



# Ørn Software Holding Q2 2021 presentation

September 3, 2021

# 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 September 3, 2021. 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, 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

---

## Q2 highlights

- ARR 145.5 NOKm at the end of Q2, +103% growth since Q2 2020
- Q2 2021 revenue 37.8 NOKm, +93% Y/Y
- Q2 2021 adjusted EBITDA margin 22,4%, 25,6% in Q2 2020
- Acquisition of Landax closed in Q2, ARR +21,2 NOKm and 543 new customers
- Focus on integration of acquired companies and building sales capacity to accelerate new sales and cross-sales

### **Subsequent events:**

Acquisition of Rapal signed in June 2021 (closed in July), bringing additional ARR 58,9 NOKm (new total ARR 205 NOKm) and 250 new customers

Pareto Securities has picked up research coverage

# The Big Picture



## 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

**140m**

---



**INDUSTRIAL  
MAINTENANCE AND  
QUALITY CONTROL**

---

ARR NOK

**50m**

---



**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

# A strong Nordic presence

EMPLOYEES

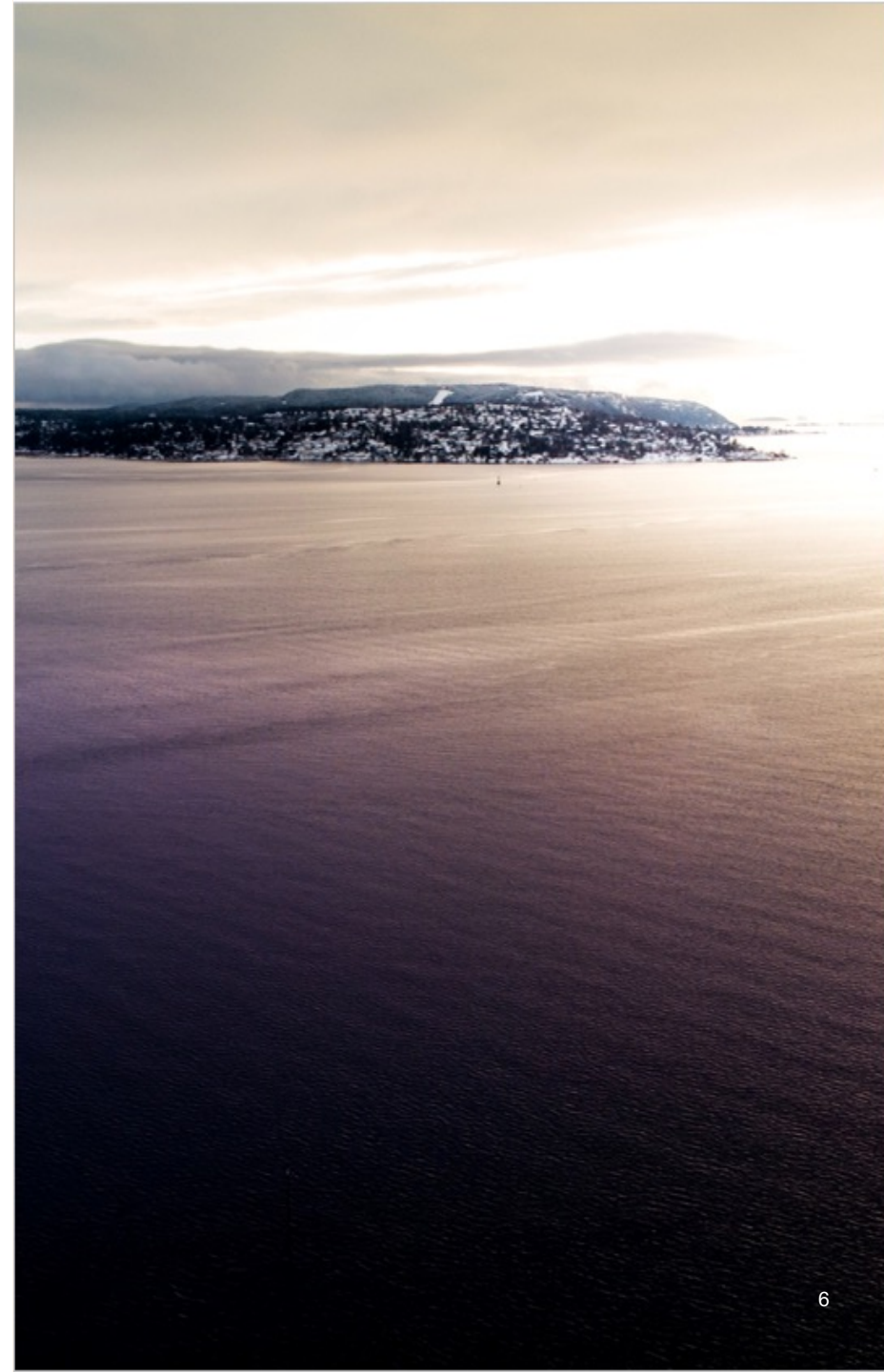
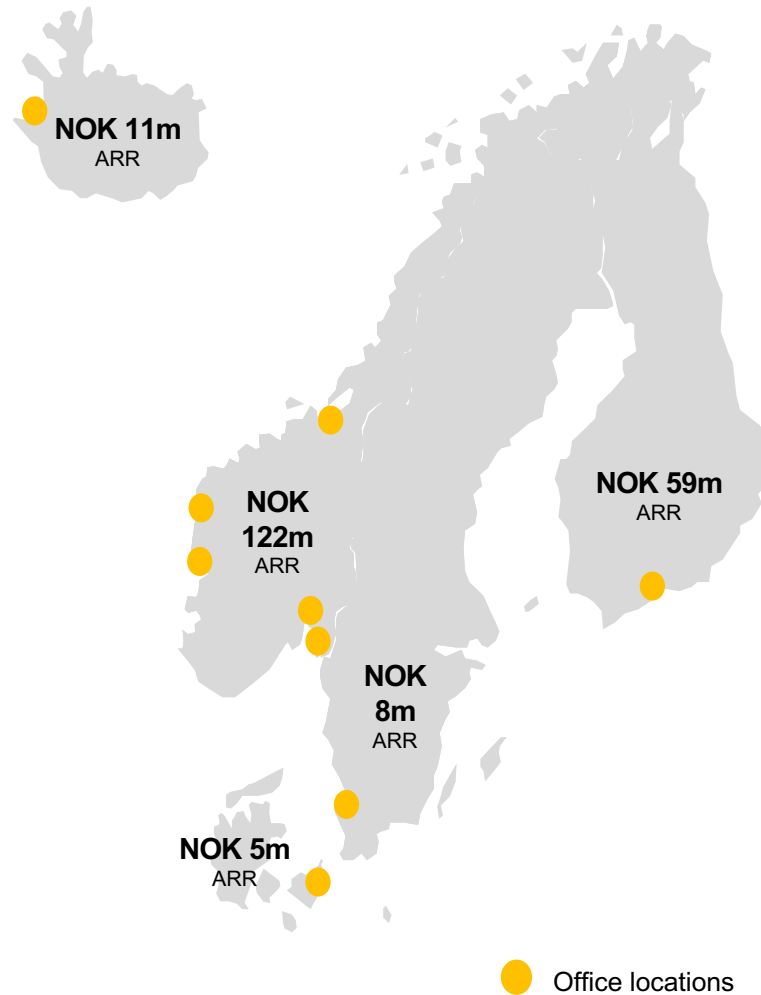
175

