

# A challenged world needs digitalization

2023 Q4 & FY  
INVESTOR & ANALYST PRESENTATION

28 FEBRUARY 2024





PRESENTERS



CEO  
Jørn Larsen

Year of joining	1996
Year of birth	1966
Nationality	Danish
Educational background	Mechanical engineering degree – Civil engineering degree in Computer Science – University of Aalborg
Professional background	Serial entrepreneur in the Nordic technology sector with co-foundation of >50 start-ups  From 1996: Founder and CEO of Trifork 1994-1995: Project Manager with Dator A/S 1984-1989: Technical Naval engineer with Maersk
Other directorships and executive roles	Member of the Board of Directors of ExSeed Ltd. (Labs company), Dawn Health A/S (Labs company) and &Money ApS (Labs company)
Trifork ownership	19.8%



CFO  
Kristian Wulf-Andersen

Year of joining	2007
Year of birth	1971
Nationality	Danish
Educational background	Bachelor in Economics – Aarhus Business School, Denmark
Professional background	1997-2007: Co-founder and CFO of the IT-infrastructure company Interprise Consulting A/S (acquired by Trifork)  1996-1999: IT consultant, trainer and management consultant at Siemens Nixdorf A/S / Siemens Business Services A/S  1989-2000: Officer at the Royal Danish Airforce
Other directorships and executive roles	None
Trifork ownership	1.2%

## DISCLAIMER · IMPORTANT INFORMATION

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This presentation contains forward-looking statements including, but not limited to, statements and expectations concerning expected or projected earnings, strategies, trends and developments. Forward-looking statements are statements (other than statements of historical fact) relating to future events and Trifork's expected, anticipated or planned financial and operational performance.

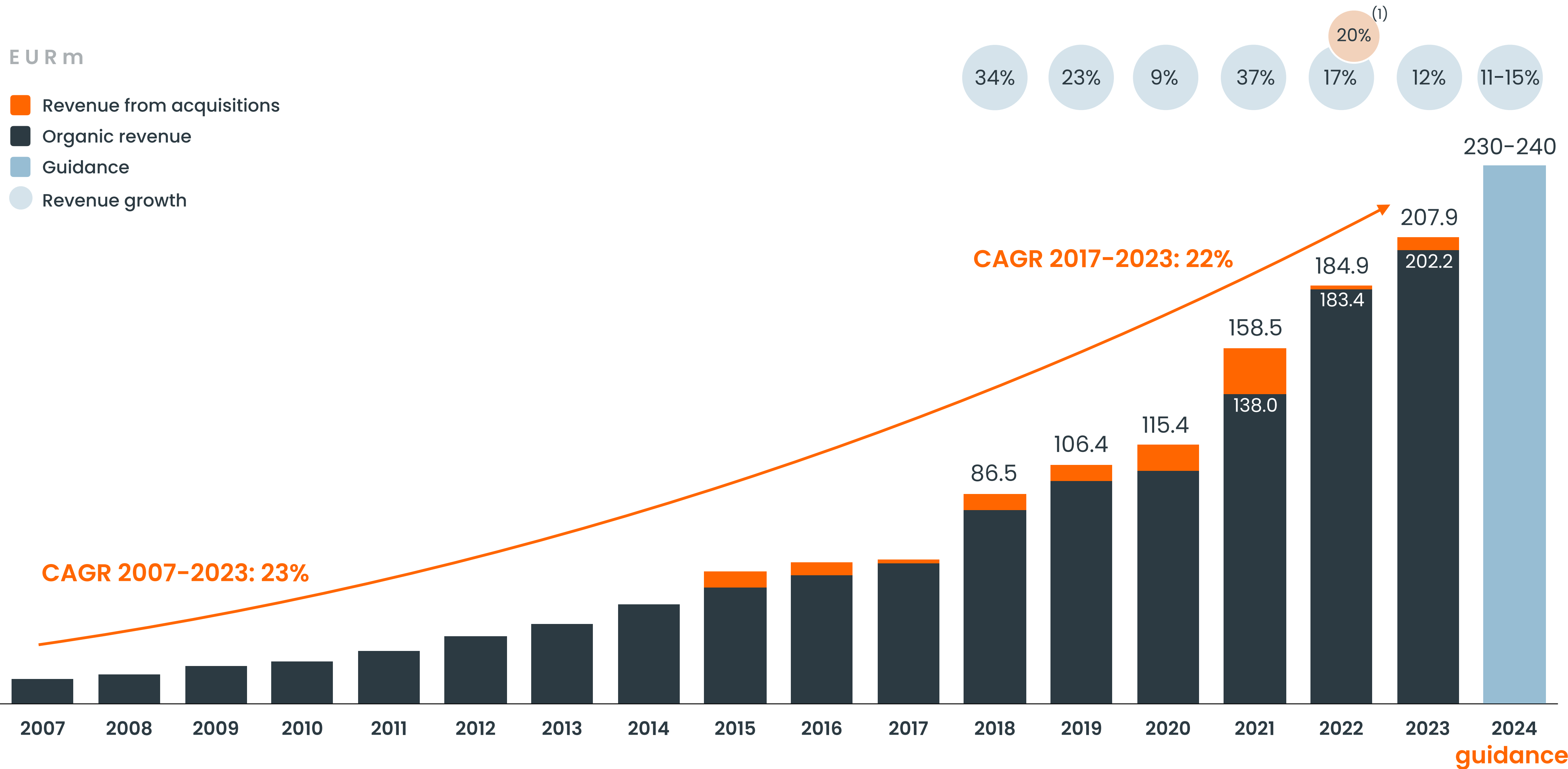
The words 'may', 'will', 'will continue', 'should', 'expect', 'foresee', 'anticipate', 'believe', 'estimate', 'plan', 'project', 'predict', 'intend', 'guidance' and 'outlook' or variations of these words, including negatives thereof, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made.

Trifork has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of Trifork.

Although Trifork believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Trifork in particular.

As a result, forward-looking statements should not be relied on as a prediction of actual results. Trifork undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

# Revenue growth of 12.4% in FY23 in a slower market

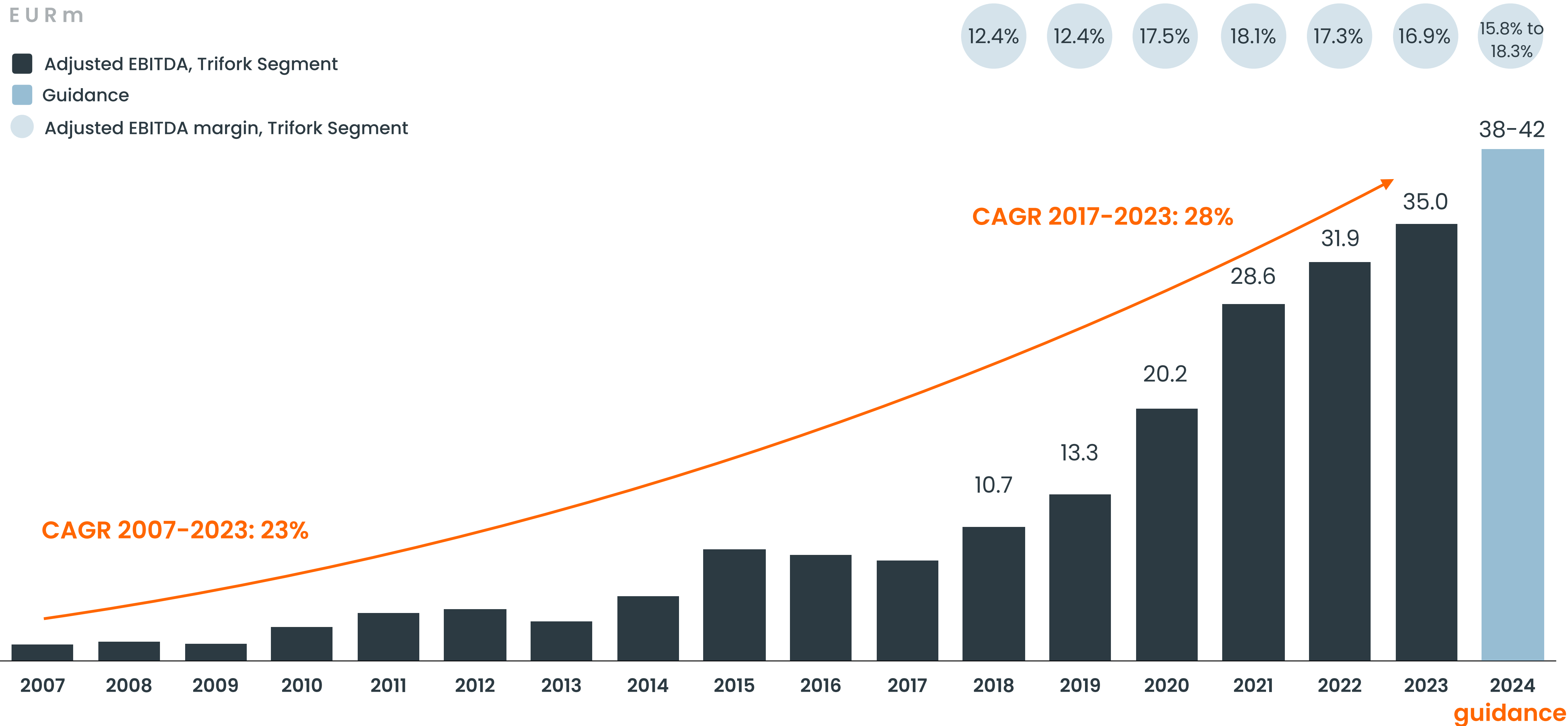




# 16.9% margin in FY 2023 due to investments in sales

EUR m

- Adjusted EBITDA, Trifork Segment
- Guidance
- Adjusted EBITDA margin, Trifork Segment



# 2024 guidance: Continued double-digit growth

	Trifork Group revenue	Trifork Segment adj. EBITDA	Trifork Group EBIT	Trifork Group NIBD/adj. EBITDA
Guidance 2024	<b>EURm 230–240</b> 10.6%–15.4% total growth <sup>1</sup> 9.7%–14.5% organic growth	<b>EURm 38–42</b> 15.8% – 18.3% margin	<b>EURm 21.5–25.5</b> 9.0% – 11.1% margin	No guidance
Mid-term target 3 YEARS ROLLING (UNCHANGED)	<b>15–25% annual growth</b> 10–15% organic growth	<b>Margin improvement</b>	<b>Margin improvement</b>	<b>Up to 1.5x</b> May temporarily exceed depending on M&A opportunities

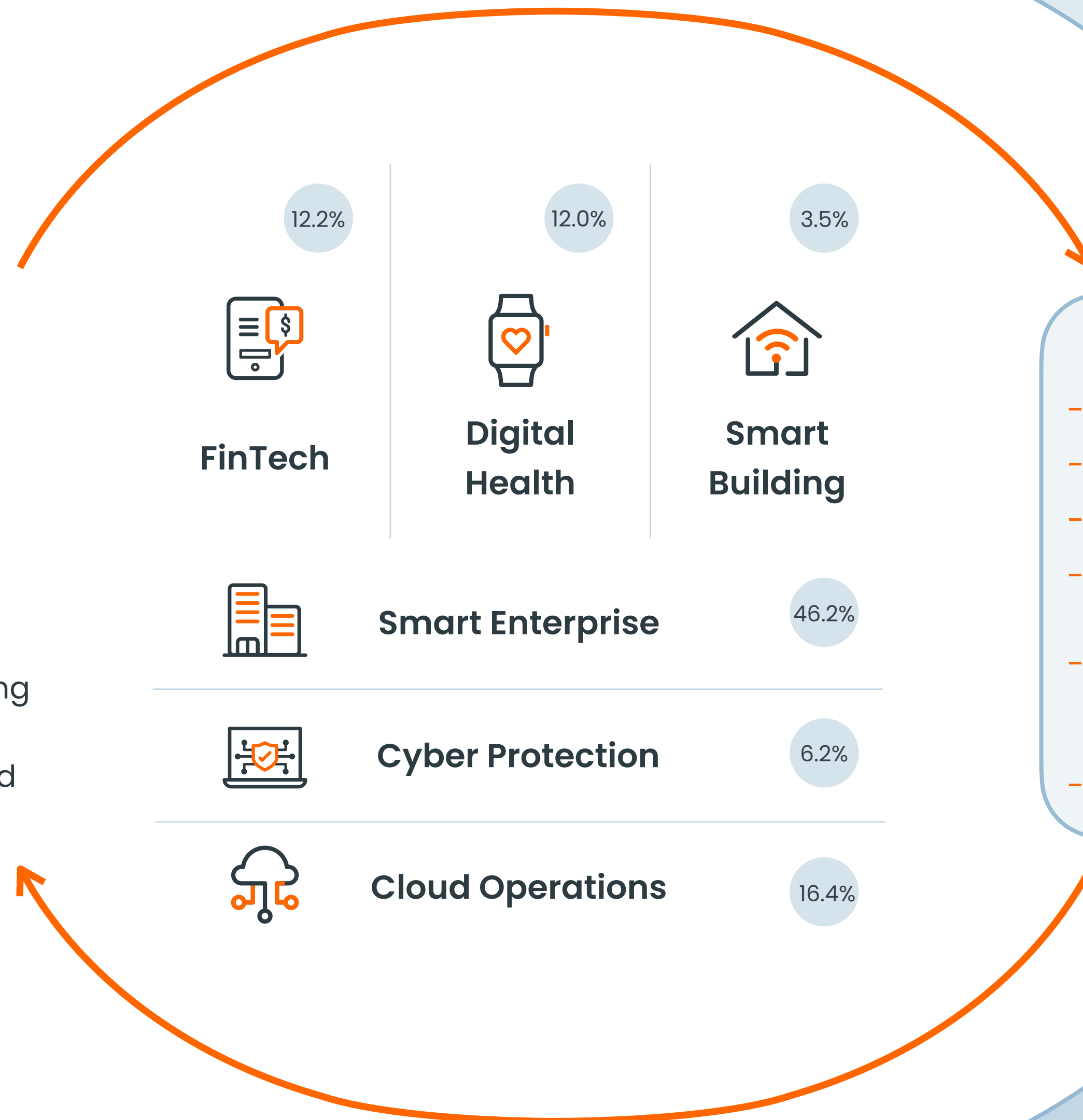
 (1) Inorganic revenue is currently expected to be approx. EURm 2 in 2024.



# Trifork Group in short

## Trifork segment

- Software solutions and services
- Majority ownership
- 72 individual business units
- 1,210 employees in 15 countries
- ~ 3/4 of sales from repeat & recurring customers
- Steady and profitable growth paired with acquisitions

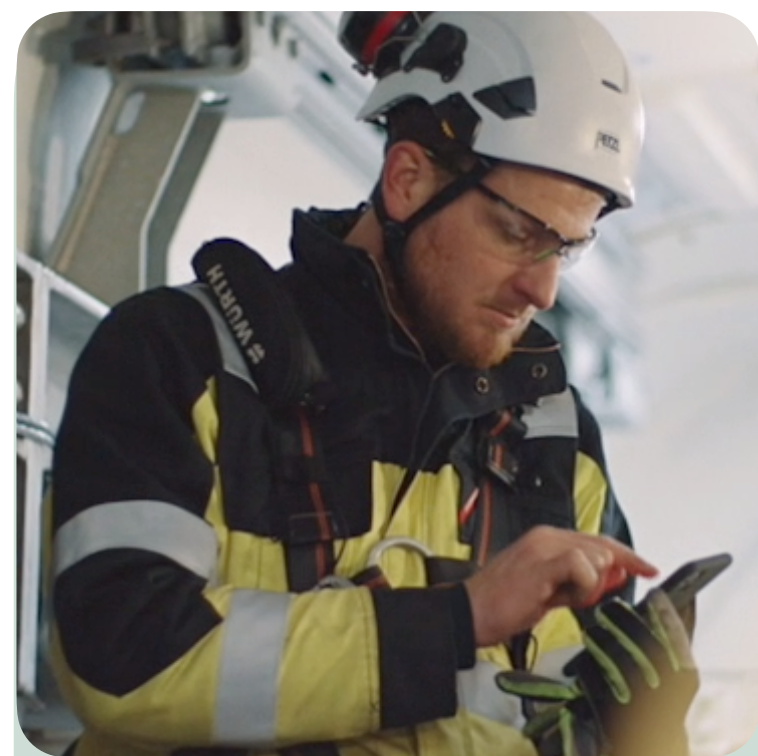


## Trifork Labs

- 23 minority investments
- Software products and platforms
- Partnerships and strategic focus
- Revenue synergies with Trifork Segment, supports innovation culture
- Current top 10 investments (92% of book value) are in good shape operationally and funding-wise <sup>(1)</sup>
- EURm 69.0 realized gains since 2016



