

## Transcript Q2 2025 Results Presentation

### **Einar Bonnevie:**

Good morning ladies and gentlemen and welcome to the presentation of Omda's achievements for the second quarter of this year. The report and a copy of this presentation is available on NewsWeb and on [omda.com](https://omda.com). The webcast will consist of a presentation of approximately 30 minutes and then followed by a live Q&A session. You can type in your questions at any time during the presentation and we will attend to the questions immediately after we have finished the presentation. A recording of this webcast will be made available on our website and soon thereafter, also a transcription. We have an exciting agenda today. We will look at the highlights for the quarter. We will revisit the outlook for the rest of this year and for next year, we will take a deep dive into the financials and before we head into the Q&A we will sum it up. Right. As always, I'm here together with my partner and long-term friend and colleague, Sverre Flatby. The stage is yours.

### **Sverre Flatby:**

Thank you and good morning everyone. We are here to present the best mid-year report since Omda was listed on Euronext growth in 2020. Numbers are exactly as planned and strong, which shouldn't surprise anyone. And before we dive into margins and growth, let's pause and reflect on what's really driving them. I think if you look at this situation, I hope you'll never get there, but as we speak, calls are coming in many countries and Omda's role in this situation is supporting quietly, millions of people every single day. Whether it is an acute call centre or a maternity ward, cancer clinic, or many other types of highly specialised type of services, our role is to secure that every second, every minute and every hour is used the best possible way for the patients that rely on these services. And now more than 750 contracts, active contracts in 26 countries, our business is built up on several smaller revenue streams together forming a resilient whole.

And in our report we have mentioned a few of the important smaller steps. For instance, the fertility area where we now reached a milestone where all the public hospital delivering fertility services in Sweden are using Omda software.

Another example was the cardio team, which delivered a much larger solution but then again highly specialised with 20,000 users. And the summary of all of these smaller things happening is what creates the diversification. And the diversification is the reason why the first quarter and the second quarter is following the guiding we gave you in December 2024. So, let's now talk about the key takeaways in the report before our resident numbers enthusiasts happily drowns you in details. First up, revenue growth. Reported revenue growth 16% this quarter and I think you all will see that the revenue growth itself is important. However, what's inside here and what is the quality of the growth? As you know, are counterparties are publicly funded or public organisations behind of these recurring revenue streams that also increased 16%.

And I think you all would understand with a low churn, we have lower than 2%, that the value creation underneath based on this re recurring revenue is very, very important. And also a year ago we announced measures to increase professional services and to also increase the billable utilisation. With 35% growth we can tick that box as another success. And as always, the lumpiness is the one-time income normally decided and determined on the customer side milestones where we have the licence sales, not so many this quarter compared to the same quarter last year. However, 16% growth and our two recurring and semi-recurring is high growth and a success. So, organic growth then in constant currency, 7% nicely within our guided range of five to 10%. So, the income side here, to sum it up, this is the value creation, 79% recurring revenues. And as you'll see, the 19% professional services, the combination of those two are very strong and is the foundation for the future. When you look at what's going on, when we guide further on what's going on in '25, '26 in the years to come.

So, let's go back to the margin, what's happened with the margin? In the second quarter 19% margin and in year to date 20% margin. So, it stands there and for us, this is exactly like planned, exactly like communicated. So, this should also strengthen our view to the guiding going forward. So, talking about guiding and our next steps, what's going to happen in 2025 and what's going to happen in 2026 based on the strong numbers in the first half year. First, let's look at the revenue development. If you take this simple jump with 16% from 210 million to 243 million, a very simple calculation could be two times the sales in the first half year. Then you would see on

the right-hand side our guiding, first there you have 2024, the actuals, you have our guiding for 2025 and also we reiterate what we think about 2026.

So, we stick to that top line guiding we presented to you in December 2024. So, if you look at that, you'll see that the growth in the first quarter combined with what we see in the growth in recurring revenue going forward and professional services, we will stick to guiding. So, what about margins? One thing is it stands at 20 jumping from 12, 8 percentage point better than the same quarter last year. So, it stands there, yes, but what is really important here is the way it travels going forward. So, we have to go from 20 and plus three or seven to reach to our interval that we have guided to all of you recently. And how do we do that? Because the main thing here is actually the actions taken that will bring us there. So, I'll try to explain how are we going to perform between 23% and 27% EBITDA in 2025 as a whole. And then three things matters.