CUSTOMERS

2,000

DAILY USERS

280,000



# Complementary best-of-breed 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

# Large reputable Nordic customer base

## Real Estate Management



# of customers

NOK ARR

690

140m

## Industrial Maintenance & Quality Control



# of customers

NOK ARR

850

50m

## Energy & Sustainability Management



# of customers

NOK ARR

456

15m

Total key figures:

Churn Y/Y2021<sup>1</sup>

# of customers

# of buildings

# of users

# of apartments

4%

~ 2,000

~100,000

~280,000

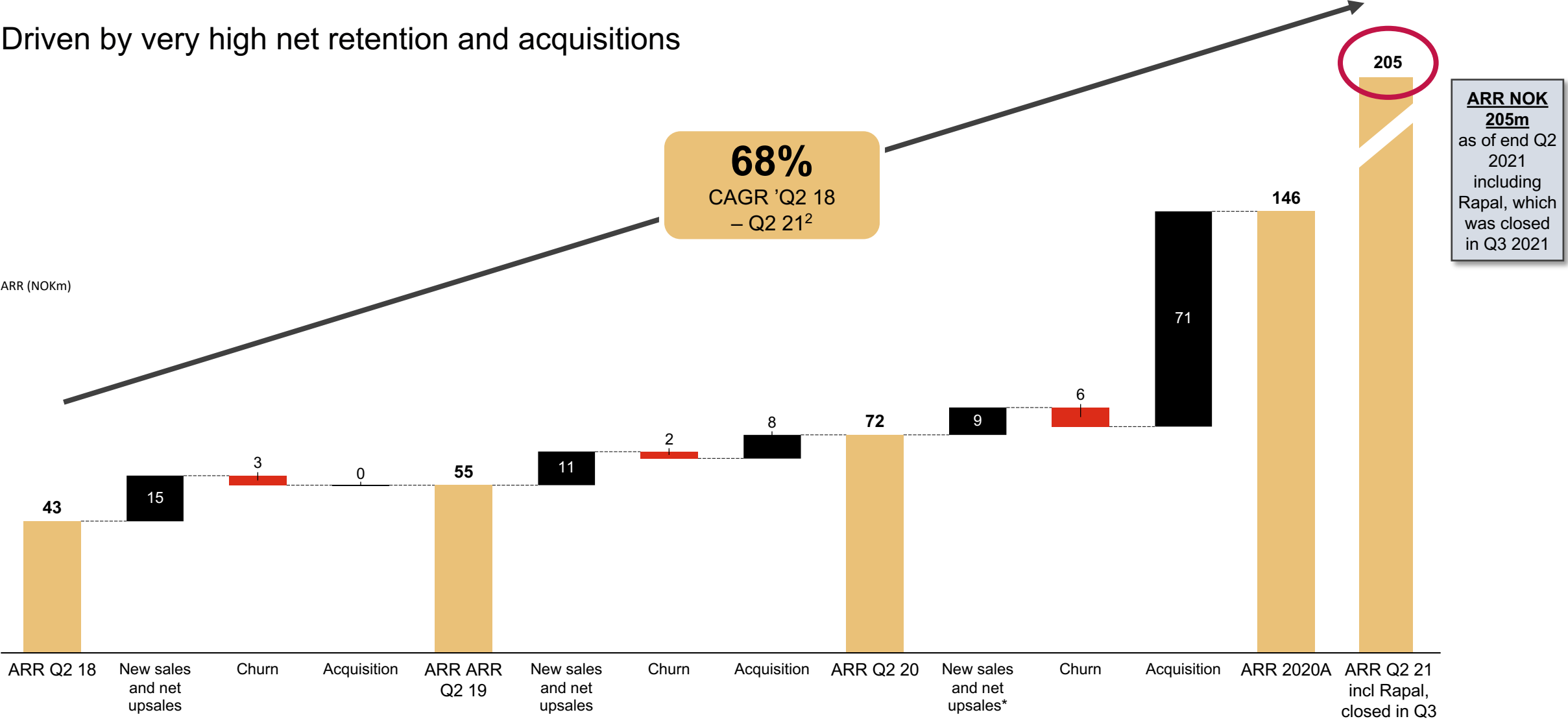
~38,000

1) Adjusted for the shortfall of one specific Swedish customer, that was known before acquisition of Avector in January 2020



# Strong and consistent long-term ARR growth

Driven by very high net retention and acquisitions



\*) Including negative adjustment of NOK 2.7 million at year-end 2020  
 1) Net upsales include upsales, price increases and contraction  
 2) ARR CAGR Q2 18-Q2 21, including acquisition of Rapal, which was closed in July 2021