# We reduce costs and stress and enable compliance



Field & factory software



Effective healthcare



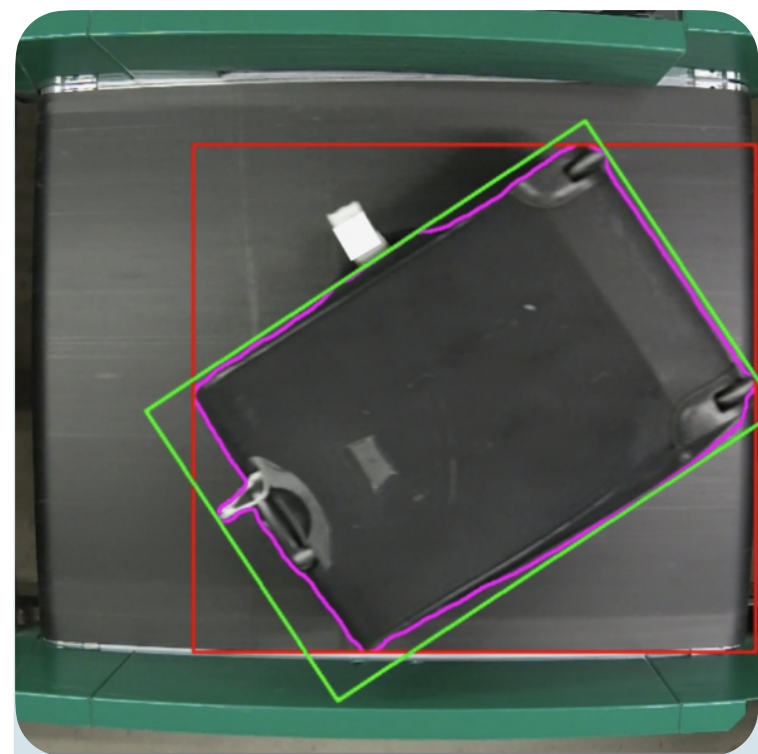
Reaching sustainability targets



NIS2, DORA, CRA cyber compliance



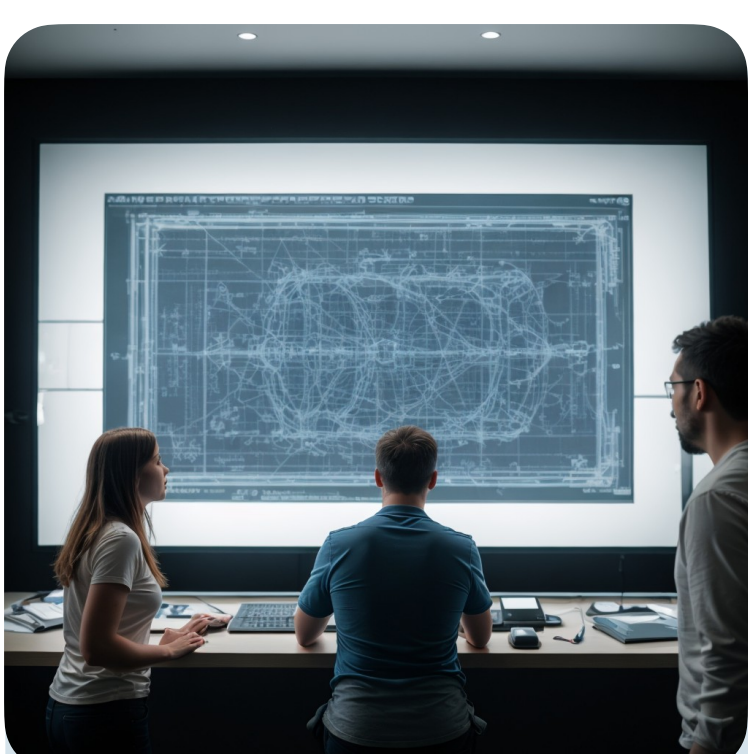
Development & ERP integration



AI and ML



Spatial computing



Digital twin platforms



Flexible and secure cloud operations



Quality intelligence



# Spatial computing – The next step for Enterprises

## Apple Vision Pro

- Significant leap forward in Enterprise mobility technology – no need for screen, mouse, or keyboard
- Supported by Apple Device Management meaning IT departments can manage AVP like they do with Macs, iPhones, and iPads

## Strong customer interest

- Trifork has a close partnership with Apple and SAP and is the ideal partner to build Enterprise-grade apps for the Vision Pro
- Currently working on several customer prototypes
- Held many Inspire sessions with large enterprises
- Will unlock significant savings and improved customer engagement

## Use cases

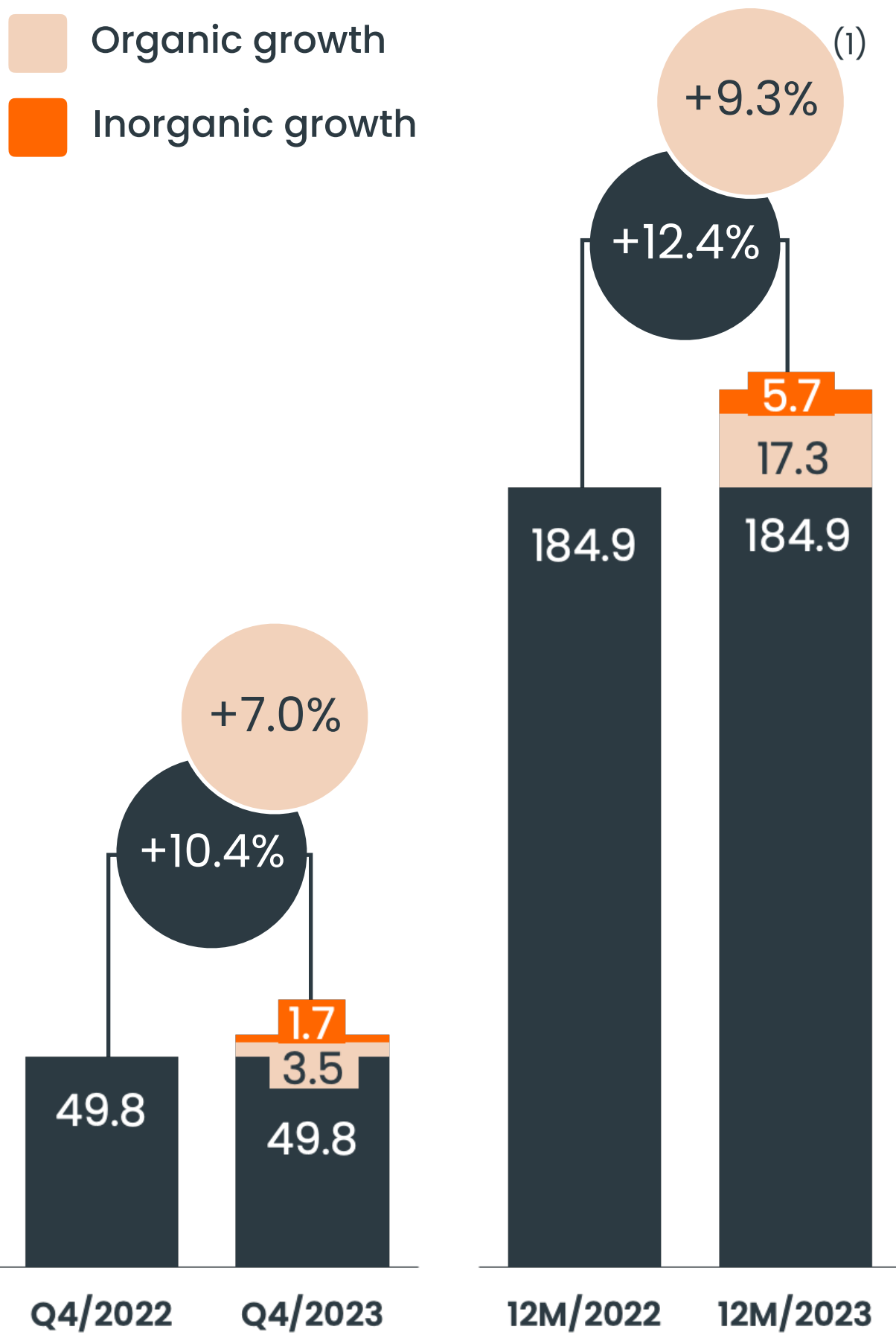
- Real estate and construction – Site inspections, design and prototyping, digital twins
- Manufacturing – Data-driven decision making
- Life sciences – Data visualization, alerts
- Transport & logistics – Production status and work flows
- Remote collaboration and employee training
- Customer experience (e.g. customize your product)





# Financial highlights in Q4

## REVENUE GROWTH



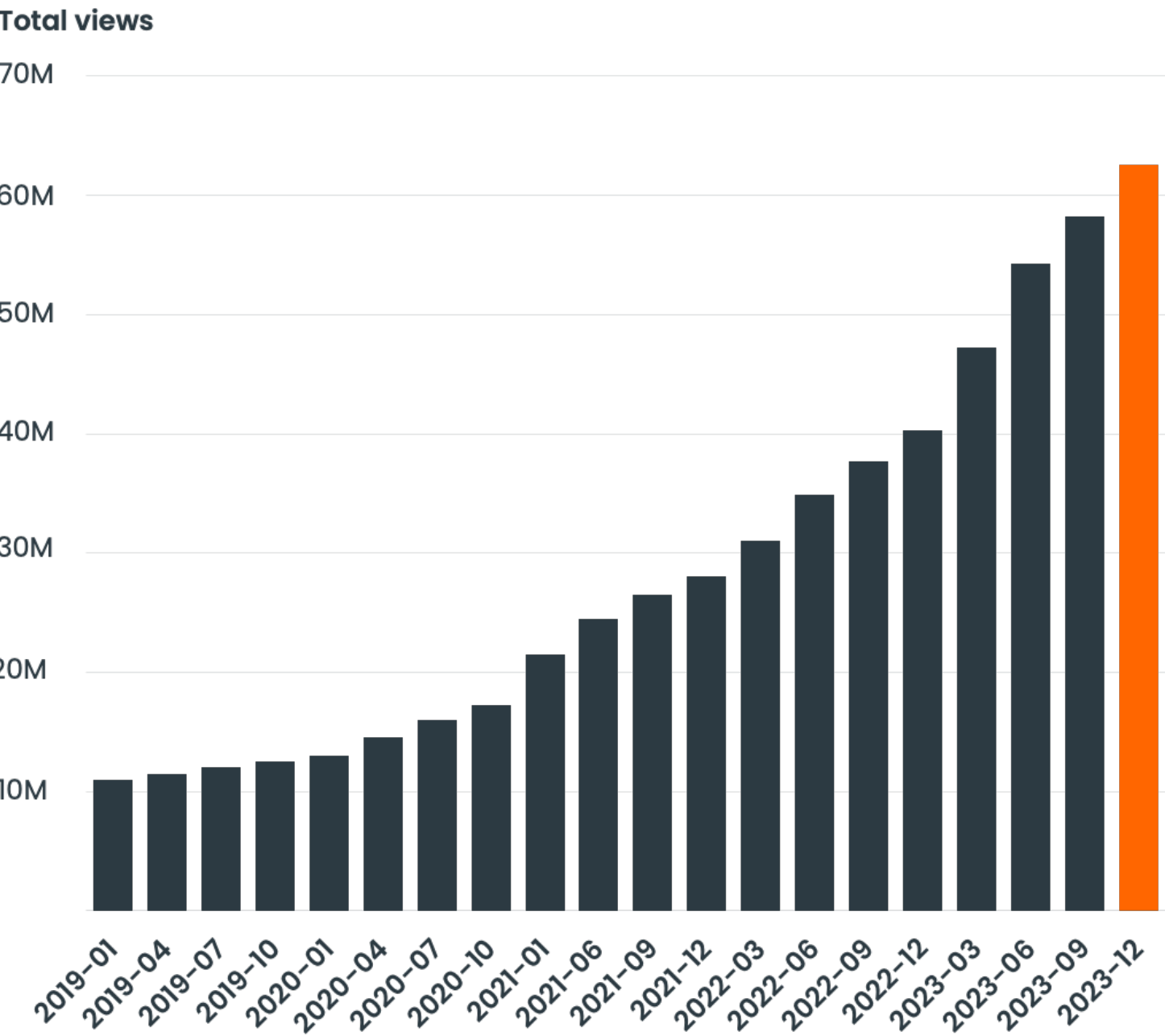
## KEY FINANCIALS

<b>EURm 55.0</b> Q4/2023 revenue	<b>7.0%<sup>(1)</sup></b> Q4/2023 organic revenue growth
<b>EURm 11.8</b> Q4/2023 Trifork segment adjusted EBITDA	<b>21.4%</b> Q4/2023 Trifork segment adjusted EBITDA margin
<b>EURm 7.4</b> Q4/2023 Trifork Group EBIT	<b>13.5%</b> Q4/2023 Trifork Group EBIT margin
<b>EURm 28.3</b> Net interest-bearing debt at 31 Dec 2023	<b>0.9x</b> Leverage ratio (NIBD / Adj. EBITDA)

## KEY STATISTICS

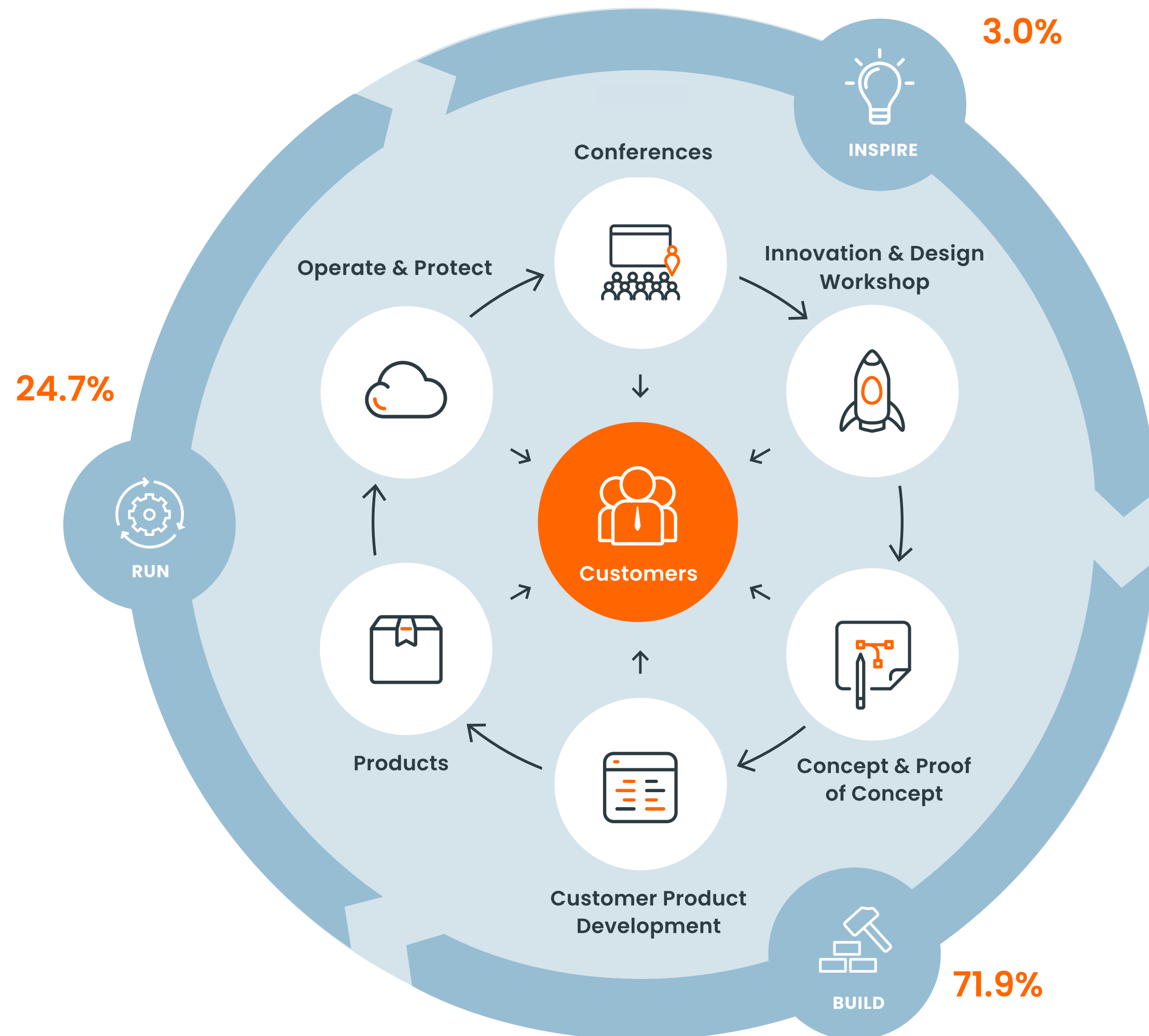
- 72 business units
- 1,210 headcount
- 23 active startups
- 62.6m video views online

### GOTO YouTube & Instagram views





# Performance update Q4



## Inspire

- Sponsorships and conference ticket purchases still hit by corporate cost savings
- Initiated reorganization and reduced investment plans in Inspire
- -0.3m adj. EBITDA in Q4 vs. average of -0.8m in the first three quarters
- Satisfactory growth in our online developer universe GOTO - now more than 800,000 YouTube subscribers and 63m total views

## Build

- Waiting for a significant breakthrough in the US Smart Enterprise market but we are pitching for many opportunities
- Organic growth of 2.0% is below our expectations despite a tough comparable quarter (Q4/22: 19.3%) - some delayed customer engagements
- Growth driven by Digital Health and Smart Enterprise
- Satisfactory adj. EBITDA margin of 18.3% (Q4/22: 20.5%) given the environment

## Run

- Satisfactory organic growth of 26.4% in core Run business driven by Cloud Operations when excluding sales of non-core third-party software licenses and hardware
- License and support sales on our own products grew the most
- Adj. EBITDA margin in the quarter of 31.2% (Q4/22: 20.1%), partially affected by increased in-house product development capitalization to obtain more value-based pricing

# Diversified and loyal customer base

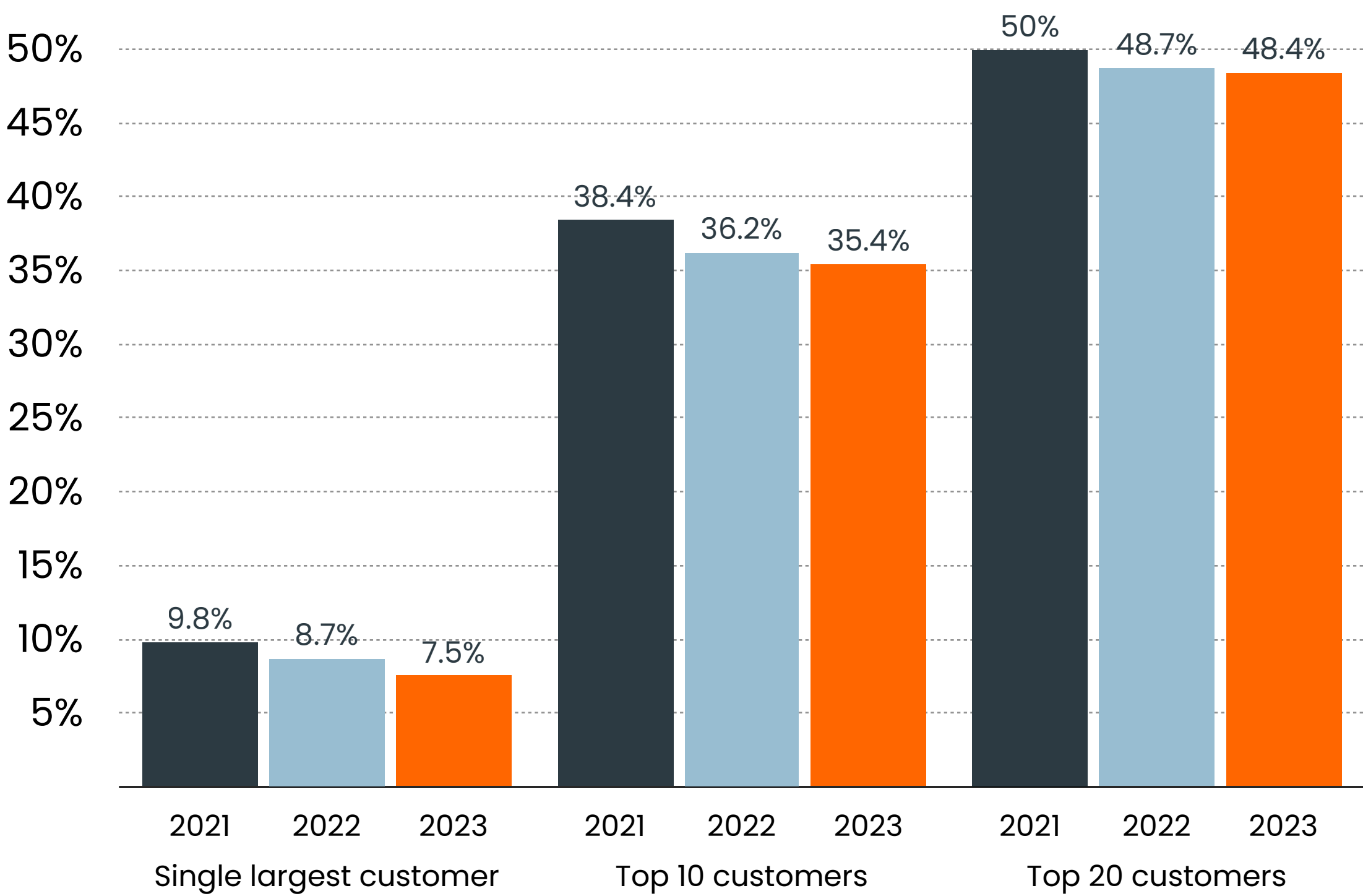
## Organic growth and M&A contributes to lower customer concentration

