

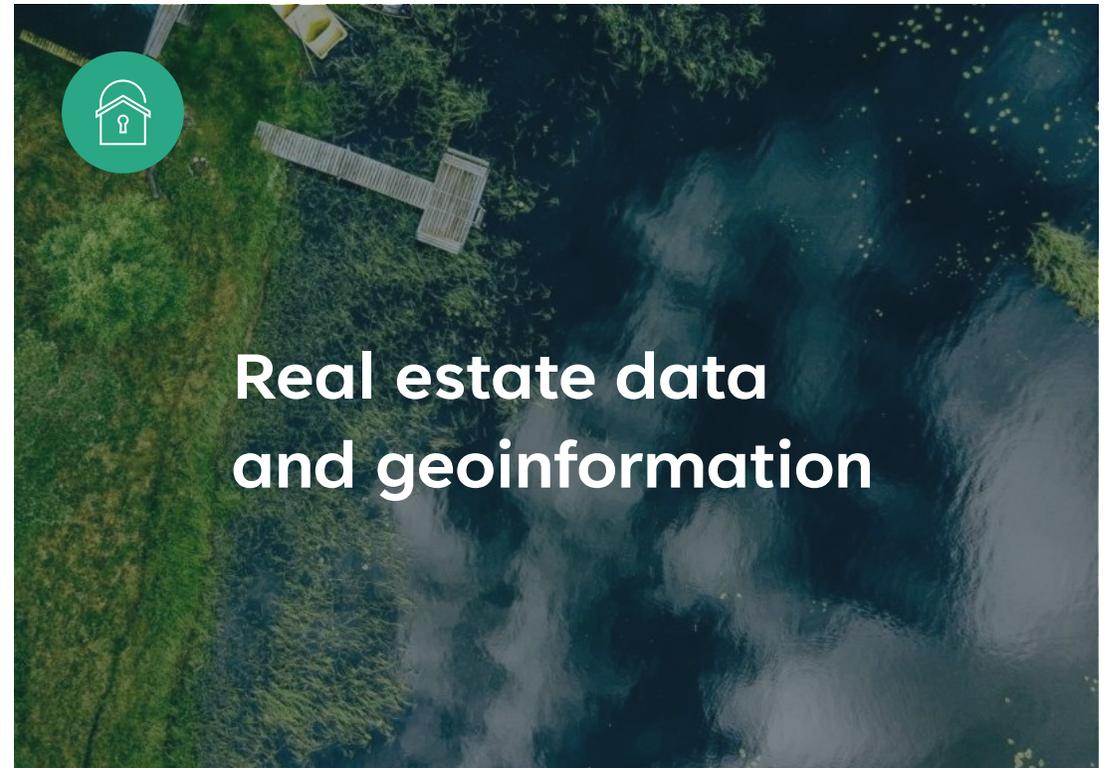
Spir Group ASA – Q4 2023

CEO Per Haakon Lomsdalen & CFO Cecilie Brænd Hekneby

15 February 2024

THIS IS SPIR GROUP

Software house with #1 positions in two segments



Spir Group is a house of scalable technology brands



Mission critical software for the public sector



Real estate data and geoinformation



- Leading provider of mission critical software for Norwegian public sector
- High level of recurring revenue
- Long-term contracts, minimal churn



- Leading real estate data and geoinformation provider in Sweden
- Focus on core business and margin improvements following restructuring



- Leading provider of real estate data in Norway
- High and sustained market share
- Enhancing value by moving upwards in the value chain with higher margins
- Preparing for commencement of new homes to increase



- Digital platforms for property documentation
- 900,000 unique users with significant monetization potential
- Introducing new revenue models shortly

Taken significant steps operationally during 2023

#1

Sikri Group becomes
Spir Group

#2

New management
team in place,
including CEO, CFO
and CTO

#3

Reshaping the
company – divested
non-core business
areas

#4

Further improve our
number 1 position

Ready to execute on 2024 ambitions

SaaS business model with attractive metrics

HIGH RECURRING
REVENUE SHARE

81%

RECURRING & RECURRING-
LIKE REVENUE



STRONG ARR GROWTH

398

MNOK ARR
(up 7% from year-end 22)