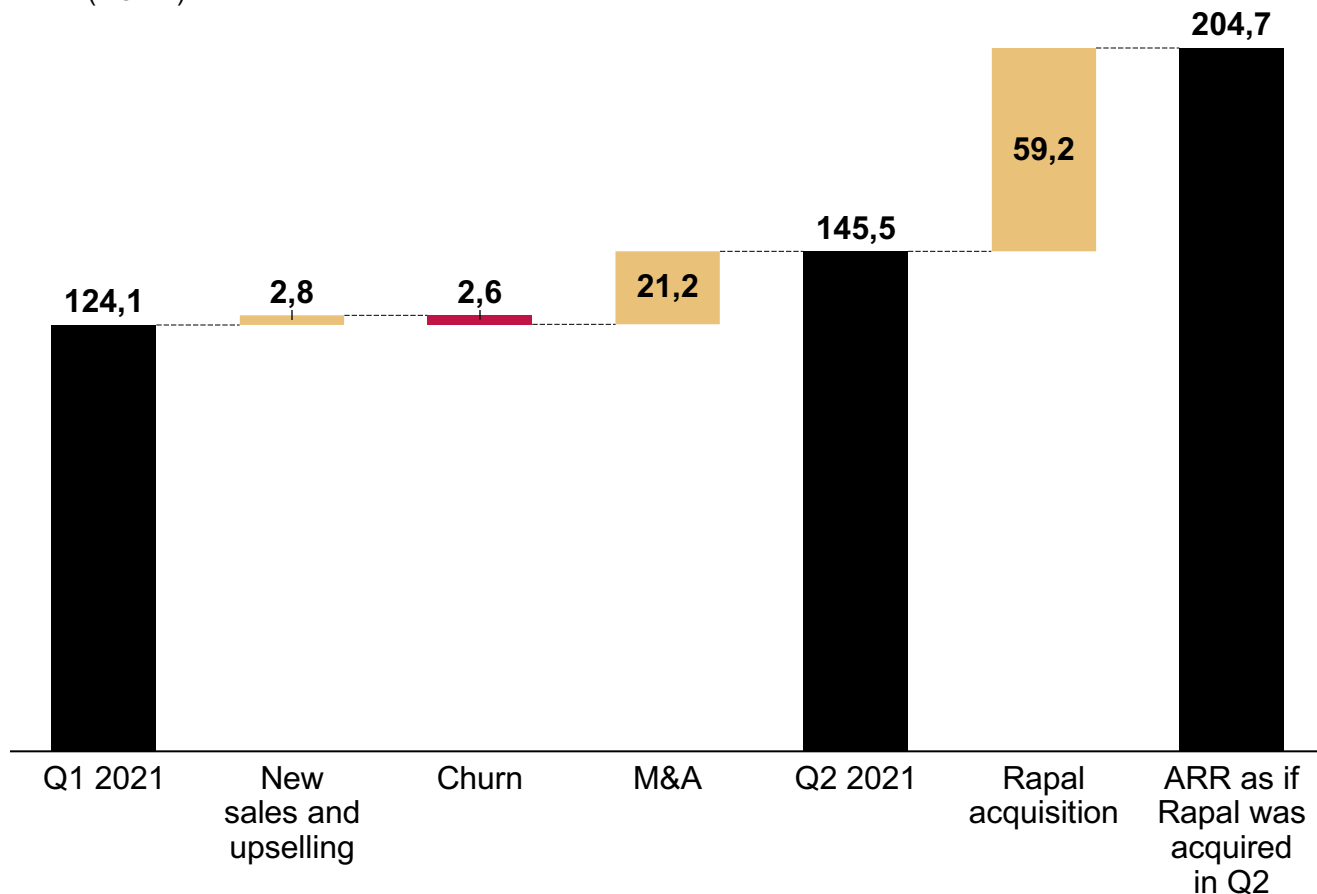


# Q2

highlights

# Execution of M&A strategy drives ARR growth

ARR (NOKm)

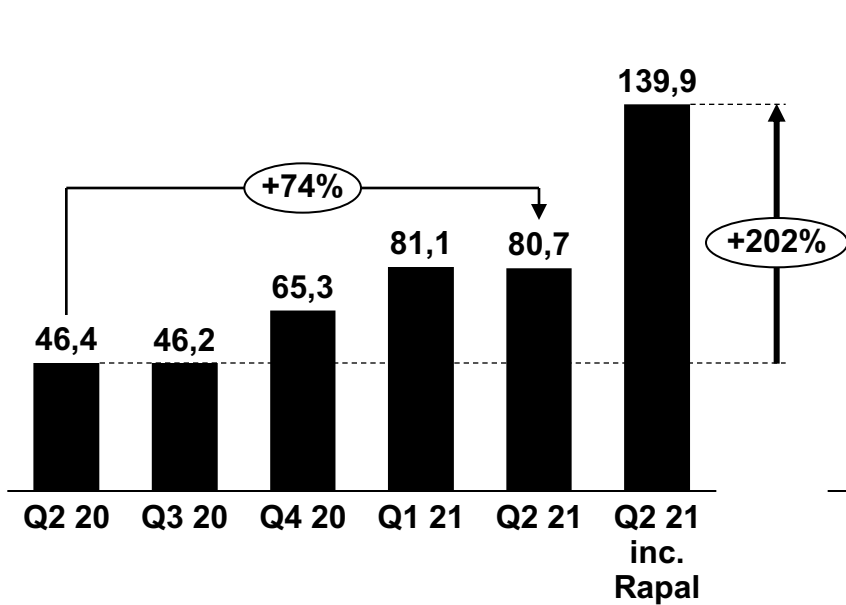


- ARR growth primarily driven by acquisition of Landax in Q2
- Q2 churn of 2.1%, negatively affected by with NOK 1.5 million by one specific customer in Sweden that churned, as expected (0.8% adj. churn)
- New sales expected to ramp up in the second half of 2021, as newly hired sales personnel starts to deliver results
- The net retention rate was 98.5 percent in Q2, compared to 96.1 percent in Q2 2020
- The acquisition of Rapal, with closing in Q3, adding NOK 59.2 million to ARR (July 2021)