- The customer base is well diversified, and diversifies further as revenue grows, as seen in the declining customer concentration from 2021 to 2023.
- The single largest customer is a Danish public customer, which is made up of several independent authorities working with Trifork – practically it is several smaller customers.
- Trifork likes to work in small- and medium-sized continuous engagements as a close innovation partner instead of lumpy “mega-projects”

## Inspire-Build-Run leads to customer loyalty

- Of the Group’s top 20 customers in 2021, the Group continued to do business with 18 of those customers in 2023.
- Increasing the share of recurring Run-revenue (24.7% of total revenue) contributes further to customer loyalty

SHARE OF GROUP REVENUE



TOTAL REVENUE GROWTH 2021-2023: 31.1%



# Main events in Q4



## Organization

- 1,149 FTEs on average (Q4/22: 1,013) and 1,210 employees in total (Q4/22: 1,062)
- Employee churn was 15.8% (Q3/23: 14.1%, Q2/23: 13.6%)<sup>(1)</sup>
- Sick leave FY/23 was 3.6% (FY/22: 2.7%)



## Acquisition of Chapter 5

- Announced acquisition on 5th October
- Trifork acquired 100% of the shares
- A Danish company with strong capabilities in regulated industries such as financial services and pharma
- Especially deep domain expertise in pension operations and fund administration
- 17 employees – fits directly into teal organization



“With access to Trifork’s large network and deep expertise, I am sure that C5 will be able to deliver even more services to our customers and extend our existing customer partnerships. Basically, we will now have a larger platform to expand from, which I see as a benefit for both employees and customers.”



**Thomas Rind**  
FOUNDER, CHAPTER 5



## BUSINESS AREAS: SMART BUILDING &amp; CLOUD OPERATIONS

# Building and running a new data platform



Example of a customer spanning Build-revenue (Smart Building & IoT) and recurring Run-revenue (Cloud Operations subsidiary Netic)



Kamstrup is a global leader in metering solutions for water, power, and heating in 12 countries



Selected Trifork's in-house Cheetah data platform to enable customer-centric integrations and applications and to gain new data insights



Additionally, Kamstrup selected Netic to fully manage the platform in its popular cloud stack (Contain)



Kamstrup already has the solution running in several places around the world, incl. the US



Led to significant resource savings with more flexible, scalable, compliant, and secure setup



Kamstrup can now deliver new innovations faster



**“Netic and Trifork support our new setup in the best possible way with an even faster start-up than we had thought possible. The solution fits perfectly into our way of working and we don't have to worry about anything. Instead, we can use our resources on other value-creating tasks.”**

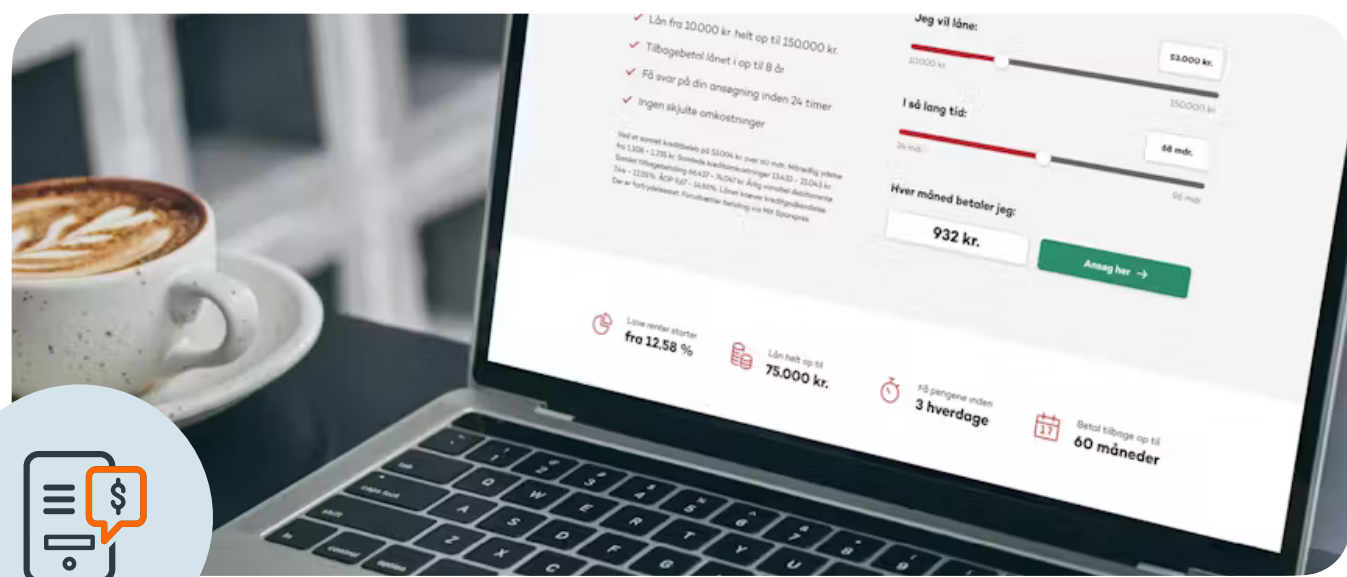


**Torben Duvald Prang**

GLOBAL HEAD OF OPERATIONS & ENGINEERING  
KAMSTRUP

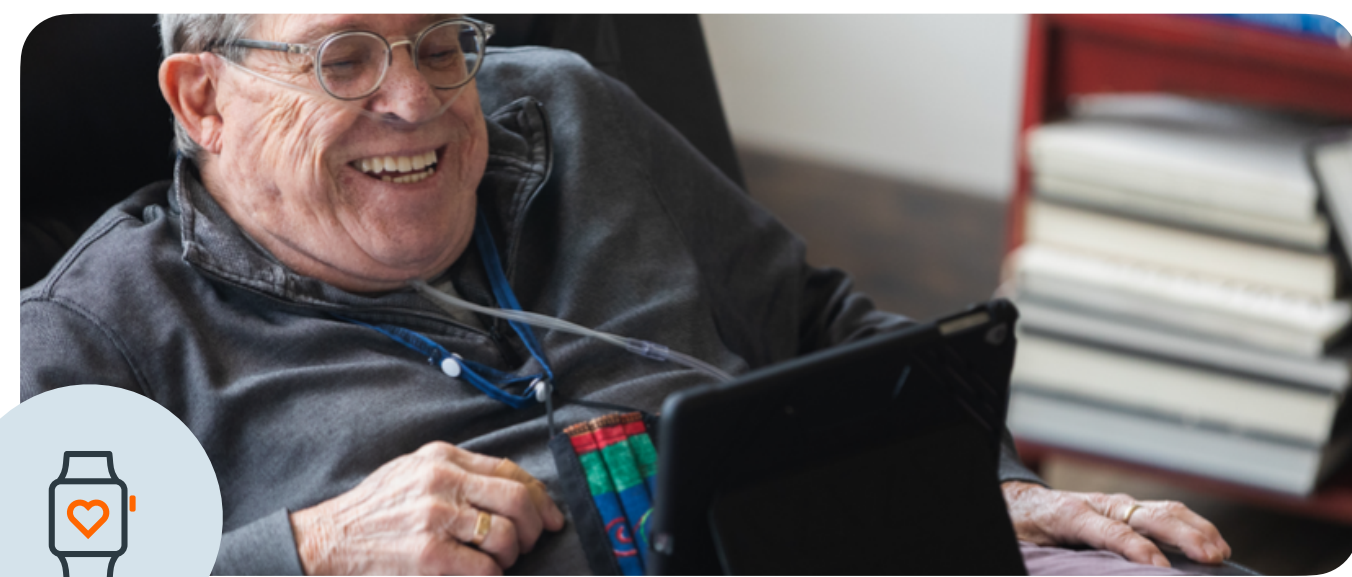
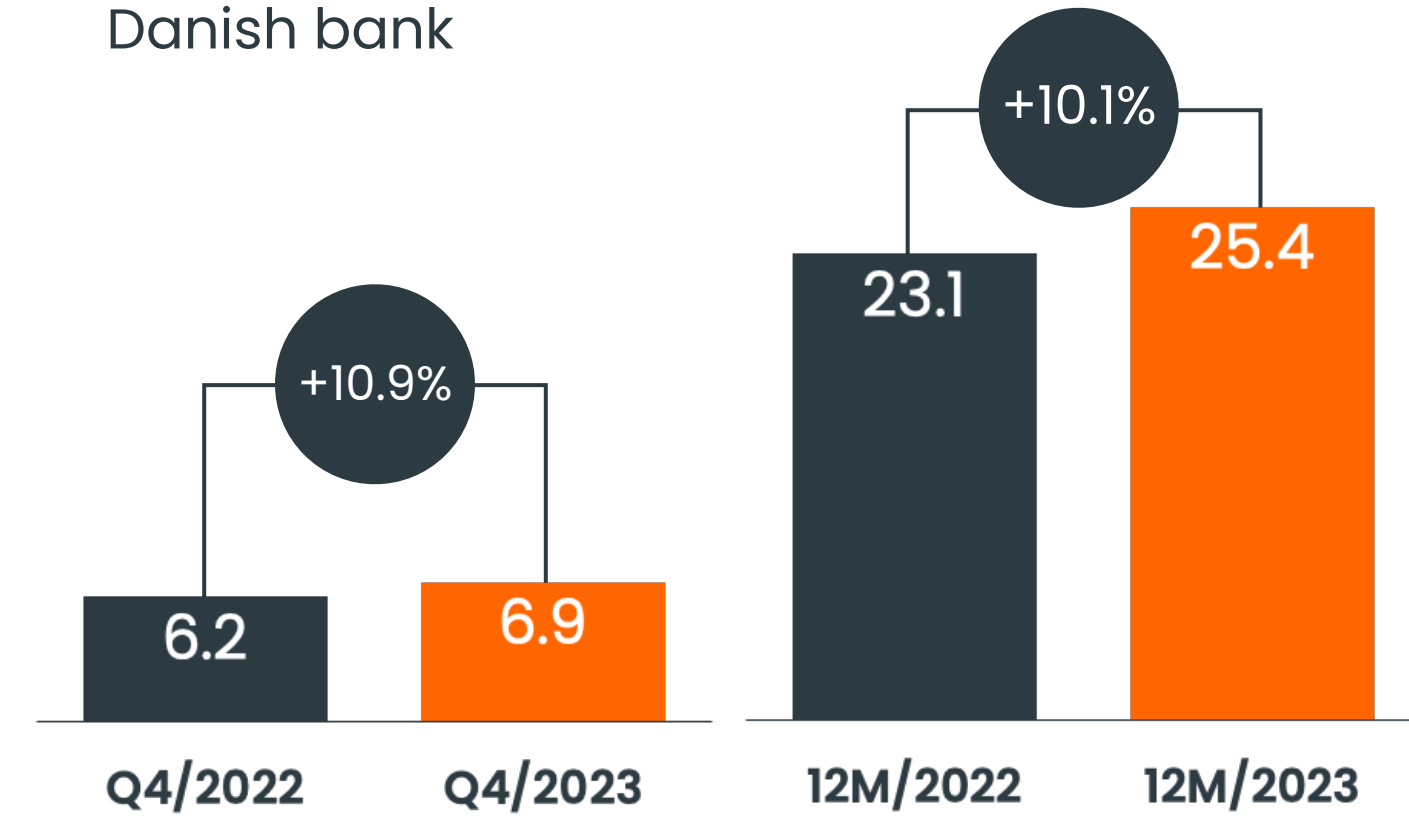


# Business area highlights in Q4



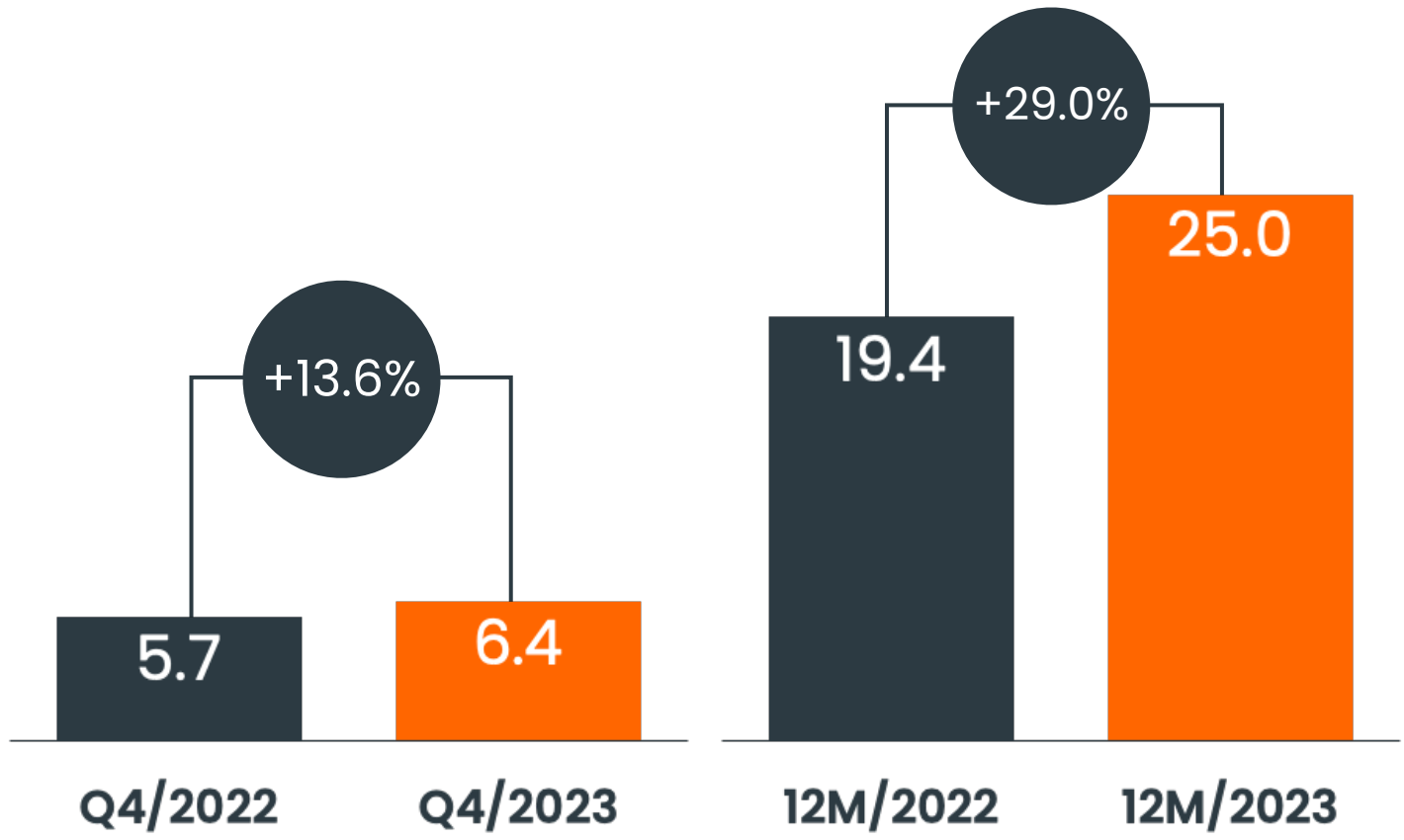
## FinTech 12.2%

- Acquisition of Chapter 5 in October, a leading Danish player in pension operations and fund administration
- Customer self-service journey for large health insurance provider
- Customer acquisition solution for a leading Danish bank