One thing is the income that we just presented and the way that run rate is that is one thing that gives us comfort that the top line is good enough to secure this. Secondly, we have told you before in December and also previously the divestment of our Philippine development centre are reducing the number of FTEs and that happens in the second half year of this year. And then number three, we have made three acquisitions. But if you look at the business before the acquisitions, you'll see that the number of FTEs are also reduced according to plan. So, if you combine the actual actions now made and put that together, you'll reach exactly in between the guiding here on the EBITDA margin. So, we stick to that and comfortably want to say that we will say what we do and do what we say and expect now the 23 to 27 margin for 2025.

I would also like to actually reiterate what's going on to happen in 2026 because what you will see is that in '26 we have the margin that comes from the second half of 2025. And of course since we stand at 20 in the first half year, we have to perform roughly around plus minus 30% EBITDA in the second half to have the same and the right run rate into 2026. So, we stick to that guiding as well a top line of more than 500 million and a 28% to 32% EBITDA in 2026. So, that should give you quite a good understanding of what's going on in 2025 and 2026 when it comes to our organic business. But not only that, what's going on with Omda in the future and from '26 and onwards is not only focusing on the organic business, however I think it's very important to repeat three things about Omda.

And number one, probably the most important one, what makes Omda unique? We deliver new software powering specialised healthcare and emergency response value chains. This is very, very important. We are not a serial acquirer, we are not a generic vendor selling software within healthcare. We only do these things supporting these complex value chains. That is what we do. And that means based on that, number one, we have two other things that are important to understand to see what type of value creation will we give our customers and shareholders the years to come. First of all, we have an organic business and we have proven the organic growth between five and 10% is what we also expect years to come in all of these types of value chain supportive software. And then we are now entering a half year, we are in it actually where we will perform with EBITDA margin around 30%, which will also guide you for 2026 and that should be the basic profitability platform for our current organic business going forward as well.

And then also CapEx, 10% of revenue CapEx, what is it? It's actually business cases developing smart components that could be added to current customers' value chains and then increase recurring revenue further. So, this is our organic business inside this emergency response and specialised healthcare area. On top of that, not saying that we are a generic serial acquirer, but we are using serial acquirer mechanisms to add growth on top of our organic business. So, we think probably around 10 to 20% should be expected from us, '26 in the years ahead when it comes to added software, recurring revenues coming into our current businesses that has a value chain position or create new value chain within the same areas. And what we do is actually to acquire customers' code and competence, meaning recurring revenue streams based on software that we can own and also competence in these specialised areas to support it.

As long as we do that, we can continue without disturbing the one to the left, the organic business too much. So, all in all, that will be our current strategy and we think that will be the best balance between growth and profitability and predictability, scalability going forward. So, the acquisitions we will do, they have to be based on a sound business case and it has to comply with the specialised healthcare and emergency response value chains. So, all in all, I'm quite happy to summarise that we have had a strong mid-year report here and also looking very good for this year and '26. And having said that, Einar, the audience has

now actually seen a strong first half and maybe you can either confirm with the details that that's correct or maybe leave us all completely confused.

**Einar Bonnevie:**

So, I think I'll go for the confirmation bit. All right, let's have a deep dive and look into the financials. Let's start with the revenue diversification. There's always, Omda is a very diversified business and the biggest business area is the emergency. Strong growth there and also that's where we have made the two of the three latest acquisitions also within that business area. Six acquisitions all together in Omda's history and then we made another acquisition related to a Connected Imaging that also enhances that business areas part slice of the pie. But still very diversified and we are still very much based on Nordics. Again, the last three acquisitions were all Nordic, all Swedish, all from Gothenburg actually. And that of course further enhances our presence in Sweden, both on the customer side and also where most of the employees are. So, you see that Norway's number two and the rest of the world seems to have shrunk a little bit, but it hasn't.

