

Arribatec.

# Quarterly results Q2 2022 .

Geir Johansen, CEO



# Shows continued strong growth



## Revenue

↑ 15% qrt/qrt  
NOK 120.2m

Organic revenue  
Growth +4.6%



## Recurring

↑ 15% qrt/qrt  
NOK 43.6  
36% of Q2 revenue

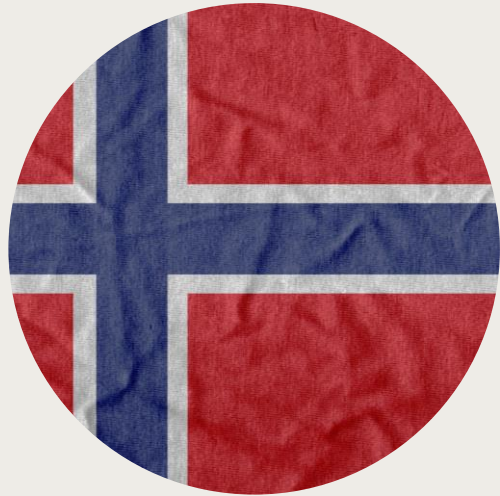


## Adj. EBITDA

Margin - 9.4%  
NOK -11.3m



# Geographic revenue growth & share of total



↑ 2% qrt/qrt  
NOK 72.7m  
61% of group revenue

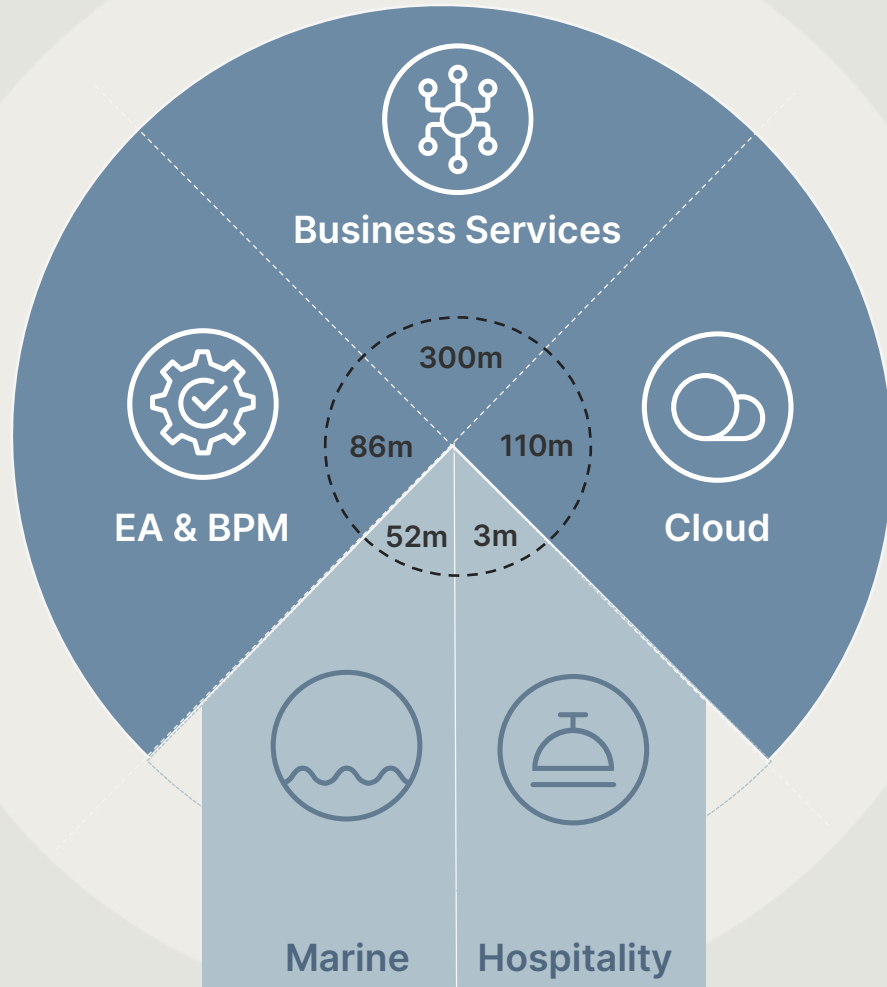


↑ 52% qrt/qrt (organic  
3%)  
NOK 38.6m  
32% of group revenue



↑ 19% qrt/qrt  
NOK 8.9m  
7% of group revenue

# Arribatec's five Business Areas



Annualized revenue from the five BAs combined (internal + external) pr end of Q2 is NOK 548m whereof internal trade accounts for 56m.

