



Arribatec.

\ Quarterly Results

Q1 2022

Geir Johansen, CEO



Q1 HIGHLIGHTS

Shows continued strong growth



Revenue

↑ 27%

NOK 125.9m

Highest on record



Recurring

↑ 51%

NOK 46.8

37% of Q1 revenue



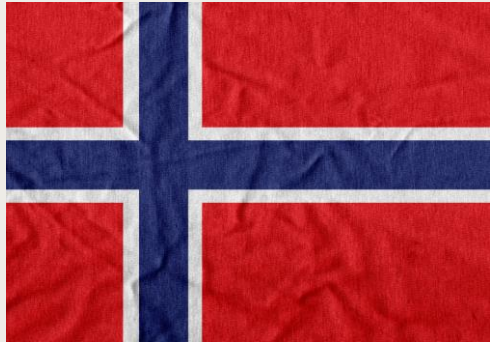
Adj. EBITDA

- 2%

NOK -2.6m

Q1 HIGHLIGHTS

Geographic revenue growth & share of total



↑ 17%

NOK 78.2m

62% share

Highest on record



↑ 67%

NOK 41.0m

33% share

Highest on record

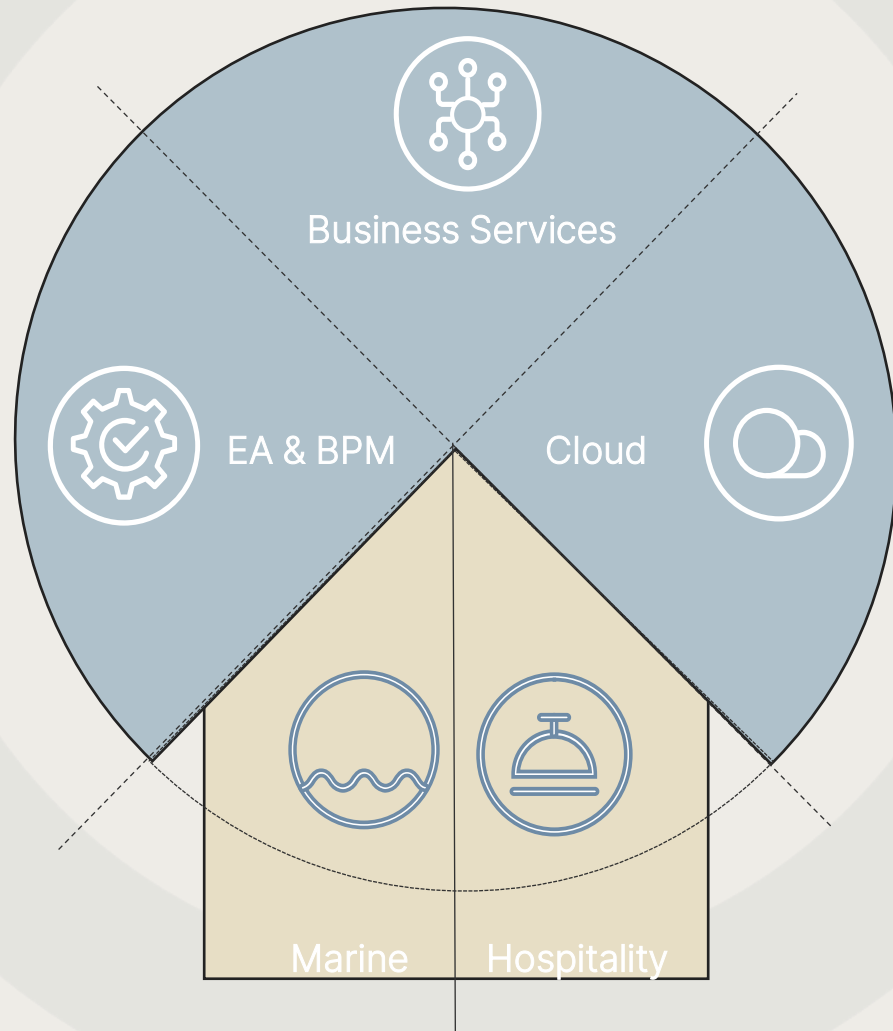


↓ 15%

NOK 6.8m

5% share

Arribatec's five business areas



- All five BAs are managed as separate profit generating units
- All five BAs have separate management teams

EA&BPM – BS - Cloud

- The three largest BAs both in terms of people, revenue, and EBITDA
- Represent 90% of Group revenue and are the profit drivers
- Industry agnostic - can serve all industries and public sectors
- They meet the needs of medium- and large-sized mature organizations
- Cross-sale between the three of them is natural and ongoing

Hospitality

- Industry vertical product offering
- Mature start-up with large growth potential and cutting-edge technology

Marine

- Industry vertical product offering
- In restructuring process



BUSINESS AREAS

Q1 performance

BizS

40%
Revenue Growth

78m*
Revenue

13.5%
EBITDA margin

10.5m**
EBITDA

- Strong growth in particular from services in Nordics and France
 - Good collaboration with our global partners Unit4, Rambase and Hypergene
 - Added Catalyst One to our partner network
 - First contract signed for Costing & Pricing solution in UK
 - Continued ongoing work to develop own IP
- Going forward we expect growth in service revenue SaaS/recurring

EA-BPM

85%***
Revenue Growth

22m*
Revenue

9.0%
EBITDA margin

2.0m**
EBITDA

- Almost all revenue generated within Norway
 - EA-BPM is preparing the organization for a push in to UK/US/Continental Europe
 - Continued ongoing work to develop own IP
 - Closed a NOK 25m 3 years frame agreement
 - NOK 9m management system development contract signed
- Several large public sector bids coming to market next two quarters

Cloud

39%
Revenue Growth

27m*
Revenue

7.5%
EBITDA margin

2.0m**
EBITDA

- Month of March saw monthly revenue above NOK 10m for the first time
 - Demand for public cloud- and security services is large driver for the growth
 - Public cloud accounts for 25% of total revenue
 - Achieved ISO27001 accreditation
 - 20 new contracts signed and not yet executed
- Robust pipeline going forward
- New sales reps to be hired in Oslo, Stavanger and Bergen



BUSINESS AREAS – the verticals

Q1 performance

HspT

Revenue Growth	EBITDA margin
0.8m*	-2.8m**
Revenue	EBITDA

- Hospitality had no revenue in Q1 last year
 - Signed up 19 hotels at end of the quarter
 - So far HspT is winning all tenders they bid on
 - The technology is proven and well accepted by new customers
 - New sales rep hired in Sweden
 - Partner agreement signed with large global payment platform solution
-
- Focus now on signing up new hotels and expand in Nordics

Marine

-12.6%	-34.1%
Revenue Growth	EBITDA margin
12.9m*	-4.4m**
Revenue	EBITDA

- Marine is undergoing a restructuring process to mitigate effects from the pandemic and the Ukraine war
 - Reduction of staff already initiated and losses should reduce in next quarter
 - Full effect of restructuring expected in Q4-22
 - Cruise industry is main segment for Marine, and is slowly going back to pre-pandemic activities
-
- Pipeline reduced due to Ukraine war however cruise segment is recovering

* Includes external- and group internal revenue
**BA EBITDA is calculated before common cost and overhead

* Includes external- and group internal revenue
**BA EBITDA is calculated before common cost and overhead





Organization
and
people

Arribatec .



