

# Arribatec.

\ Q3 – 2021 presentation



# Agenda

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Introduction

2

Q3 – Financial performance

3

Organization & Integration

4

Appendixes



# Highlights Q3 and subsequent events

- **Revenue at NOK 94.4m - solid growth of 253% y/y – organic growth of 32%**
- **Recognized recurring revenue of NOK 40.0m, NOK 34.4m higher than Q3-2020**
  - Growth of 614% compared to last year and 6% higher than Q2-2021
  - Strong growth despite delay in recognition of revenue (COVID)
- **EBITDA of NOK -13.9 m due to;**
  - Continued to hire to deliver on backlog and future growth
  - Strong focus on internal projects to integrate the 6 acquisitions – future platform
  - Approx. 60% of our revenue is still deriving from services, and we experienced lower service revenue during the quarter due to vacation periods in all regions
- **Strong result in September – showing potential with normal activity level**

## Subsequent events

- Signed and closed the acquisition of Integra Associates in UK
- Abandoned and terminated acquisition of Grupo Hodei in Spain



# Snapshot Financials Q3-21 vs Q3-20



Revenue

**+253%**

NOK 94.4m vs 26.7m



Adj. EBITDA

NOK -13.9m vs 0.7m



Recurring Revenue

**+614%**

NOK 40.0m vs 5.6m

32% Organic growth in “Old Arribatec”



# Revenue share & Growth - Q3-21 vs Q3-20

By geography:



Share & Growth

62m / 340%



Share & Growth

24m / 180%

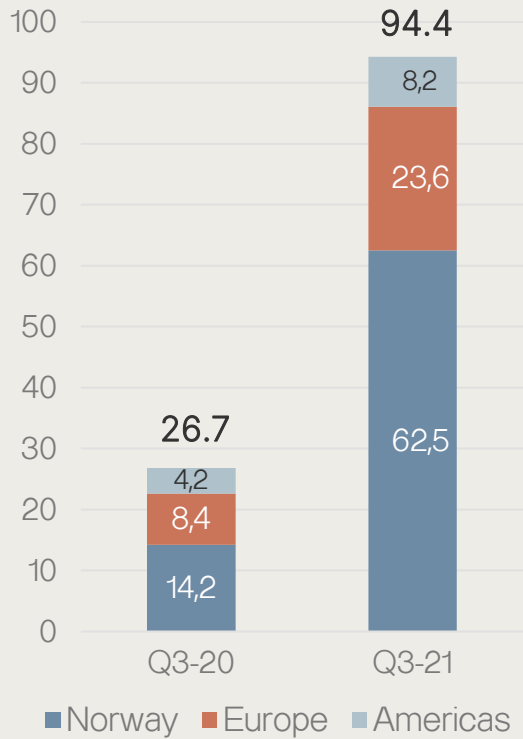


Share & Growth

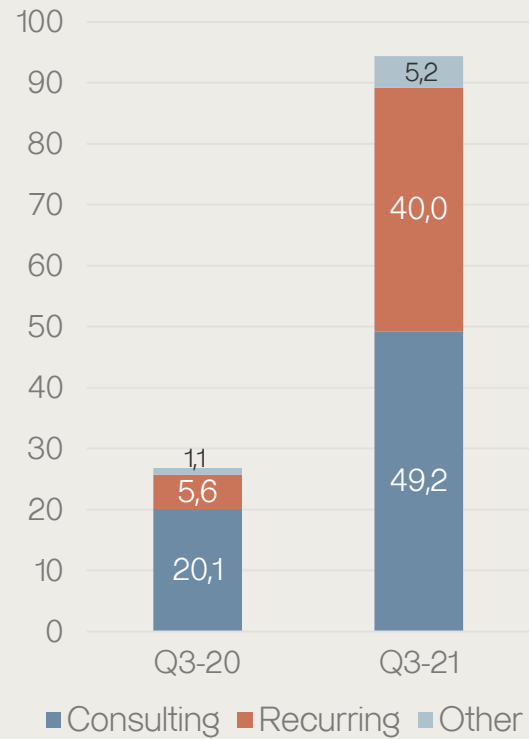
8m / 99%

# Q3 Performance

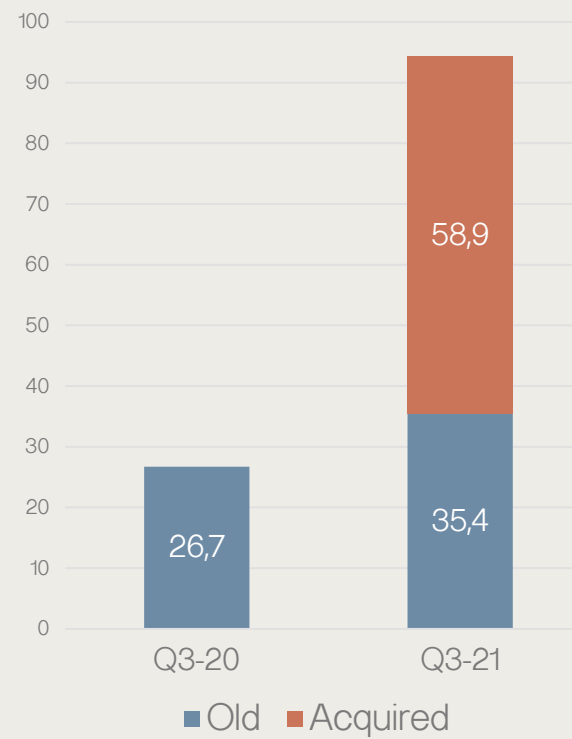
By Region



By Service



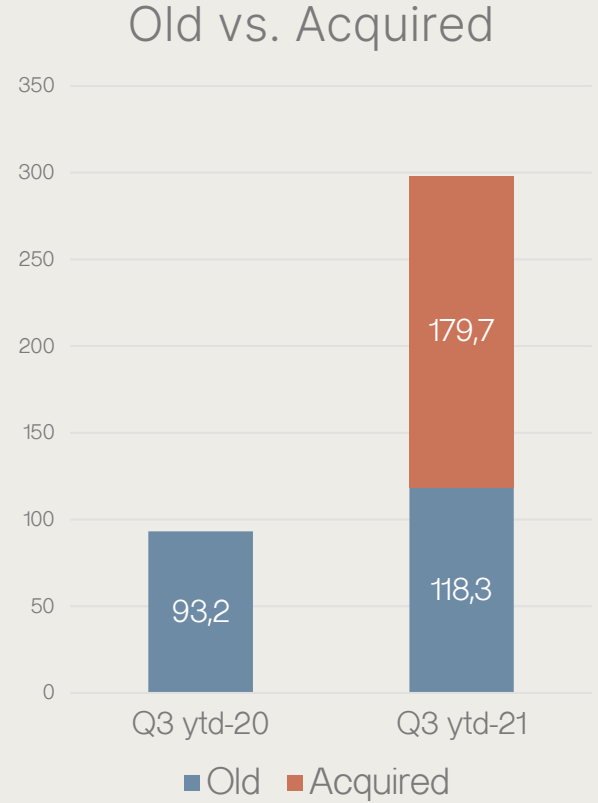
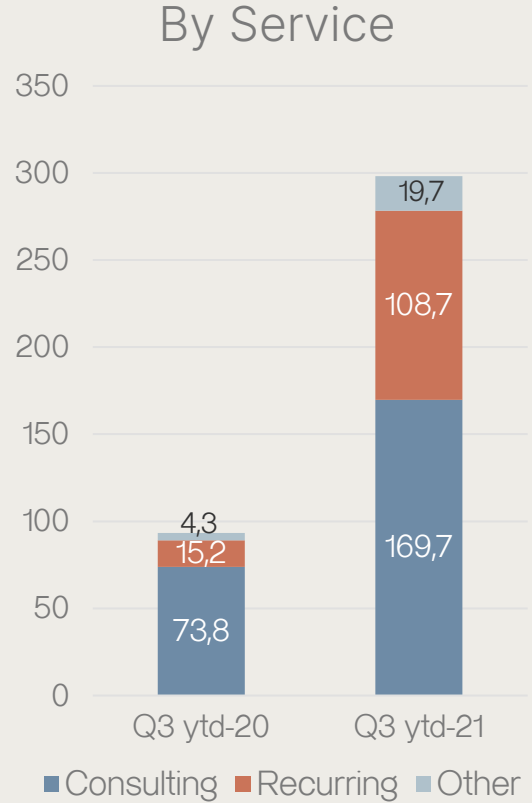
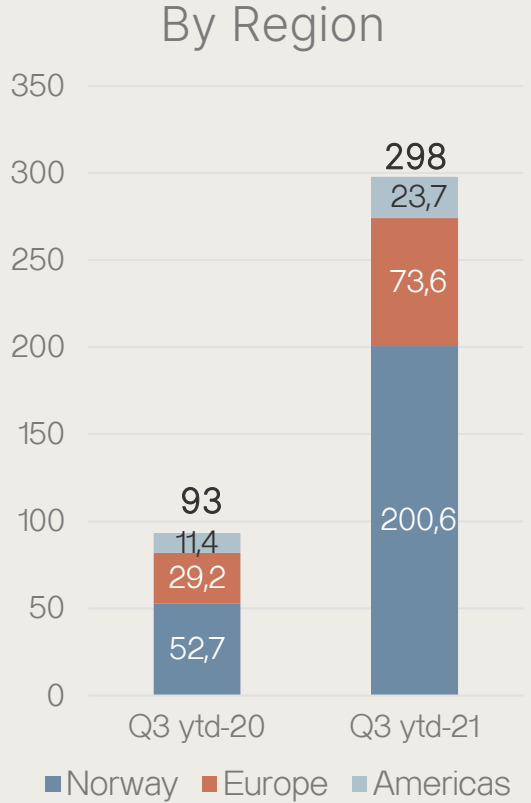
Old vs. Acquired