INCREASING PROFITABILITY

33%

REPORTED FY 2023 EBITDA
INCREASE FROM MNOK 127 TO
MNOK 169



IMPROVED FINANCIAL POSITION

105

REDUCED NIBD FROM MNOK
756 AT YEAR-END 2022 TO
MNOK 651 Q4 2023

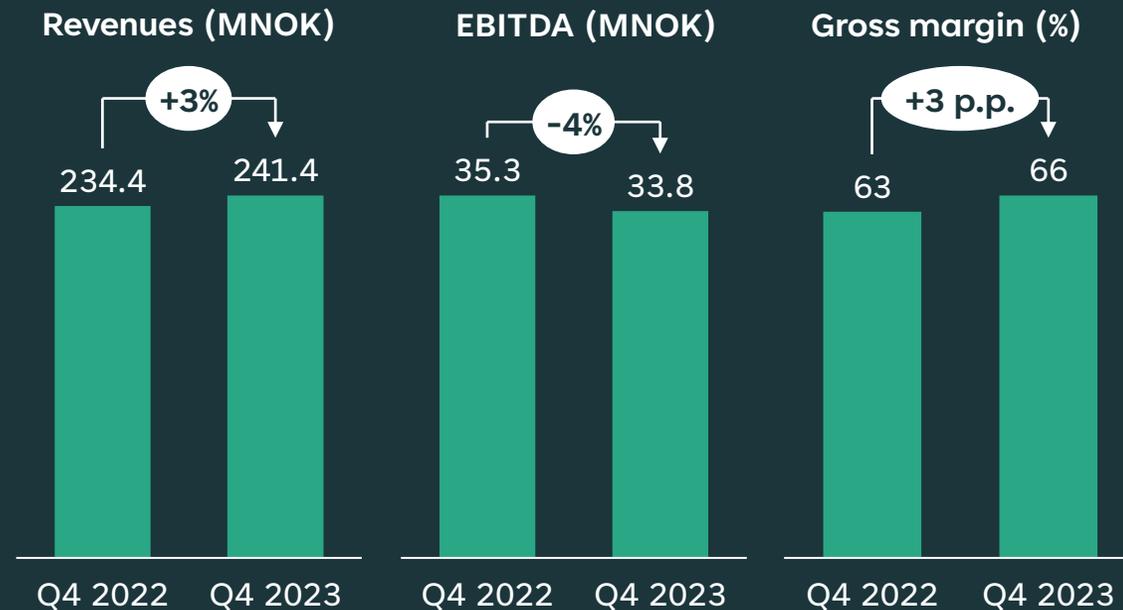




Q4 and FY 2023 Financial review

Q4 2023 financial highlights

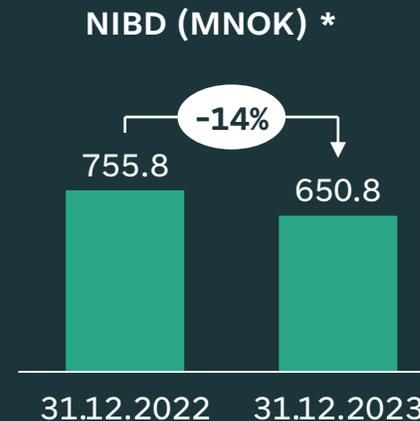
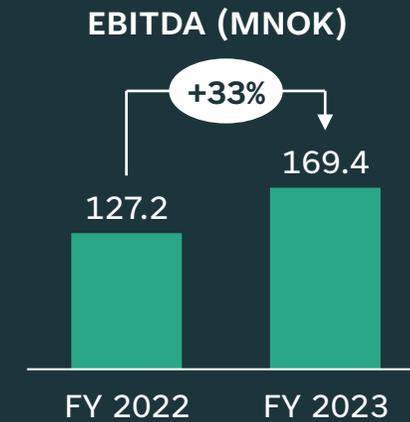
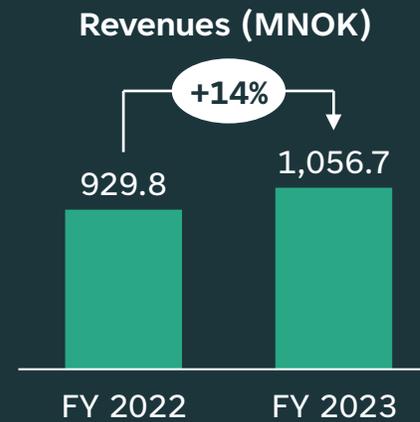
- Revenue of MNOK 241.4 (234.4), implying organic growth of 3 percent in the quarter
- Annual recurring revenue (ARR) within the Group increased to MNOK 398 at the end of Q4 2023, up 7 percent from Q4 2022
- Increased gross-margin driven by shift in product mix
- EBITDA of MNOK 33.8 (35.3)
- Adjusted* EBITDA of MNOK 38.8 (43.4)



*Adjusted for non-recurring cost of 5.1 MNOK in Q4 2023 and 8.1 MNOK in Q4 2022

FY 2023 financial highlights

- Revenue of MNOK 1,056.7 (929.8) driven by organic growth and the acquisition of Metria in April 2022
- EBITDA of MNOK 169.4 (127.2)
- Adjusted* EBITDA of MNOK 189.1 (166.3)
- Net interest-bearing debt (NIBD) incl leasing reduced from MNOK 756.0 at year-end 2022 to MNOK 650.9 at year-end 2023.
- Strong operational cash flow development of MNOK 66.6 in the quarter
- Satisfactory liquidity position



*Adjusted for non-recurring cost of 19.6 MNOK in FY 2023 and 39.1 MNOK in FY 2022

Organic revenue growth in a challenging market

NOK MILLION	Q4 2023	Q4 2022	Growth
Overall revenue	241	234	3%
Sikri	69	66	5%
Ambita	82	86	-5%
Boligmappa	13	11	25%
Metria	74	73	0%
Gross profit	160	147	9%
Gross margin percentage	66%	63%	3.5 pts

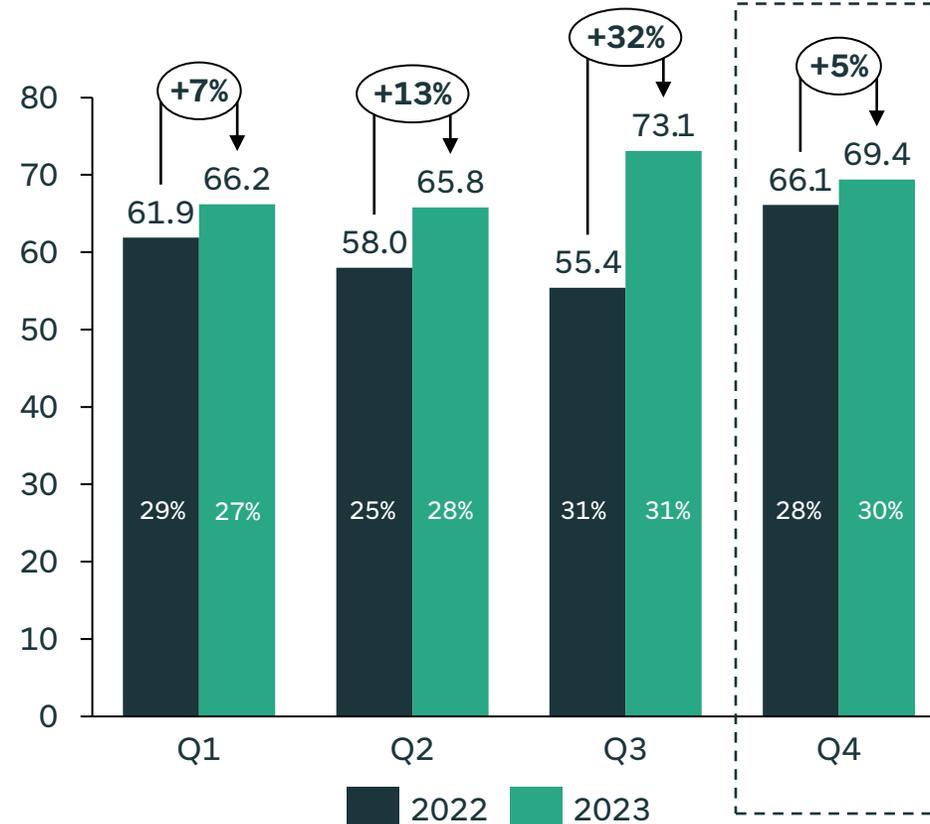
- Total revenue increased by 3 % to NOK 241 million
- Sikri growth driven by higher activity in implementation projects and steady growth in SaaS revenue
- Ambita growth hampered by a slow real estate market, significant decline in the number of properties put up for sale in the quarter, as well as decline in the commencement of new homes
- Boligmappa steady growth in ARR, new revenue models in development
- Metria with flat growth due to challenging real estate market in Sweden
- Improved product mix and gross margin
- Capitalized development costs of MNOK 22 in Q4 2023 – vs MNOK 17 in Q4 2022

ARR growth of 12% reaching MNOK 198

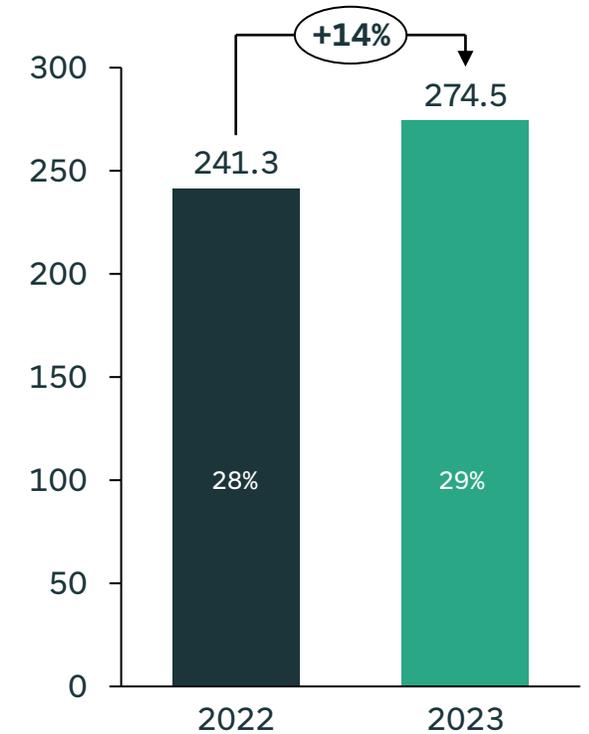
Main developments

- Revenue growth of 5% in Q4 2023 compared to Q4 2022
- Churn remain low at 1.5% in Q4 2023
- Won contracts with The Norwegian Correctional Service (“Kriminalomsorgen”) and The Norwegian Railway Directorate (“Jernbanedirektoratet”) during the fourth quarter