28



Offices around
the globe

400+



Employees across
5 business areas

1000+

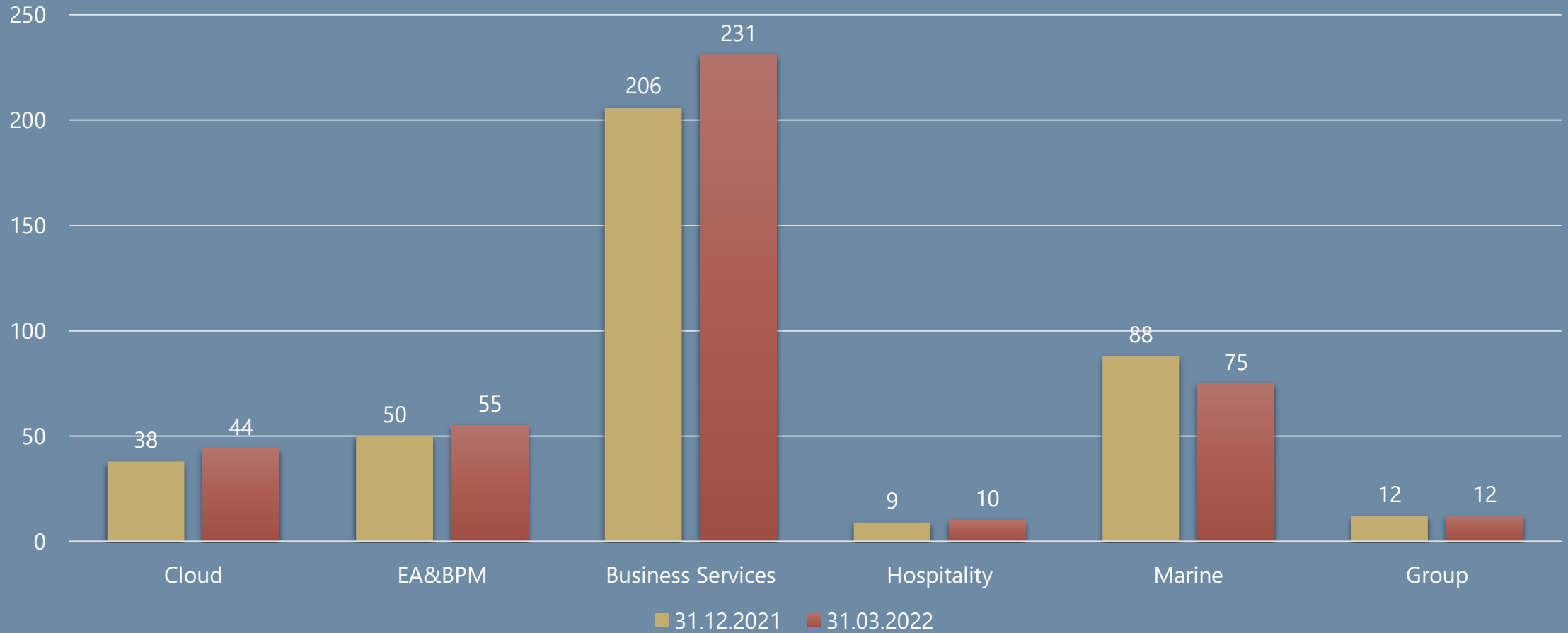
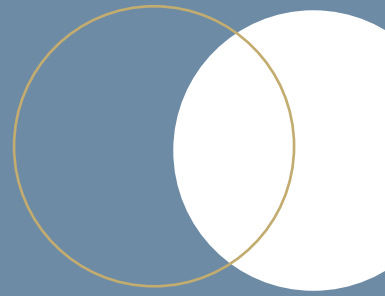