**Revenue**  
 +253% y/y  
 +32% Organic



# Q3 Year-to-Date Performance

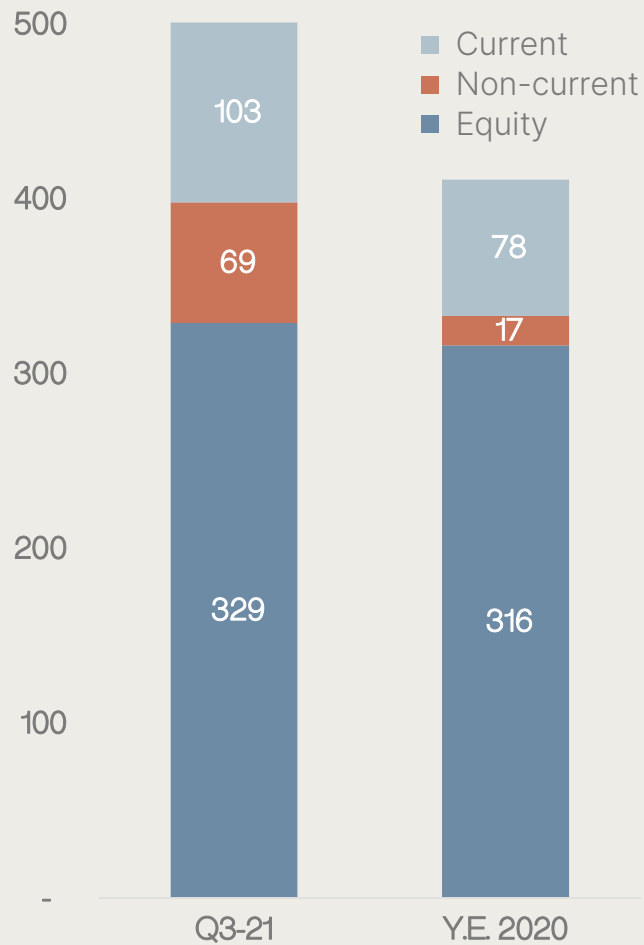


**Revenue**  
 +222% y/y  
 +27% Organic

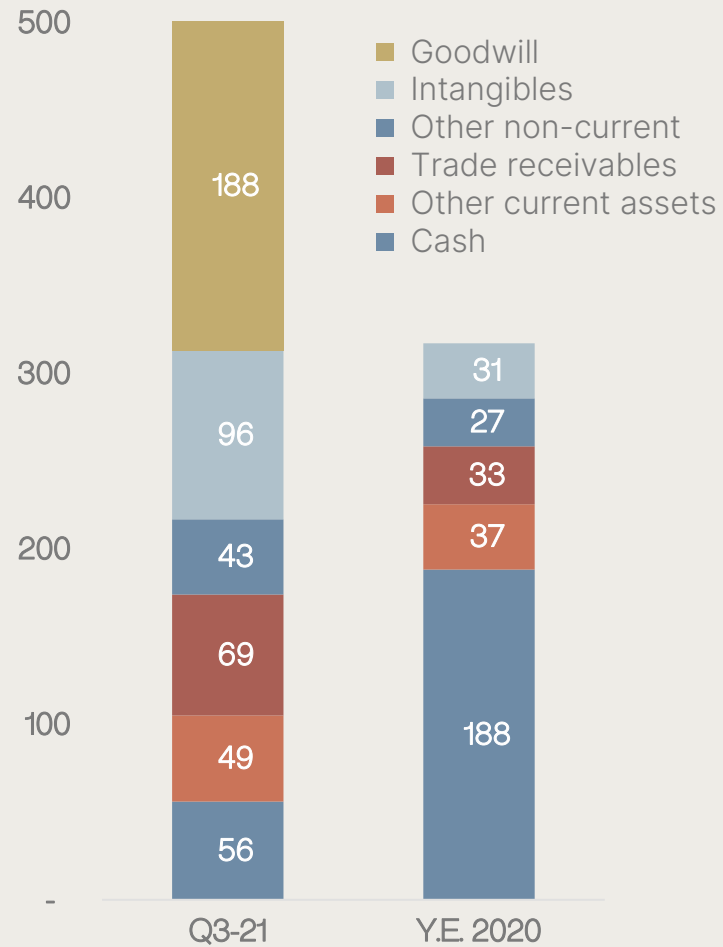


# Balance sheet development

## Equity & Liabilities



## Assets



30/9-2021  
 Total assets NOK 501m  
 Total equity NOK 329m up  
 12m compared to end of 2020  
 Equity ratio of 66%





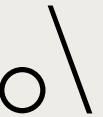
# Cash flow



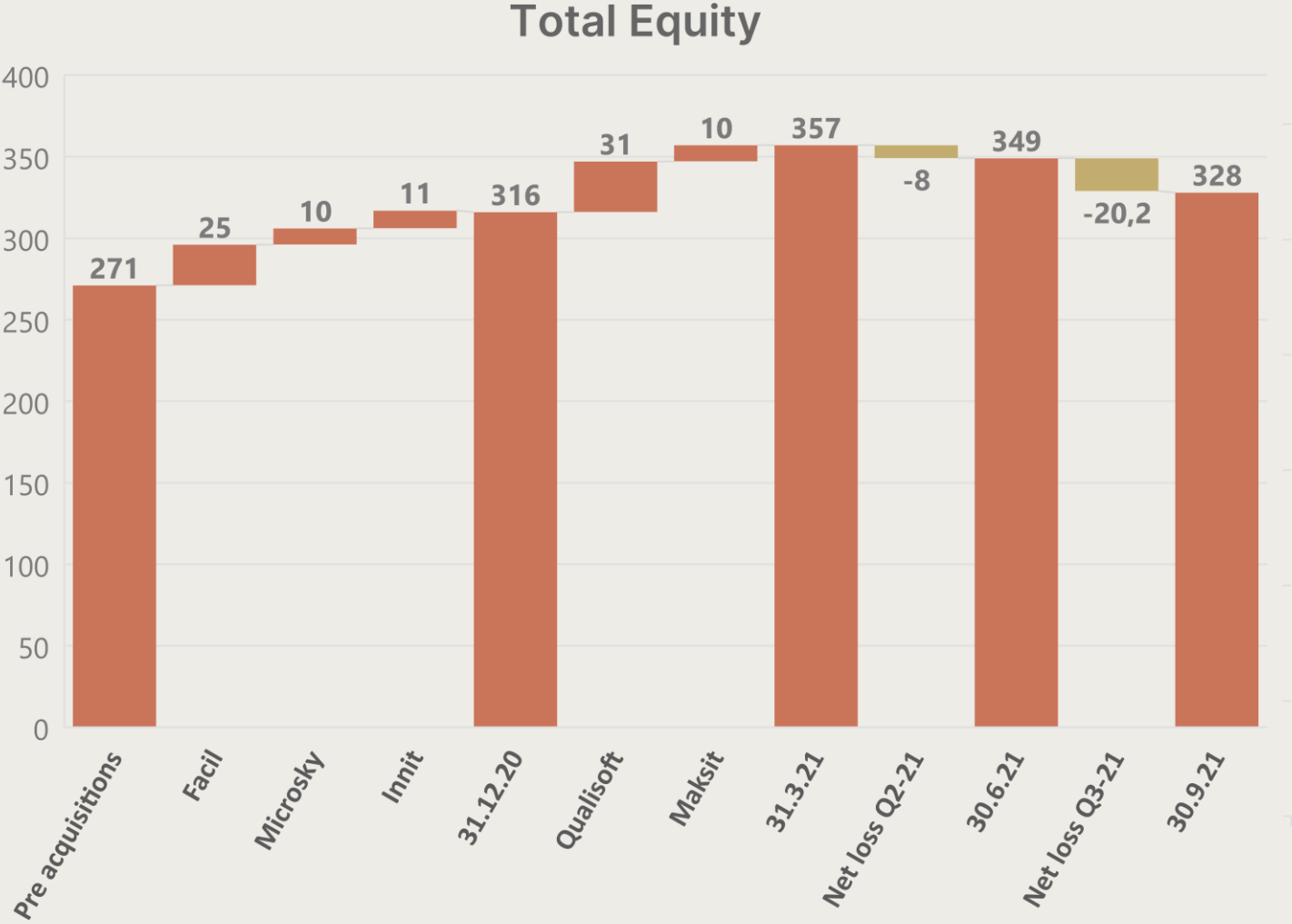
Net change in Account Payables & Receivables had a negative impact of NOK 4.7m

Investment of 0.8 m pertains to capitalized software development cost

Financing CF represent mainly lease instalments



# Equity Development



Total equity at the end of Q3 was NOK 329m, a reduction of NOK 20m compared to end of Q2.