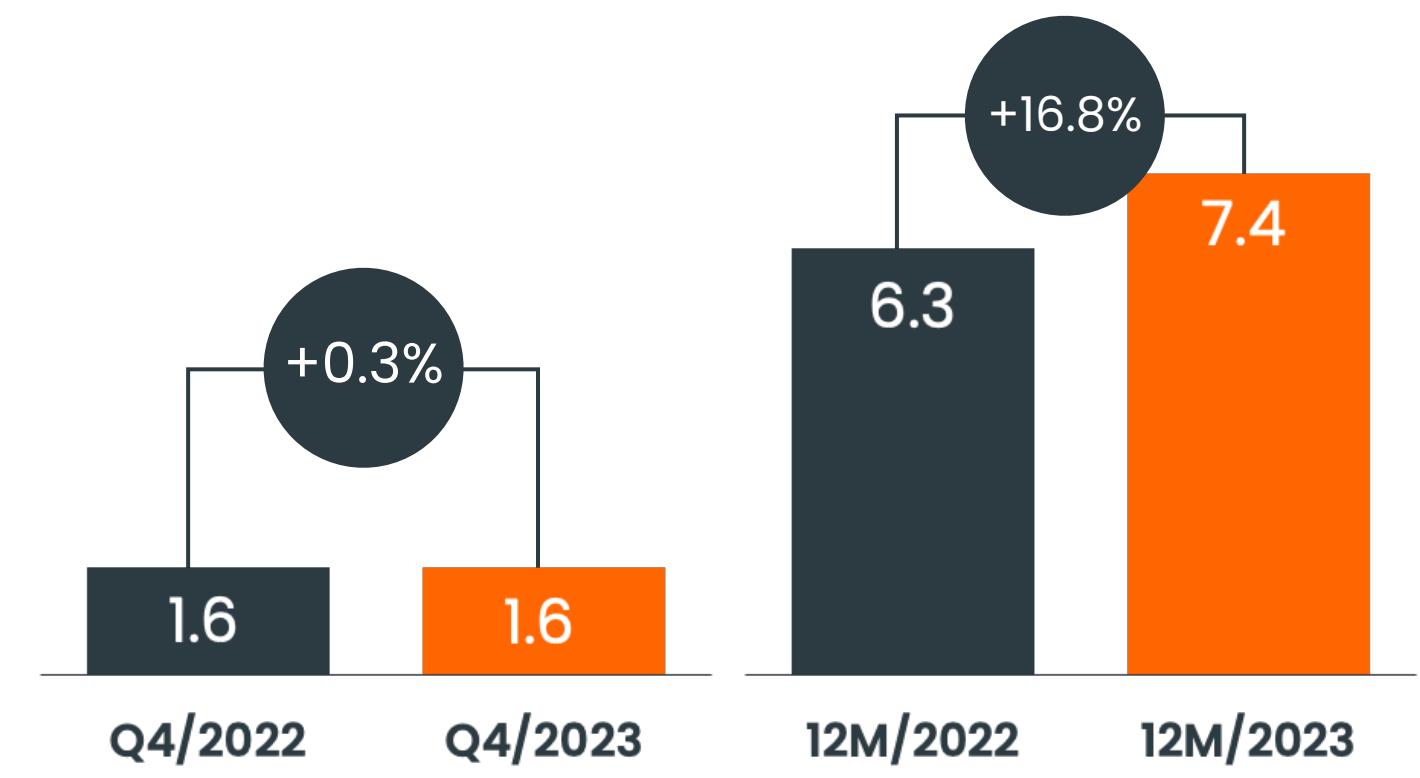
## Digital Health 12.0%

- Building AI platform to train LLMs with full data control for Region Midt (Danish public customer)
- Continued delivery on Compassana platform in Switzerland
- Work with Steno Diabetes Center on “The future of the Diabetes Clinic”



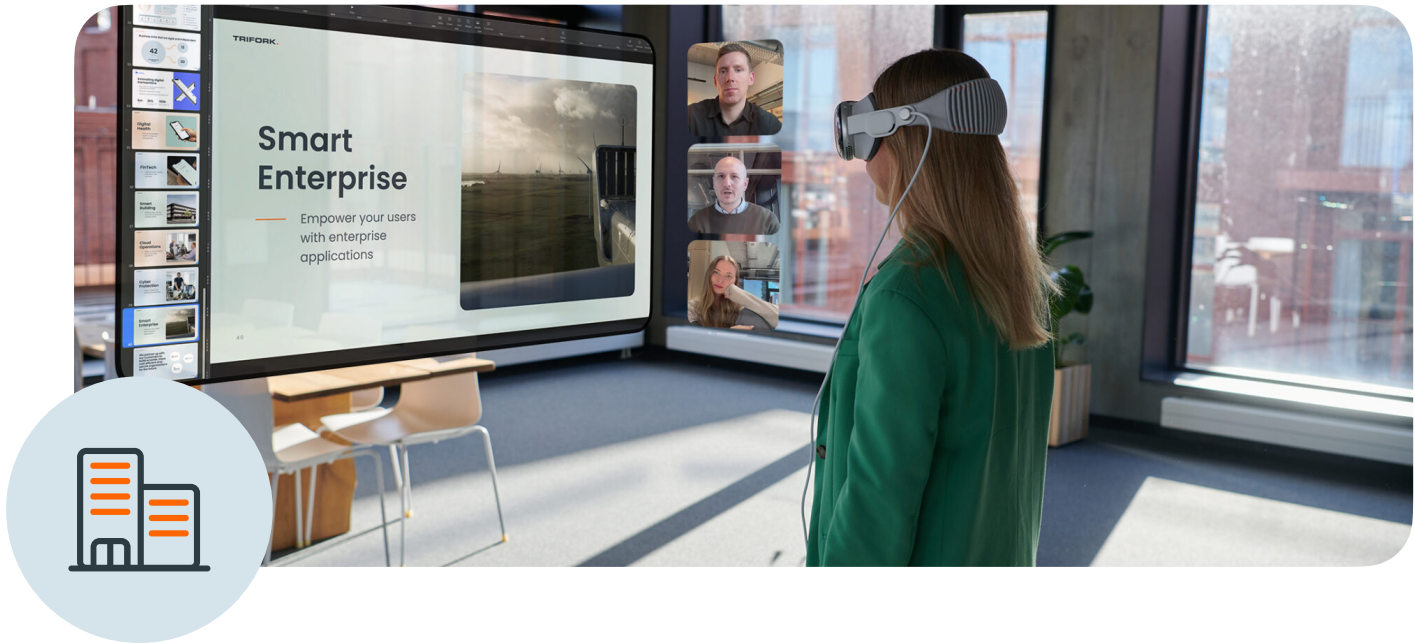
## Smart Building 3.5%

- Workshops with large building materials company about IoT and spatial computing
- Vision AI in manufacturing supply chain at global enterprise
- Partner in digital upcycling project granted by Innovationsfonden and Industriens Fond



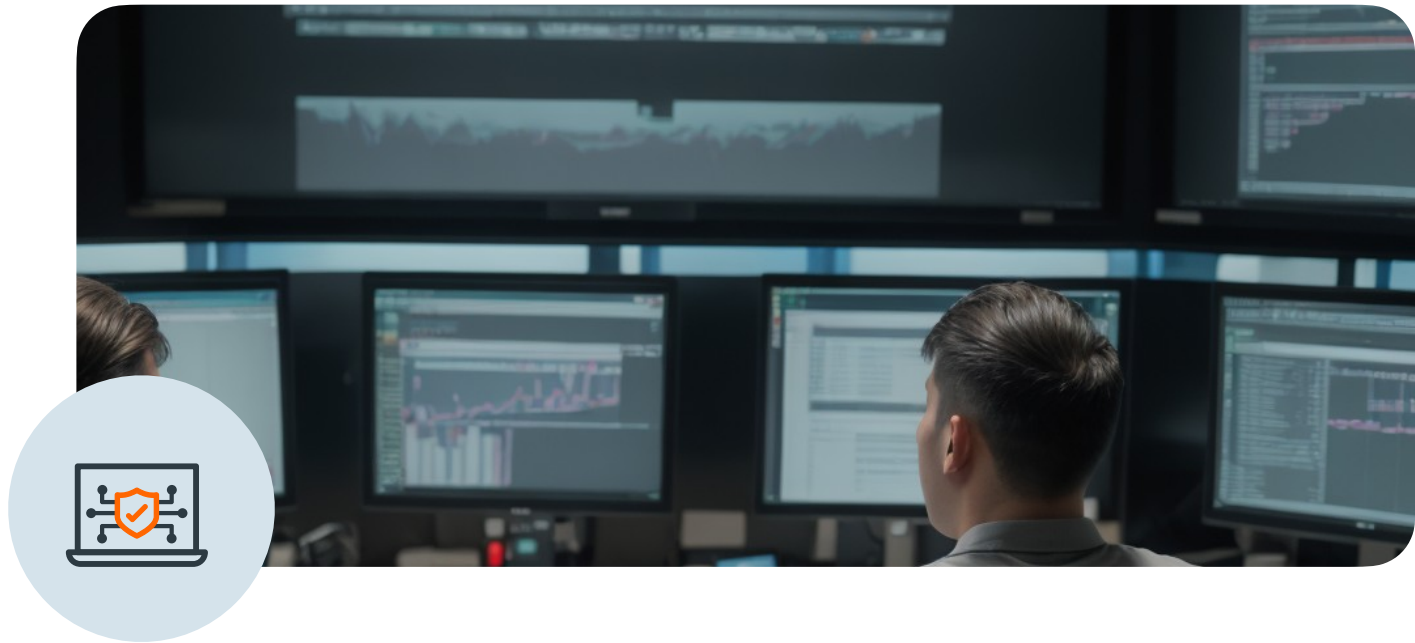
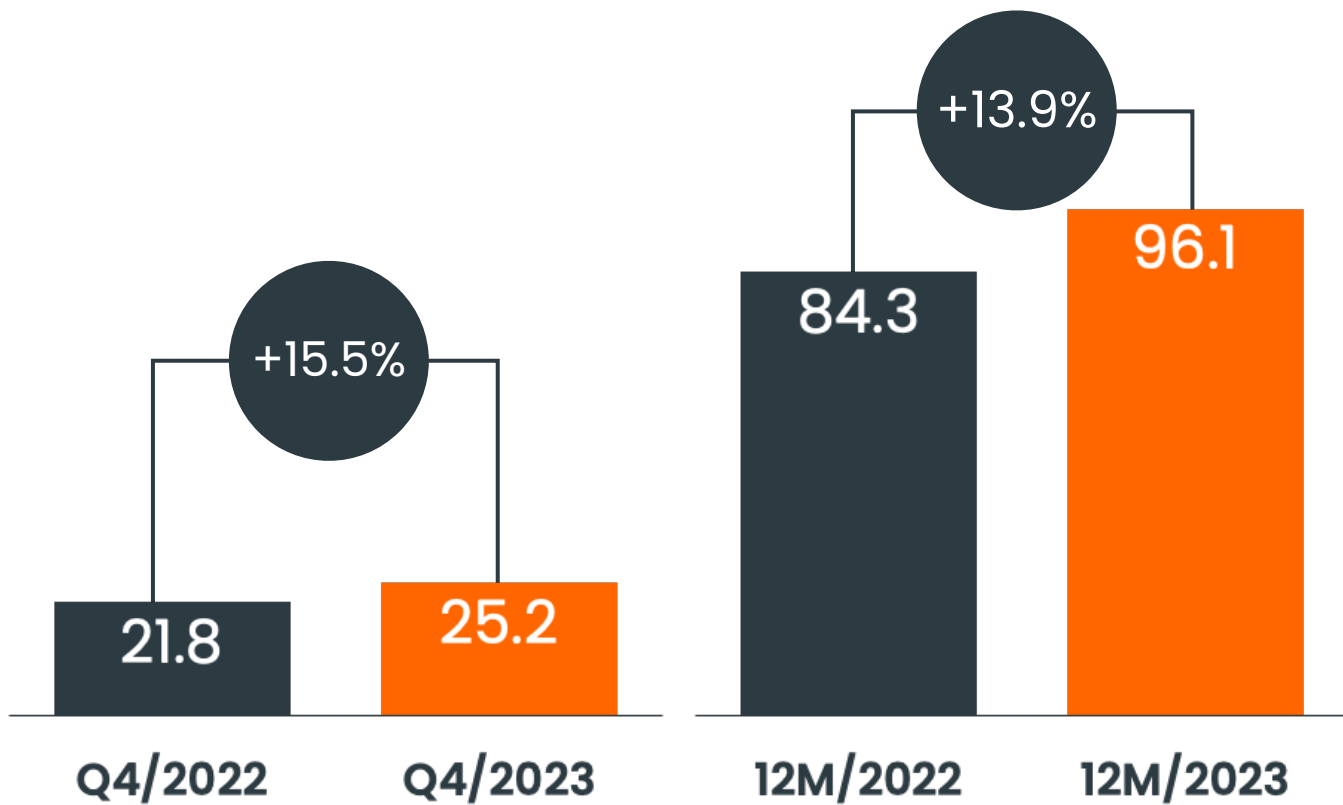


# Business area highlights in Q4



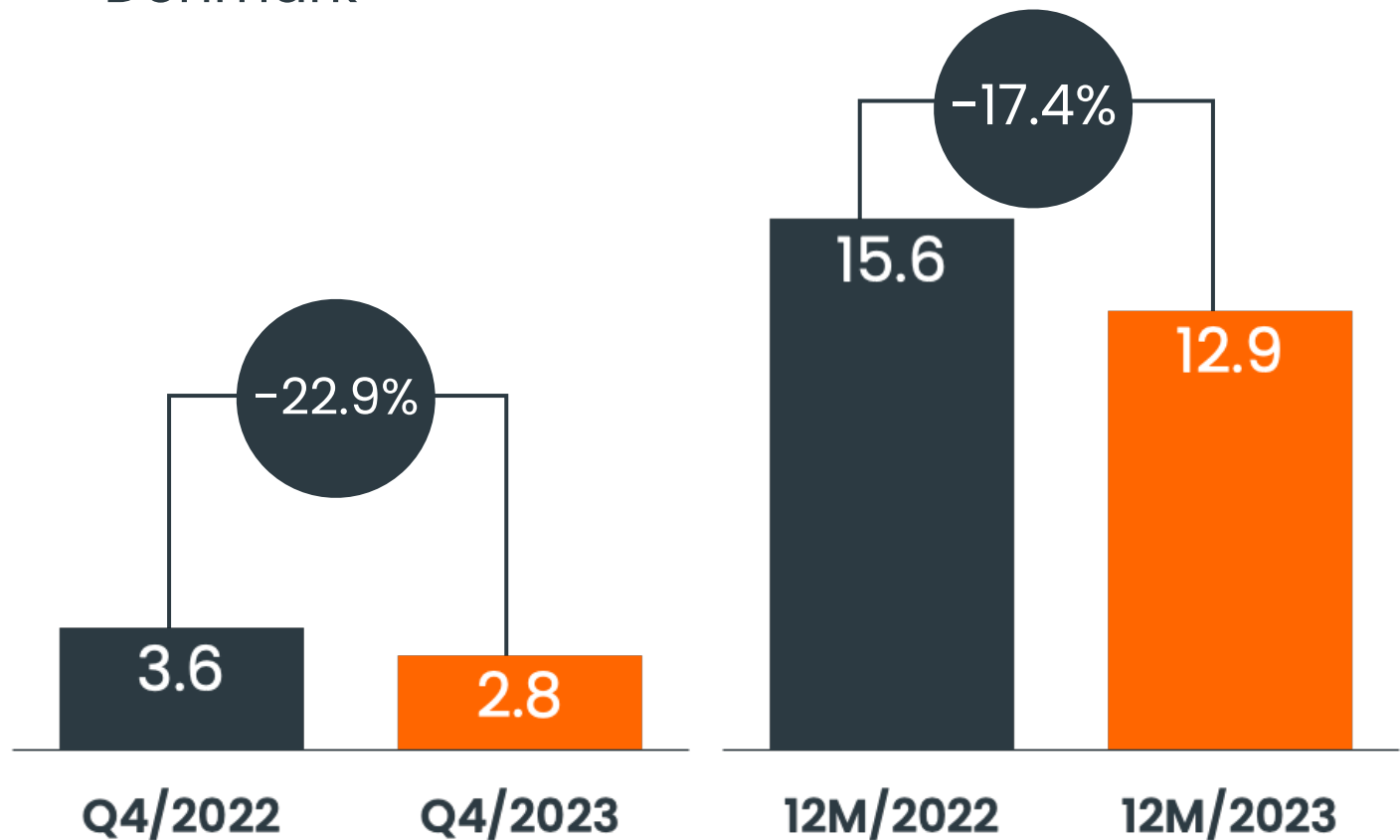
## Smart Enterprise 46.2%

- Selected as one of three winners on DKKm 250 SAP tender by Danish utility Andel Holding
- Further developed data platform for global mobility provider with over 100,000 connected vehicles in the field
- Started engagement for large European airline



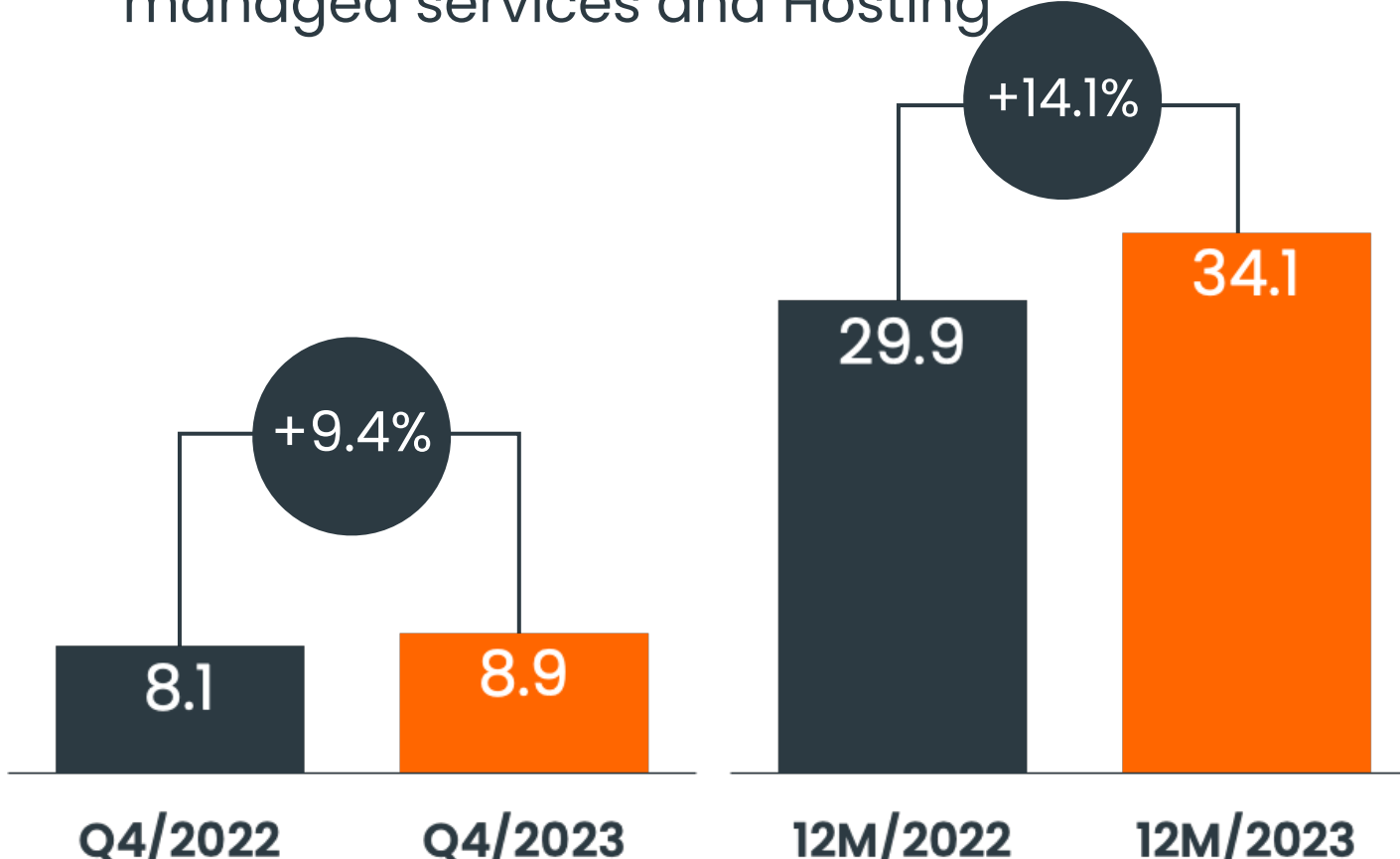
## Cyber Protection 6.2%

- High-profile projects executed in the hacking space
- Initiated new projects to prepare corporates for NIS2, CRA, and DORA regulations
- Got more customer traction outside Denmark



## Cloud Operations 16.4%

- Became ISO 27001 certified of the entire operation with outstanding result
- Building out team in Copenhagen based in Trifork's new building "Porten" in Nordhavn
- Continued good demand in Cloud Native managed services and Hosting





# Strategic priorities in 2024





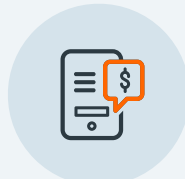





- **Maintain high level of business development**
  - Open US and Swiss markets further, potentially with acquisitions
  - Broaden our opportunity pipeline further in all markets
- **Sharpen business model in Inspire**
  - Conference execution and how to work with sponsors
  - Organizational setup
  - Online GOTO community
  - Workshops
- **Sharpen business model in Cyber Protection**
  - More focused services
  - Capturing more of the expected market growth (NIS2, DORA, CRA regulations)
- **Increase Run-business with more in-house products**
  - Further develop own products in key areas such as Digital Twin, Data Platform, Apple Vision Pro, Vision AI, Cloud Stack (Contain), and Security Operations Center
  - Build more solutions using in-house products as door-opener



# 23 active investments at the end of Q4

Go-to-market model

 Inspire							
			Upcycling Forum				
 Build							
 Run							
	 FinTech	 Digital Health	 Smart Building	 Smart Enterprise	 Cyber Protection	 Cloud Operation	 Cross BA Support

Business areas

Q4 2023

Invested in **Bluespace Ventures AG (Compassana)**, an existing Trifork customer within digital health in Switzerland, co-owned by six large insurance and healthcare companies.