It is just that Norway and Sweden has grown more. But again very diversified more than we are present in more than 26 countries, more than 750 unique contracts and we are located in 10 countries. Okay, one of my favourite slides, ladies and gentlemen, the recurring revenue and we see going back from the first quarter in 2017, each and every quarter the recurring revenue increases reaching in 96 million in the second quarter, a new record and the run rate 384, we are approaching 400 million in run rate. And again the counterpart is here, public sector or public sector like companies and less than 2% shown per annum. So, this is really the beauty. Very favourable revenue mix. If you look at the mix there, you see that software related revenues, they comprise more than 80% of total sales, but that said, and the recurring revenue being the highest ever.

And we're close to covering all fixed costs, mind you, with recurring revenue alone. But also like to point out the strong sales of professional services. A little more than a year ago we communicated that we had identified that there was a huge potential to increase the professional services, not by employing more people or establishing a consultant department, but just making sure that invoiceable hours are indeed invoiced and when they are invoiced at the right overly price. And we said there was a substantial potential there from 17 million

in the last quarter, same quarter last year to 23 million in the second quarter this year. And we have not said that there is not a further potential to be realised.

The cost, the FDA cost base, we look at with divided cost in three, COGS, salary, personnel and everything else. If you look at the COGS, our target is to bring the COGS down to 5%. We're seeing the number five starting at a five now, 5.8. So, we are approaching a gross margin of 95% and since we IPO'd it was around 11, we have taken it down a little each and every quarter and we think that there is more to come. So, the 5% target, which when we first launched it would mean that we were more than half the COGS, we're almost there. Other OpEx, our target was 15% or below and we are below 15% for the second quarter in a row.

So, we are there. And also in actual numbers you see from the second quarter last year, 17 to 18, almost the same number even though we have done three acquisitions since that time and the revenue has grown more than 16%. And salary personnel, we are around 60% of our target is 50. So, still a little above. But also keep in mind that it's not even the distributed over the year. Some quarters are lower. So, on average it is below the 60. A number of FTEs. Remember to compare apples and apples here because again, the 293 compared to the 287 in the second quarter of '24, keep in mind we have done three acquisitions, customer code and competence and there's some competence associated with those. And also still this is the last quarter where we still have the agreement with the former colleagues in Cebu and we have done some selective hiring the Nordics to ensure a smooth transition there.

But overall the cost initiatives, they work, they lead to good visibility of heading into the third quarter and the second half of this year. EBITDA, not only is it in line with our guidance, but it's a strong increase from last year more than doubles from 10.4 to 23 and almost doubles in percentage points. So, nine percentage points increase, almost double there as well. Q1 surely wasn't a one hit wonder against very strong sales of recurring revenue, very strong sales or professional services. And again we see the impact from the strict cost discipline, again providing very good visibility for the second half of this year. CapEx, most of the CapEx is the investment in our own software. And again, that is where a lot of the organic growth comes from. So, when we sell new modules to current customers related to

current installations, the new modules, the new software must come from somewhere and it comes from the in-house development that is capitalised.

So, that is most of it, but we see that and there's also some PPE, not very much. Altogether combined we see that there is a slight decrease from the same quarter last year, both in total and in percent. The CapEx related to software development approximately the same. PPE is down to more from 3.6 to 0.6, which is a more sustainable level and more level you should expect. So, all in all around 10% the CapEx. And what is also good, the networking capital, again we had the best quarter ever in the fourth quarter last year. And then a record high or low depending on how you view it, minus 23% in the second quarter. And we are repeating that, sorry in the first quarter, repeating that in the second quarter. This is the best networking capital second quarter we have ever had. Again, we have communicated minus 10% or better, so we had minus 23% in the second quarter and people, we are approaching 500 million in sales minus 23% that working capital. Do the math.

Associated with that working capital is of course cash and we'll continue to focus on cash going forward and heading into the third quarter we're actually there and heading into the fourth quarter and the end of this year we will continue to focus on cash and be very strict on that. Different business areas, they were all performing well this quarter just as they were in the first quarter this year. There are some individual variations. There will always be, we've said it before, don't look too closely on the quarterly variations, but you see that on some of the business areas and not only do the part, the rule of 40 tests, they are even beyond that. Shows you the potential that is inherent in the business areas. And when you looked at them a couple of quarters ago, we had the questions, is this too small? Is it sustainable? What will happen? And we see it now.