Equity ratio of 66% at the end of the reporting period



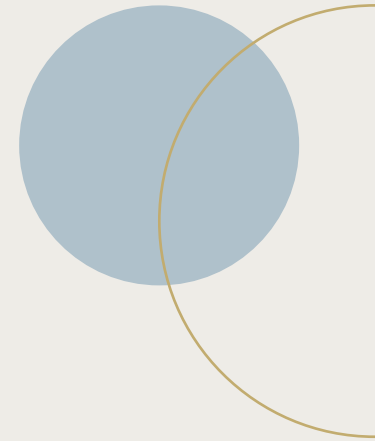


# Structure & Performance

Organizational structure and  
performance



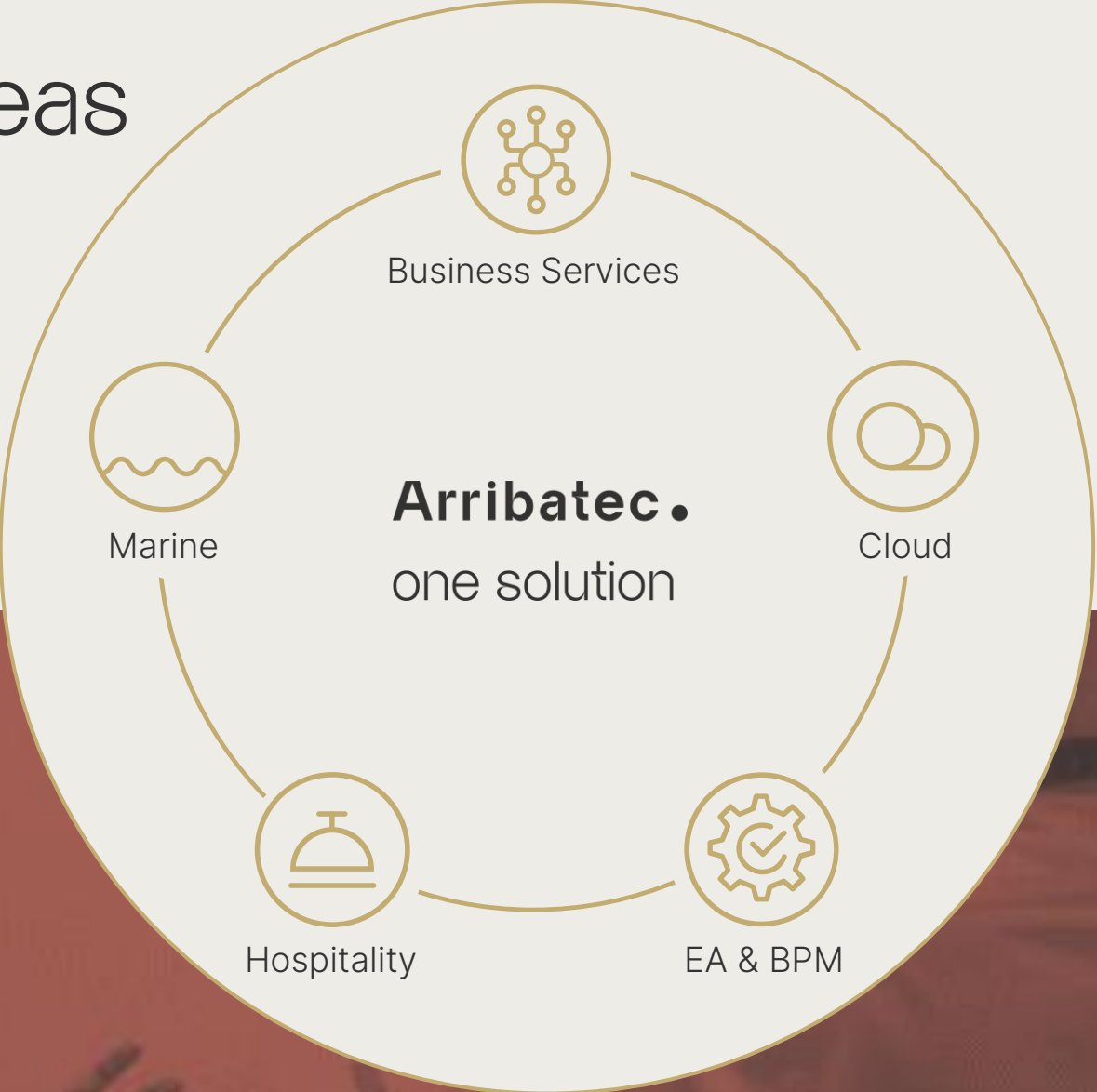
# The Arribatec core



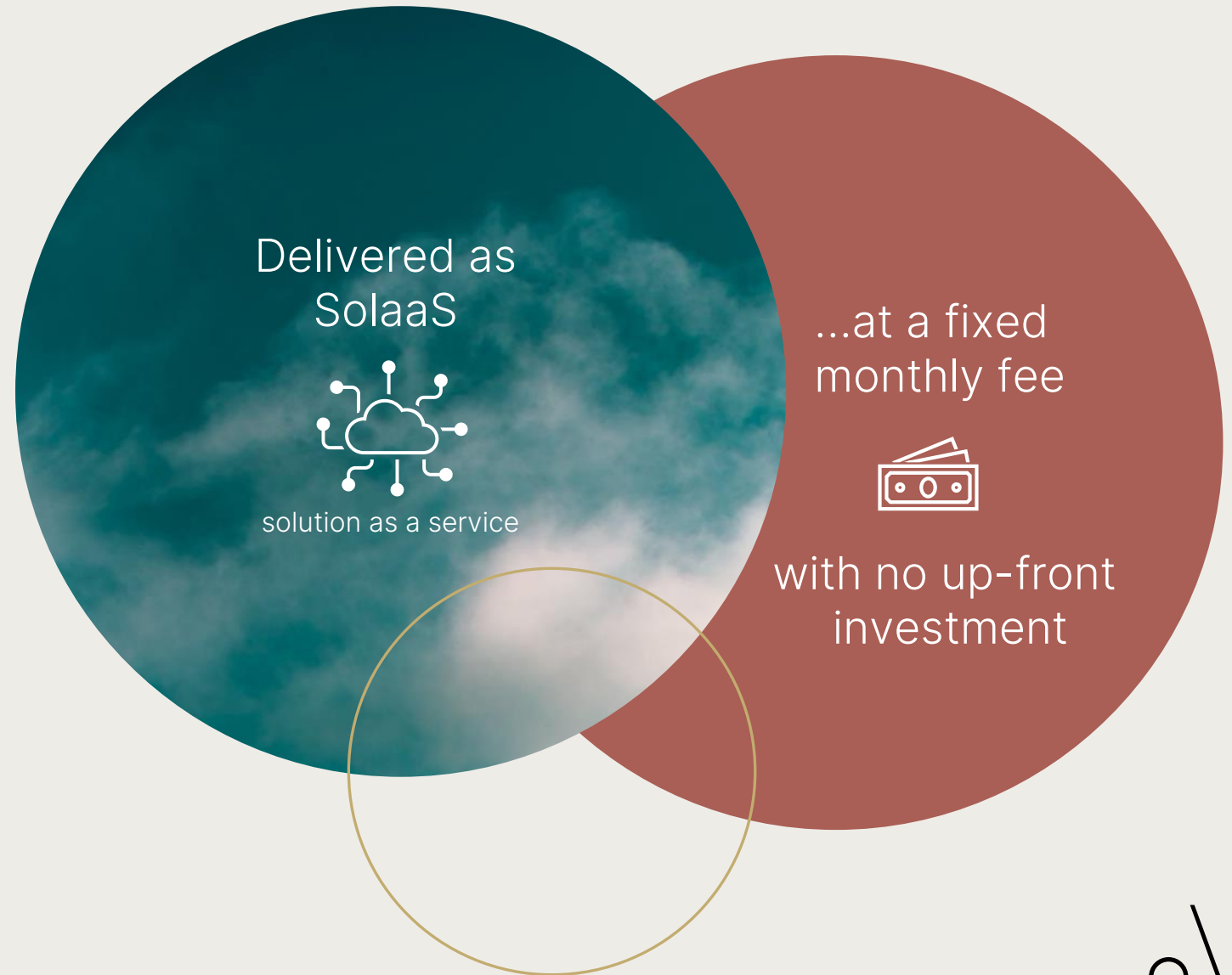
Transformed into five main Business Areas