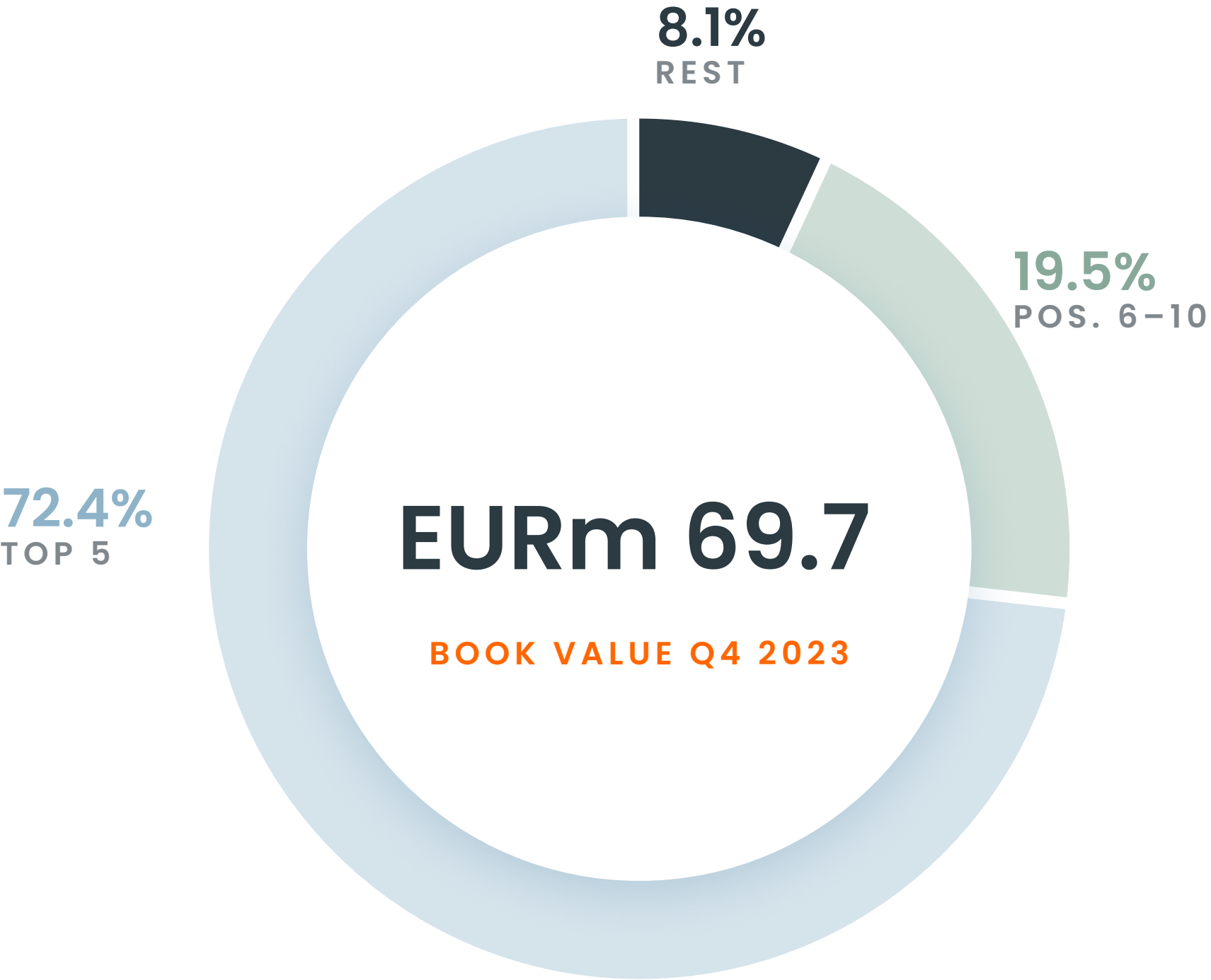
Co-founded **Ossmo ApS**, a platform and consultancy focusing on software adoption management in large enterprises.

**Positive fair value adjustments of EURm 9.9** in the quarter (FY/23: EURm +6.9), driven by better-than-expected growth and margins in two profitable companies, while a third increased its valuation due to a new VC investment.

# Top 10 accounts for 92% of book value, performing well

Position 1-5      ALPHABETIC ORDER

- AxonIQ**  
Software development framework
- Bluespace Ventures**  
Swiss digital health platform
- Dawn Health**  
Regulated software for pharma and medtech
- Promon**  
Cyber protection for apps
- XCI**  
Cyber crime investigation



Position 6 – 10      ALPHABETIC ORDER

- Arkyn Studios**  
Field and factory SaaS on top of SAP
- C4 Media**  
Software media and conferences
- Develco**  
Innovative electronics and embedded software
- ExSeed Health**  
Software as medical device for fertility testing
- Visikon**  
Digital health education of patients

Growing profitably  
and paying dividend

Control over cash burn,  
owned by enterprise/PE

Funding for at  
least 12 months

Funding round within 12 months,  
operationally well-performing



# ESG update Q4

Please see the new Trifork Group 2023 ESG Report here: [Link](#)

## Environment

- Committed to Science Based Targets and the Danish local initiative 'Klimaalliancen Aarhus', where we will work towards the goal of becoming climate-neutral
- Improved method and data quality for our largest Scope 3 contributor
- Contributed to impactful AI projects within biodiversity and beach clean-up

## Social

- Updated our DEI policy to include 'Equity'
- Participation in multiple events aimed at getting young people interested in software technologies e.g. Women in Tech Career Fair in Aarhus, which aimed to gather and inspire women to pursue careers in the tech industry
- 1,210 employees with more than 50 nationalities
- Employee churn of 15.8%<sup>(1)</sup>
- Underrepresented gender of 23.4%
- Average age of 39.5

## Governance

- Dedicated our efforts to preparing for CSRD by initiating the Double Materiality Assessment, which involved various stakeholder interviews
- Continuous development of data gathering that allows for more relevant ESG disclosure
- Continuous awareness training e.g. NIS2 training of leaders, management, and board



TSBOne in Aarhus, Denmark



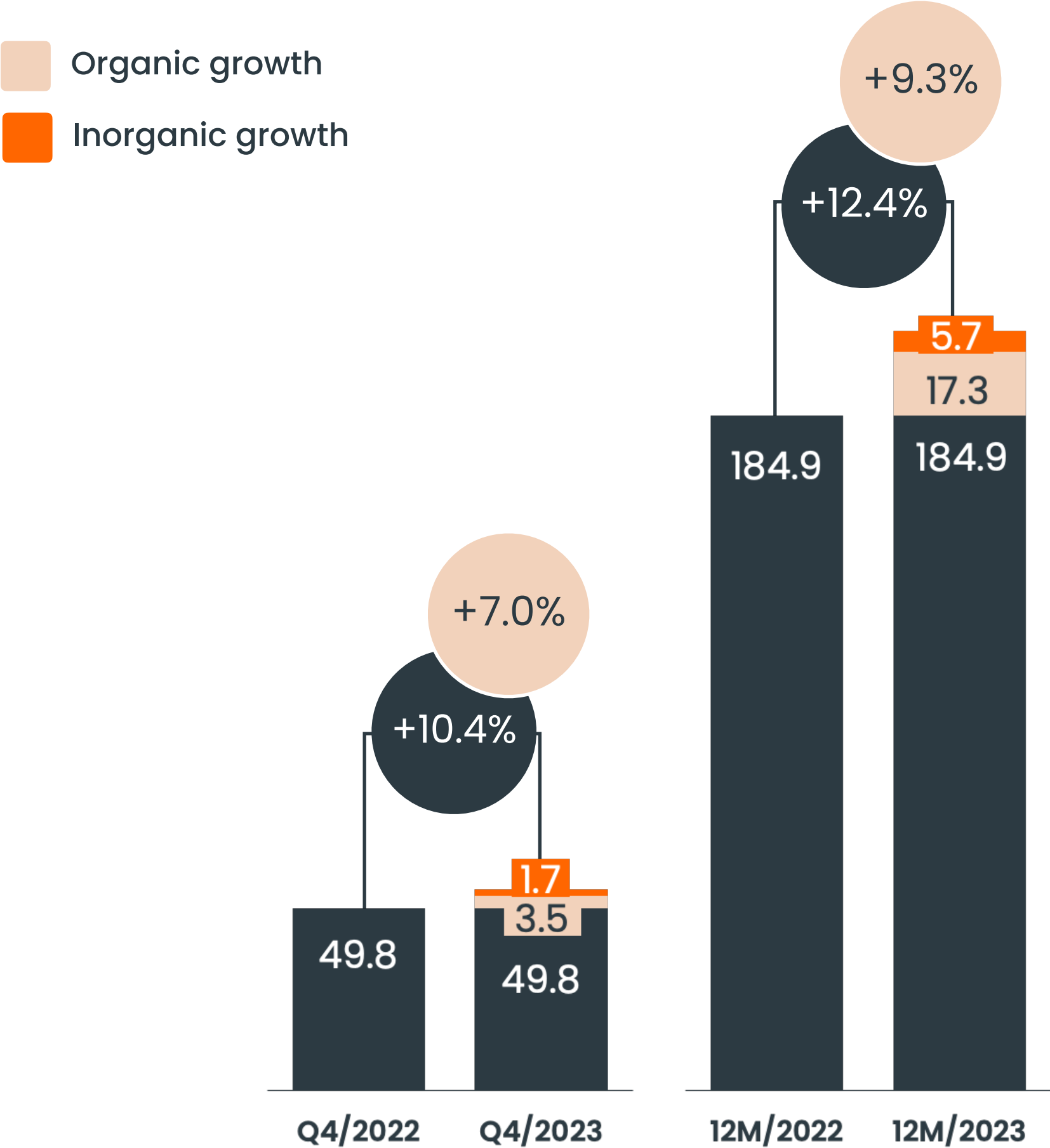


# Trifork Group / Trifork Segment performance

## Q4/2023

- Revenue of **EURm 55.0** equal to **10.4% growth**
- As usual, no revenues recorded in Trifork Labs companies are included as Trifork Group revenue, however some Labs companies are customers in Trifork segment

### REVENUE



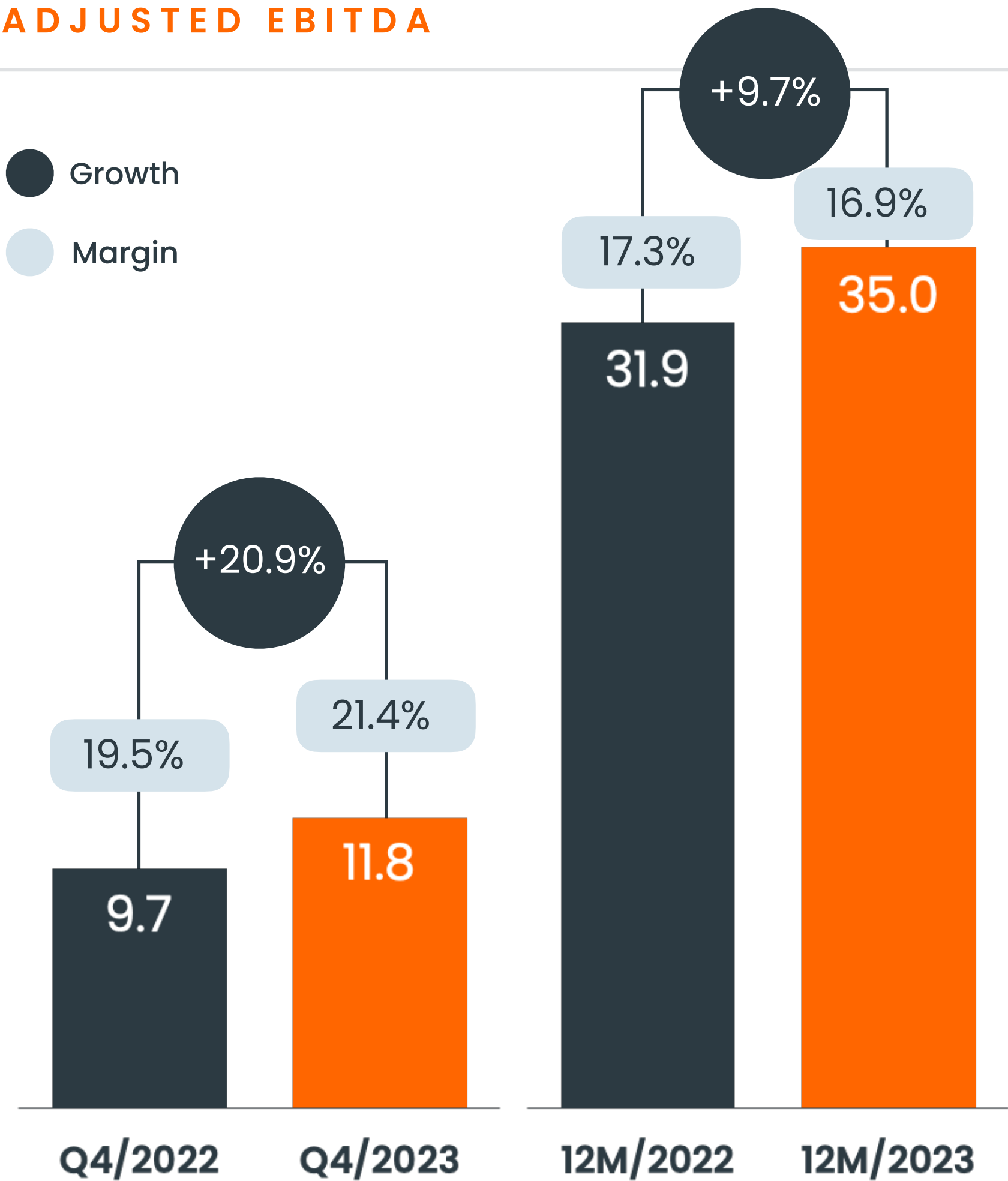


# Trifork Segment performance

Q4/2023

- Adj. EBITDA
  - EURm 11.8, equal to margin of 21.4% (Q4/22: 19.5%)
  - No adjustments for special items in the quarter or in Q4/22