Q/Q Revenue (mNOK) and adj. EBITDA margin*



Y/Y Revenue (mNOK) and adj. EBITDA margin*



* Adjusted for restructuring costs - MNOK 0.4 in Q4 23 (MNOK 1.7 in Q4 22) and MNOK 3.1 FY 23 (MNOK 1.8 FY 22)

The public sector is investing heavily in digitalization



The key player in the market for managing and archiving documents, providing mission critical public sector software

60% public
tender win rate
2022-2023

ARR of NOK
198 million end
of Q4 2023

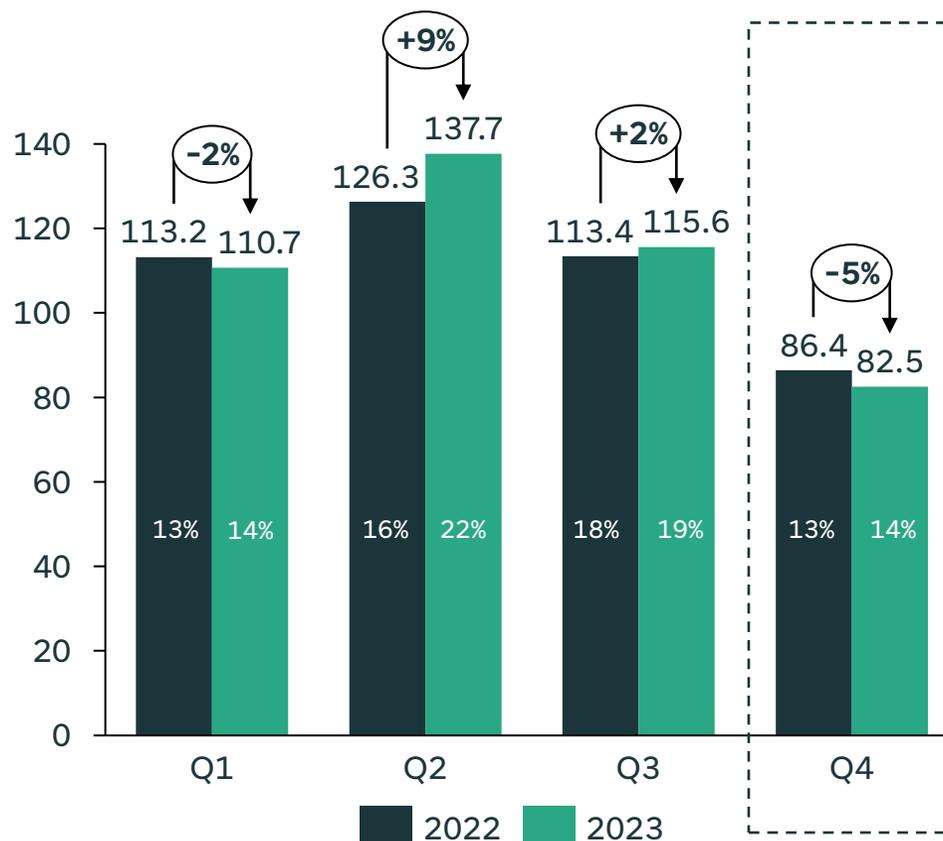
Long term
SaaS
agreements
(**3-7 years**)

Challenging market conditions hampering growth

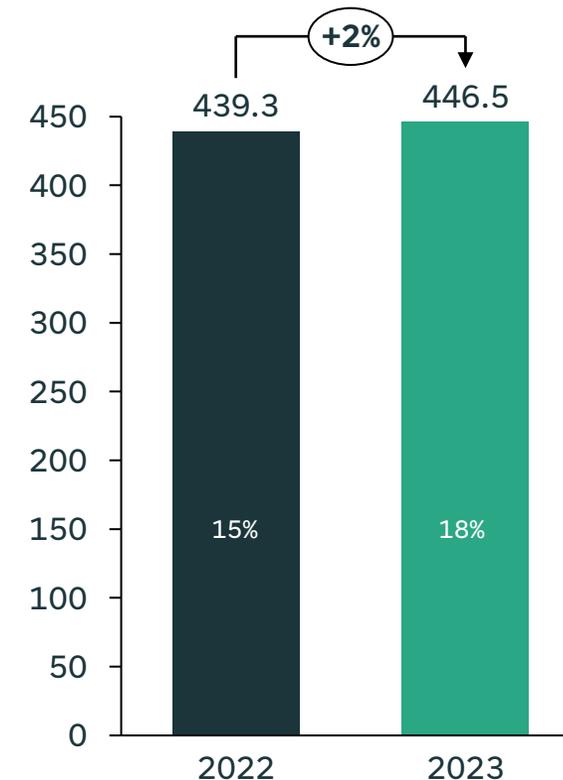
Main developments

- 5% revenue decline offset by cost reductions, leading to a slight adj. EBITDA improvement, as well as improved product mix and good traction for high-margin products
- Number of properties put up for sale down by 12% in Q4 2023 compared to the same period last year – while the commencement of new homes declined by 28% in Q4 and 40% in FY 2023
- Despite the challenging market conditions, Ambita increased FY 2023 revenues by 2%, reaching NOK 446 million, and improved the EBITDA margin by 4 p.p. to 18%

Q/Q Revenue (mNOK) and adj. EBITDA margin*



Y/Y Revenue (mNOK) and adj. EBITDA margin*



* There were no adjustments in FY 2023 nor in FY2022

Focusing on increasing sales of high-margin products

ambita Leading digital real estate and construction offerings in Norway, enabling digital transformation and services

Providing services that connects real estate agents, banks and insurance companies