# Our main business areas



# Our business proposition



# What we deliver

## Business Services

### Services/Solutions

- SolaaS/SaaS
- ERP Implementation
- BI & Analytics
- System Integration
- Customization
- Software Development
- DevOps

### ✓ Products

- Unit4 ERP
- Hypergene
- PowerBI
- Arribatec Research Management
- Arribatec Integration Platform

## Cloud

### Services/Solutions

- Deployment of SolaaS/SaaS
- Cloud service
- Outsourcing
- Security
- Azure Data Lakes
- DevOps
- Device Management

### ✓ Products

- Azure
- AWS
- Google
- Private Cloud
- GDPD / ISO / Risk
- Splunk
- MS 365

## EA-BPM

### Services/Solutions

- SolaaS/SaaS
- Enterprise Architecture
- Business Process Mng
- Process Automation
- Compliance & Security
- GDPR | RPA
- Business Mng Systems
- Business Process Syst.

### ✓ Products

- Qualiware
- Boson

## Marine

### Services/Solutions

- SolaaS/SaaS
- System Implementation
- System Integration
- Technical deployment

### ✓ Products

- InfoSHIP ASSET
- InfoSHIP Quality
- InfoSHIP ELB
- InfoSHIP Planning
- InfoSHIP Performance

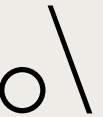
## Hospitality

### Services/Solutions

- SolaaS/SaaS
  - Implementation
  - Integration
- Deployment
  - Azure
  - AWS
- Device Management

### ✓ Products

- Holographic Solution
- Housekeeping Software
- Self-service check-in/out



# Arribatec.

## \ business services

*Old Arribatec focusing on ERP, BI & Analytics, DevOps, Integrations, research management, SolaaS etc*

- Serving customers globally and counting for 47% of total rev.
- Hit in July and August due to holiday period in Nordics and Europe
- Strong results in September – on normal activity level
- 13 new customers taken over from Unit4 in Spain
- Strong growth and continuous new projects in southern Europe
- New sales resources hired in Norway and UK





# Arribatec. ea & bpm

## *Enterprise Architecture & Business Process Management*

- Strong growth and traction in the market
- Many new large strategic customers added
- Increased the organization with 50% over the last few months
- Negative result in July, but positive in August and historical high in September
- Moved into new offices in Stavanger and further extension in process due to the strong growth
- First own products launched and deployed for Aker

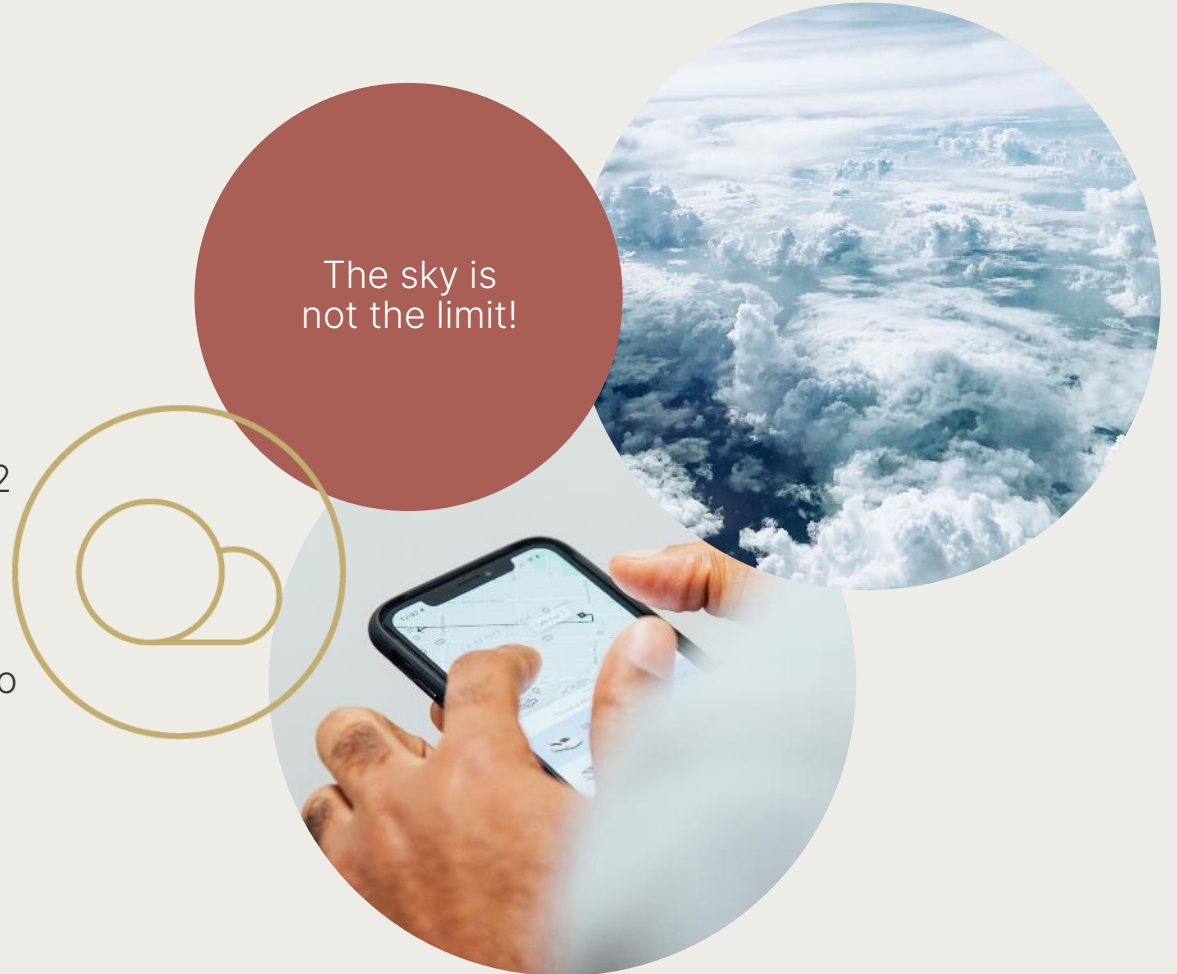


# Arribatec. cloud

## *Cloud Solutions – hybrid, Azure, Splunk, GDPR*

- Majority of revenue is recurring revenue
- Strong performance and strong organic growth
- Delivering profit every month
- ISO certification in process – to be completed Q1-2022
- Centralized internal IT on own infrastructure
- Supporting entire group with IT services
- Shutting down data center in Bergen and relocate all to Oslo & Hamar (cost savings)
- Strong potential to cross sell globally – horizontal solution

The sky is  
not the limit!