ADJUSTED EBITDA

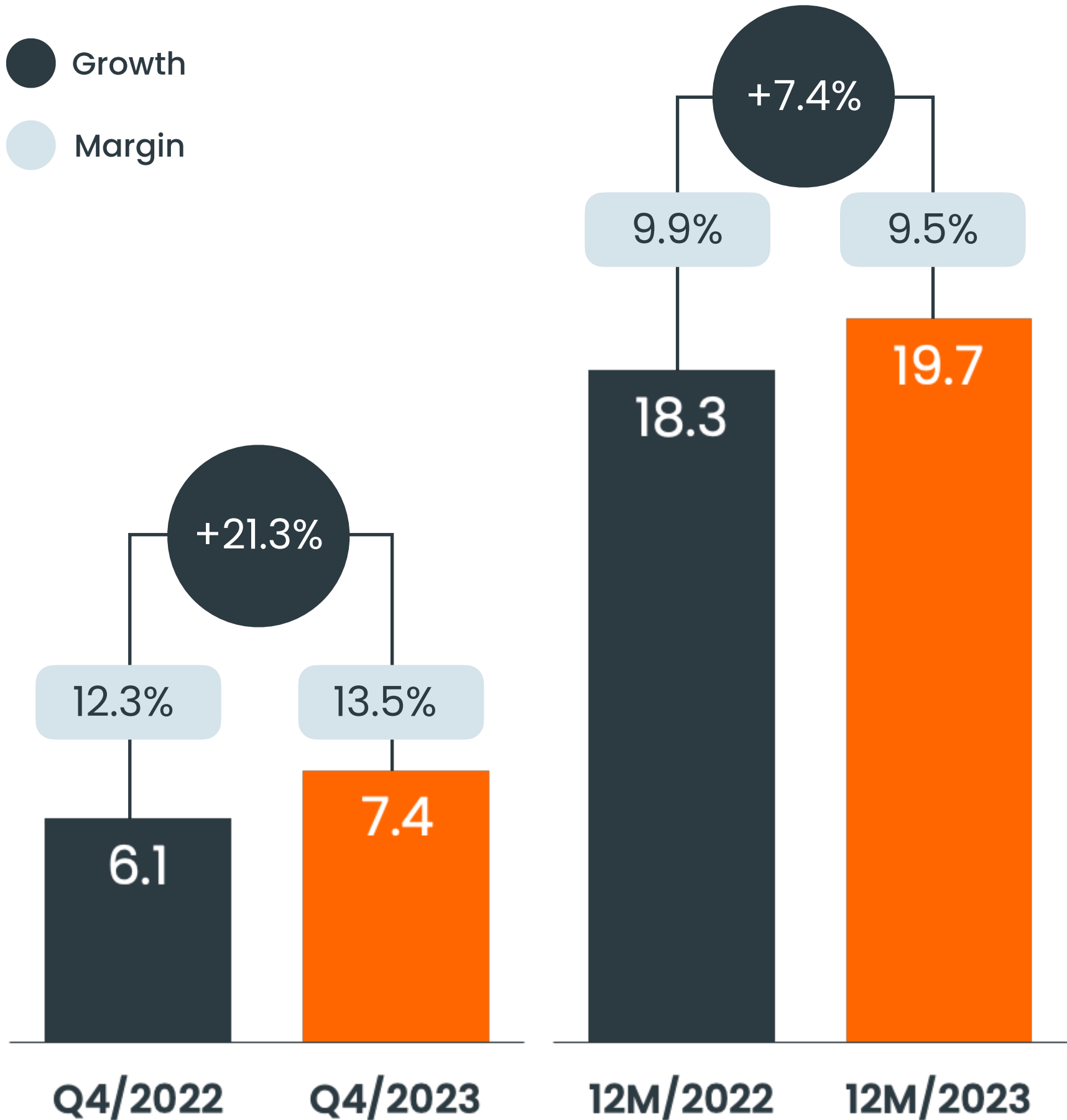


# Trifork Group performance

## EBIT

### Q4/2023

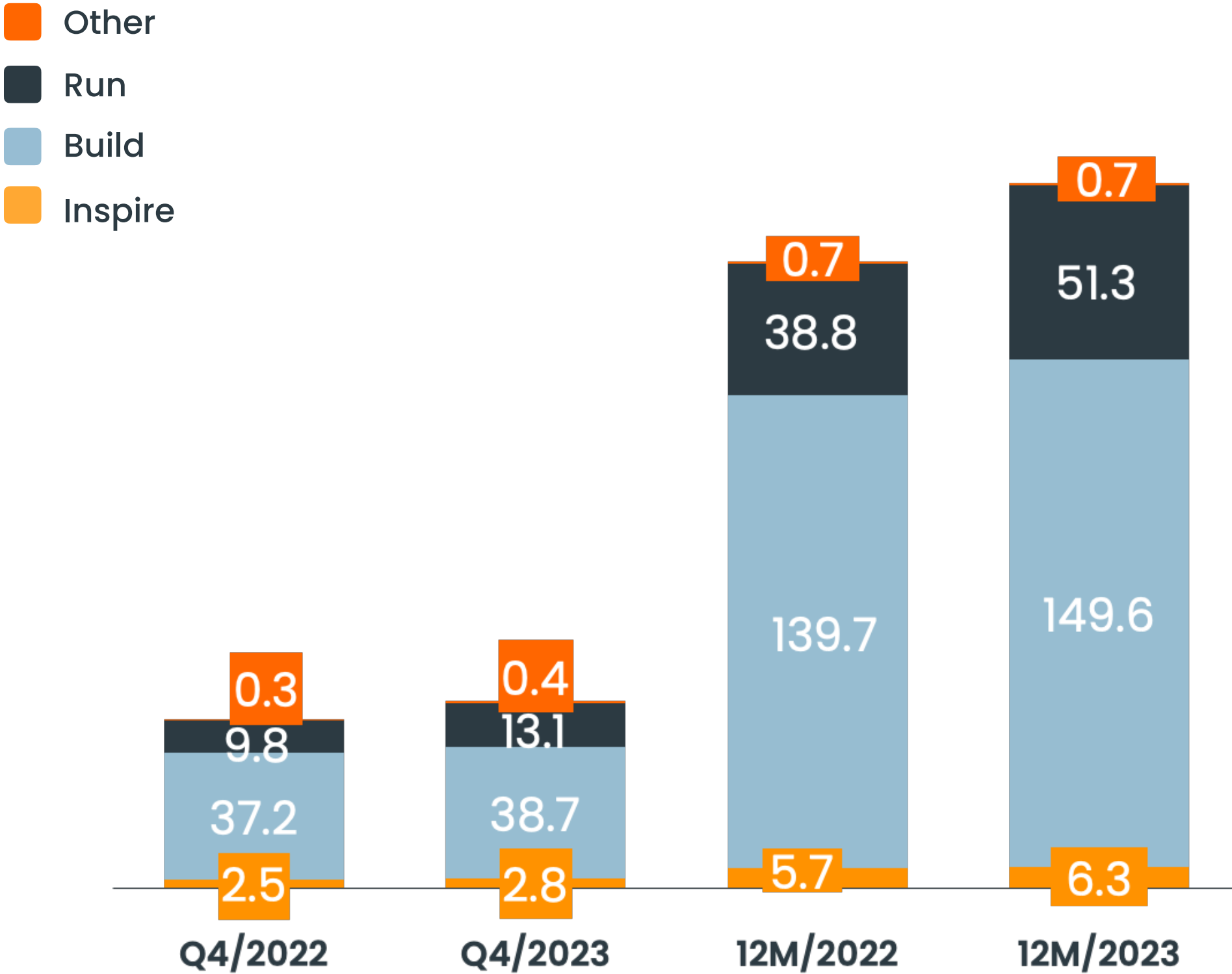
- EBIT
  - 13.5% margin** (Q4/22: 12.3%) impacted negatively by investments in business development and positively by capitalizations of own product development
  - Small increase in depreciations and amortizations from IBE and Chapter 5 acquisitions
  - Higher depreciations in relation to moving into new offices in Copenhagen, Aarhus, Eindhoven, Barcelona, and Palma.



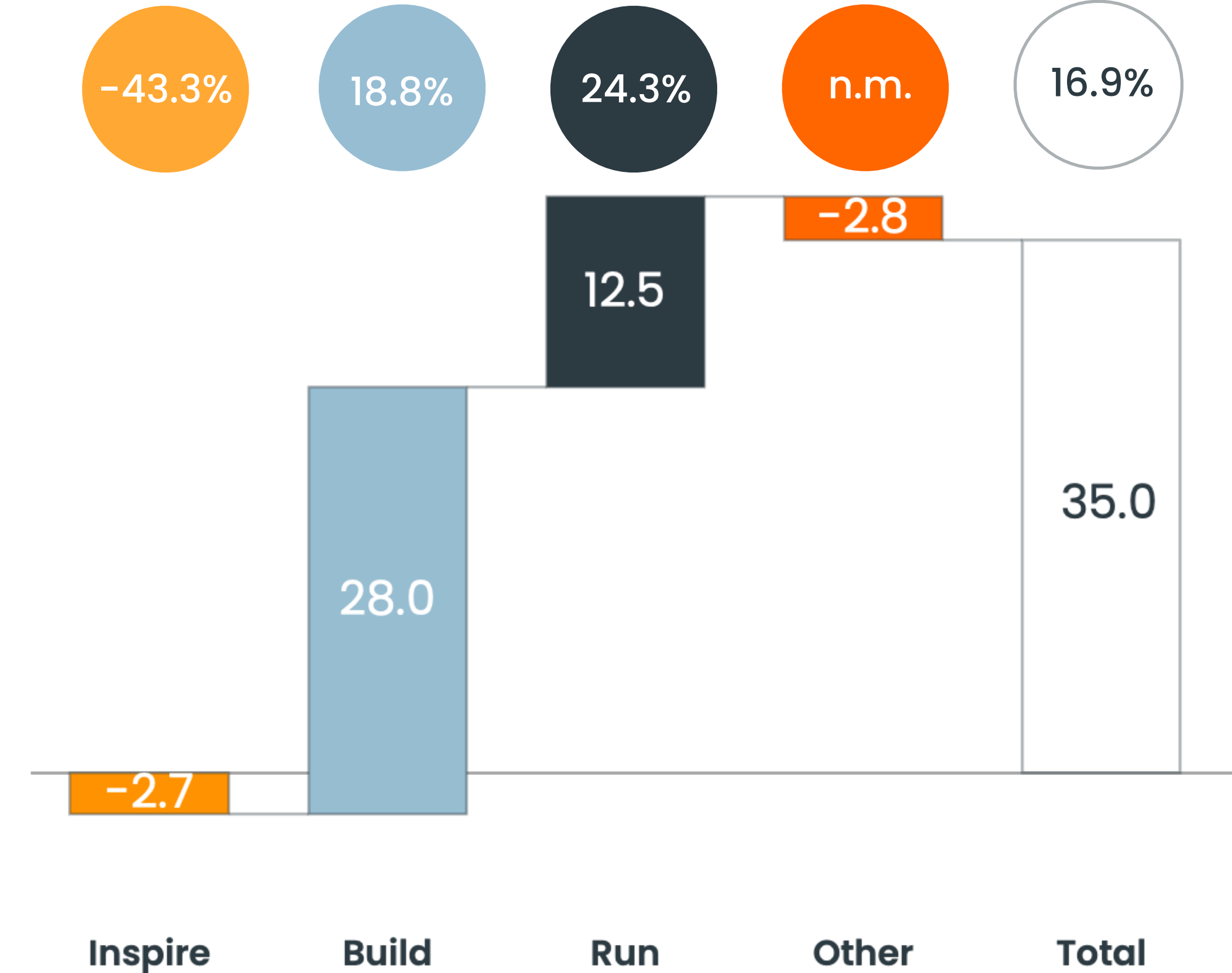


# Trifork Segment performance

REVENUE BY SUB-SEGMENTS (EURM)



ADJ. EBITDA AND MARGINS BY SUB-SEGMENT IN FY/23

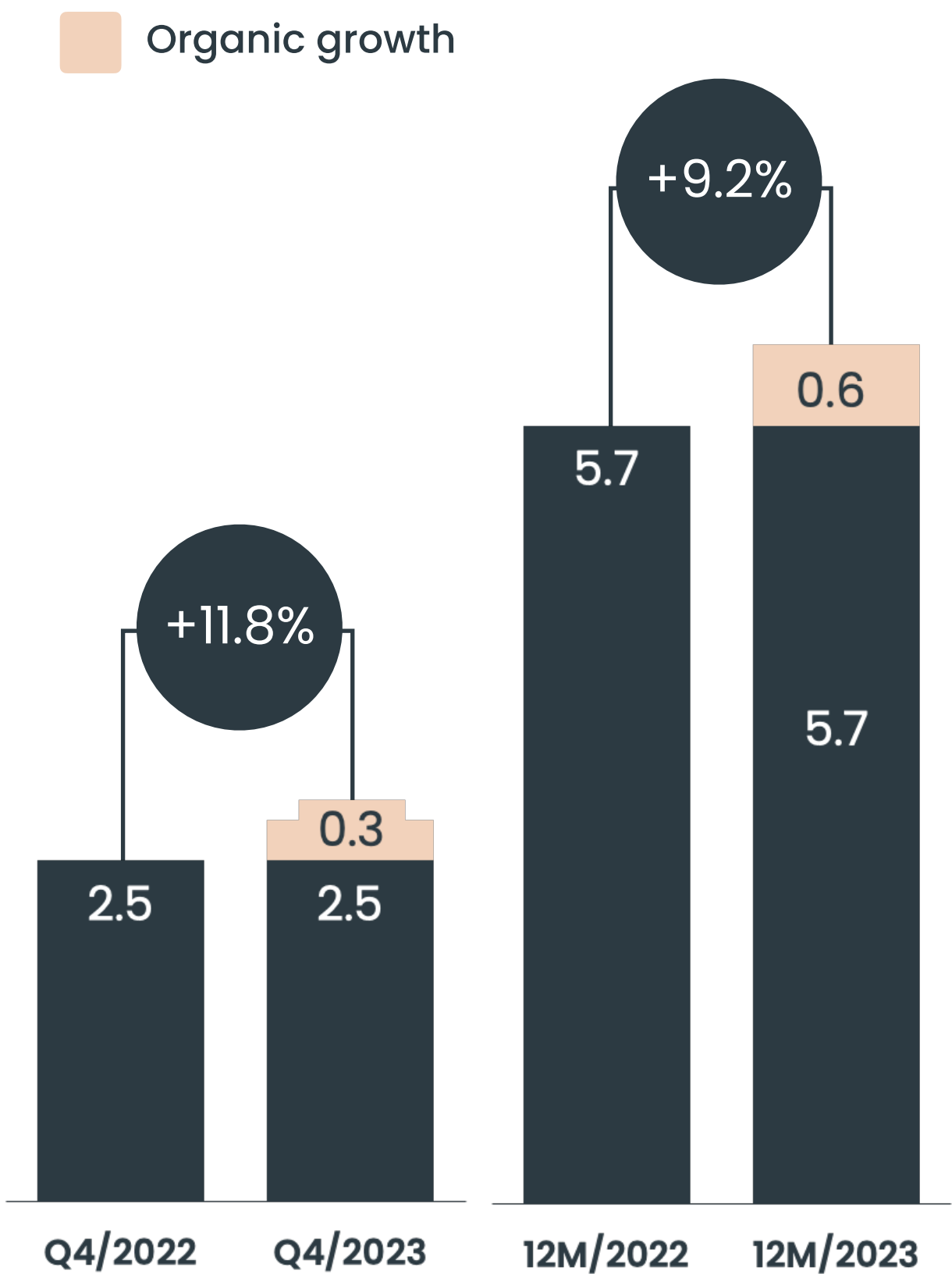


# Inspire performance

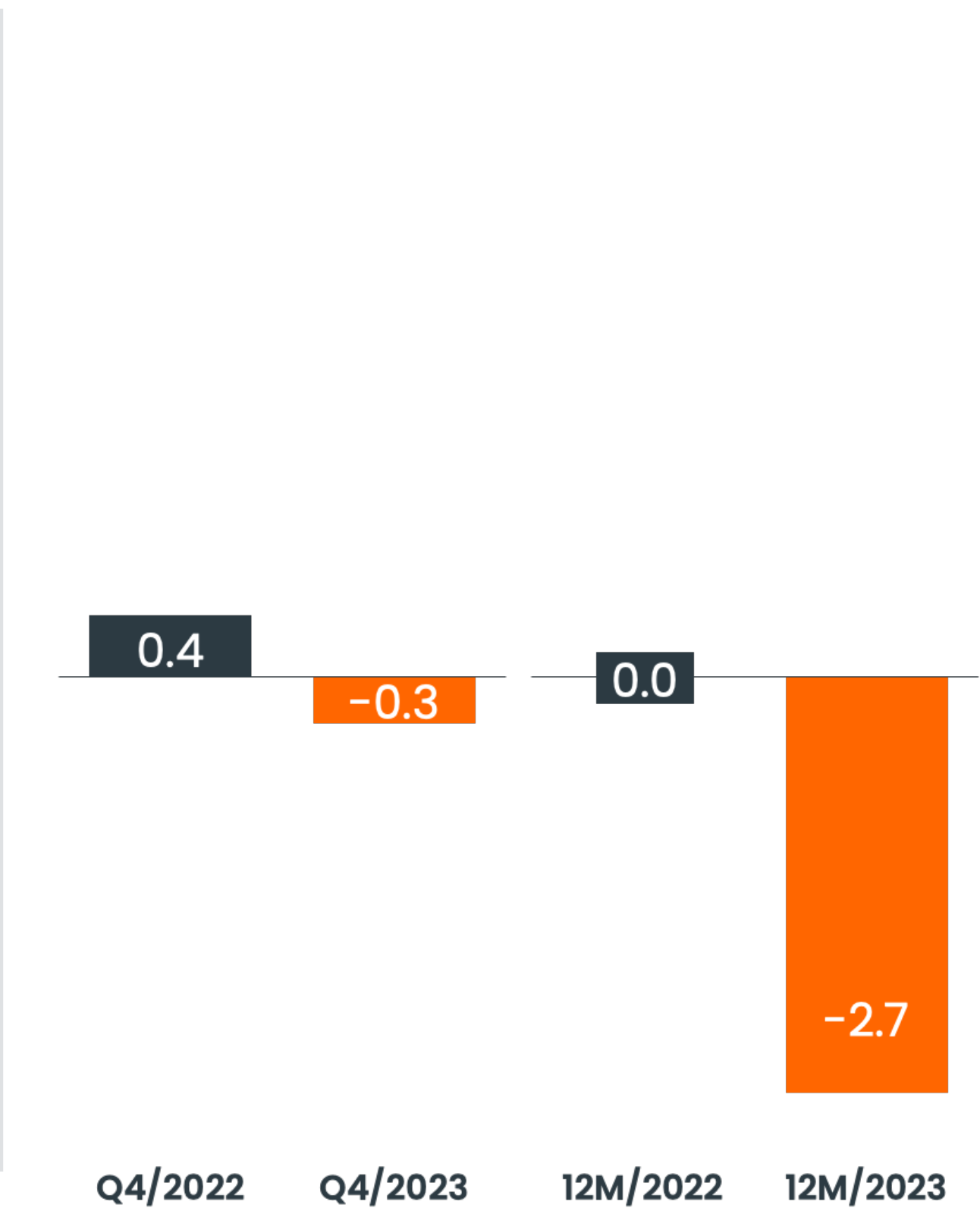
## Q4/2023

- Sponsorships and conference ticket purchases still hit by corporate cost savings
- Scaled down planning of new conference activities to match the slower market demand, and reorganized how we arrange conferences
- **-0.3m adj. EBITDA** in Q4 vs. average of -0.8m in the first three quarters
- +800,000 subscribers and 63 million views on our YouTube / Instagram channels aimed at professional developers and IT managers.