Continued focus on developing new high-margin products and services

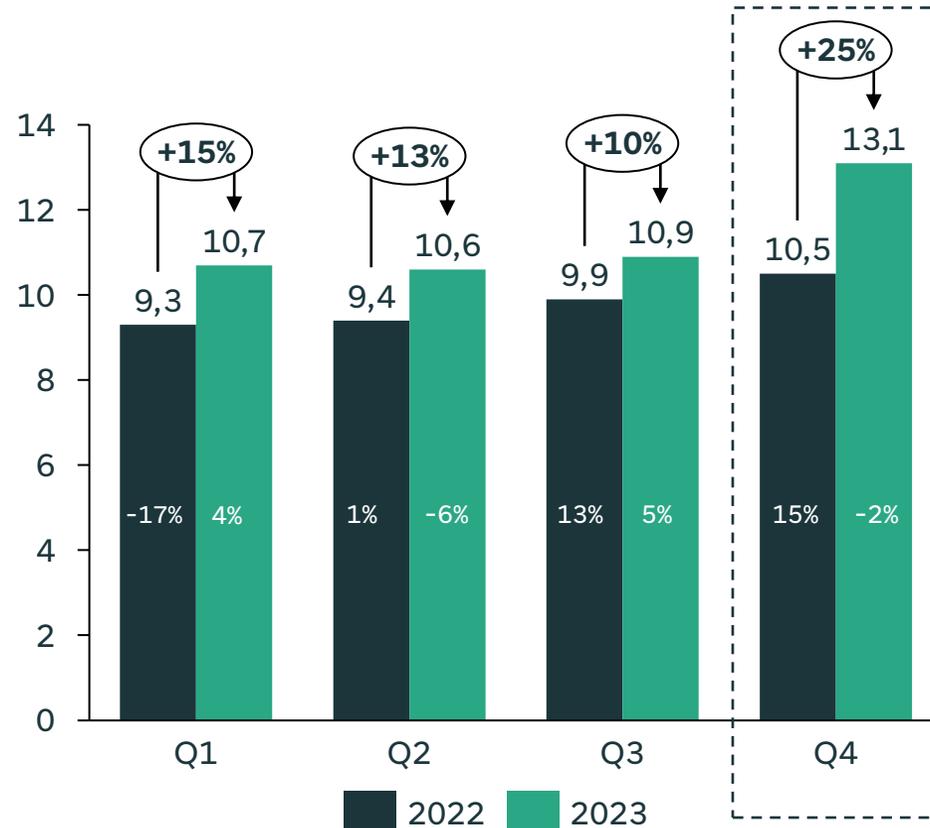
Signed contracts with several major banks and real estate agents in Norway during 2023

New revenue models being implemented

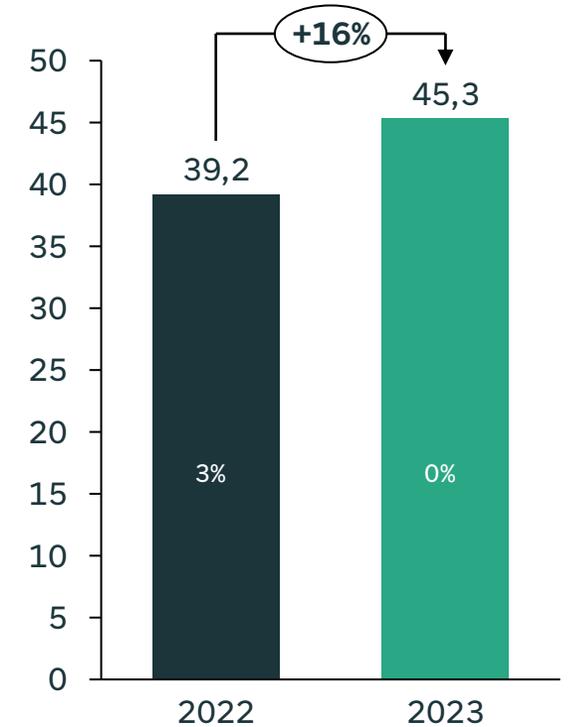
Main developments

- Growth of 25% in Q4 due to sales to new customers
- ARR per Q4 is MNOK 41, implying 11% growth from Q4 2022
- Will continue to build a solid platform and implement new revenue models
- The consumer segment is currently focusing on continuing the user growth initiatives among private users and developing new future revenue models

Q/Q Revenue (mNOK) and adj. EBITDA margin*



Y/Y Revenue (mNOK) and adj. EBITDA margin*

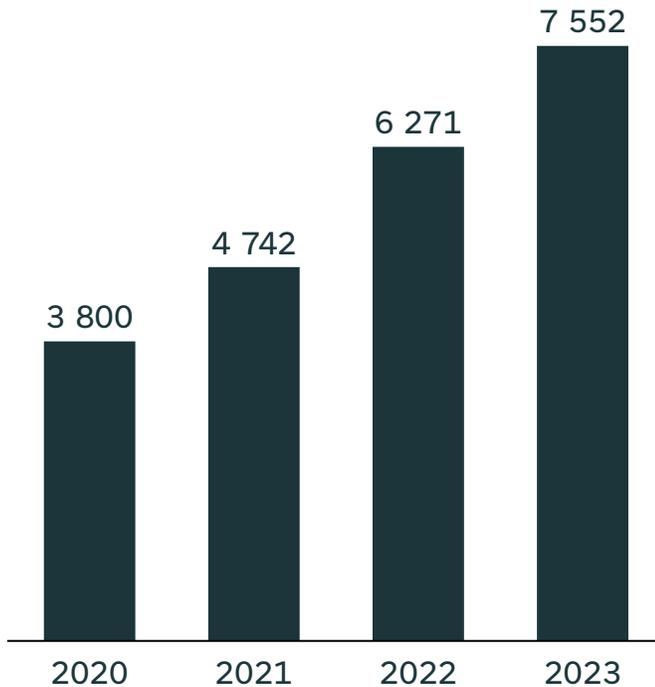


* There were no adjustments in FY 2023 nor in FY2022

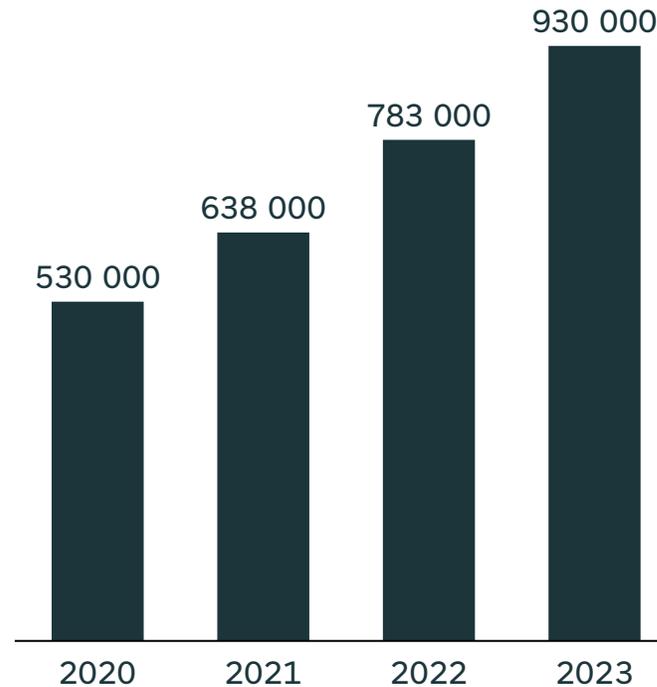
Continued momentum in the Boligmappa solution

Building traffic and user engagement with great monetization potential

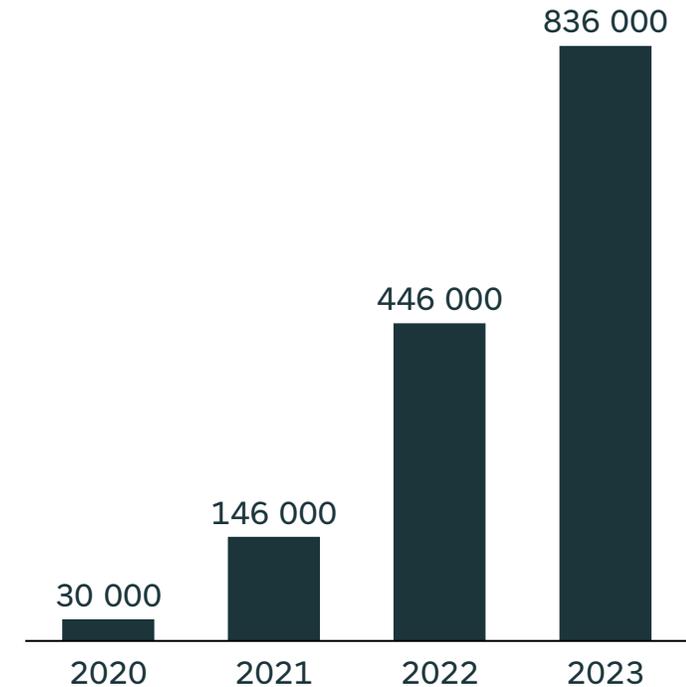
Strong growth in subscription paying craftsmen¹⁾