Customers across
industries



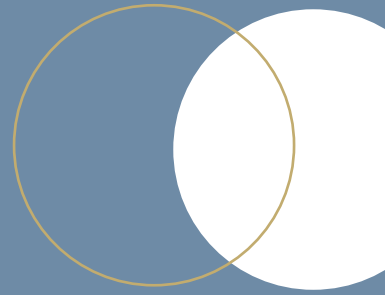
PEOPLE

Headcount



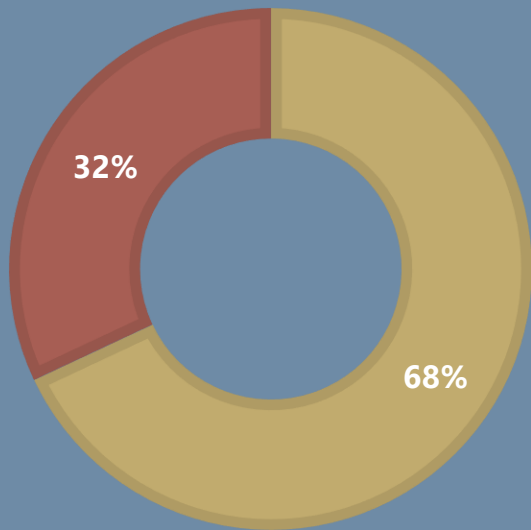
PEOPLE

Gender Balance and Age distribution



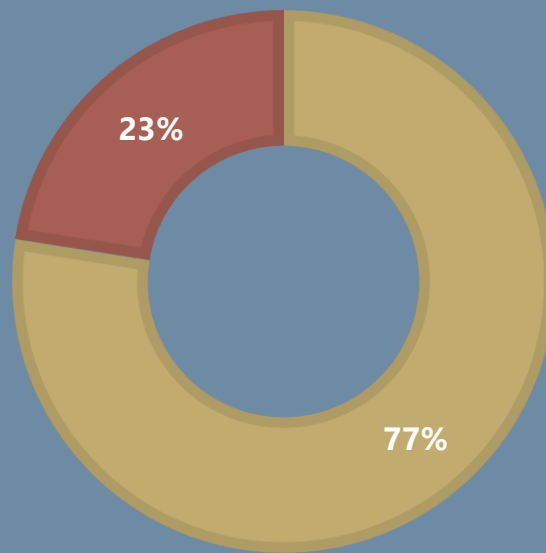
GLOBAL ORGANIZATION

Male Female

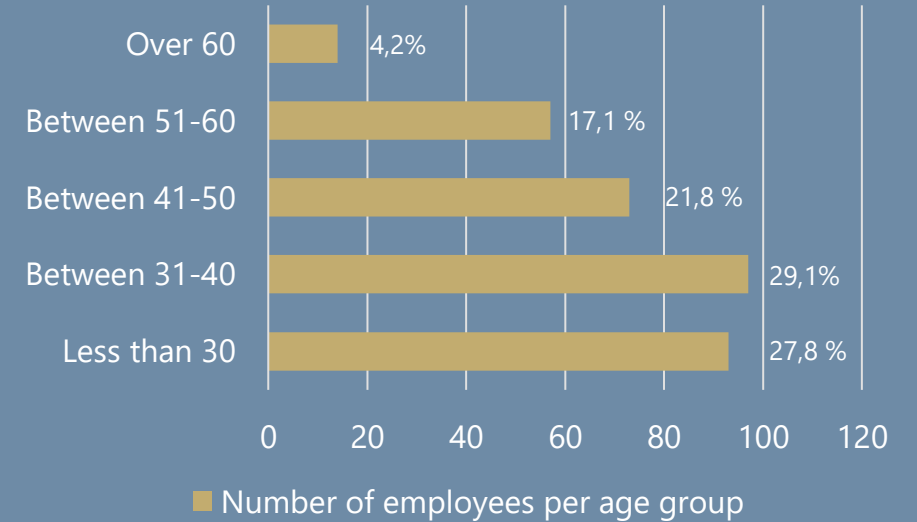


MANAGEMENT POSITIONS

Male Female

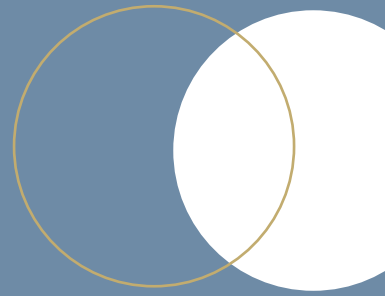


AGE DISTRIBUTION Q1

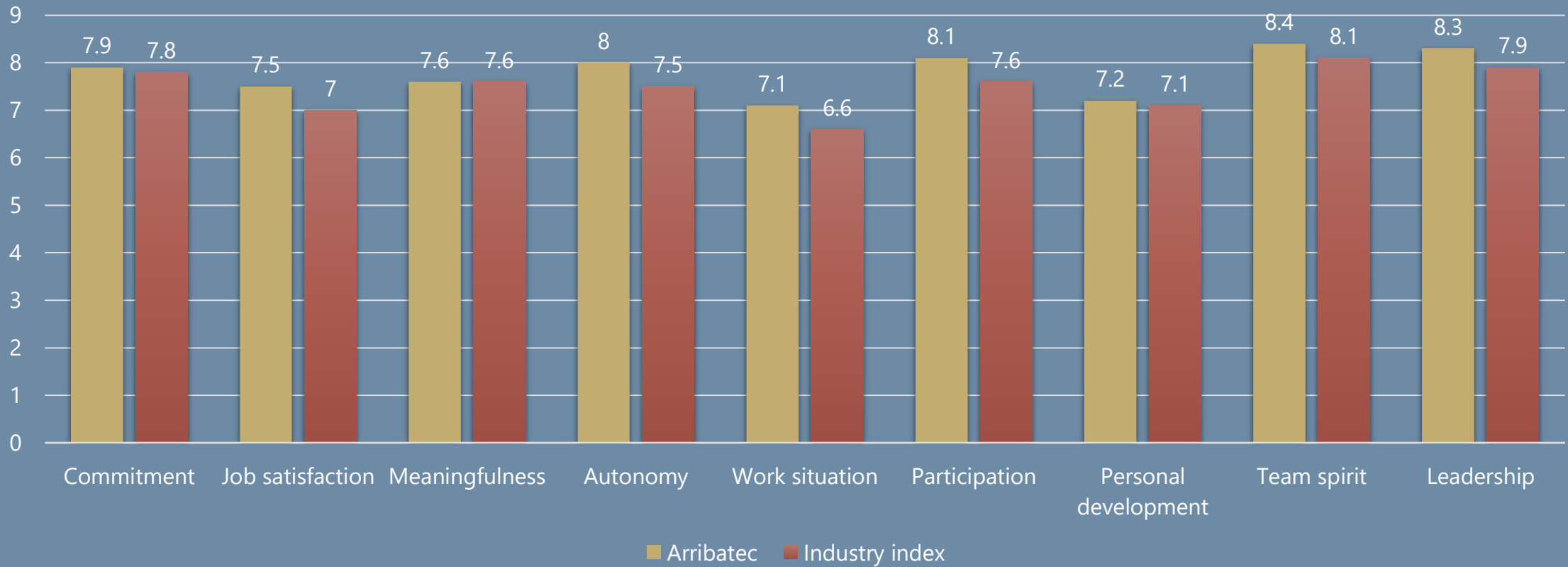


PEOPLE

High job satisfaction – above industry index...



Arribatec temperature Q1



Sustainability initiatives in Q1



Football Shirt Friday

We celebrated Football Shirt Friday in Norway to spread awareness and unite the whole of Norway in the fight against childhood cancer!

We are donating 500 NOK per person who wore a football shirt in our offices in Oslo, Stavanger and Hamar, and tripled all personal donations to the [Barnekreftforeningen](#). The donation came close to 62 000 NOK.



Bee hives installed at our office roof-top terrace

Thousands of new co-workers started at Arribatec EA&BPM with a goal of solving the worlds climate challenges through pollinating!

Financial Review



FINANCIAL REVIEW

Growth continues - driven by international expansion

% outside Norway

33%

31%

34%

37%

38%

% Recurring

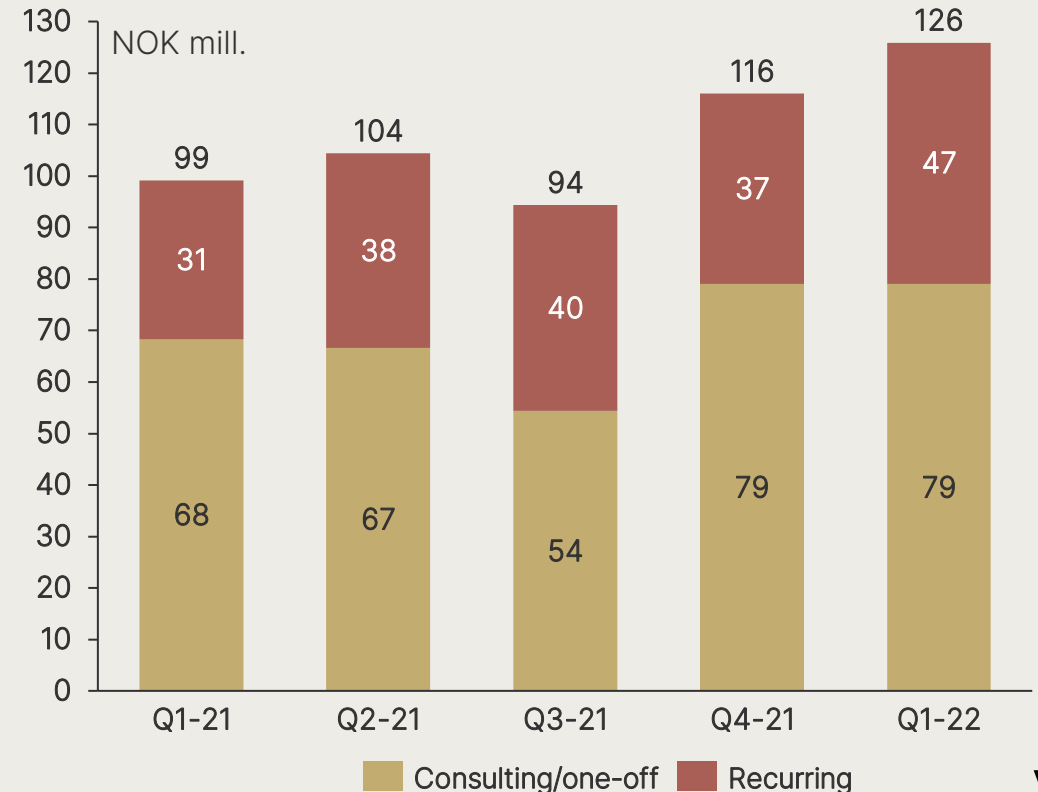
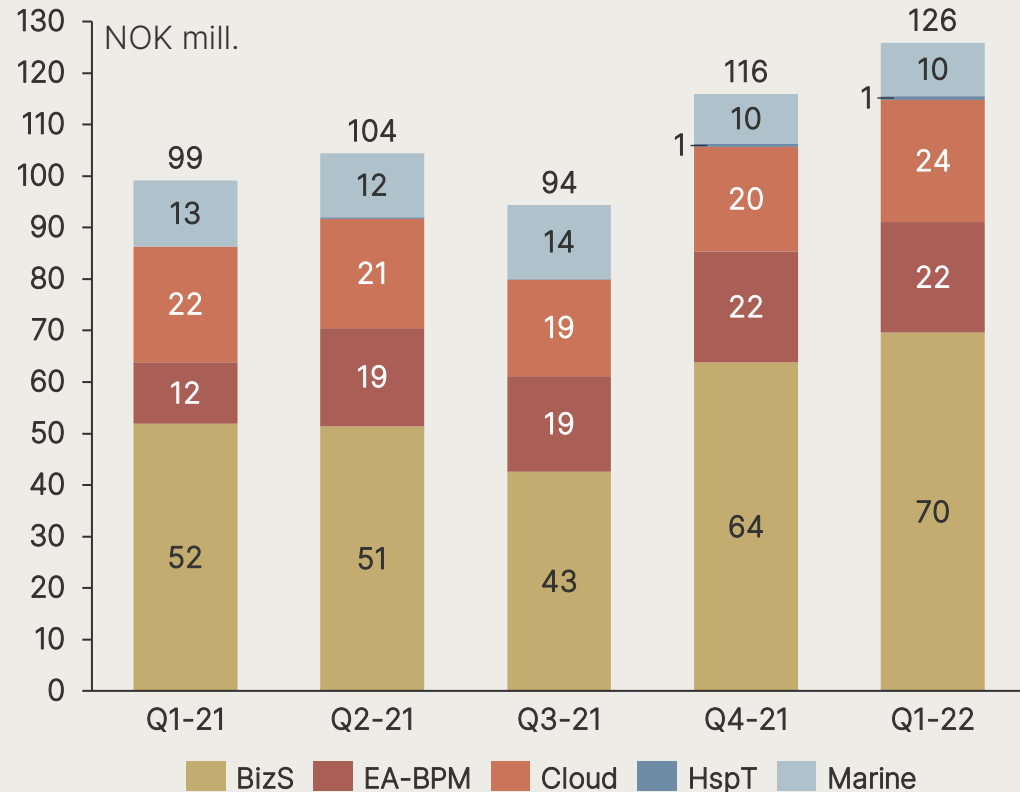
31%

