



QUARTERLY REPORT

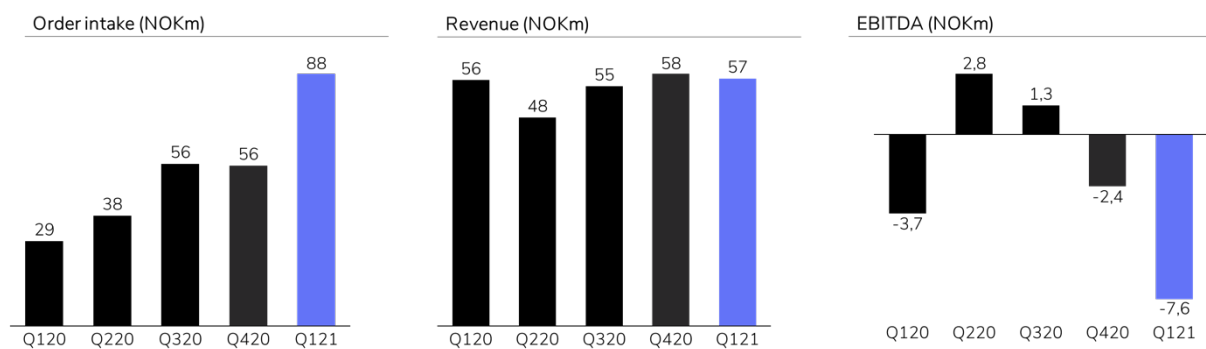
Q1 2021



We transform how people work.

Q1 2021 highlights

- Order intake of NOK 88 million (NOK 29 million in Q1 2020)
- Backlog increased to NOK 114 million from NOK 86 million at the end of Q4 2020
- Partnership with Microsoft to equip their Technology Centers worldwide with Cyviz solutions – NOK 33 million order intake Q1 2020
- Launched the Cyviz Easy Agent software for monitoring and secure remote support of Microsoft Teams Room systems
- Raised NOK 49.5 million in new equity from Karbon Invest AS



CEO comment

Q1 2021 was a good quarter with an order intake 3 times higher than in Q1 2020, and with revenue in line with expectations. The large increase in the order intake is a strong indicator of a world on its way out of the Covid-19 pandemic.

The most important event in Q1 was the establishment of a partnership with Microsoft to design, develop and deliver visual collaboration solutions for Microsoft Technology Centers worldwide. Again, Cyviz demonstrates that the Easy Platform is designed for superior experiences and outperforms competitive solutions when put to the test. The impressive track record that Cyviz holds, with customers ranging from the Department of Defense to industry-leading global organizations, helps us win new customers of rank. Another interesting example is the installation at the Dubai World Expo, where Cyviz will equip Accenture's exhibition with state-of-the-art visual collaboration, exposing Cyviz technology to 2 million visitors over 6 months.

Further significant orders valued above NOK 5 million include security operations centers in the Middle East and North America, military command & control centers in South East Asia and the Middle East, financial services boardroom solutions and innovation facilities at GlaxoSmithKline.

Karbon Invest AS invested NOK 49.5 million in the company in Q1 and increased their shareholdings to nearly 15%. The newly appointed Chairman of the Board, Rune Syversen, is employed by Karbon Invest and brings a wealth of industry knowledge and IT growth success to Cyviz.

Extensive recruitment is necessary to reach the projected annual growth targets. In Q1 2021, 20 new employees were hired and brings us ahead of the annual recruitment plan to date. The majority of new hires are sales resources and software developers to support our growth plans and strategic goals.

The Cyviz Experience Centers (CEC) are a key element in the go-to-market strategy and serves as the main customer arena, for both virtual and in-person engagements. During Q1, the CECs in Atlanta, Oslo, and Singapore were upgraded. Partner CECs is an emerging opportunity to expand Cyviz' market coverage and to acquire more engagements. In Q1, a partner organization was put in place to manage global strategic partnerships to extend Cyviz' reach and uncover new business opportunities.