We expect revenue growth as new employees as onboarded through the year



# Q2 performance

## BizS

<b>31%</b> Revenue Growth	<b>13.3%</b> EBITDA margin
<b>72m*</b> Revenue	<b>9.6m**</b> EBITDA

- Strong growth in particular from services in Sweden and France
- Good collaboration with our global partners Rambase, Hypergene and Unit4
- Two new ERP implementation projects secured in Sweden
- So far in 2022 secured 97 new deals/scope extensions for a combined value of NOK 70m
- Expect higher activity in H2 compared to H1

## EA-BPM

<b>7%***</b> Revenue Growth	<b>0.4%</b> EBITDA margin
<b>21m*</b> Revenue	<b>0.1m**</b> EBITDA

- Delayed start of 3 larger projects impacted revenue and EBITDA for the quarter
- +22% increase in staff on the back of securing several new contracts
- So far in 2022 secured 43 deals/scope extensions for a combined value of NOK 38m
- ✓ Several large public sector bids coming to market next two quarters
- ✓ ent contract signed

## Cloud

<b>15%</b> Revenue Growth	<b>0.7%</b> EBITDA margin
<b>29m*</b> Revenue	<b>0.2m**</b> EBITDA

- Is lagging behind with fecharging prices increases to customers
- So far in 2022 secured 38 new deals/scope extensions for a combined value of NOK 22m
- Additionally – in July Cloud was elected for commercial negotiations for a contract valued at up to NOK 60m by a large Norwegian civil engineering contractor
- EBITDA reduced due to delay in recharge of price increases from our suppliers to all our customers
- ✓ Robust pipeline going forward
- ✓ New sales reps to be hired in Oslo, Stavanger and Bergen



# Q2 performance

HspT 

<b>75%</b> Revenue Growth	<b>-616.0%</b> EBITDA margin
<b>0.5m*</b> Revenue	<b>-3.2**</b> EBITDA

- Signed new contracts for for NOK 5m so fa this year.
- Significant up shift in demand for Hospitality products after a busy summer for hotels
- So far, Hspt is winning all tenders they bid on
- The technology is proven and well accepted by new customers
- Pilot project agreement signed with Flytoget for delivering prototype of new ticketing machine. Great exposure for the Arribatec Hospitality brand.

Marine 

<b>14.5%</b> Revenue Growth	<b>-16.0%</b> EBITDA margin
<b>12.7m*</b> Revenue	<b>-2.0m**</b> EBITDA

- Marine is undergoing a restructuring process to mitigate effects from the pandemic and the Ukraine war
  - Reduction of staff already initiated in Q1 has reduced losses by more 50% in Q2
  - Full effect of restructuring expected in Q4-22
  - Cruise industry is main segment for Marin, and is slowly going back to pre-pandemic activities
- ✓ Pipeline reduced due to Ukraine war however cruise segment is recovering





# Organisation & people

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28



Offices around the globe

445



Employees across 5 business areas

1000+

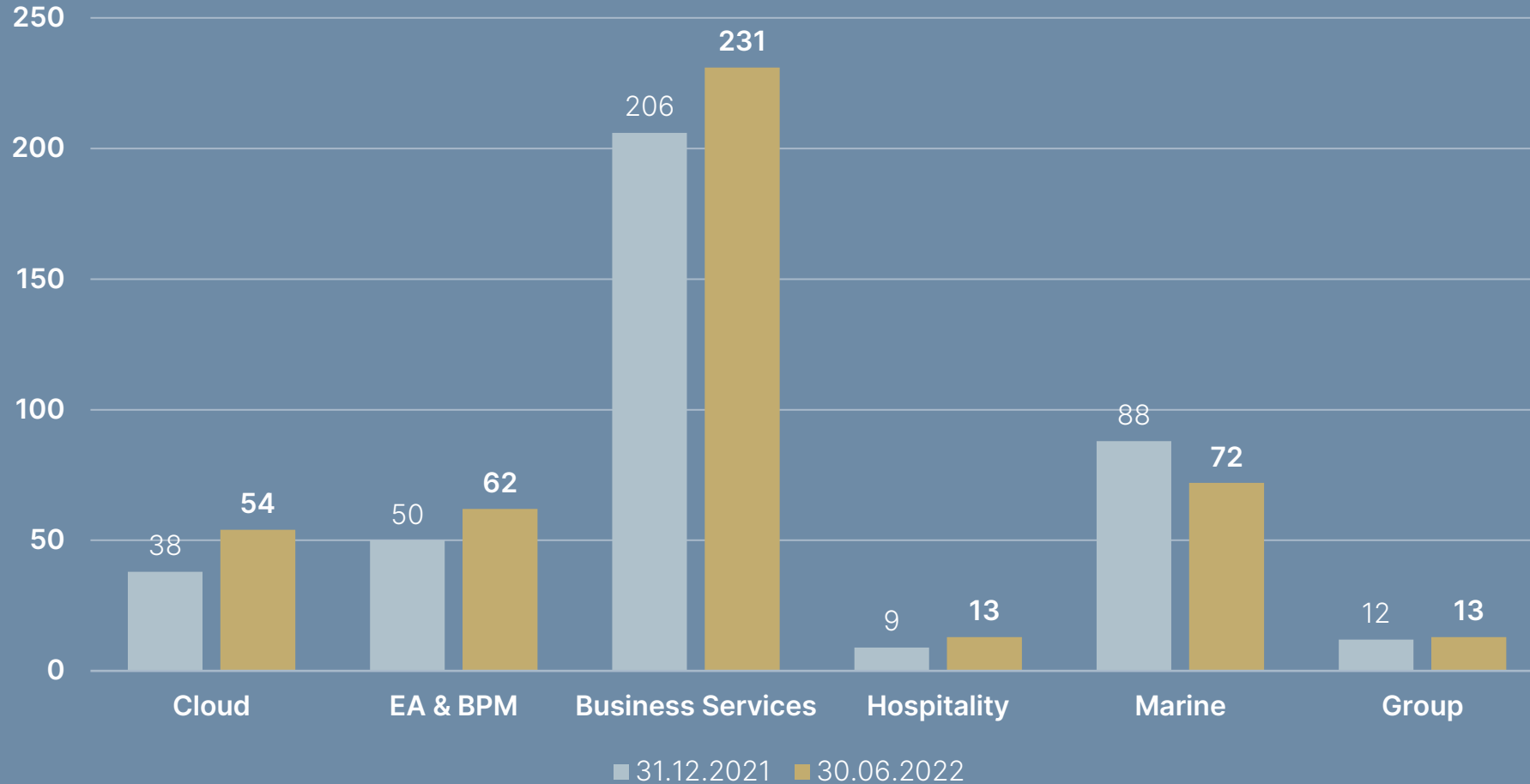
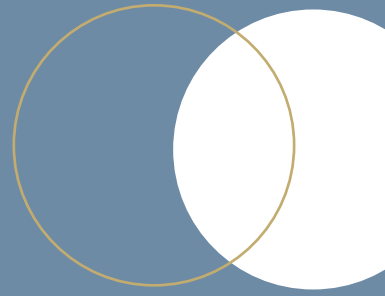