37%

43%

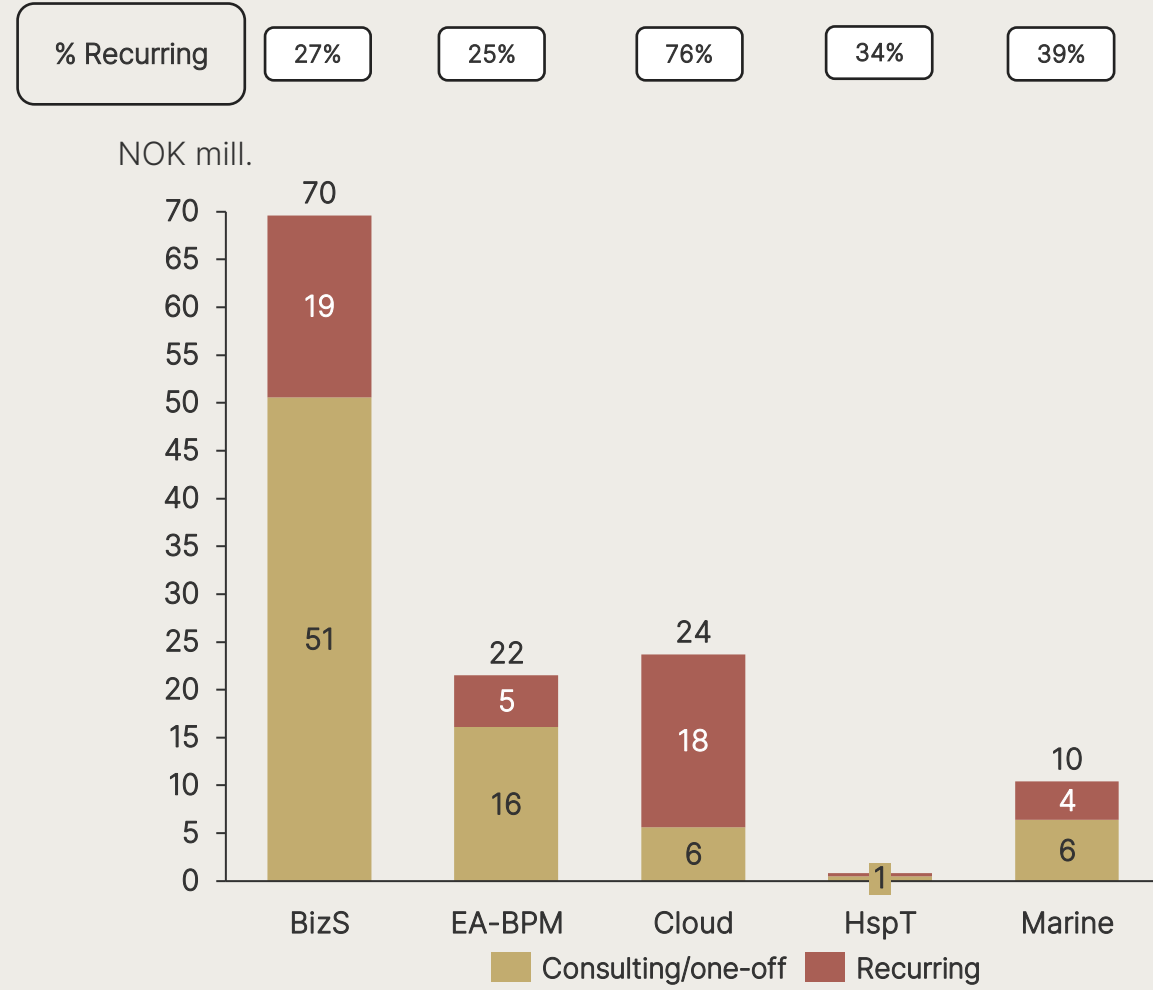
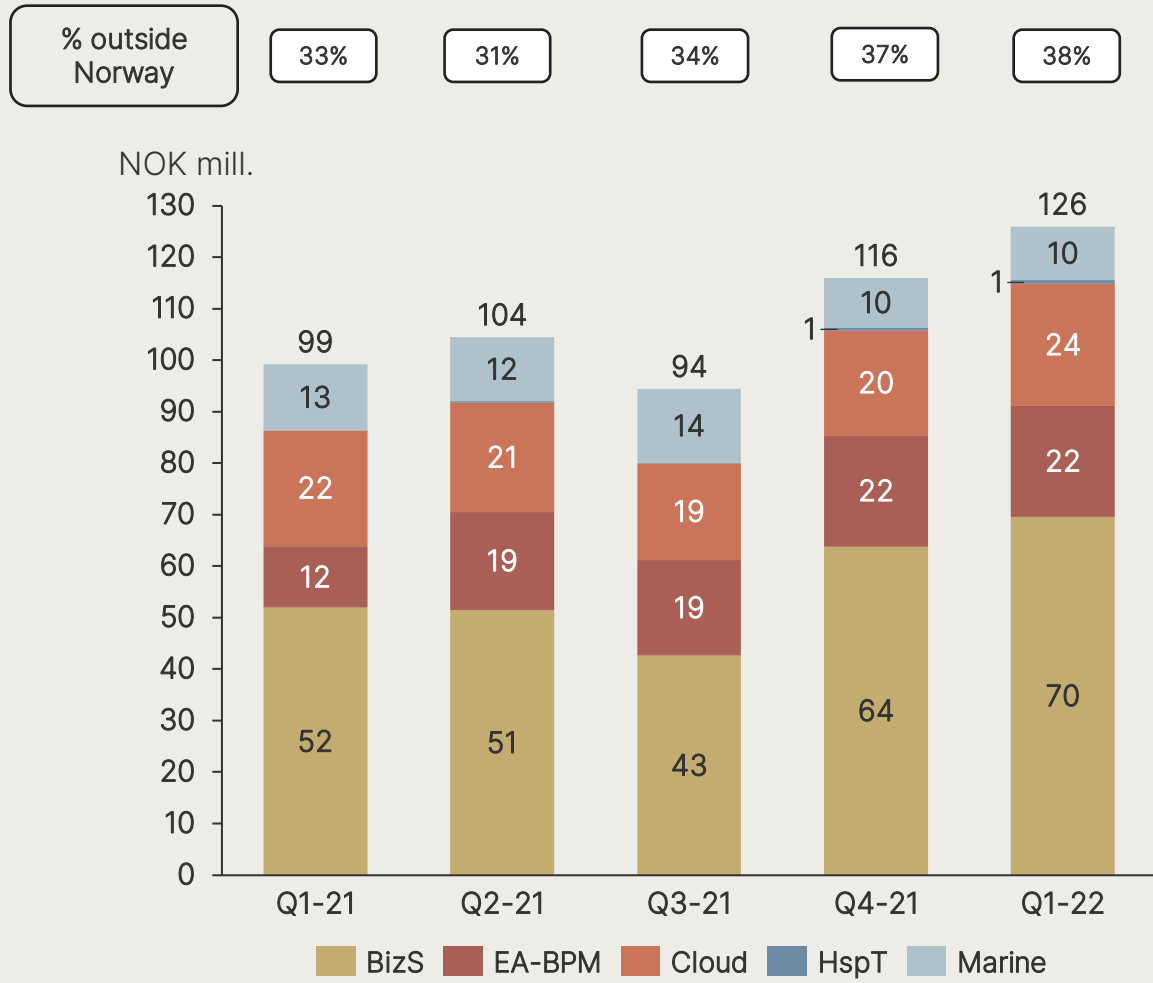
32%