So, there is a strong potential in the business areas and that is what they have in common. In emergency and also Connected Imaging use will remember that that is where we have made some new acquisitions. By integrating build there is always something to do. It impacts the margins slightly shorter short-term and that is what we do to unchain and release and unleash the long-term potential that we and the synergies that are identified during the due diligence process. So, that is what we do. Just a reminder also, how do we calculate organic growth, etc. Here you see that on the income side, all



businesses included as it is on EBITDA but on organic growth we exclude the last three acquisitions and the reason is we don't have really reliable data from last year. So, until we have owned them for a year and reported them for a year, we exclude them from the organic growth calculation. Okay, let's wrap it up before we head into the Q&A. Again, the key numbers in line with our guidance and maybe then some. We will continue to focus on organic growth.

It's now is at a 7% this quarter and year-to-date, which is spot on in the middle of our guidance of five to 10%. And we will continue to focus on the margin. We will ensure that acquired entities, they are being incorporated efficiently again to realise the potential synergies that are identified during the acquisition and during the DD process. We will continue to focus on relevant M&A opportunities and there are several opportunities identified, but we are again in no rush to do a silly deal. If it makes sense strategically and financially we will act on it, but if it doesn't, we won't. So, it is all about creating value and enhancing value and doing a smart deal. And we will continue to work diligently to reveal the true value of Omda to the benefits of all stakeholders. And again, we are heading into a territory with almost 500 millions in top line and we are guiding on between 25% and 35% EBITDA for the second half. And you can always do your own calculations and compare the results of your calculations of intrinsic value to the current share price.

That was the presentation. Let's head into Q&A. And I think we have received some questions already. Thank you very much. And just thank you. Just keep them coming, type them in as we address them and we will attend to them. We have 11 questions so far. And one, the first question is related to ProSang and it goes to you, Sverre. And the question is, and I'll read it up for you, with regards to the ProSang contract extension with the Karolinska University Hospital, do you know who you were competing against and what were the determining factors that resulted in Omda winning the contract? Why us?

**Sverre Flatby:**

Yeah, that's a very good question actually. And I think it lies in the generic strategy we have when it comes to this very specialised areas where LIMS or a blood establishment business is one of them. And I think if you look at the history, I think the answer lies there. It started in 1965 and have had the same type of customer dialogues with all these managers of blood establishment



institutions in the Nordics. So, when they work together and we've done that for decades, finding all the important smaller details, entering a process together with us as a vendor to secure that all of these details, quality management elements and procedures are handled according to important regulations.

I would say that this process has made it possible for us to have a product that has become probably one of the best in the world. And I think also institutions like Karolinska or Oslo University Hospital for that matter or in Denmark, I think that you will see that the strong position we have is what creates that situation and competition then coming from the outside trying to get into a forty-year history of detailed software development. I think that's the answer, a long answer to a very important question.

**Einar Bonnevie:**

Okay, thank you. Thank you, Sverre. We will continue on the markets there and it's from Torbjørn, looking forward, if acquiring a company in the geography where you are not present, to what extent can you leverage existing software platforms and support infrastructure to generate synergies and which elements of the cost base will be R&D, hosting, support, sales or whatever. So, it's about the current platform and potential acquisitions in geographies elsewhere.

**Sverre Flatby:**

And I think most importantly when it comes to geographies, we have to make sure that if we go into another geography, it has to be within one of the specialties that we already have competence and solutions or we can go to add a new specialties, but we will not do the same both of them at the same time. So, that is the first thing. However, I don't think in our experience that the synergies between systems for instance, the different types of platforms is the way that we get our profits.

What we do is making sure that we have a software delivery and not a platform delivery as such. For instance, we do not serve the market with the services. Normally the on-prem strategy of these complex hospitals are handled by their IT organisations. So, from our side it's more about the medical procedures or the routines in emergency sector, how to add components together in that country. So, this is how we do it. If we acquire something, we increase our value chain components and put that together and increase the offering and then sell it as a

software and not as a service. So, I think that will be the primary strategy and the way we get synergies on the income side, which is the most important synergy.