### REVENUE



### ADJUSTED EBITDA



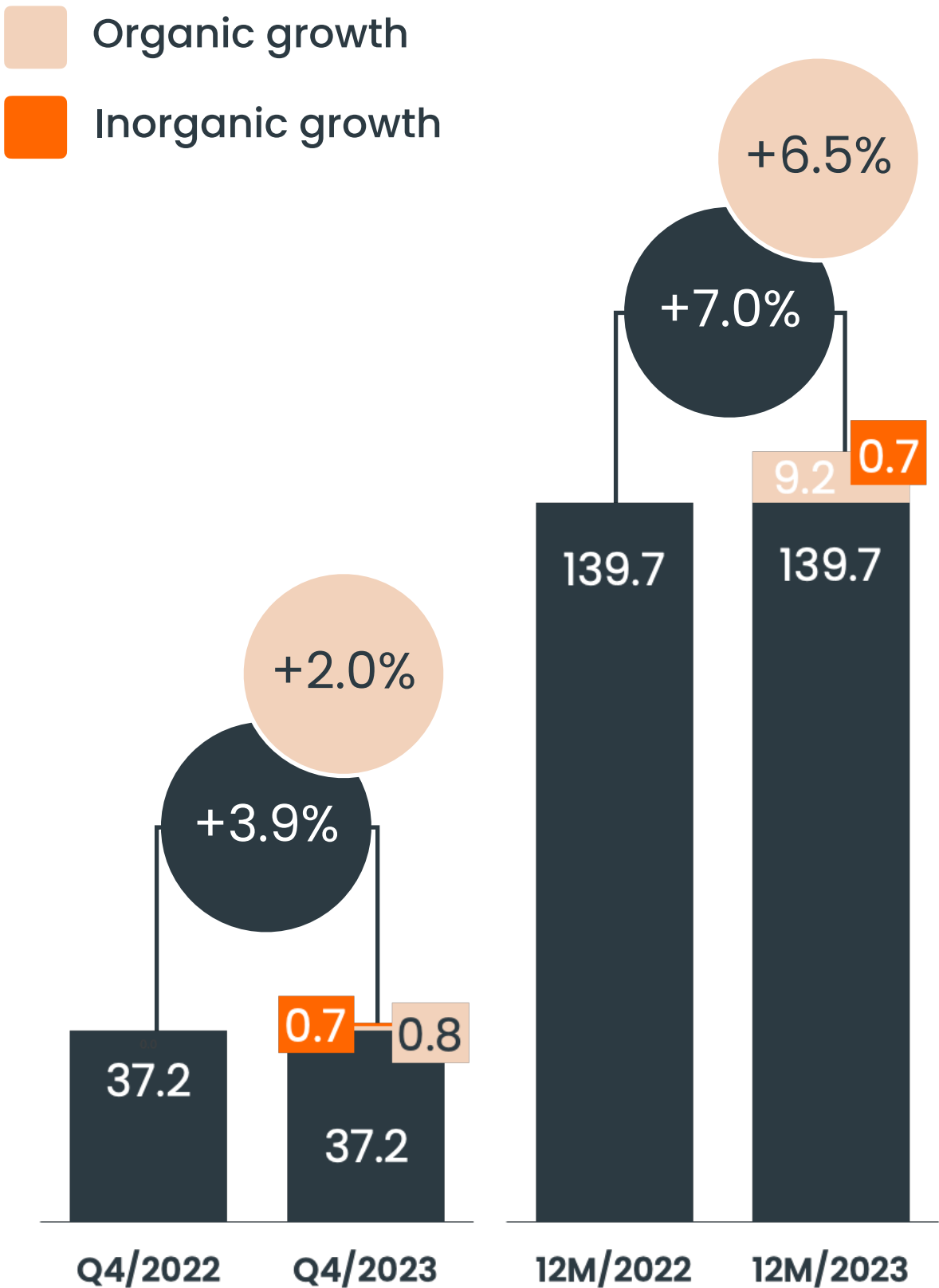


# Build performance

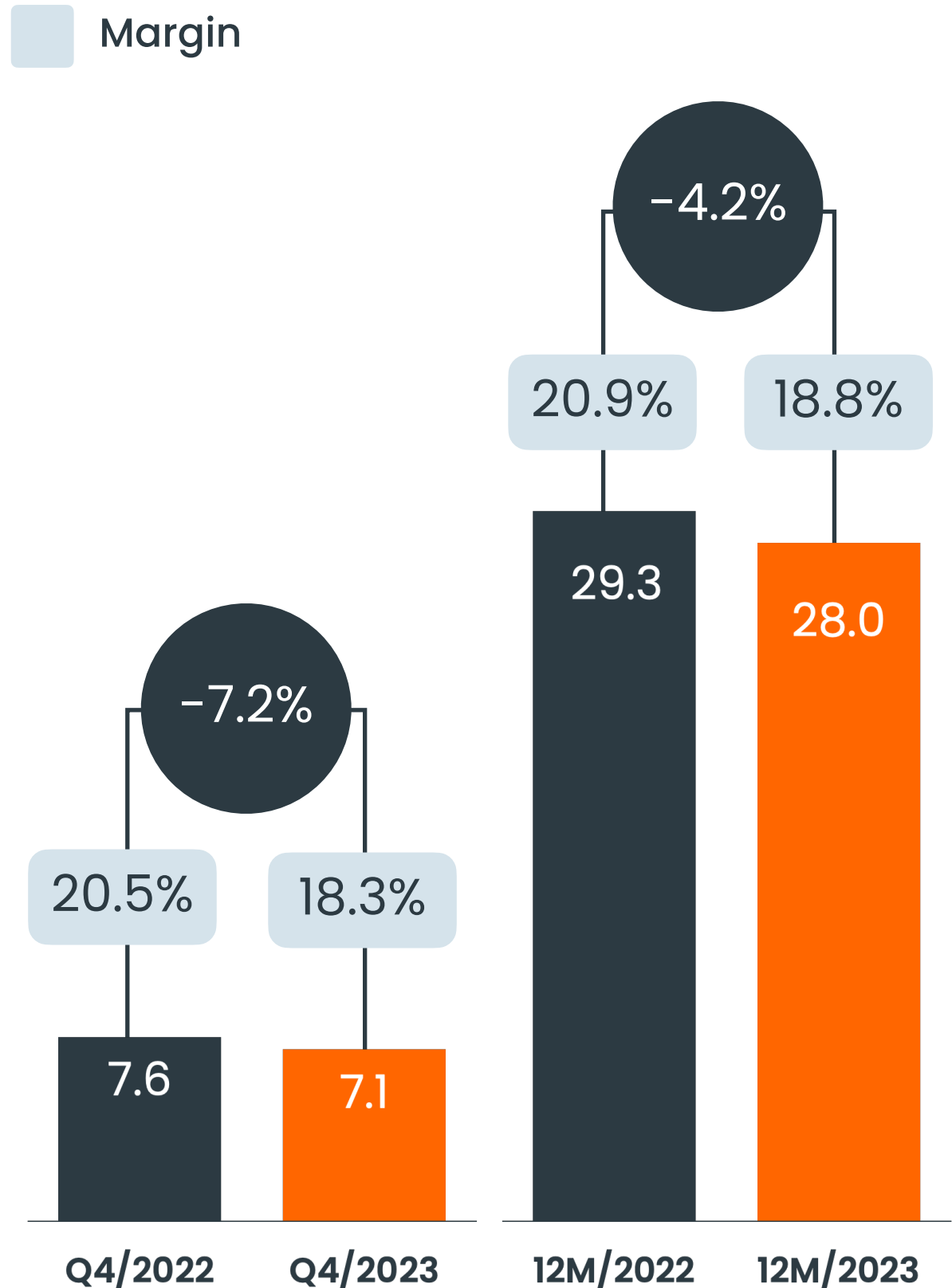
## REVENUE

### Q4/2023

- **EURm 38.7 revenue** corresponding to 3.9% growth, of which was 2.0% organic
- Growth below expectations as initiation of customer engagements were moved from Q4 to first half of 2024
- **Adj. EBITDA margin of 18.3%** declined compared to Q4/22 as we continued to invest in growth initiatives



## ADJUSTED EBITDA

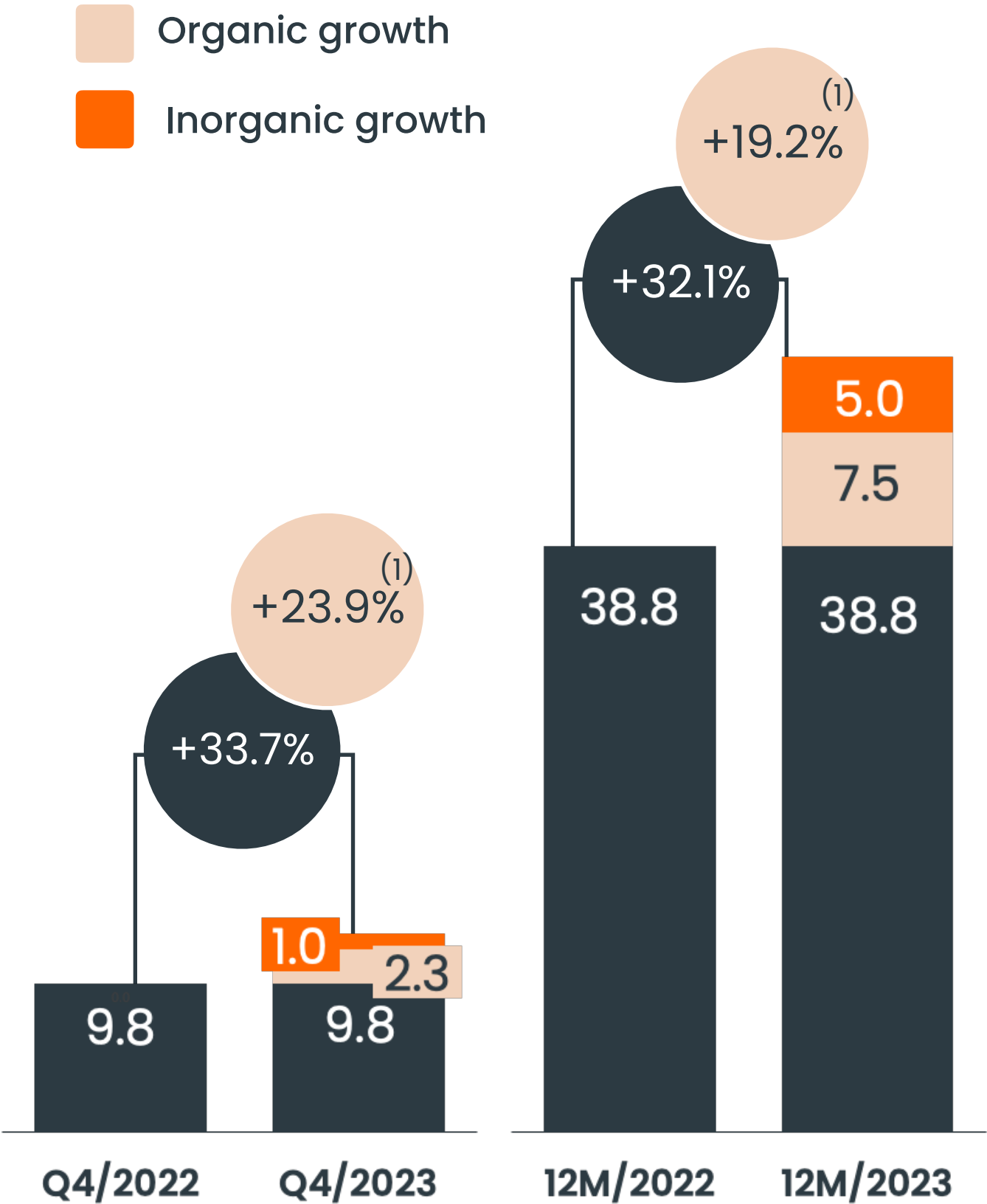


# Run performance

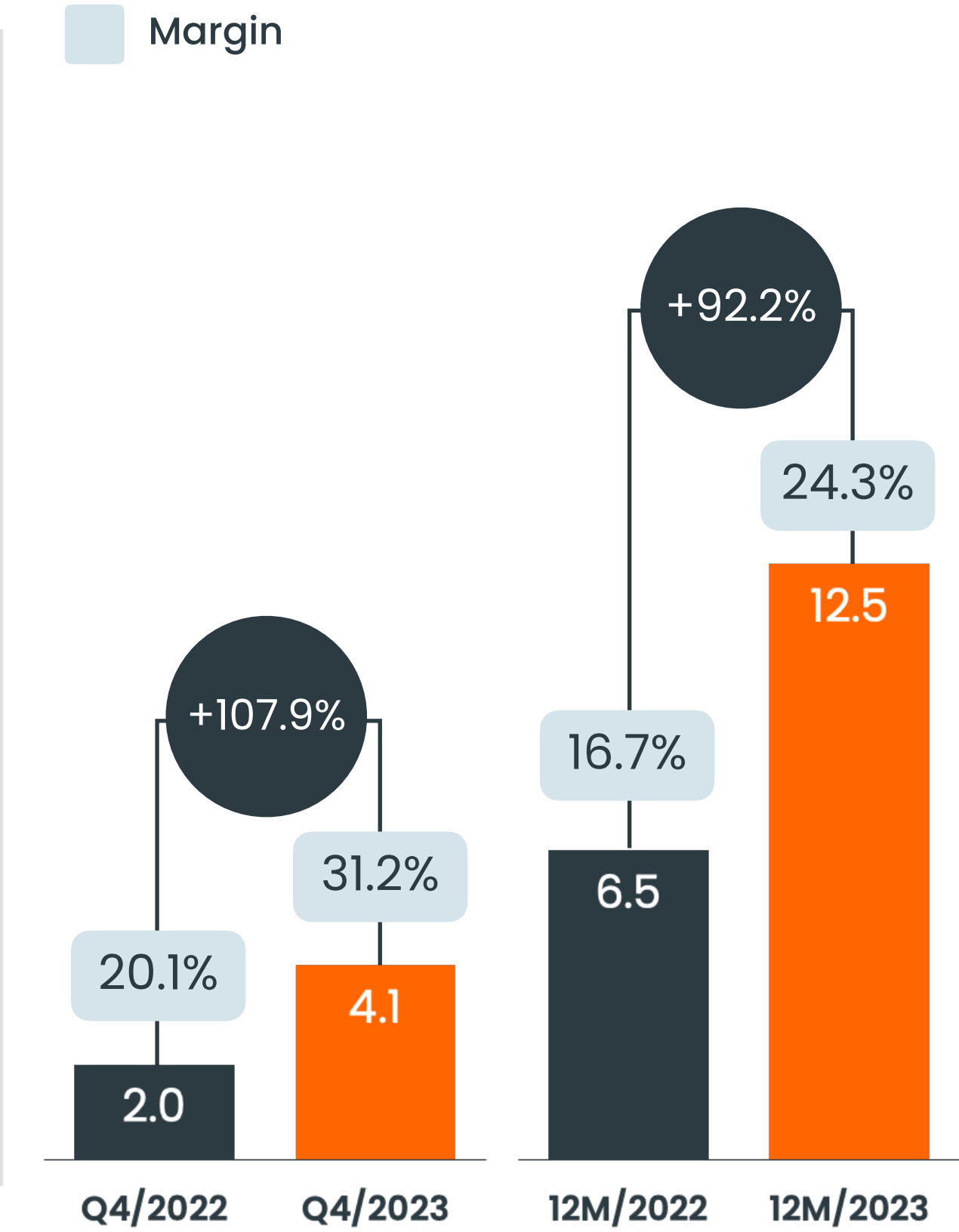
## Q4/2023

- **33.7% revenue growth**
- **23.9% organic revenue growth**
  - 26.4% organic growth, if adjusted for aperiodic and non-core hardware and third-party licenses
- Most Run-based revenue is recurring and comes from sales of Trifork's own products and related services
- **Adj. EBITDA margin of 31.2%** (Q4/22: 20.1%), however partly affected by increased capitalization of in-house product development as part of strategy to increase share of revenue from value-based pricing