37%



FINANCIAL REVIEW

Source of recurring revenue

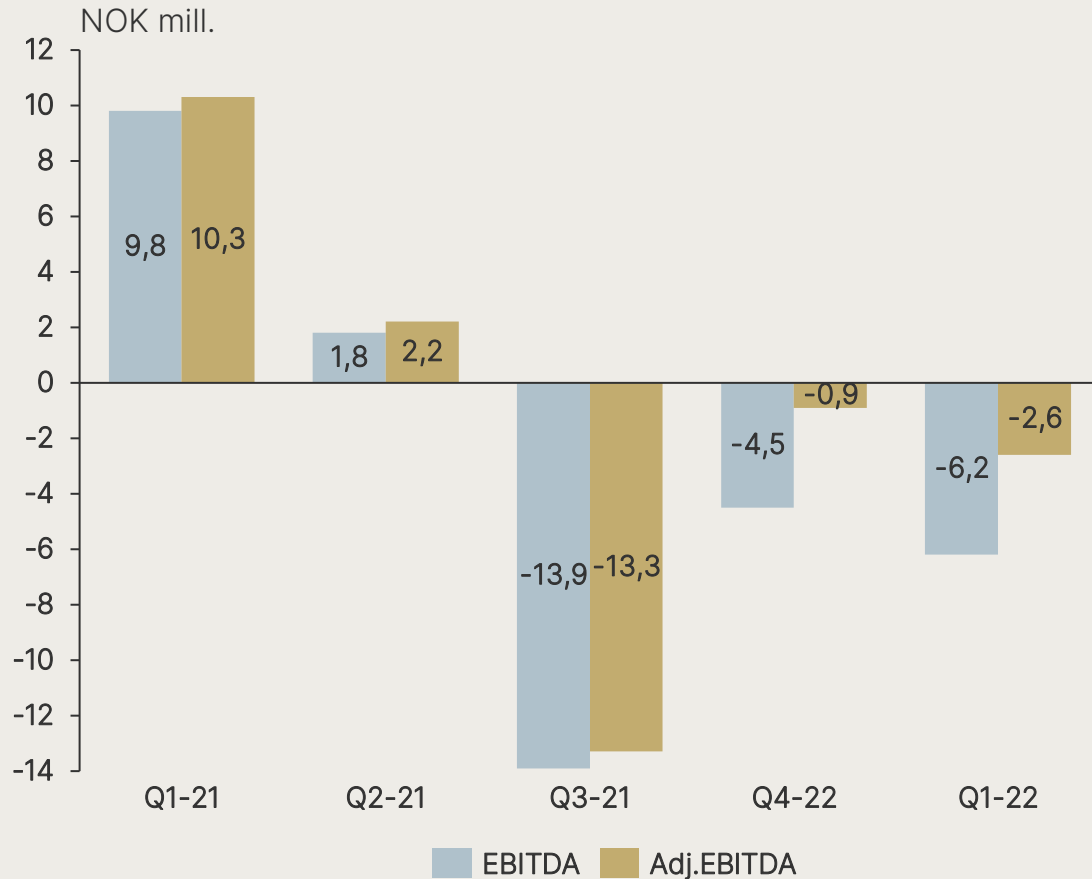


* Includes external- and group internal revenue

**BA EBITDA is calculated before common cost and overhead



Financials results impacted by integration



The decrease year-on-year is mainly explained by:

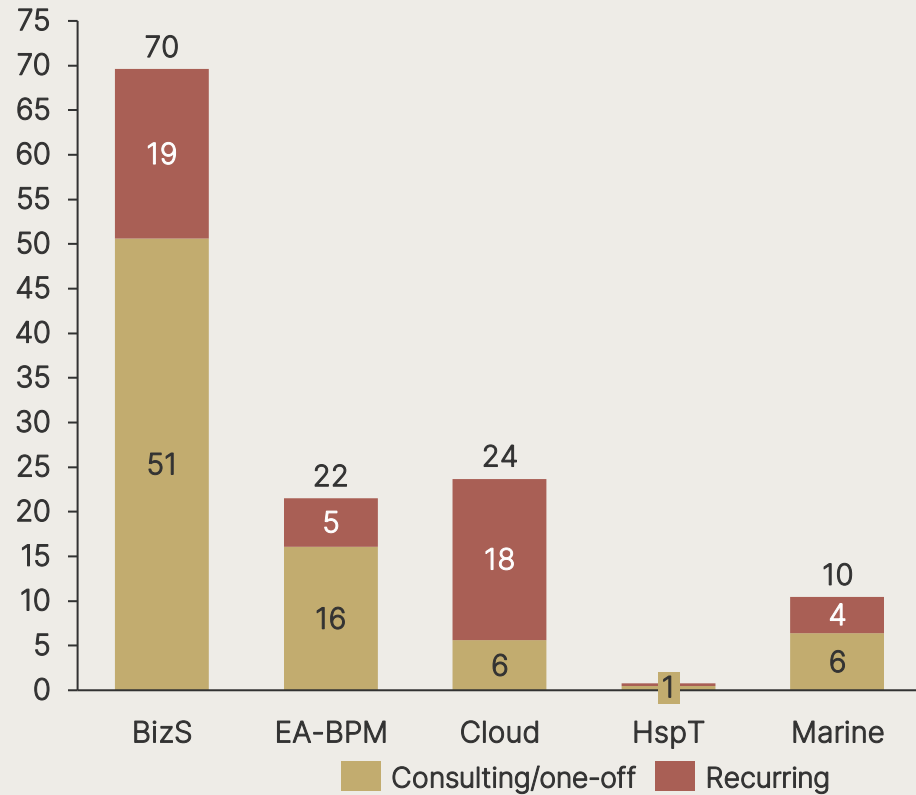
- Operating losses and restructuring cost within BA Marine
- Operating losses (start-up cost) for BA Hospitality
- Significant amount of time spent on internal integration projects
- Increased resource base for business support and corporate units.