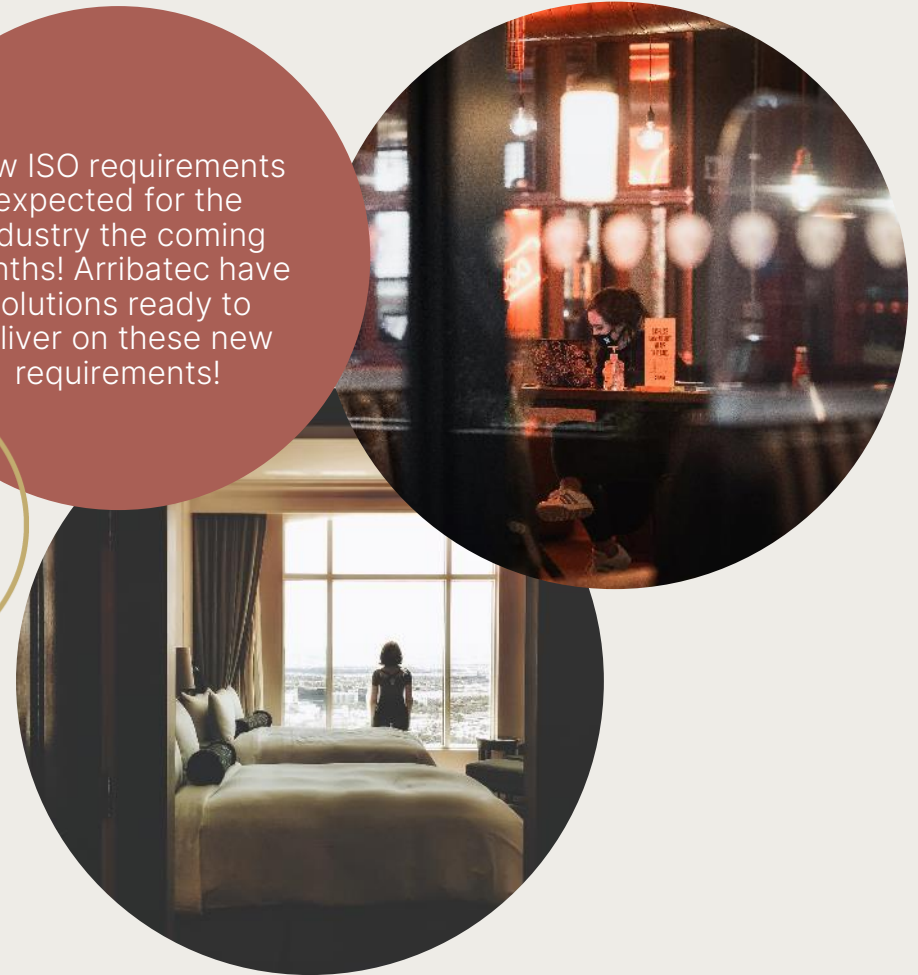


# Arribatec. hospitality

## *Software solutions to the hospitality industry*

- Still investing in products and market penetration
- New contracts signed with a total value of NOK +3 million
- Strong pipeline and an industry on its way back to normal and beyond
- Lacking capacity to deliver / roll-out solutions
- Supply chain for required hardware working again

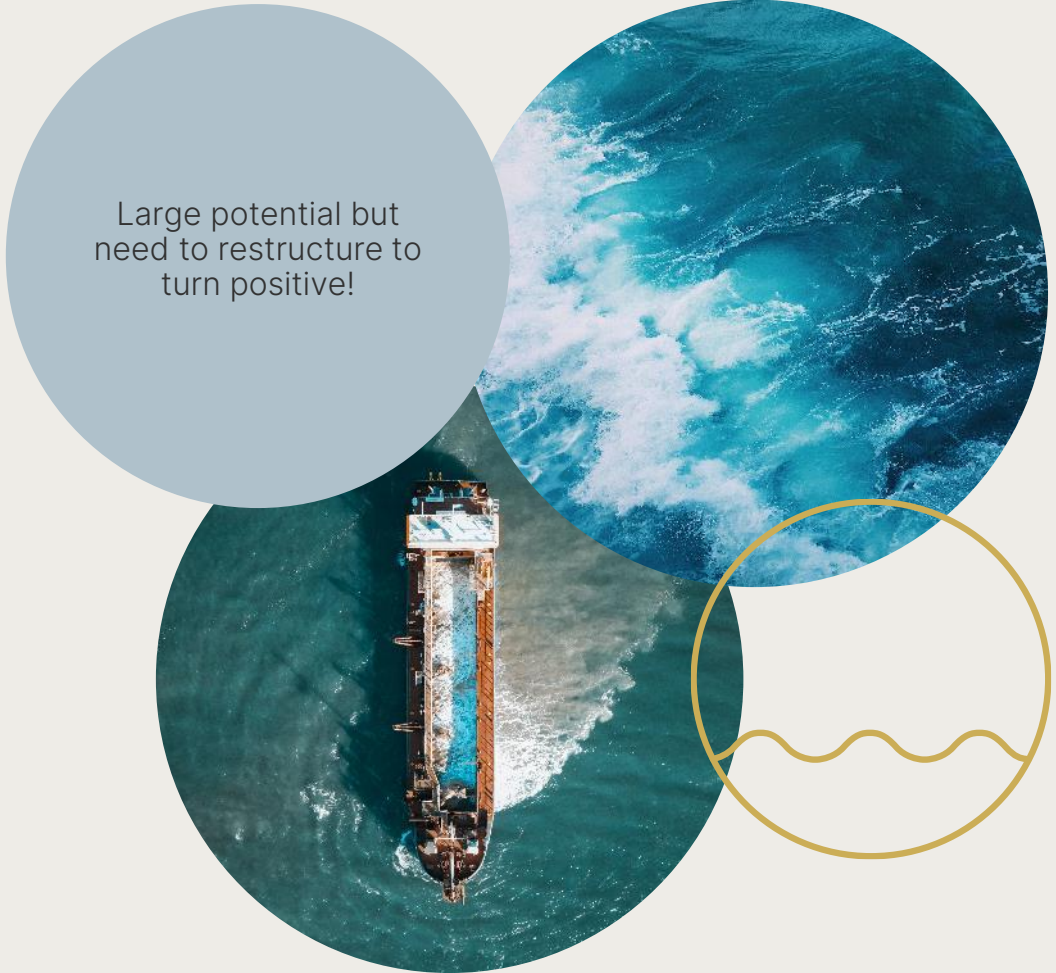
New ISO requirements expected for the industry the coming months! Arribatec have solutions ready to deliver on these new requirements!