Financial review

Financial highlights (NOK million)	Q1 2021	Q1 2020
Total revenue	56.9	56.5
Gross profit ¹	24.9	26.6
Gross margin	43.8%	47.1%
EBITDA ²	-7.6	-3.7
EBITDA margin	-13.3%	-6.5%
Cash flow from operations	-17.4	0.7
Cash and cash equivalents	24.3	4.2
Net interest-bearing debt (-) / deposits (+)	14.3	-80.8
Equity-ratio	64.6%	7.3%
Order intake	88.0	29.4
Order backlog	114.2	107.0
Book-to-bill ratio ³	1.5	0.5

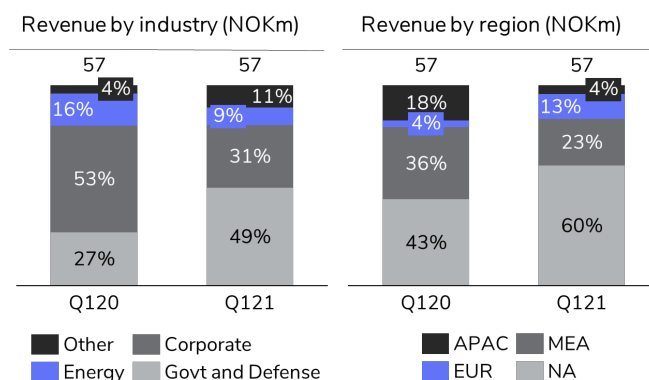
¹ Gross profit is defined as revenues less cost of materials, including subcontractor costs

² EBITDA is earnings before depreciation and amortization

³ Book-to-bill ratio is order intake in the period divided by revenue in the same period. A ratio above 1.0 indicates an increased order backlog and vice versa

Revenue and gross margin

Total revenue for Q1 2021 ended at NOK 56.9 million, up from NOK 56.5 million in the same quarter 2020. Revenues are still impacted by the low order intake in 2020 due to Covid-19. However, with an order intake in Q1 2021 of 2x average quarterly order intake in 2020, we see a positive shift in activity. Gross margin for the quarter ended at 43.8% (47.1%).



Gross margin is dependent on project mix and Q1 was negatively affected by relative low margin on a large government and defense project.

EBITDA and EBIT

EBITDA in Q1 2020 ended at NOK -7.6 million compared to NOK -3.7 million in Q1 2020. This is in line with the business plan and is impacted by NOK 2.9 million in increased personnel expenses due to extensive hiring to support the plan. Reported EBIT ended at NOK -11.7 million after depreciations and amortizations of NOK 4.4 million.

Cash flow

Cyviz had an operational cash flow of NOK -17.4 million in the quarter (0.7 million.) In addition to the negative results from the operations, the cash flow is impacted by a temporary increase in working capital due to preparations for delivery of several large projects in Q2. Total cash flow in Q1 2021 was NOK -23.2 million, leaving the company with a cash balance of NOK 24.3 million by the end of the period.

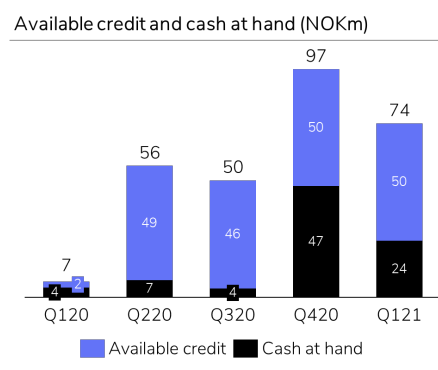
Financial position

During Q1 2021, the company raised gross proceeds of NOK 49.5 million in a share issue directed towards Karbon Invest AS. Since cash from the issue was received early Q2 2021, the 31 March 2021 balance sheet the proceeds from the issue are showed as "subscribed capital increase, not received".

The company's total equity at the end of Q1 2021 was NOK 143.0 million, corresponding to an equity ratio of 64.6%. The equity ratio at the end of Q1 2020 was 7.3%.

Interest bearing debt amounted to NOK 10 million at the end of the quarter compared to NOK 85.0 million at the end of Q1 2020.