Business area size and profitability

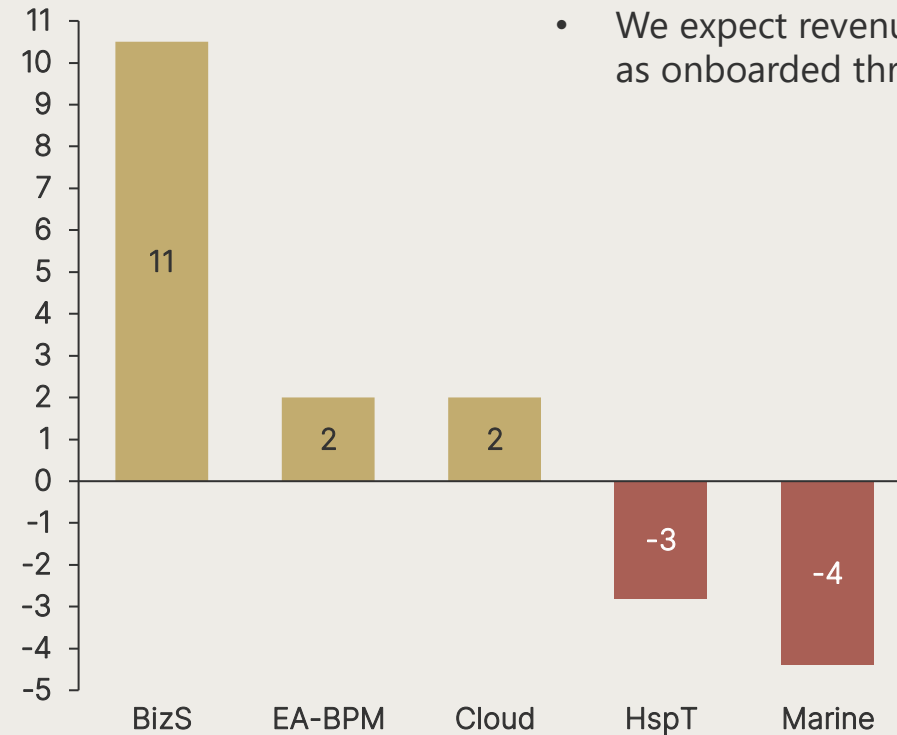
Revenue *

NOK mill.



EBITDA**

NOK mill.



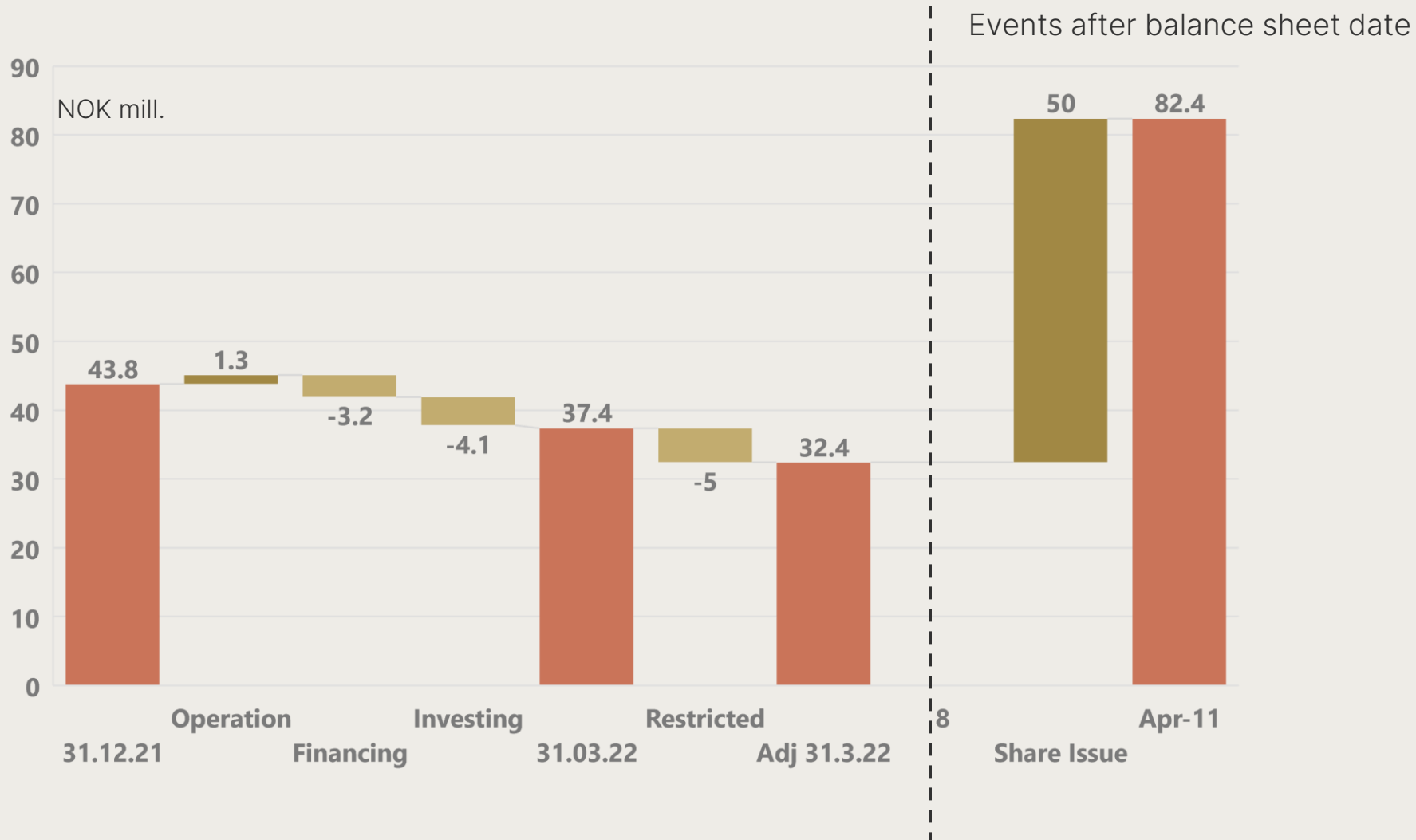
- The 3 largest BAs have a combined annualized revenue of NOK 464m and EBITDA of NOK 60m
- We expect revenue growth as new employees as onboarded through the year