# Arribatec. marine

## *Software solutions to the maritime sector - InfoShip Asset Management and Performance*

- Continued investment in product and market
- Challenges to restructure due to Italian COVID-legislations
- Potential pipeline increased by € 9 million since January
- Solid interest for our solutions and sales activities, but long processes to get contracts signed
- Developed and deployed a new Hotel Defect Management System for MSC Cruises – large potential
- Several LOI's and confirmations for large contracts received
- An industry recovering and booming after COVID



Large potential but  
need to restructure to  
turn positive!

# Corporate

- Increased investments in Corporate Functions to build a platform appropriate to support future growth
- Internal ERP platform to support all 5 BAs globally is under implementation and roll-out
- A new Executive Management Team in place
- Employed a new EVP for Business Development
- New shared service center established in Poland
- Lease for new headquarter at Økern Portal signed.
  - Co-locating three offices in Oslo into one



# Summing up Q3

- Q3 - Continued solid growth in revenue 253% y/y – 32% organic
- Q3 – 614% y/y growth in Recognized Recurring Revenue
- Q3 is - EBITDA of NOK -13.3
  - Losses due to vacation periods
  - Strong focus on growth, integration and organizational alignment
- Q3 - Terminated Grupo Hodei acquisition process
- Q4 - Closed acquisition of Integra
  - Expect contribution of NOK 50 mill in revenue 2022 + positive EBITDA
- Q3/Q4 – continued focus on; integration, global sales and recruitment
- 2021 - Estimated total revenue of NOK 410-420m incl. Integra (Q4 only)
- 2022 – Expected 2022 revenue of NOK 550m which represents a +30% growth vs. 2021
- 2022 - Expect full effect of integrations of acquired companies on EBITDA from early 2022





Arribatec •  
one solution

A blurred background image of a business meeting. A person in a dark suit and tie is holding a white tablet. In the foreground, a table is covered with various financial charts, including bar graphs and pie charts, all rendered in shades of blue. A large, semi-transparent reddish-brown circle is overlaid on the left side of the image, containing the text.

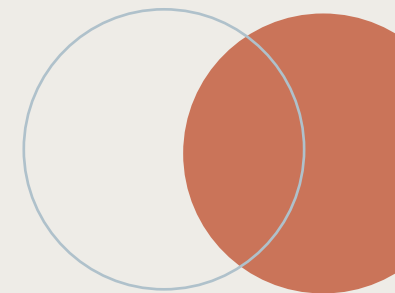
# Appendix

Financial Figures



# Profit & Loss

<i>NOK thousand</i>	Note	For the quarter end		Year to date		Full year 2020
		30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	
Revenue	3	94 361	26 728	297 961	93 210	154 024
Materials, software and services		(23 102)	(2 447)	(67 822)	(8 219)	(17 609)
<b>Gross profit</b>		<b>71 260</b>	<b>24 281</b>	<b>230 139</b>	<b>84 991</b>	<b>136 415</b>
Salary and personnel costs		(74 161)	(19 871)	(192 386)	(66 830)	(99 143)
Cost from reverse takeover		0	0	0	0	(56 822)
Other operating expenses		(10 992)	(3 752)	(40 017)	(10 194)	(25 710)
<b>Total operating expenses</b>		<b>(85 153)</b>	<b>(23 623)</b>	<b>(232 403)</b>	<b>(77 024)</b>	<b>(181 674)</b>
<b>EBITDA</b>		<b>(13 893)</b>	<b>659</b>	<b>(2 265)</b>	<b>7 967</b>	<b>(45 259)</b>
Depreciation and amortization		(8 076)	(1 670)	(22 883)	(3 800)	(7 240)
<b>EBIT</b>		<b>(21 969)</b>	<b>(1 011)</b>	<b>(25 148)</b>	<b>4 167</b>	<b>(52 499)</b>
Financial income	4	2 774	210	3 904	574	1 247
Financial expense	4	(3 544)	(820)	(5 543)	(1 657)	(2 945)
<b>Profit/(loss) before tax</b>		<b>(22 739)</b>	<b>(1 621)</b>	<b>(26 787)</b>	<b>3 084</b>	<b>(54 197)</b>
Tax expense		3 084	374	649	(712)	(1 424)
<b>Profit/(loss) after tax attributable to equity holders of the parent company</b>		<b>(19 655)</b>	<b>(1 247)</b>	<b>(26 137)</b>	<b>2 372</b>	<b>(55 620)</b>
Earnings per share: basic	10	(0.04)	(0.01)	(0.06)	0.03	(0.18)
Earnings per share: diluted	10	(0.04)	(0.01)	(0.06)	0.03	(0.18)

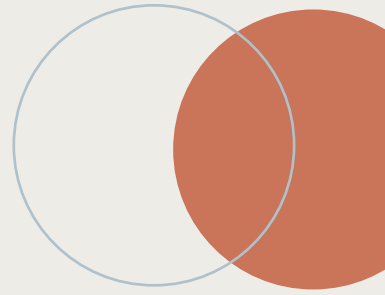


# Balance Sheet

<i>NOK thousand</i>	Note	Year to date	
		30 Sep 2021	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment		6 116	3 258
Right-of-use assets	6	20 832	20 768
Goodwill	6	188 107	93 827
Customer relations	6	31 929	13 145
Other Intangible assets	6	64 090	18 310
Other non-current assets		11 494	945
Deferred tax assets		4 470	2 436
<b>Total non-current assets</b>		<b>327 038</b>	<b>152 689</b>
<b>Current assets</b>			
Trade receivables		69 395	32 956
Other receivables		4 160	22 090
Contract assets		24 366	12 387
Other current assets		20 209	2 746
Cash and cash equivalents		56 111	188 270
<b>Total current assets</b>		<b>174 241</b>	<b>258 448</b>
<b>TOTAL ASSETS</b>		<b>501 279</b>	<b>411 137</b>