# Significant ARR and customer growth by segment

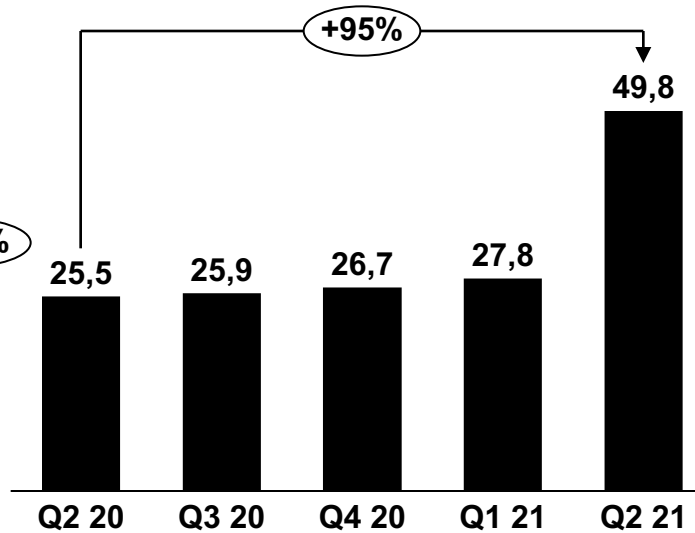
Successful M&A execution combined with low churn

Real Estate Management  
(ARR NOKm)



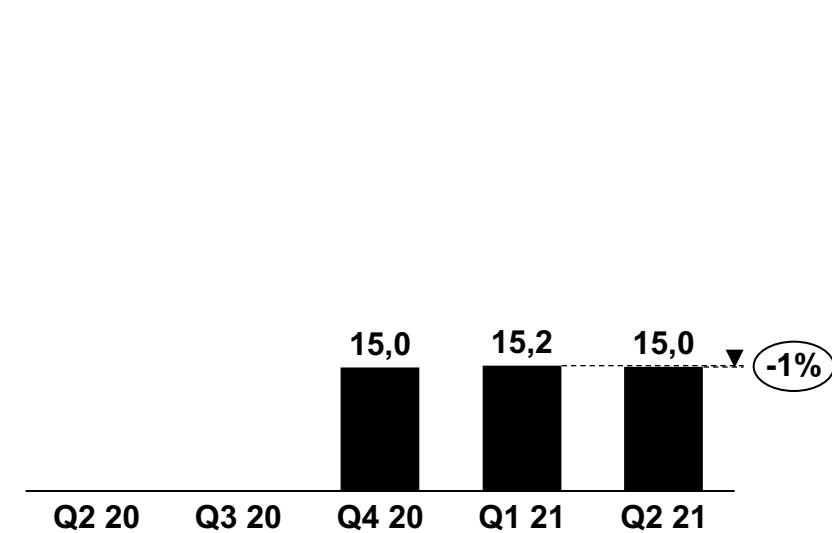
- Growth reflecting acquisitions made in Q4-20 and Q1-21, as well as development in new sale and upsell

Industrial Maintenance & Quality Control  
(ARR NOKm)



- Q2 growth driven by new sale and upselling, as well as continued low churn (2.1%).
- Landax acquisition in Q2 adds 543 customers and ARR of NOK 21.2 million

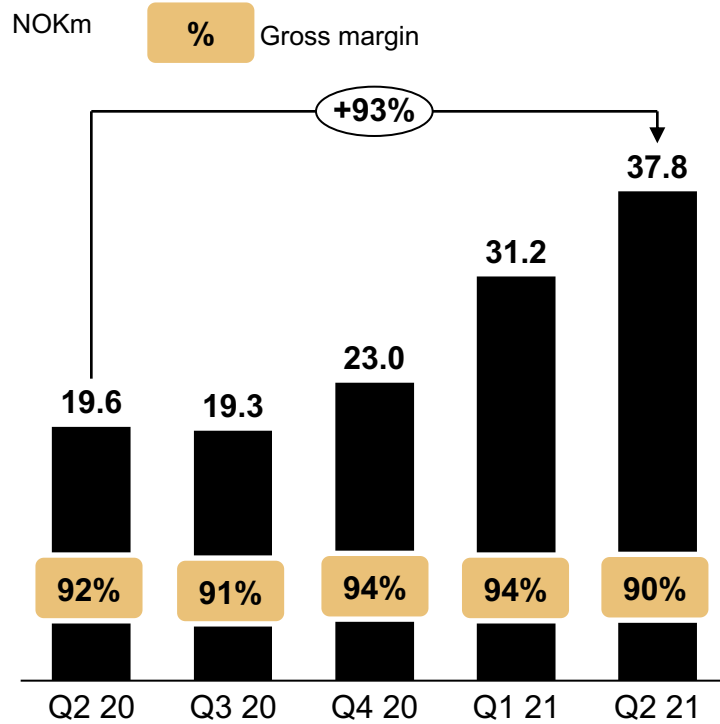
Energy & Sustainability Management  
(ARR NOKm)