**Einar Bonnevie:**

Okay, thank you, Sverre. Continuing with customer's market, there's a question about churn here and the question is can you provide more insight into why some customers, although very few, churn, so what happens, why would anyone leave Omda?

**Sverre Flatby:**

Everyone would like to have a 0% churn, which probably won't be possible. Well, we have examples of having a specialised component in one entity and then somebody is merging with another entity, having another system which obviously leads to depending on which is the biggest one and who is the strongest one. So, stuff like that happens with some of our components over time. And also of course there are some systems that have been there for many, many years, maybe also have some bespoke development that is not viable over the next decades. That might also be phased out also deliberately by us. However, since the last 10 years it has been below 2% and I think it's just still going to be types of happenings like that, that will also be the next type of churn, but still below 2%.

**Einar Bonnevie:**

Okay, there's a question from Matthew here. I mean there's a lot of things we could want and wish for and I think this was a good one. I don't know what my answer would be, but if you had a magic wand or maybe if we had it and wanted to get rid of just one problem today, what would it be?

**Sverre Flatby:**

Well, to get rid of one problem, I like you, so I don't want to get rid of you first.

**Einar Bonnevie:**

So, you don't have anything that's bothering you at the moment?

**Sverre Flatby:**

No, actually not. So, I would say that the business is very resilient and as you all know, whether things are happening in the world of financial crisis or things happening with the people discussing Trump and changes going on, nothing

affects us. And as you know, as Einar mentioned, when the recurring revenues actually are now started touching the same level as our fixed costs and with that low churn, I think everybody now sees that we have a very, very, very strong position. So, no, actually we don't need a magic wand. That's the answer.

**Einar Bonnevie:**

Okay. I mean running a business there are always challenges and things you could want to improve, but I think it's important to reflect on the fact that in this world with war, tariffs, customs, shipping constraints, etc. Omda is very the underlying demand and you know reason to be here. It doesn't really change very much macro tariffs etc. It doesn't impact the number of accidents, births, cancer, etc. So, the underlying demand for Omda's software and services is really very untouched by all the other events that we read about in the paper every day. And speaking of understanding the company, is there anything that we would want or you should want, Sverre, the investors to understand better about Omda? I mean is it something that we think or you think that this should be obvious for all? I mean why don't they get this? I mean maybe if the answer is yes, if there's something that we would like them to understand better and maybe we haven't been good enough communicating it, but is there anything?

**Sverre Flatby:**

Yeah, I think two things we have not been good at communicating. I think the difference between a target margin talked about a few years ago and guiding, our first guiding was actually to reach our target margin was done in December '24. So, I think that has created some misunderstandings and expectations and impatience so the people actually didn't see the underlying value creation. So, that is one thing. I think the other is the point I was into about what we are, we are actually having a very unique strategy and it's unique in that sense, highly specialised components within specialised healthcare and emergency response. And when we do that and have not only the very strong organic growth potential there, but also profitability but also the add-on mechanism where we have a database of many, many relevant targets for us.

So, I think to understand that this is not a serial acquirer that you just acquire companies, but to really understand what we are doing and as I initially came up with the role we have in society is why every employee in Omda actually get up in the morning and we're quite proud of that, the service delivered,

this is the reason why the resilience and stability predictability is there in the recurring revenues. So, I think to understand more about that read probably more about our type of businesses is relevant to all. In addition to probably understand what we are now saying crystal clear, we are guiding and we started that in December last year and I think that is important for you to understand is crystal clear we are guiding these intervals and we stand for that and we are going to do that for '25 and '26 going forward as well.

**Einar Bonnevie:**

Very clear. Let's continue with the operations. And there's a question here about artificial intelligence and the question is, are you seeking to utilise AI within other areas than development? If yes, which ones? And is AI-driven efficiency a key driver to reach your employee cost targets of around 50% of sales or does it come on top of any other efficiency initiatives? Yeah, that was a long but very relevant. Good question.

**Sverre Flatby:**

I think the most important thing when it comes to AI is of course there are two major areas. One thing is the AI on the customer side, which is the delivery of AI or machine learning elements in our own solutions, for instance, back to what I mentioned, the every second counts in an emergency setting. Imagine just what we are now cooperating with the University of Valencia creating machine learning engine that helps the operator actually make the decision faster by using all the data. And of course that type of functionality is probably both a value creation on the customer side, but the value creation for us adding new types of modules, that is also increasing our recurring revenues. So, AI in that sense on our product side is important.