As of March 31, 2021, Cyviz had a net cash position of NOK 24.2 million. In addition, the company has a NOK 50 million credit facility available for working capital financing.



Outlook

The start of 2021 has been strong with an order intake for the first half of 2021 that is expected to surpass the full year order intake in 2020. We expect to see an increase in demand for Cyviz' standardized solutions across verticals and regions coming out of Covid and accelerated by the investments made in new hires and partnerships during first half of 2021. Still, the uncertainty around deliveries caused by Covid-restrictions remains in some countries and regions.

The newly signed global agreement with Microsoft has added 8 new sites during Q2 in addition to the first 5 that came in Q1. These are the first 13 of a global roll out that will continue over the next years. This agreement serves to strengthen Cyviz' position as the leading global provider of standardized collaboration solutions in the marketplace and we expect it to provide an increase in interest and demand for our solutions globally going forward.

Long-term, market research and trends are pointing towards a shift in how people work. With more remote workers and less travel, the hybrid way of working will increase the need for standardized collaboration solutions. There is also an increasing demand for remote services and operations within both the corporate and industrial sectors which makes Cyviz' product offerings increasingly relevant going forward.

Refining and scaling a proven concept

- The focus is on scalability, clearly defined strategic initiatives and the implementation of systems and processes that can move the company to the next level.
- Products, packaging and software development have a continuous focus and will contribute to increase our share of recurring revenue and competitiveness in the marketplace.
- The organization is strengthened with industry vertical knowledge and with a go-to-market strategy adapted for targeted customer segments.
- Year to date we have hired 26 new employees and the aggressive hiring will continue to support and strengthen our growth plans going forward.
- The Cyviz Easy Software Platform will be delivered through the cloud, enabling clients with cloud-based services, support and solutions.
- With increased scale and operational excellence, the company is on track to deliver annual revenue growth of 30% and an EBITDA-margin of 15-20% in a medium-term perspective.

Consolidated financial statements



Consolidated profit and loss accounts

NOK 1 000	Note	Unaudited Q1 2021	Unaudited Q1 2020
Operating income			
Revenue	7	56 859	56 475
Total operating income		56 859	56 475
Operating costs			
Cost of materials		31 992	29 878
Salary and personnel expenses		23 925	21 008
Depreciation	2, 3	4 403	4 021
Other operating expenses		8 527	9 261
Total operating costs		68 847	64 168
OPERATING PROFIT (LOSS)		-11 988	-7 693
Financial income and expenses			
Interest income		1	578
Net currency gains (losses)		530	3 972
Interest expenses		-178	-1 172
Net financial income and expenses		353	3 378
PROFIT (LOSS) BEFORE INCOME TAX		-11 635	-4 315
Income tax expense	8	50	13
NET PROFIT (LOSS) FOR THE PERIOD		-11 685	-4 328

Consolidated balance sheet

NOK 1 000	Note	Unaudited 31.03.2021	Audited 31.12.2020
ASSETS			
Non-current assets			
Intangible assets			
Research and development		27 396	25 945
Licenses, patents, other		9 262	8 481
Total intangible fixed assets	2	36 658	34 426
Tangible fixed assets			
Property, plant & equipment	3, 6	9 647	10 524
Total tangible fixed assets		9 647	10 524
Total non-current assets		46 305	44 950
Current assets			
Inventories	6	22 112	15 855
Receivables			
Accounts receivables	6	66 093	55 584
Subscribed capital increase, not received		49 450	0
Other receivables		13 194	9 479
Total receivables		128 737	65 063
Cash and cash equivalents		24 253	47 444
Total current assets		175 102	128 362
TOTAL ASSETS		221 407	173 212