- New segment as of Q4 2020 as a result of acquisition. Reduction in Q2 driven by down selling on existing customers.
- New sales resources under training, expected to enhance new sales in H2 2021

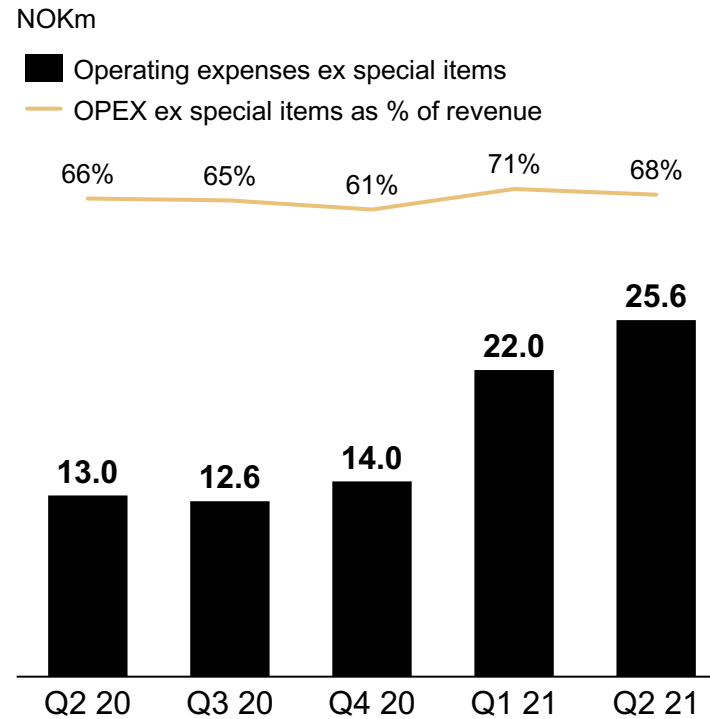
# Strong revenue growth and sustained high gross margin

## Revenue and gross profit



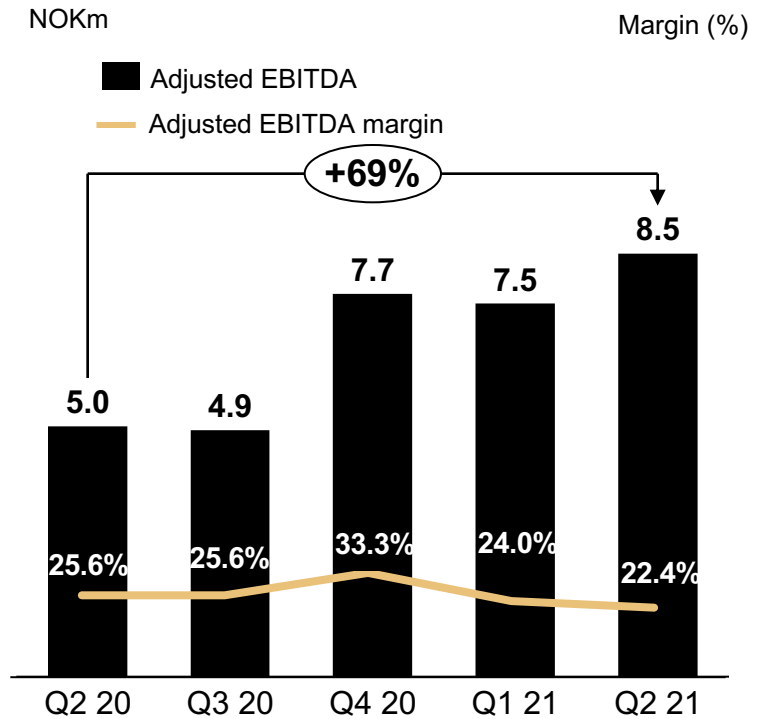
- The revenue growth was primarily driven by acquisitions of MainManager, Entro IT, Facilit and Landax. The group's organic revenue growth was 12% in Q2 Y/Y