It's not a fast moving AI market for us, but it's slow moving and all of our customers have actually some kind of AI roadmap in their planning. So, that is one thing. And secondly, when it comes to efficiency, of course we did last year announce that the phase out of a lot of FTEs in the Philippines and also the inshoring mechanism for Omda is already done by a lot of processes with AI tools like ChatGPT and Copilot. And what they've been doing, we have an example from Finland where we estimated thousands of hours to convert a service stack with old code to new code, which actually was done with 10% of the estimated time using AI tools.

So, in some areas there are huge potential. In other areas for a vendor like us it's much more complicated. For instance, algorithms related to calculating a cure, for instance, for cancer medication. We cannot just rely on elements like that. We have to keep our IP, intellectual property, and handle that differently. So, there are ongoing many, many activities and part of them are also based on the fact that we have this guiding on the cost side, but I think there are a lot more potential in the years to come based on completely changed routines around not only developing but also testing, documentation, etc. Long answer, hopefully a good one.

**Einar Bonnevie:**

I think it made sense. And continuing on the effects of AI and number of FTEs, etc. A question here, how many FTEs from recent acquisitions are included in the 293 base? How large is the opportunity for efficiency gains as we integrate these businesses? I think I'll answer that one myself. And of the three latest acquisitions, around 20, so that is number. Efficiency gains of course there are scope for efficiency gains when we do acquisitions we look at both the cost base and the income side. So, there's always a combination there and we see that very often. I mean we have opportunities when we acquire a business. There are opportunities of course on the cost base, on the FTEs, on other costs. But first and foremost related to the income side, we utilise opportunities in existing contracts.

And also further on the FTE side, there's a question here related to the Filipino consultants and the question is the Philippine consultants comprise around 10% of the employee base. What is their contribution to the employee cost base. That is less than 10% but not very much less. So, it's probably less than five, but maybe more than three. So, somewhere around there. But the efficiency there is all, I mean one thing is to reduce the use of external consultants, but there are other costs that are the hidden costs is the efficiency in development. So, it's more than just the math is a bit more advanced. Okay. And one question about the margin. One question is about the 2024 reported versus the Q4 report last year and the difference there was just we made a reassessment of the tax refund arrangement in Sweden that was mentioned in the Q4 and also described in the annual report. And the difference is just our assessment of that status. So, that was the difference and I think it's very well described in the report.

Now there's a question about growth, organic growth, inorganic growth, in other words acquisitions. And the question is how do you balance inorganic growth with maintaining strong liquidity? This question is also related to another question on the multiples. So, I think I'll try to address both of them at the same time. So, inorganic, organic growth and liquidity I.E. cash. The other question here is very similar with 30% EBITDA margin, 10% CapEx and interest cost at 10% of revenue you have about 10% free cash flow margin for M&A. True. At an average two times EV/Sales multiple, this 10% free cash flow only buys around 5% organic growth. How will you reach 10 to 20% inorganic growth? Relevant question, but there are several things here on the balance. One is of course we are growing, so take growth into perspective. So, with five to 10% organic growth, that increases.

But there are also, we have said between one and two per time sales, that is where we historically have been paying. But again, we are not using sales as a multiple, we are always doing a DCF but it into an EV/Sales and sometimes an EV/EBITDA. So, that is the second thing. It may not necessarily be two times. Third, we are not necessarily paying everything with cash upfront. We have used several methods. It can be some cash, it can be seller credits, it can be earn outs. There are many ways to skin a cat. So, that is the third answer. And the fourth one is there are other ways of financing this. We have access to the bond market so we can borrow money as well. So, all in all the 10 to 20% inorganic growth guidance or target is absolutely manageable with the current and future cash position. Again, a long answer, but I think it's pretty precise.