### REVENUE



### ADJUSTED EBITDA

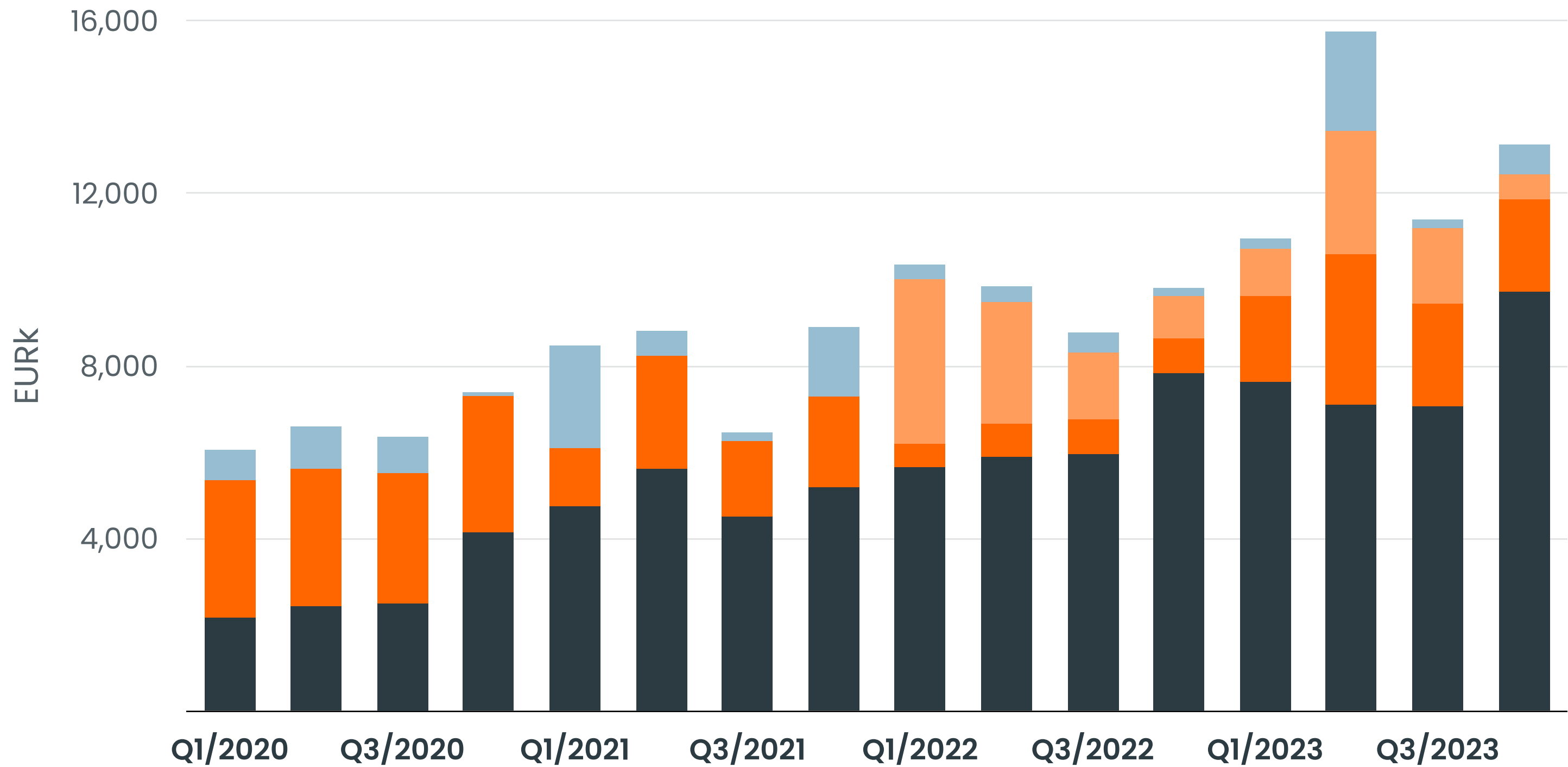




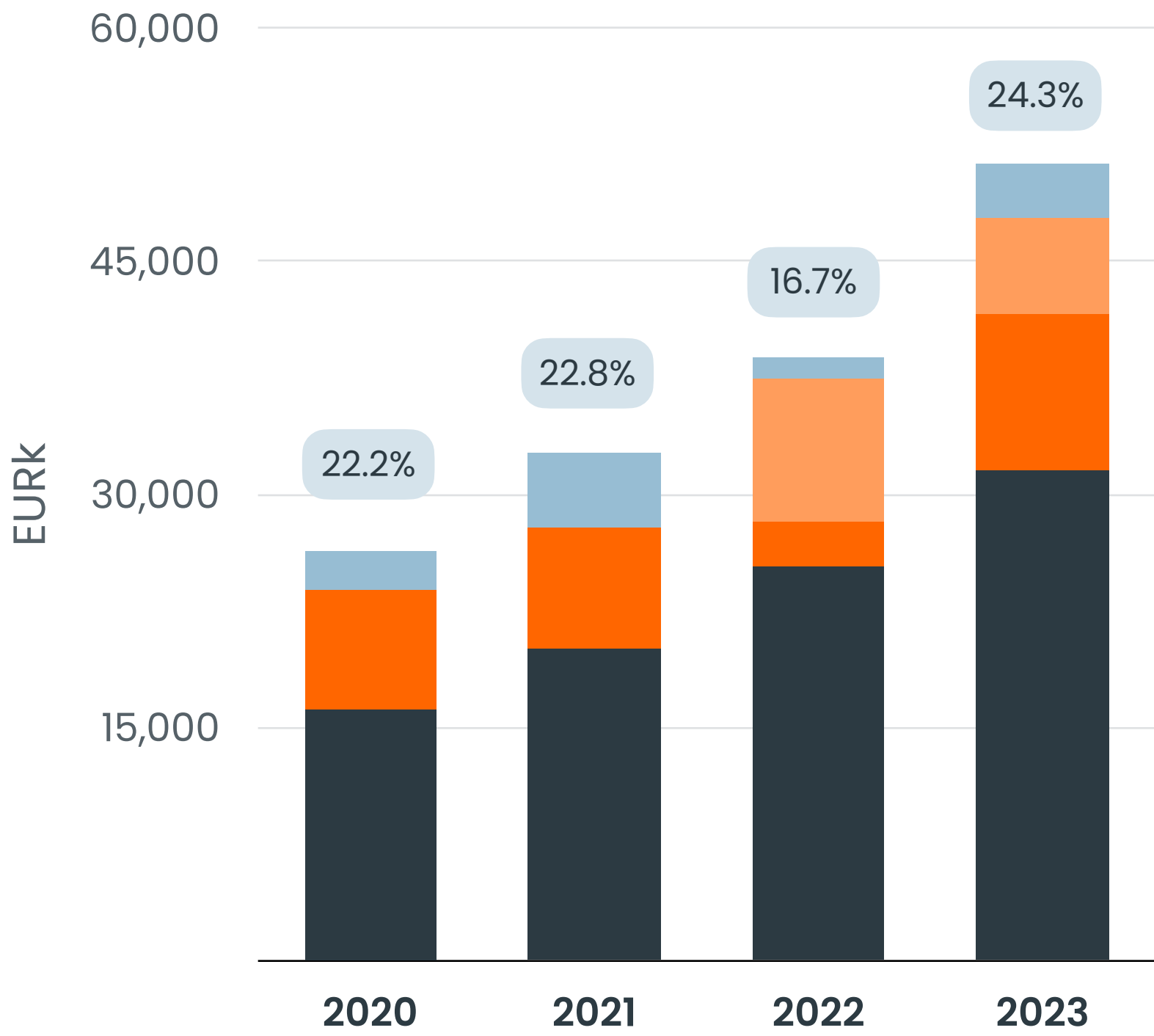
# Run revenue split

■ Hosting and security   ■ Licenses and support   ■ Third-party licenses<sup>(1)</sup>   ■ Hardware   ■ Adj. EBITDA margin

QUARTERLY RUN REVENUE



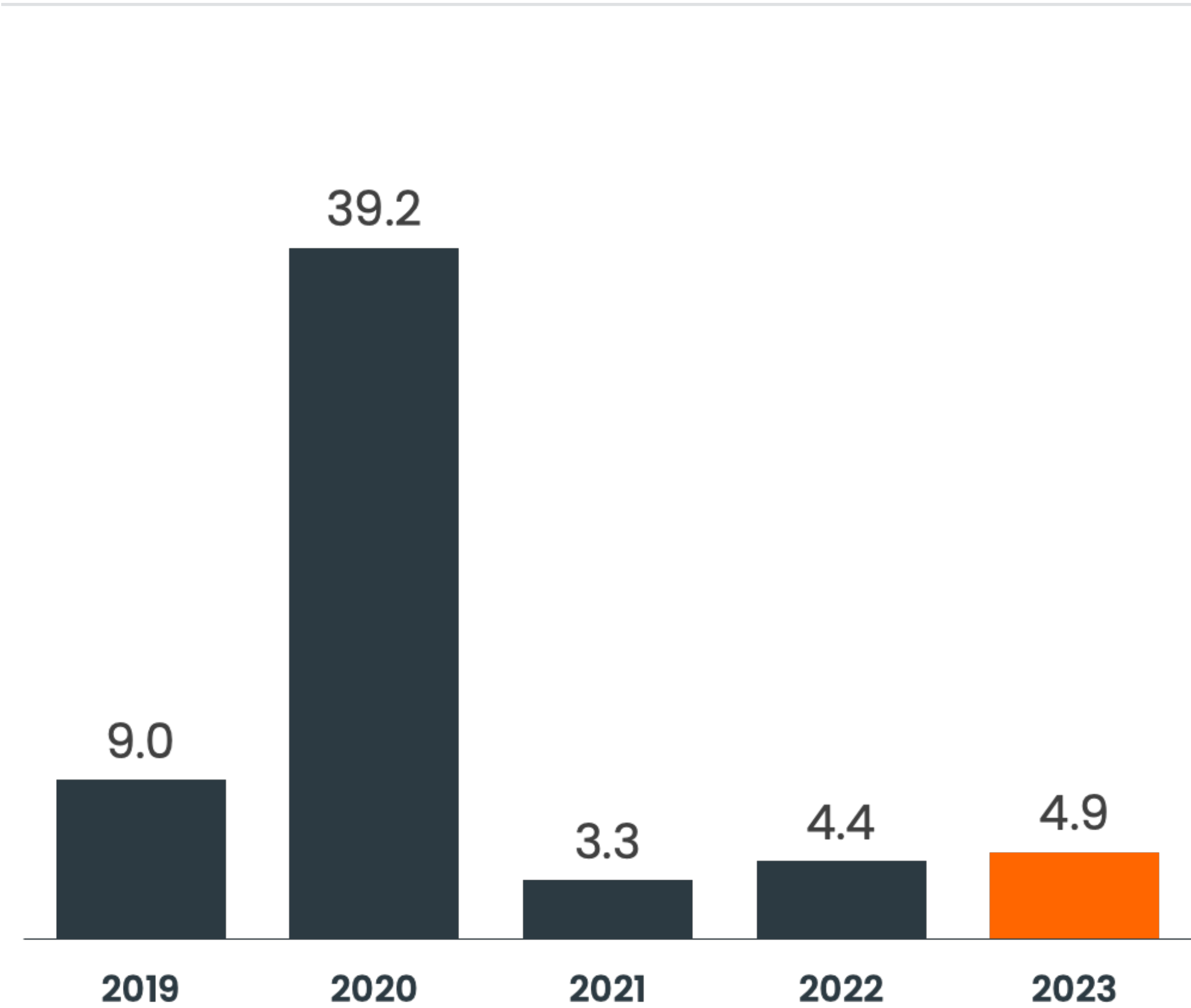
ANNUAL RUN REVENUE



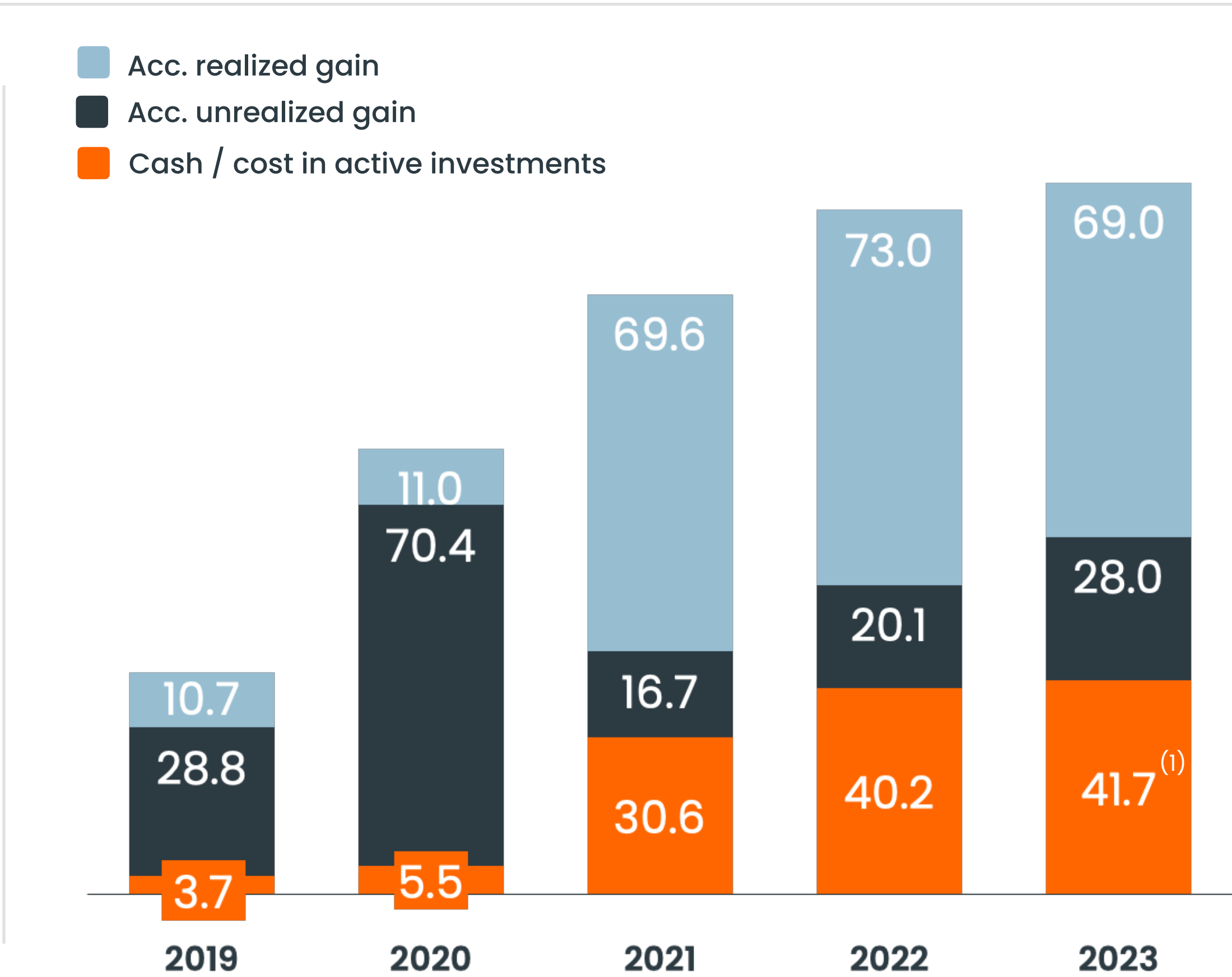
1) Since Q1 2023, Trifork started reporting non-core third-party licenses separately from Licenses and support with comparative figures for the previous year. Adjusting for hardware and third-party license revenues, organic sales growth in the Run sub-segment was 26.4% in Q4/23 and 20.9% for FY/23

# Labs performance

## EBT (EURM)



## INVESTMENTS (EURM)



1) Of the EURm 41.7 invested capital in Trifork Labs at the end of 2023, EURm 20.3 come from deconsolidated Trifork Group companies and EURm 21.4 from cash investments.

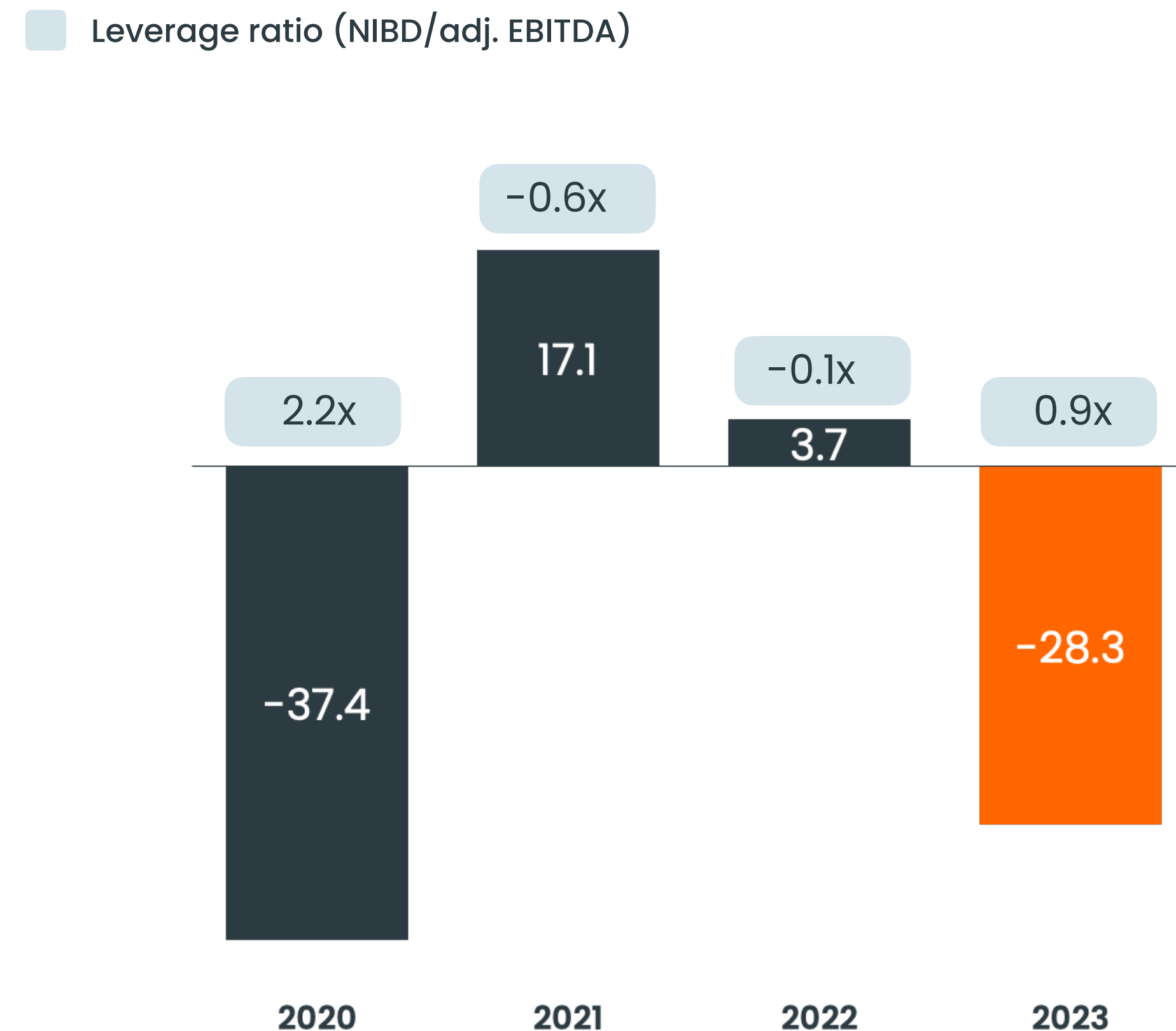


# Cash flow and financial position

## NET INTEREST-BEARING DEBT

### Q4/2023

- Operating cash flow of EURm 6.6 (Q4/22: 6.8)
- Investing activities of EURm -14.6 (Q4/22: -1.8)
- Financing activities of EURm 7.3 (Q4/22: -1.6)
- Net interest-bearing debt of EURm 28.3
  - **0.9x net interesting-bearing debt to adj. EBITDA**
  - Comfortable with a gearing up to 1.5x
  - Treasury shares worth EURm 4.3 not included in calculation of NIBD
- Proposed **dividend of EURm 2** (25% of cash EPS)
- **Buyback program of EURm 2** initiated on 2 November 2023
  - 111,047 shares purchased, amounting to EURm 1.7 as of 23 February





29 May 2024

# Capital Markets Day

- Trifork's first CMD since the IPO in 2021
- New and valuable insights into Trifork's growth journey, capabilities, strategies, financial development, and future ambitions
- Meet many key representatives from Trifork Group and Trifork Labs companies

**Date:** May 29, 2024

**Location:** CodeNode CPH Space & Events in the Trifork building, Gdanskgade 2, 2150 Copenhagen

**Time:** Doors open at 12:00 CEST. Presentations begin 12:30 and finish around 17:00.

**Format:** Physical event, no livestream, video recording will be uploaded in the days following the event

**Register to attend:**

Frederik Svanholm, Head of IR: [frsv@trifork.com](mailto:frsv@trifork.com)





# Q&A



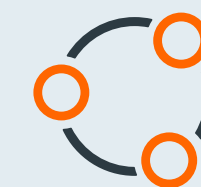
Strong non-cyclical growth drivers



Software innovation specialists



Three decades of resilient growth and margins



Full-circle and low risk business model



Effective and agile teal organization



Successful and profitable innovation model



Enabling customers to become sustainable with software