* Includes external- and group internal revenue

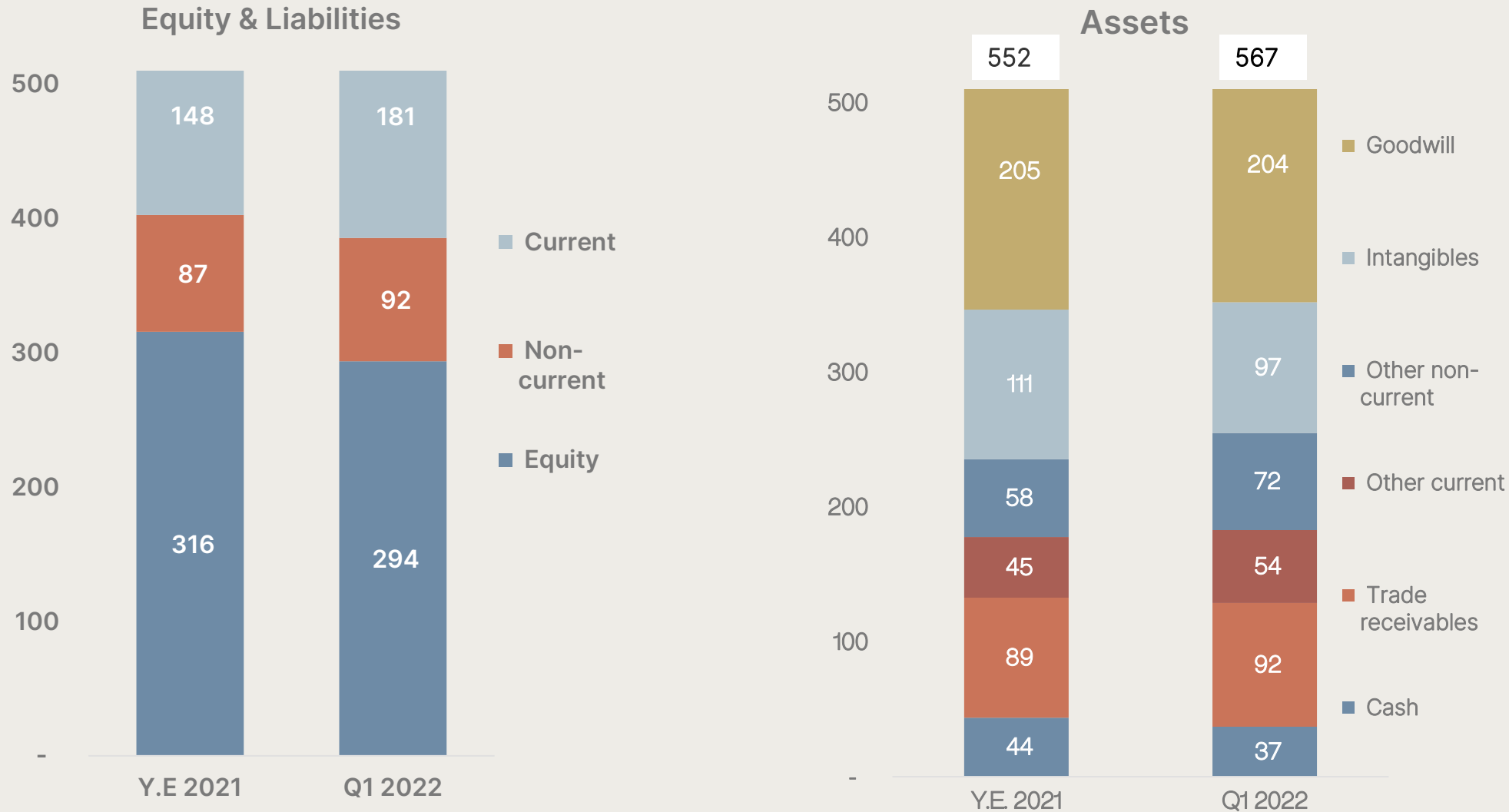
**BA EBITDA is calculated before common cost and overhead



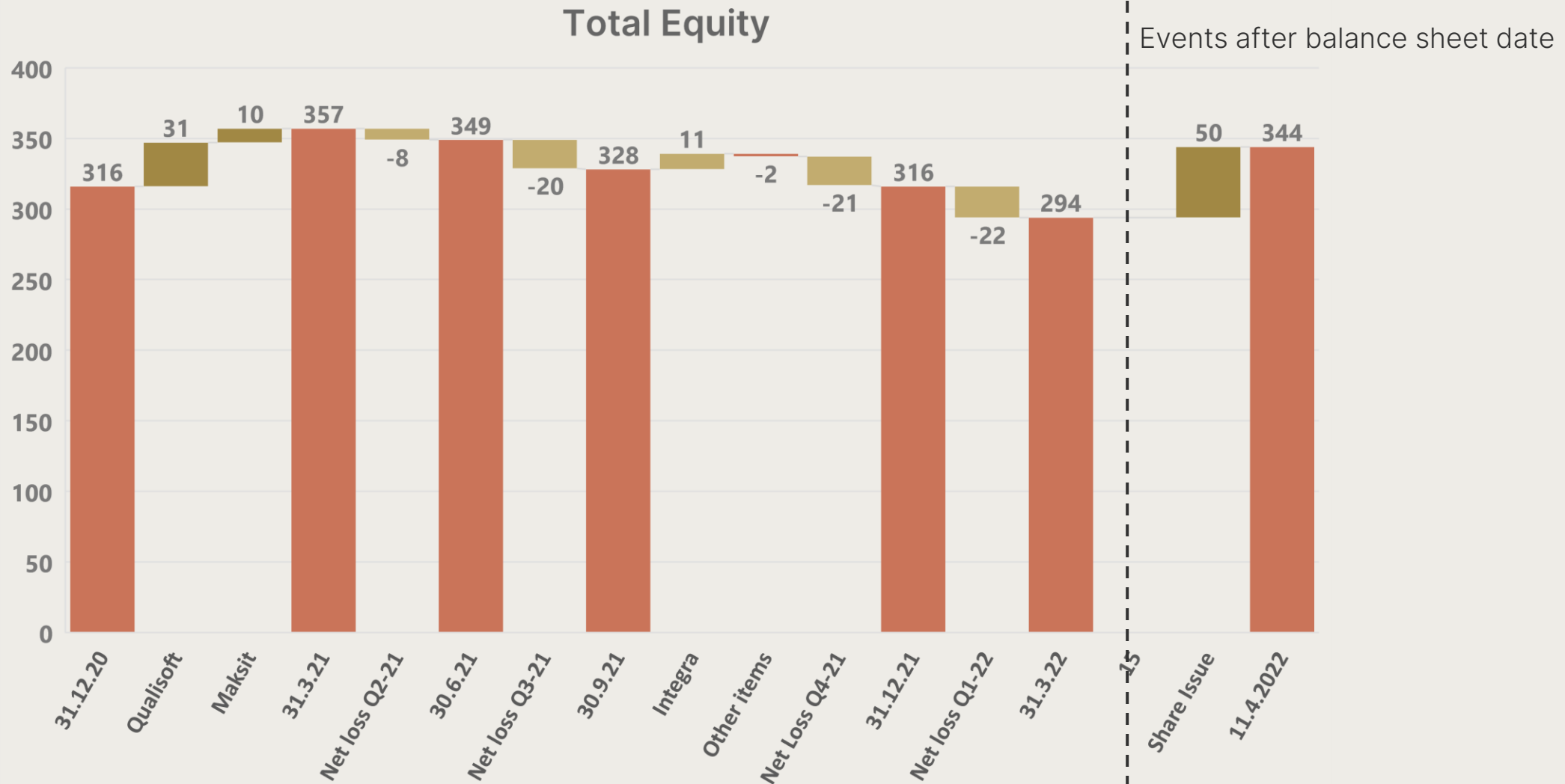
Cash flow development



Balance sheet development



Equity development





Arribatec.
one solution.