<i>NOK thousand</i>	Note	Year to date	
		30 Sep 2021	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Issued capital	9	163 773	117 203
Other paid in capital		188 347	194 510
<b>Total paid in capital</b>		<b>352 120</b>	<b>311 713</b>
<b>Other equity</b>			
Other reserves		(1 953)	8
Other equity		(21 644)	4 493
<b>Total other equity</b>		<b>(23 597)</b>	<b>4 501</b>
<b>Total equity</b>		<b>328 523</b>	<b>316 214</b>
<b>Non-current liabilities</b>			
Interest bearing loans	7	25 990	1 344
Lease liabilities	6	14 163	15 500
Other non-current financial liabilities		84	0
Deferred tax liabilities		12 441	0
Provisions		16 746	0
<b>Total non-current liabilities</b>		<b>69 425</b>	<b>16 843</b>
<b>Current liabilities</b>			
Short term financial liabilities	7	4 255	7 046
Current lease liabilities	6	7 831	7 125
Accounts payable and other current liabilities		15 657	23 966
Contract liabilities		10 869	1 283
Current tax payable		4 551	3 596
Other current liabilities		60 168	35 064
<b>Total current liabilities</b>		<b>103 332</b>	<b>78 080</b>
<b>Total liabilities</b>		<b>172 756</b>	<b>94 923</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>501 279</b>	<b>411 137</b>

# Cash flow



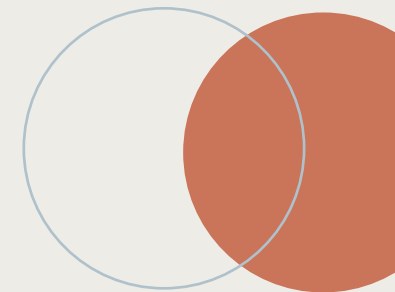
<i>NOK thousand</i>	Note	For the quarter end		Year to date		Full year 2020
		30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	
<b>Operating activities</b>						
Profit/(Loss) before tax		(22 739)	(1 621)	(26 787)	3 084	(55 620)
Taxes paid		0	(598)	(982)	-598	(1 196)
Adjustments for:						
- Calculated cost from reverse takeover		0	0	0	0	56 822
- Finance income and expense	4	762	610	1 639	1 083	1 698
- (Increase)/decrease in trade receivables		3 228	(3 115)	(7 608)	(1 901)	1 328
- (Decrease)/increase in trade payables		1 468	(1 759)	(17 080)	905	6 089
- Depreciation and amortization	5, 6	8 076	1 669	22 883	3 800	7 240
Change in other current accounts		(6 317)	(2 798)	(4 985)	4 381	(17 369)
<b>Net cash flows operating activities</b>		<b>(15 523)</b>	<b>(7 612)</b>	<b>(32 919)</b>	<b>10 754</b>	<b>(1 009)</b>
<b>Investing activities</b>						
Cash received through business combination	7	1 255	0	21 967	0	34 741
Cash consideration Investment in subsidiaries	8	(258)	0	(101 730)	0	(59 942)
Capitalized development costs and tangible assets	5	(1 913)	(2 643)	(15 158)	(9 909)	(12 548)
Interest received		99	0	99	0	236
<b>Net cash flows investing activities</b>		<b>(817)</b>	<b>(2 643)</b>	<b>(94 822)</b>	<b>(9 909)</b>	<b>(37 514)</b>
<b>Financing activities</b>						
Proceeds from borrowings		(71)	0	15 722	0	5 472
Change in overdrafts		(417)	5 351	(9 800)	7 275	(3 821)
Repayment of debt		0	0	0	0	(1 179)
Interest paid		(342)	(303)	(1 186)	(502)	(755)
Calculated interest lease liabilities		0	0	0	0	0
Installments lease liabilities		(4 508)	0	(6 926)	0	0
Other changes in equity		0	0	0	0	(1 110)
Proceeds from shares issued		0	847	0	847	234 954
Share issue costs		(544)	0	(544)	0	(12 891)
<b>Net cash flows financing activities</b>		<b>(5 882)</b>	<b>5 895</b>	<b>(2 735)</b>	<b>7 620</b>	<b>220 671</b>
Net change in cash and cash equivalents		(22 222)	(4 360)	(130 476)	8 465	182 149
Cash and cash equivalents at beginning of period		78 586	18 945	188 270	6 121	6 121
Currency translation		(253)	0	(1 682)	0	0
<b>Cash and cash equivalents at end of period</b>		<b>56 111</b>	<b>14 585</b>	<b>56 111</b>	<b>14 585</b>	<b>188 270</b>



# Equity

## Equity related to the shareholders of the parent company

<i>NOK thousand</i>	Equity related to the shareholders of the parent company					Total Equity
	Restricted Share capital	Treasury shares	Other paid in capital	Exchange differences	Retained earnings and profit for the year	
Balance on 1 January 2020	2 589	(312)	16 286	(52)	3 291	21 802
Result of the period					(55 620)	(55 620)
Comprehensive income for the period				60		60
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>(55 620)</b>	<b>(55 561)</b>
Treasury shares acquired		(276)				(276)
Other equity transactions			(834)			(834)
Issue of share capital in Arribatec AS	847		83 824			84 670
Reverse take over reclassification of Arribatec AS	(3 436)	588	2 848			0
Reverse take over Arribatec Solutions ASA	91 204		(64 614)		56 822	83 412
Capital Increase employees offer, Nov	2 800		6 600			9 400
Capital increase repair issue, Nov	9 199		21 684			30 884
Capital increase, Private placement Dec	14 000		96 000			110 000
Cost of share issue			(12 891)			(12 891)
Share consideration relating business combinations – shares to be issued in 2021			45 607			45 607
<b>Closing balance on 31 December 2020</b>	<b>117 203</b>	<b>0</b>	<b>194 510</b>	<b>8</b>	<b>4 493</b>	<b>316 214</b>
Balance on 1 January 2021	117 203	0	194 510	8	4 493	316 214
Result of the period					(26 137)	(26 137)
Comprehensive income for the period				(1 961)		(1 961)
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1 961)</b>	<b>(26 137)</b>	<b>(28 098)</b>
Share consideration relating to business combination 2020 (Facil, Microsky and Innit)			(45 607)			(45 607)
Capital increase related to business combinations	11 628		74 929			86 557
Capital increase related to merger with subsidiary Arr. AS	34 941		(34 941)			0
Share issue cost			(544)			(544)
<b>Closing balance 30 Sep 2021</b>	<b>163 773</b>	<b>0</b>	<b>188 347</b>	<b>(1 953)</b>	<b>(21 644)</b>	<b>328 523</b>





# Q3 Reporting Arribatec Group ASA

Per Ronny Stav – Group CEO  
Geir Johansen – Group CFO

Oslo 11 November 2021

**Arribatec.**