930,000 verified home-owner users²⁾



Strong growth in user engagement³⁾



1) Number of licences

2) Registered Boligmappa users

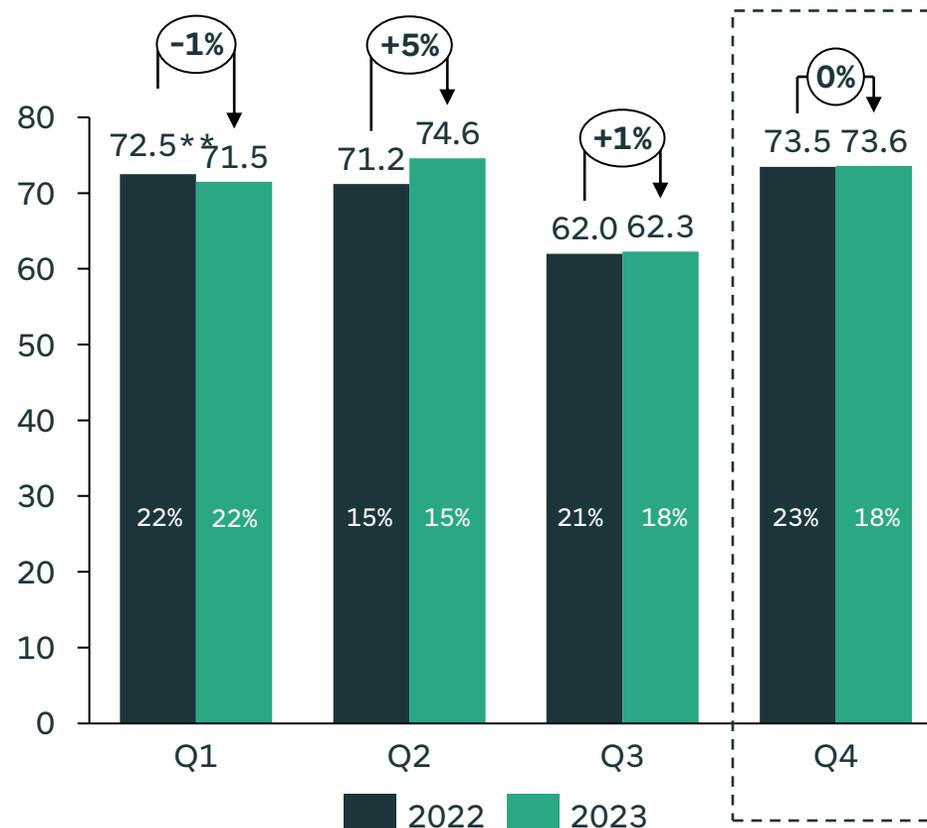
3) Monthly active Boligmappa, Hjemla and Byggebolig users

Flat quarter in a challenging market

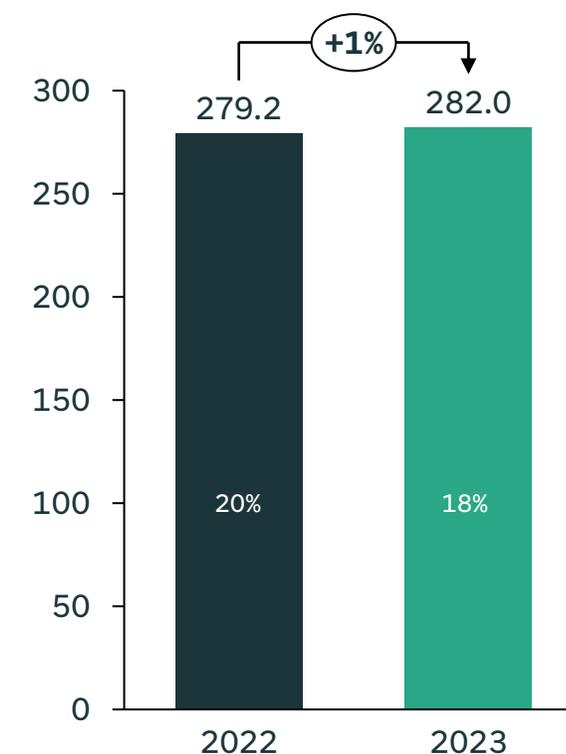
Main developments

- Improved gross margin at 64%
- Continued low number of properties sold in Sweden during Q4 2023
- ARR MSEK 117
- Continuing the transformation of Metria after the divestment of the Planning and Surveying business area in Sweden to Sweco in 2023
- In the fourth quarter, Metria renewed contracts with key customers within two segments, the energy sector and forest management. The contracts in each segment are worth MSEK 8 and MSEK 12, respectively

Q/Q Revenue (mNOK) and adj. EBITDA margin*



Y/Y Revenue (mNOK) and adj. EBITDA margin*

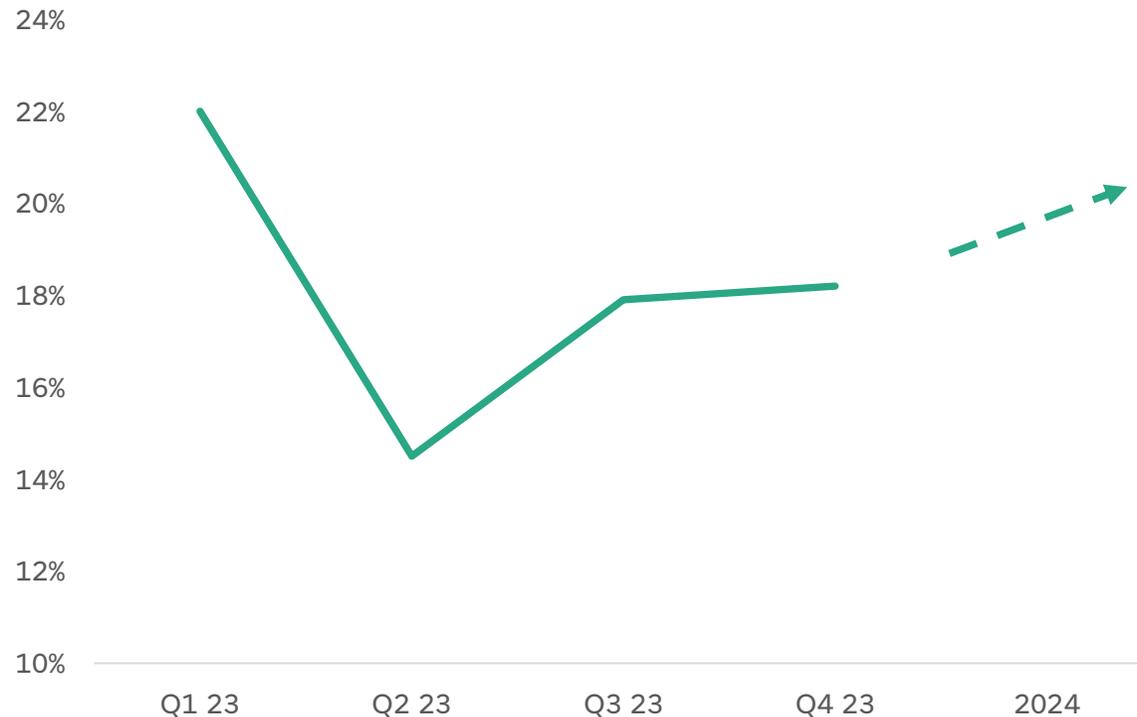


* Adjusted for restructuring- and integration costs - MNOK 2.5 in Q4 23 (MNOK 0.6 in Q4 22) and MNOK 10.1 FY 23 (MNOK 0.8 FY 22)