And speaking of M&A, it's also about the terms here and I think I'll address that one also myself. And the question is, the latest M&As seem to be closed at more favourable terms, lower multiples paid, less cash upfront. Relates to the previous question, what drives this? Is this a result of the evolution in your M&A philosophy or market conditions are more favourable for M&A transactions? Very good question, very relevant. I think what we have seen, let's say, let's go back three or four years, was the market went a bit crazy and you saw that we, Omda, we actually withdraw from that because people were just paying too much. We still have the old version of Excel. It needs to, as I said previously, it needs to make sense strategically and financially and not either or, but both of them at the same time. And we think there's more prudence there with sellers.

We also see that the market all in all is more prudent, more sensible and a lot of discussions we have had, we've had them with some of the targets for many years actually. And we learn them, they learn about us and we find ways, and again, it isn't necessarily always cash upfront, so maybe it's better deal for Omda, but also for the seller. I must stress this to take some of the, as a seller credit or as an earn out. If you strongly believe in something, I mean let's share the joy when we get there and when we have an earn out situation, it'll be very good for the seller. But those earn outs and max earn outs are also the best business cases for Omda. So, we share the success.

So, again, a long answer, but the market is more prudent. Speaking of M&A, you can acquire something or you can build something. We very much have a build or buy strategies, Sverre, and we are a bit indifferent and agnostic when we buy it or when we build it. What is the best business case? And the question here from Matthew is that Omda invests in organic CapEx for additional modules for customers. Are these developments based on what customers explicitly request for and if so, do they ever co-fund development or commit to purchasing the module ahead of time? Do we just do this at random or is there a plan or actually a real demand out there?

**Sverre Flatby:**

First of all, it's of course always a business case and a business case means you have to have one of those, either some customers in a row that wants a module before we start developing it. So, there is always a business case and sometimes it's a single customer also funding specific modules. But if they're funding it, we will still have the requirement to create not a bespoke development for the customer, but create a product that we can copy paste to put it that way and sell it going forward to other customers. So, most of these components that we have, or even you might say even those acquisitions we do might come from a customer as well because they want something added onto their value chain. So, both the CapEx business cases and the acquired acquisitions business cases are both doing the same. So, yes, co-funding is also an ordinary way of cooperating with the customer.

**Einar Bonnevie:**

Okay, thank you. We have five minutes and two questions pending. So, let's quickly address them. What net debt to EBITDA ratios are you expecting for



2025 year-end and 2026? I think you can do the math quite simply. If again, 500 million in sales, which are guiding, we are approaching that and that is where we're guiding into 2026, 30% EBITDA margin. So, that should yield 150 and then 500 million in gross debts. At the year-end we had around 100 million or maybe some more in cash in the bank. So, net debt of 400, so 400 in net debt than 150 million in EBITDA. So, that would be the metric. Okay.

And the question then about another one on M&A. As we calculate return on investment by utilising a DCF, how do acquisition targets screen on valuation relative to Omda buybacks versus acquisitions? There's always the targets, how to screen the valuation. I mean, you can look at the past M&A screen and show one result and you can look at the present where they are actually the current trading and they can look at the predictions and budgets and dreams and hopes in the future. Sometimes people seem to be very more hockey stick-like approach to the future. So, it really depends on very often looking at the past, the present or the future. But by and large, I'd say that it makes a terrific sense for us to acquire them. So, if it doesn't make sense financially, we won't do it.

The last question and that's about revenue. And the question is would you be able to double your current revenue within the existing countries you currently operate? And I'd say yes, it would absolutely be possible. If we look back into 2015, when Omda was a smaller company, we had sales of approximately 50, 50 million NOK. We are approaching 500, we are almost in the same countries. When we IPO'd we had 200 million in sales, a Nordic company and we are approximately 15% in the rest of the world, but the Nordics at least 400 million. So, we more than doubled in the Nordics already since we IPO'd. And I can't see why we couldn't do it again. But it isn't done overnight. It'll take some time.

Okay. There seems to be no more questions. I've learned that I should wait just a few seconds and refresh some latency. No, there's nothing more.

Okay. We hope you have enjoyed this presentation as much as we have. Tune in again on the 14th of November when we will present the results for the third quarter of 2025. What a lovely summer it has been. And last time I checked the weather forecast for this fall looks good as well. So, thanks for watching, domo arigato. Take care, do your math and stay safe.