## 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 69% compared to the same quarter in 2020.
- Q2 21 margin slightly down as a result of increased headcount related to sales and M&A

# Profit and loss statement

## P&L Q2 2021 vs Q2 2020

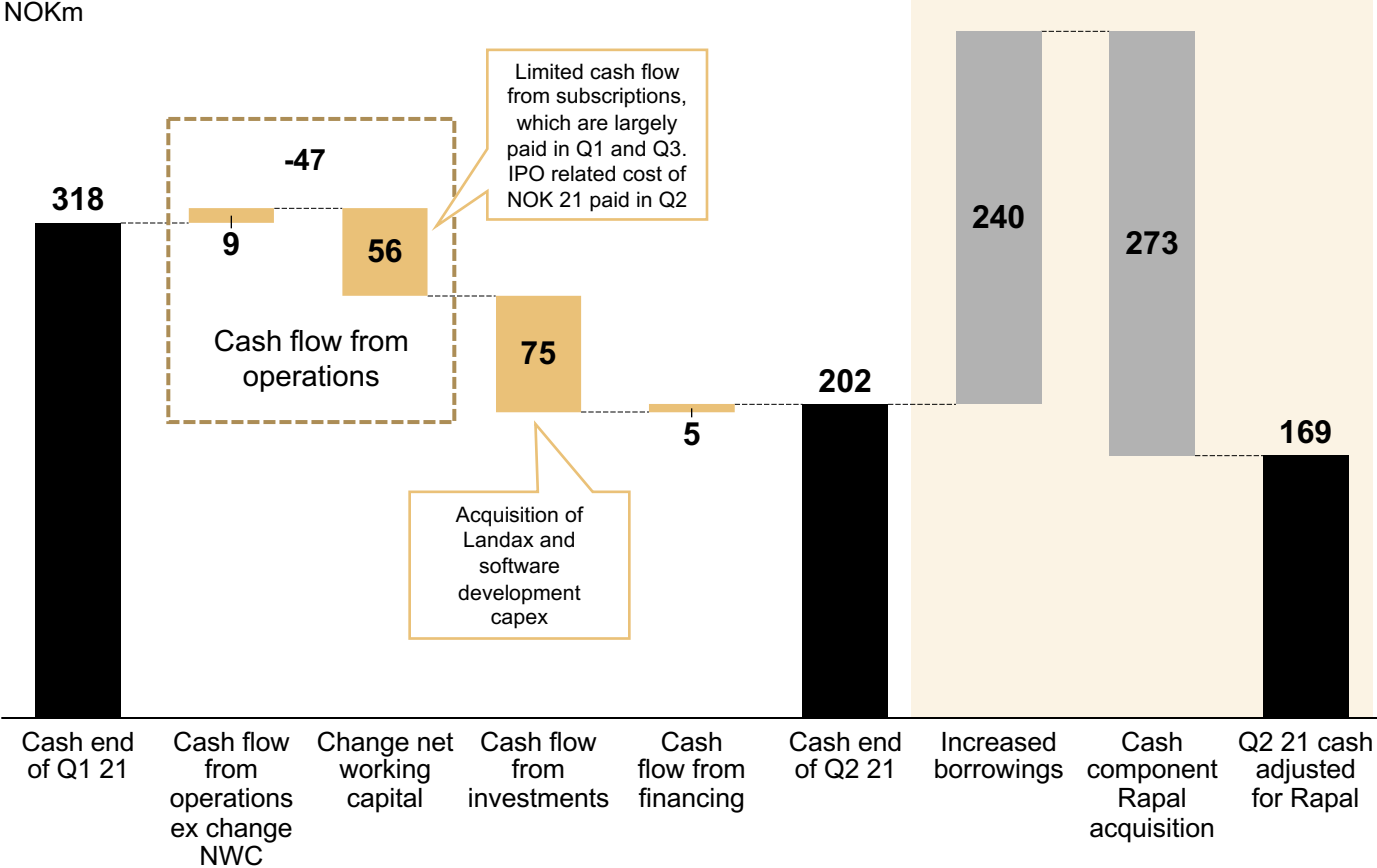
NOKm	Q2 21	Q2 20	FY20
Recurring revenue	32 330	17 623	71 414
Non-recurring revenue	5 443	1 978	10 531
<b>Total revenue</b>	<b>37 773</b>	<b>19 601</b>	<b>81 945</b>
COGS	-3 684	-1 621	-5 900
Gross profit	34 089	17 980	76 045
Total Opex	-27 482	-12 956	-58 153
<b>EBITDA</b>	<b>6 608</b>	<b>5 023</b>	<b>17 892</b>
Special items	1 870		3 652
<b>Adjusted EBITDA</b>	<b>8 478</b>	<b>5 023</b>	<b>21 544</b>
Depreciation and amortisation	-11 912	-5 280	-20 925
<b>Reported EBIT</b>	<b>-5 305</b>	<b>-256</b>	<b>-3 033</b>
Net financial income	-8 422	-299	-2 855
Reported EBT	-13 727	-556	-5 888
Tax	3 295	421	1 685
<b>Net income</b>	<b>-10 433</b>	<b>-135</b>	<b>-4 203</b>
Gross margin	90 %	92 %	93 %
Adjusted EBITDA margin	22 %	26 %	26 %