** Q1 2022 proforma numbers

Adjusted EBITDA development after P&S divestment

Adj. EBITDA margin development



2023

- Planning and Surveying - Carve out
- Rightsizing (stranded cost)

2024

- Improved profit margin with new cost baseline
- Further cost reduction measures

Decreased margin from Q2 2023 due to overhead and other shared costs allocated to P&S in 2022 and Q1 2023

Q4 and FY 2023 financial results

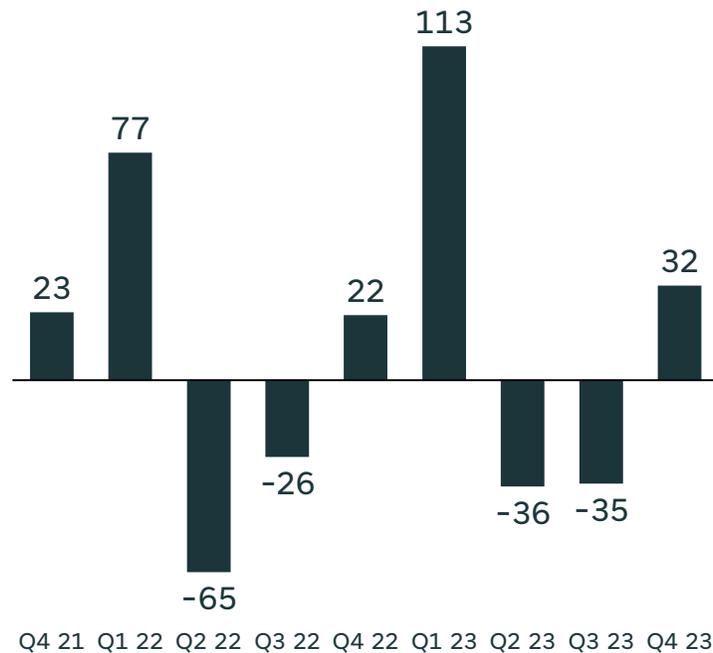
Summary of developments

- Organic revenue growth of 3% in a challenging quarter
- FY revenue growth of 14% - driven by the acquisition of Metria AB April 2022, as well as organic growth
- Continued focus on cost control following restructuring of the company
- Financial income and expenses impacted by share of profit & loss from associated companies
- Development in net income relates to higher financial costs in 2023 following share of profit from associated companies and profit from divestment of Prognosesenteret in 2022

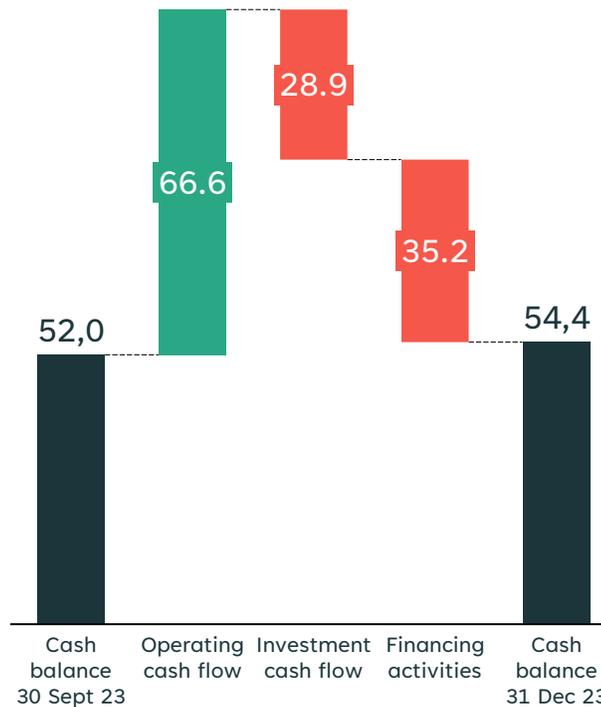
NOK 1000	Q4 2023	Q4 2022	Change %	FY 2023	FY 2022	Change %
Revenue	241 364	234 427	3 %	1 056 716	929 841	14 %
Cost of providing services	81 871	87 480	-6 %	415 266	381 953	9 %
Gross profit	159 494	146 947	9 %	641 450	547 888	17 %
Personnel expenses	87 677	81 558	8 %	347 324	292 556	19 %
Other operating expenses	38 066	30 100	26 %	124 695	128 123	-3 %
EBITDA	33 751	35 288	-4 %	169 431	127 209	33 %
Depreciation and amortization expenses	30 249	29 714	2 %	119 221	107 759	11 %
Impairment losses	0	2 533	N/A	0	2 533	N/A
Operating profit	3 502	3 042	15 %	50 210	16 917	197 %
Financial income	3 382	1 475	129 %	7 492	3 479	115 %
Financial expenses	-22 098	-15 032	-47 %	-62 257	-52 628	-18 %
Profit before income tax	-15 213	-10 516	-45 %	-4 555	-32 233	86 %
Income tax expense	1 029	956	-8 %	2 568	-733	-450 %
Profit from continuing operations	-16 242	-11 472	-42 %	-7 123	-31 499	77 %
Profit from discontinued operations	0	51 130	N/A	-3 564	58 464	-106 %
Net income	-16 242	39 658	-141 %	-10 687	26 965	-140 %