Consolidated balance sheet

NOK 1 000	Note	Unaudited 31.03.2021	Audited 31.12.2020
EQUITY AND LIABILITIES			
EQUITY			
Contributed equity			
Share capital	4	14 174	12 909
Share premium		140 576	93 346
Other paid-in equity		49	0
Total contributed equity		154 799	106 255
Retained earnings			
Other equity		-11 764	0
Total retained earnings	5	-11 764	0
TOTAL EQUITY		143 035	106 255
LIABILITIES			
Non-current liabilities			
Provisions		3 190	2 987
Long-term interest bearing loans	6	10 000	10 000
Total non-current liabilities		13 190	12 987
Current liabilities			
Contract liabilities		9 884	4 891
Accounts payable		33 927	24 288
Public duties payable		7 261	8 583
Other current liabilities		14 110	16 308
Total current liabilities		65 182	54 070
TOTAL LIABILITIES		78 372	67 057
TOTAL EQUITY AND LIABILITIES		221 407	173 212

Consolidated cash flow statement

NOK 1 000	Note	Unaudited Q1 2021	Unaudited Q1 2020
Cash flow from operating activities			
Profit (loss) before tax		-11 635	-4 315
Option expense		49	59
Income tax paid	8	-50	-13
Depreciation, amortization and impairment	2, 3	4 403	4 021
Change in accounts receivable		-10 509	-2 508
Change in inventories		-6 257	1 593
Change in accounts payable		9 638	6 011
Change in other accruals and prepayments		-2 993	-4 187
Net cash flow from operating activities		-17 354	661
Cash flow from investing activities			
Purchase of fixed assets	2, 3	-5 804	-6 355
Net cash flow from investing activities		-5 804	-6 355
Cash flow from financing activities			
Net change in overdraft facility		0	1 946
Net cash flow from financing activities			1 946
Currency effects		-33	305
Net change in cash and cash equivalents		-23 191	-3 443
Cash and cash equivalents at beginning of period	6	47 444	7 628
Cash and cash equivalents at end of period		24 253	4 185

Notes to Q1 2021 interim consolidated statements

Note 1 Accounting policies and basis for preparation

The interim consolidated financial statements comprise interim consolidated income statement, interim consolidated statement of financial position, interim consolidated statement of cash flows and selected notes. All amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

Recognition and measurement in the interim financial statements are based on the requirements of the Norwegian Accounting Act and generally accepted accounting principles in Norway and are otherwise consistent with the principles applied in the latest annual report. The interim financial statements have been prepared on the going concern basis.

The interim financial statements are unaudited and do not include a complete set of financial statement disclosures, thus they should be read together with the latest annual report.

Significant events in the interim reporting period

An extraordinary general meeting of Cyviz AS on 24 March 2021, approved a share issue directed towards Karbon Invest AS for 1,15 million shares at a subscription price of NOK 43 per share, raising gross NOK 49,5 million. From the same time, Rune Syversen has replaced Ole Jørgen Fredriksen as chairman of the board of directors.

Note 2 Intangible assets

Specification of intangible assets

(amounts in NOK 1 000)	Research and development	Licenses, patents, other	Total
Cost at beginning of period	126 088	12 544	138 632
Additions	4 111	781	4 892
Cost at end of period	130 199	13 325	143 524
Accumulated depreciation at beginning of period	100 143	4 063	104 206
Depreciation for the period	2 660	0	2 660
Accumulated depreciation at end of period	102 803	4 063	106 866
Book value at end of period	27 396	9 262	36 658
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

Note 3 Property, plant & equipment

Specification of property, plant & equipment

(amounts in NOK 1 000)

Cost at beginning of period	69 417
Additions	912
Cost at end of period	70 329
Accumulated depreciation at beginning of period	59 152
Depreciations for the period	1 743
Accumulated depreciation at end of period	60 895
Currency translation effects	213
Book value at end of period	9 647

Economic useful life	3-10 years
Depreciation schedule	Linear

Note 4 Share capital and shareholder information

Share capital per 31.03.21	Shares	Par value (NOK)	Share capital (NOK 1 000)
Ordinary shares	11 735 597	1.10	12 909
Ordinary shares, unregistered	1 150 000	1.10	1 265
Total	12 885 597		14 174

All shares have equal voting and dividend rights. Unregistered shares related to capital increase approved on March 24, 2021 and registered April, 19 2021

In addition to the currently outstanding shares, Cyviz AS also has 255 300 options outstanding (as further described in the latest annual report).