- Operating revenue growth in Q2 2021 compared to Q2 2020 driven by acquisitions and organic growth of +11.5%
- Adjusted EBITDA +69%
- Special items of NOK 1.9 million is related to the capital raise and IPO
- Increased Depreciations & amortizations reflecting increased activity in the group and the acquisitions
- Negative Net financial income as a result of a NOK 4.7 million currency loss related to SEK denominated interest-bearing debt, and NOK 3.5 million in interest expense
- Tax calculated as 24% of reported EBT

# Strong cash flow and balance sheet

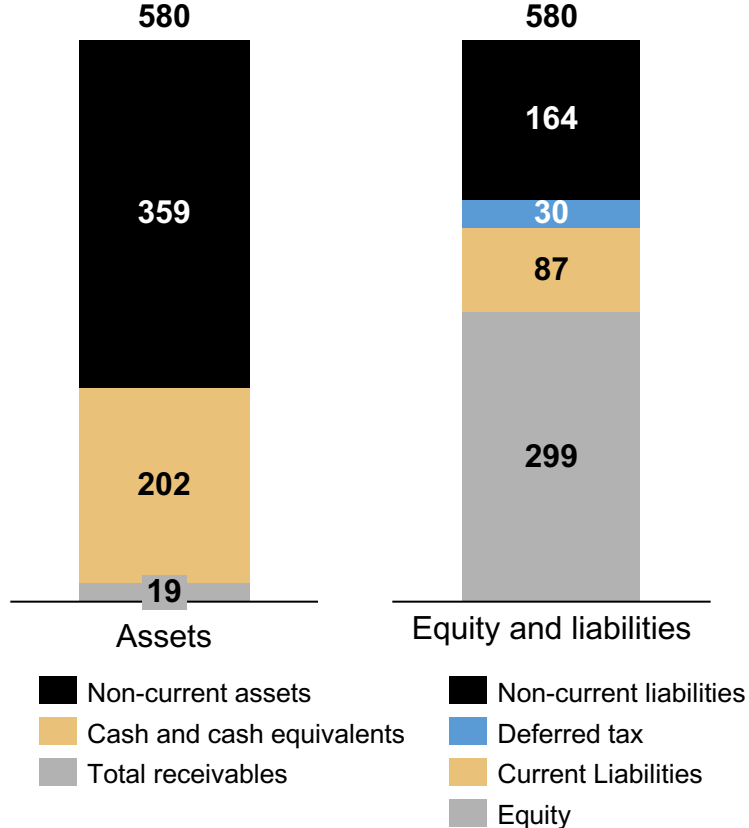
Q2 operating cash flow seasonally low, proceeds from capital raise in Q1 2021 provides M&A fire power

## Cash flow bridge



## Strong cash position after capital raise

As at 30 June 2021  
NOKm



# Continued M&A execution

Landax and Rapal bring total number of acquisitions last 18 months to 6



- 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 – 21.7m in ARR at end of Q2 2021
- Positioned as a best-of-breed solution with low entrance costs for customer

Closed in June 2021



- First entry into the Finnish market
- Leading Finnish Real Estate Software-as-a-Service company
- Focused on occupancy analytics, space management and smart office solutions
- HQ in Espoo Finland, 70 employees
- ~250 customers
- NOK 59m in ARR, end of Q2 2021
- Highly complimentary offering to Ørn's existing Real Estate platform

Signed in June and closed in July 2021



# 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 10 successful acquisitions, of which 7 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

# Updated high-level financial targets for 2025

---

<b>Revenue growth</b> <i>(Organic)</i>	<b>ARR of NOK 430m</b>
<b>Long-term profitability</b>	<b>EBITDA margin &gt;40%</b>
<b>Market recognition</b>	<b>Dominant European player</b>

---

