Facilit acquired in Q1 2021

Bringing total number of acquisitions last 3 years to 7



- Leading Norwegian developer of Facility Management software
- The software is 100% web-based, business-critical and user-friendly manifesting in negligible churn
- Highly scalable with recurring software licenses model
- ~NOK 16,5m in ARR, end of Q1 2021
- 80% of the customers are in the public sector, resulting in low counterparty and license termination risk

Signed agreement to acquire Landax

Bringing the total number of customers close to 1.800



- The leading Nordic provider of Quality Management solutions, with a broad range of functionality including internal control, HSE and HR
- Currently serving 543 customers with 72,000 users across many industries
- Web-based and modularized all-in-one concept with recurring licencing model
- ~NOK 18.6m in ARR, year-end 2020 – 20.6m in ARR at end of Q1 2021
- Positioned as a best-of-breed solution with low entrance costs for customer

An aerial photograph of a city, likely Oslo, Norway, showing a dense urban landscape with numerous multi-story apartment buildings. The city is situated along a large body of water, with a prominent mountain in the background. A diagonal line divides the image, with the text 'Summary and outlook' overlaid on the right side.

Summary and outlook

Continue to grow through demonstrated model

Changing to pure SaaS model, upselling, price increases and cross-sales

1. Acquire

Opportunistically acquire attractive targets in core/adjacent markets, both for new technology and customers

- ✓ Proven M&A track record, through 8 successful acquisitions, of which 5 were completed since 2020
- ✓ Standardized implementation template to integrate acquired companies and achieve maximum value

2. Upsell & increase prices

Increase value of customer base by upselling more functionality and increasing prices

- ✓ Ørn with a highly proficient customer success division, keeping churn low, upselling and enabling price increases
- ✓ Long track record of successfully upselling and increasing prices, with very low churn in response

3. Cross-sell

Offer acquired technology to rest of customer base, and other products to acquired customers

- ✓ A one-stop-shop, Ørn can offer customers solutions for their full workflow, enabling cross-selling of products
- ✓ Scalable platform allowing more products to easily be developed and integrated

High-level financial and strategic targets for 2025

Revenue growth <i>(Organic)</i>	ARR of NOK 300m
Long-term profitability	EBITDA margin >40%
Market recognition	Dominant European player

Well positioned for growth going forward

- 1 Complementary best-of-breed software solutions
- 2 Large and underpenetrated target market
- 3 SaaS business model with strong upselling and cross-selling potential
- 4 Proven ability to grow delivering strong SaaS-metrics and strong balance sheet
- 5 Scalable platform positioned for growth driven by organic initiatives and M&A





Ørn
Software



Appendix

Alternative performance measures

Alternative performance measures (“APM”) are used by the Group to provide a better understanding of the Group's underlying financial performance for the period. Annual recurring revenue (ARR) and adjusted EBITDA is also used by Management to drive performance in terms of target setting.

Each of the following APMs have been defined by the Group as follows:

- Adjusted EBITDA is defined as EBITDA adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, restructuring costs and rebranding, as well as other material effects of a special nature.
- Annual recurring revenue is defined as at each point in time the annual value of contracted license revenue, that are considered recurring by nature, although the contract includes termination clauses that enable the customers, with a certain notification period, to terminate the customer agreement.
- Net Retention is the overall impact on the revenue generation from your existing customers.
- Churn rate is the rate at which your existing customers quit using your product in a given time period.

Adjusted EBITDA – Special Items:

The company has defined certain operating cost items as special items, which combined had a negative effect of NOK 15.7 million in the first quarter 2021. NOK 6.9 million regarding salaries and mainly reflect change in employer's contribution to the option scheme bonuses and bonuses related to acquisition. NOK 8.8 million regarding other operating cost, and are related to IPO fees for commercial, financial and legal support. Similar items affected salaries and operating costs negatively by NOK 3.6 million in the last quarter of 2020. There were no similar items affected first quarter 2020.