Strong underlying improvement in operating cash flow

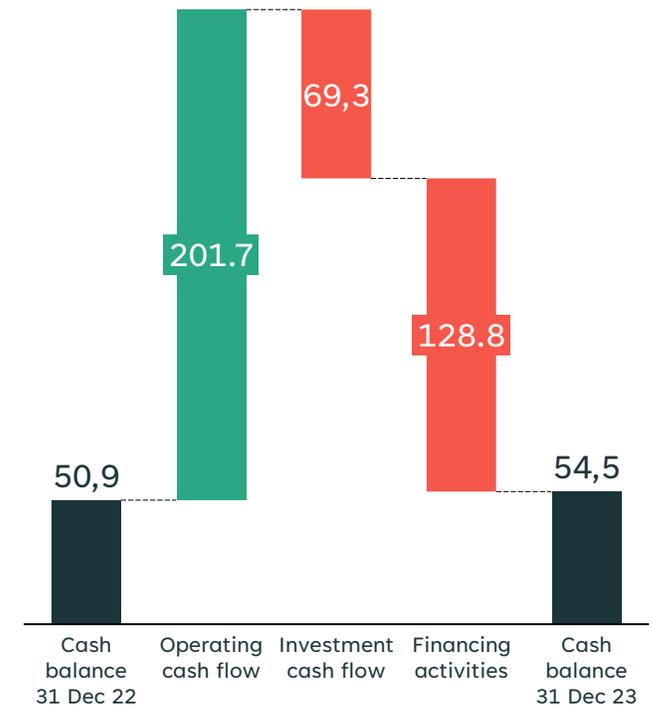
Free cash flow (MNOK)*



Cash flow bridge Q4 2023



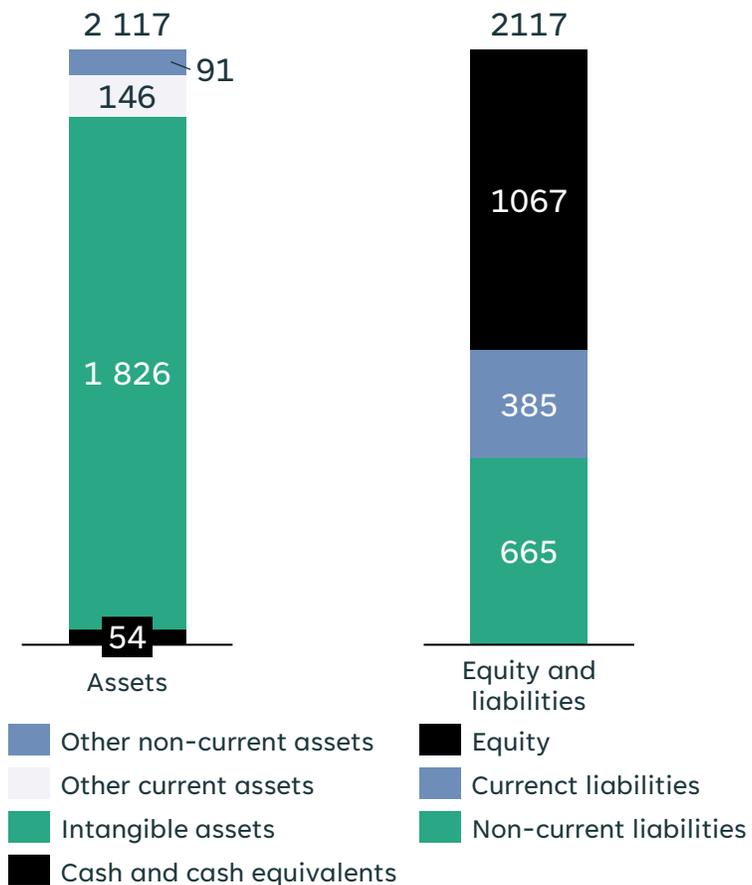
Cash flow bridge FY 2023



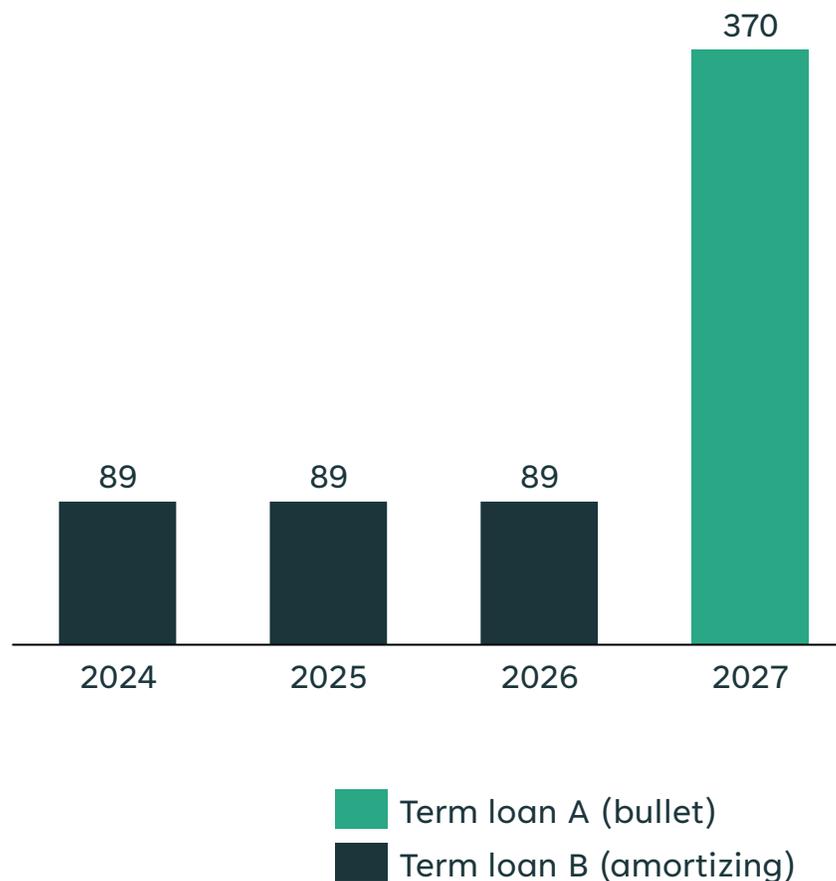
*Free cash flow includes; operating cash flow, lease repayments and Capex (fixed assets and capitalized development costs). Excludes acquisition costs.

Financial position

Financial position 31.12.2023 (MNOK)



Debt maturity profile (MNOK)



Details

- Equity ratio increased from 47% in December 2022 to 50% in December 2023
- NIBD incl lease liabilities reduced by MNOK 105 to MNOK 651 as of 31.12.2023
- 61% of interest-bearing debt as of 31.12.2023 covered by interest rate swaps:
 - MNOK 243 at 3.24% (mature in 2032)
 - MNOK 162 at 3.25% (mature in 2028)
- Cash-balance of MNOK 55

2023 financial summary

#1

Full-year 2023 revenue growth of 14%, driven by organic growth and the acquisition of Metria

#2

Improved gross margin driven by shift in product mix

#3

Continued focus on cost control following restructuring of the company

#4

Strong operating cash flow and deleveraging throughout 2023

Improved financial position compared to one year ago

Outlook - Continue to pursue our growth strategy

- Continued organic growth and M&A opportunities to strengthen our segments
- Improvements in the real estate markets in Norway and Sweden will have positive effects
- Demand for secure IT solutions in Public, gain more RFP`s
- Well positioned to benefit from long term market opportunities in both segments
- Investments in product development to improve margins and utilize synergies
- Continued cost focus to increase profitability
- Maintaining financial stability and flexibility



Thank you!