Appendix

Financial Figures

Profit & Loss

NOK thousand	Note	Year to date		Full year 2021
		31 Mar 2022	31 Mar 2021	
Revenue	<u>3</u>	125 943	99 173	413 938
Materials, software and services		(28 375)	(22 729)	(92 859)
Gross profit		97 567	76 444	321 079
Salary and personnel costs		(88 490)	(56 563)	(272 679)
Other operating expenses		(15 308)	(10 036)	(55 201)
Total operating expenses		(103 799)	(66 599)	(327 879)
EBITDA		(6 231)	9 845	(6 800)
Depreciation, amortization and impairment		(12 704)	(6 809)	(42 970)
EBIT		(18 936)	3 036	(49 770)
Financial income	<u>4</u>	531	1 196	2 598
Financial expense	<u>4</u>	(888)	(1 657)	(6 487)
Profit/(loss) before tax		(19 293)	2 575	(53 660)
Tax expense		(185)	(1 970)	4 802
Profit/(loss) after tax		(19 478)	606	(48 858)
Attributable to:				
Equity holders of the parent company		(19 478)	606	(48 858)
Earnings per share: basic	<u>10</u>	(0.03)	0.00	(0.10)
Earnings per share: diluted	<u>10</u>	(0.03)	0.00	(0.10)

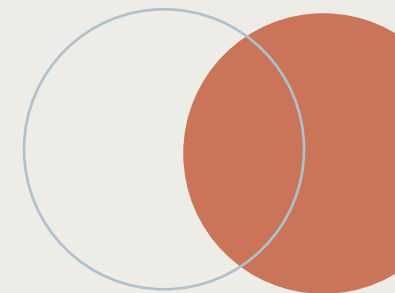


Balance Sheet

NOK thousand	Note	31 Mar 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, Plant and equipment		7 698	7 445
Right-of-use assets	<u>6</u>	43 456	30 266
Goodwill	<u>5</u>	204 413	205 279
Customer relations	<u>5</u>	42 574	46 031
Other Intangible assets	<u>5</u>	60 871	65 047
Other non-current assets		14 971	10 678
Deferred tax assets		9 598	9 511
Total non-current assets		383 581	374 259
Current assets			
Accounts receivable		91 888	88 674
Other receivables		2 608	2 290
Contract assets		19 728	19 549
Inventory		7 421	3 179
Other current assets		24 033	20 320
Cash and cash equivalents		37 415	43 758
Total current assets		183 093	177 771
TOTAL ASSETS		566 674	552 029

NOK thousand	Note	31 Mar 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	<u>9</u>	163 773	163 773
Other paid in capital		196 268	196 700
Exchange differences		(2 077)	398
Other equity		(63 843)	(44 365)
Total equity		294 121	316 506
Non-current liabilities			
Interest bearing loans	<u>7</u>	26 335	27 902
Non-current lease liabilities	<u>6</u>	27 143	19 148
Other non-current financial liabilities		1 078	96
Deferred tax liabilities		15 915	17 084
Provisions		21 445	22 789
Total non-current liabilities		91 915	87 018
Current liabilities			
Current financial liabilities	<u>7</u>	10 691	9 523
Current lease liabilities	<u>6</u>	17 560	12 346
Accounts payable		28 323	21 227
Contract liabilities		39 821	21 483
Current tax payable		939	1 046
Other current liabilities		83 304	82 880
Total current liabilities		180 638	148 505
Total liabilities		272 553	235 523
TOTAL EQUITY AND LIABILITIES		566 674	552 029

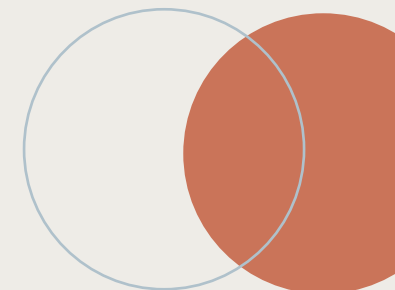
Cash flow



NOK thousand	Note	Year to date		Full year 2021
		31 Mar 2022	31 Mar 2021	
Operating activities				
Profit/(Loss) before tax		(19 293)	2 575	(53 660)
Taxes paid		0	(982)	(982)
Adjustments for:				
- Finance income and expense	<u>4</u>	357	461	3 890
- (Increase)/decrease in trade receivables		(3 214)	(7 593)	(6 874)
- (Decrease)/increase in trade payables		7 096	(11 443)	(13 257)
- Depreciation and amortization	<u>5, 6</u>	12 704	6 808	39 611
- Impairment losses on intangible assets	<u>5</u>	0	0	3 359
Change in other current accounts		3 662	3 784	1 715
Net cash flows operating activities		1 312	(6 390)	(26 197)
Investing activities				
Cash received through business combination	<u>8</u>	0	20 711	29 857
Cash consideration investment in subsidiaries	<u>8</u>	0	(101 472)	(118 299)
Capitalized tangible and intangible assets	<u>5</u>	(3 191)	(7 543)	(27 416)
Interest received		4	398	212
Net cash flows investing activities		(3 187)	(87 907)	(115 647)
Financing activities				
Proceeds from borrowings		0	0	18 445
Change in overdrafts		1 770	(1 433)	(2 067)
Repayment of debt		(1 147)	(470)	(3 006)
Interest paid		(181)	(546)	(2 507)
Instalments lease liabilities		(4 102)	0	(13 293)
Share issue cost		(432)	0	(600)
Net cash flows financing activities		(4 091)	(2 448)	(3 028)
Net change in cash and cash equivalents		(5 965)	(96 745)	(144 872)
Cash and cash equivalents at beginning of period		43 758	188 270	188 270
Currency translation		(378)	0	361
Cash and cash equivalents at end of period		37 415	91 525	43 758



Equity



NOK thousand	Equity related to the shareholders of the parent company				
	Restricted		Exchange differences	Other equity	Total Equity
	Share capital	Other paid in capital			
Balance on 1 January 2021	117 203	194 510	8	4 493	316 214
Result of the period				(48 858)	(48 858)
Comprehensive income for the period			390		390
Total comprehensive result for the period	0	0	390	(48 858)	(48 469)
Other equity transactions		(2 870)			(2 870)
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
Conditional share consideration relating to acquisition of Integra – shares to be issued during 2022 and 2023		11 281			11 281
Capital increase related to merger with subsidiary Arribatec AS	34 941	(34 941)			0
Share issue cost		(600)			(600)
Closing balance 31 Dec 2021	163 773	196 700	398	(44 365)	316 506
Balance on 1 January	163 773	196 700	398	(44 365)	316 506
Result of the period				(19 478)	(19 478)
Comprehensive income for the period			(2 474)		(2 474)
Total comprehensive result for the period	0	0	(2 474)	(19 478)	(21 953)
Share issue cost		(432)			(432)
Closing balance 31 Mar 2022	163 773	196 268	(2 077)	(63 843)	294 121