Significant shareholders per 31.03.21

	Shares	%
Investinor AS	4 911 267	41,8 %
Karbon Invest AS	769 367	6,6 %
Songa Capital AS	482 489	4,1 %
Spinoza AS	464 173	4,0 %
Silvercoin Industries AS	457 591	3,9 %
Norport AS	404 405	3,4 %
Lin AS	217 278	1,9 %
Thabo Energy AS	215 000	1,8 %
K.A. Fem AS	200 000	1,7 %
Saxo Bank A/S	185 197	1,6 %
Camaca AS	184 427	1,6 %
Hviz AS	163 564	1,4 %
Six-Seven AS	160 120	1,2 %
Haakon Morten Sæter	127 500	1,1 %
Skagenkaien Venture AS	102 426	1,1 %
Citibank, N.A.,	100 275	1,1 %
Torstein Tvenge	100 000	0,9 %
Solan Capital AS	100 000	0,9 %
Cat 1 Invest AS	96 701	0,8 %
CIME AS	89 485	0,8 %
Total (20 largest shareholders)	9 531 265	81.2 %
Other shareholders	2 204 332	18.8 %
Total	11 735 597	100.0%

Note 5 Equity

Specification of equity

(amounts in NOK 1 000)	Share capital	Share premium	Other paid-in equity	Other equity	Sum
Equity as of 31.12.2019	12 909	93 346	0	0	106 255
Net profit (loss) for the period	0	0	0	-11 685	-11 685
Capital increase*	1 265	47 230	0	0	48 495
Shared based compensation	0	0	49	0	49
Translation difference	0	0	0	-79	-79
Equity as of 31.12.2020	14 174	140 576	49	-11 764	143 035

* The capital increase was registered April 19, 2021. Total shares outstanding after the capital increase is 12 885 597

Note 6 Interest bearing loans

Overdraft facility

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, operating result (EBIT) shall be positive year to date, measured quarterly and the equity ratio shall be minimum 30% measured yearly.

Innovation Norway

For the loan from Innovation Norway, an interest and installment exemption applies until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in November 2022. The loan carries an annual interest rate, currently at 3,7 %.

Pledged assets

Accounts receivable, fixed assets and inventories are pledged as security for the overdraft facility and the loan from Innovation Norway.

Specification of interest bearing loans

(amounts in NOK 1 000)	31.03.2021	31.12.2020
Innovation Norway	10 000	10 000
Total interest bearing loans	10 000	10 000
Long-term	10 000	10 000
Short-term	0	0

Note 7 Revenues

Geographical distribution

(amounts in NOK 1 000)	Q1 2021	Q1 2020
Europe, Middle East and Africa (EMEA)	25 215	22 869
Americas	28 626	24 100
Other	3 018	9 506
Total	56 859	56 475

Note 8 Income tax

Deferred tax assets are not recognized. The income tax expense in this period is primarily related to withholding tax outside Norway.

Note 9 Transactions with related parties

There are no related party transactions in Q1 2021.

Note 10 Events after the balance sheet date

No events to report..

Sandnes, May 25, 2021

Board of Directors

Cyviz AS

Contact:

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CFO: Erik Fausa Olsen: +47 907 38 944: erik.fausa.olsen@cyviz.com

<https://www.cyziz.com/investor-relations/>

About Cyviz

Cyziz is a global technology provider for standardized conference rooms, control rooms and experience centers. Since 1998, Cyviz has empowered the digital workforce to connect, visualize, and collaborate on their critical data. The IT-driven turnkey solutions are easy to deploy, manage and support. Cyviz serves global enterprises and governments with the highest requirements for usability, security and quality, that engage people, encourage collaboration, and accelerate decision-making.

Find out more on www.cyziz.com or visit one of our Cyviz Experience Centers in Atlanta, Dubai, Jakarta, Houston, London, Oslo, Riyadh, Singapore, Stavanger, or Washington DC.