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Appendix

Historical financial proforma figures, adjusted for acquired and divested business

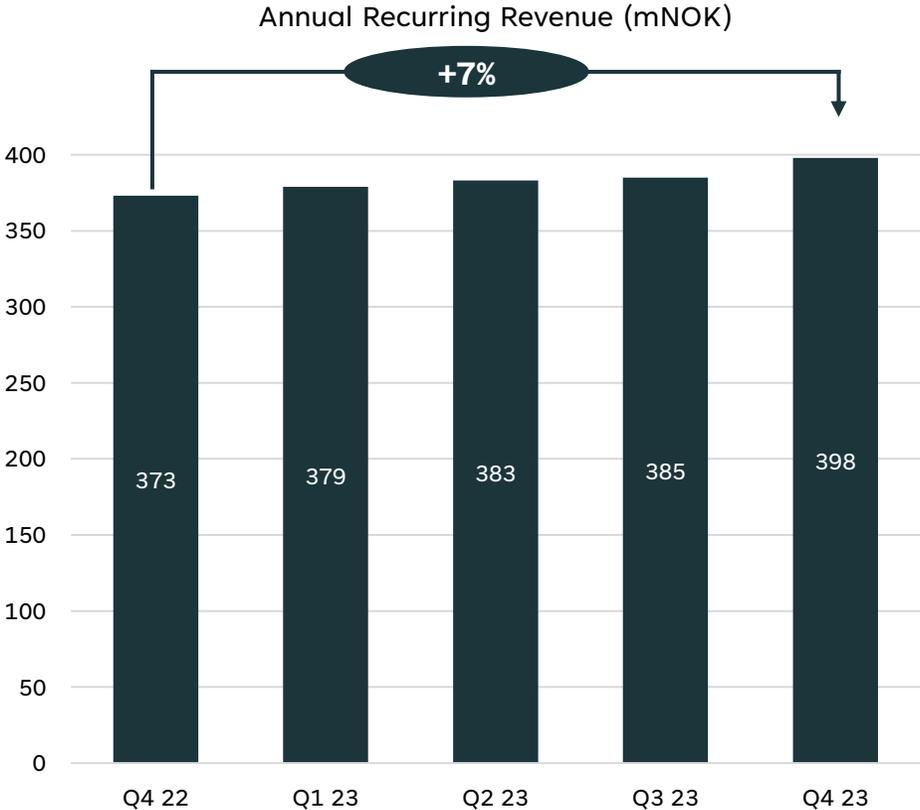
Updated proforma financials*

Revenue (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'22	FY'23
Sikri (Public)	62	58	55	66	66	66	73	69	241	274
Ambita (Private)	113	126	113	86	111	138	116	82	439	446
Boligmappa (Consumer)	9	9	10	11	11	11	11	13	39	45
Metria	73	71	62	73	72	75	62	74	279	282
Other/elimination	3	1	1	-2	3	1	2	3	3	8
Total revenues	259	266	242	234	262	290	264	241	1 002	1 057

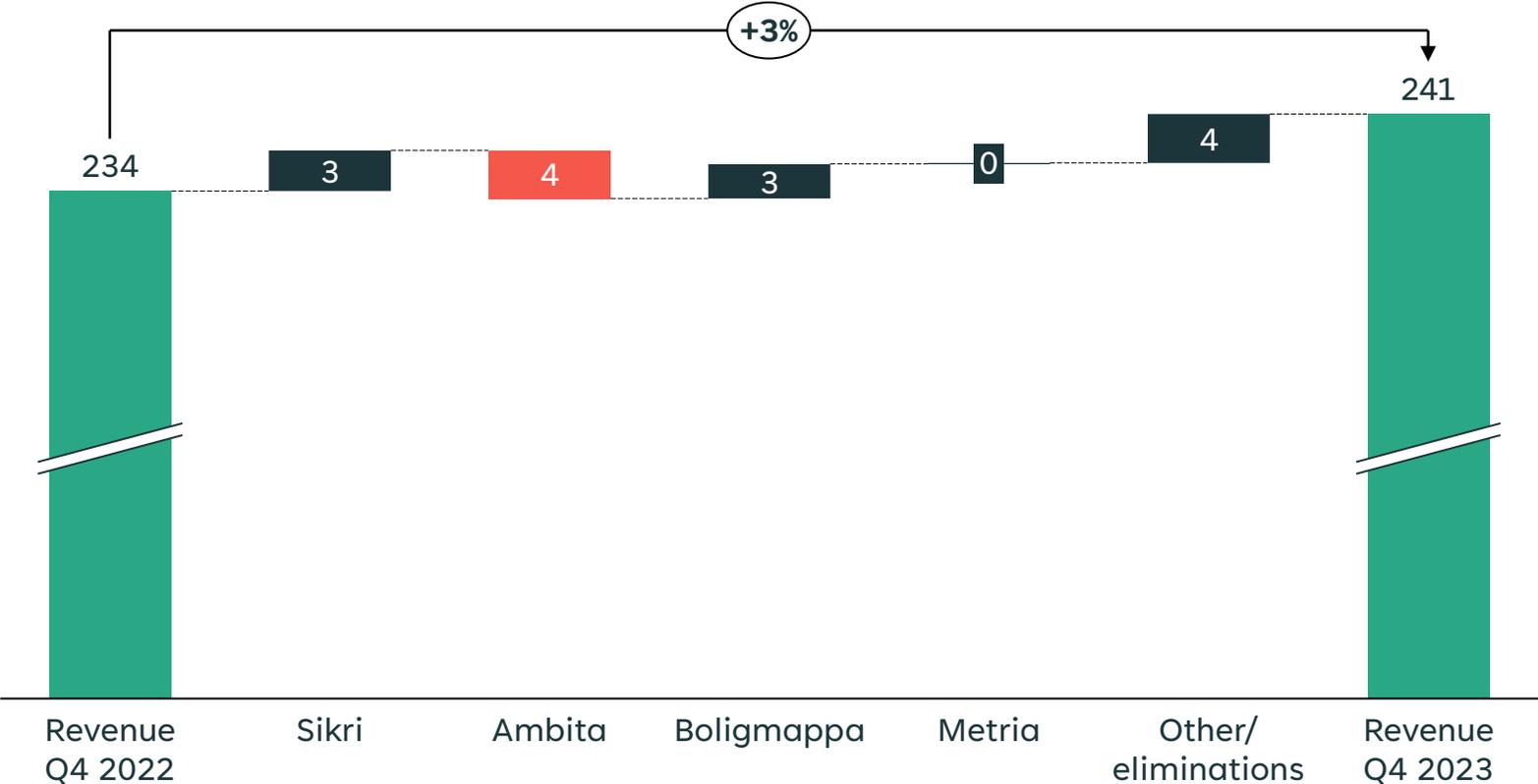
Gross Profit (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'22	FY'23
Sikri (Public)	54	50	47	57	57	56	57	60	208	230
Ambita (Private)	44	48	44	39	44	55	46	37	176	183
Boligmappa (Consumer)	9	9	10	10	11	10	11	13	38	45
Metria	44	42	38	46	45	47	38	47	169	177
Other/elimination	2	2	1	-5	2	0	4	2	1	7
Total gross profit	153	151	140	147	159	168	155	159	592	641

Adjusted EBITDA (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'22	FY'23
Sikri (Public)	18	14	17	18	18	18	23	21	68	79
Ambita (Private)	15	21	20	11	16	30	23	11	67	80
Boligmappa (Consumer)	-2	0	1	2	0	-1	1	0	1	0
Metria	16	11	13	17	16	11	11	13	56	51
Other/elimination	-1	-1	-4	-4	-5	-5	-5	-6	-9	-21
Total adjusted EBITDA	46	45	48	44	45	54	52	39	183	189

ARR growth 7% for the Group year-over-year



Overall growth of 3% in the quarter



Q4 2023 profitability overview