Customers across different industries





# Headcount\*

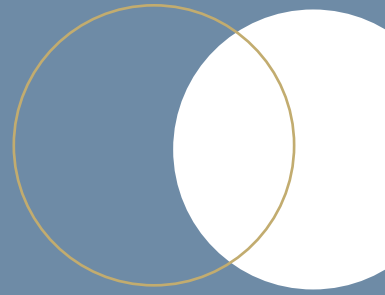


Date	Total
31.12.2021	403
30.06.2022	445

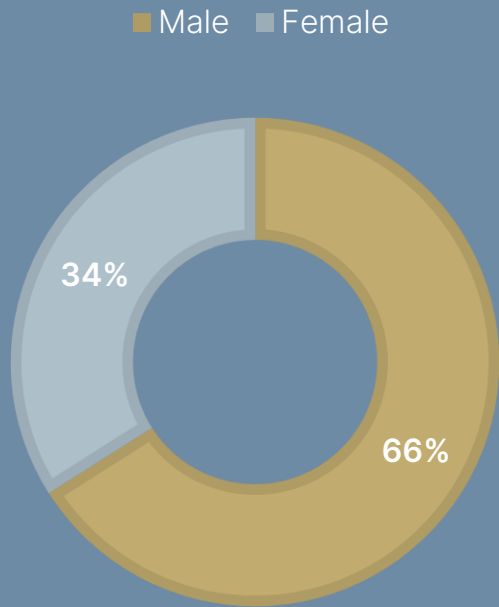
\*Includes long term contracted personnel which constitute 82 persons in Q2 where the majority is in Business Services



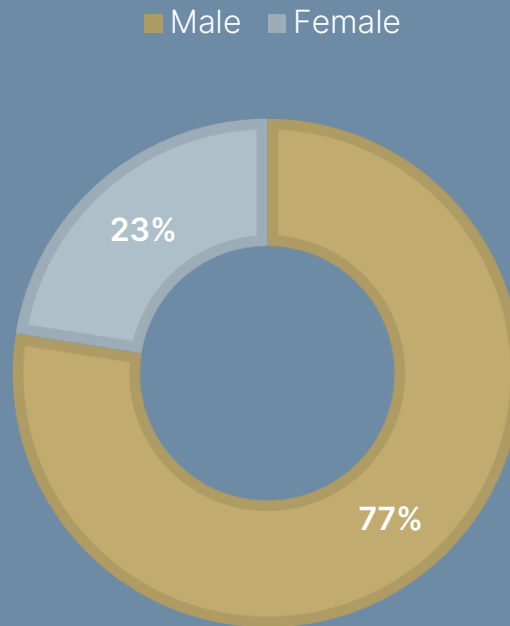
# Gender Balance and Age distribution



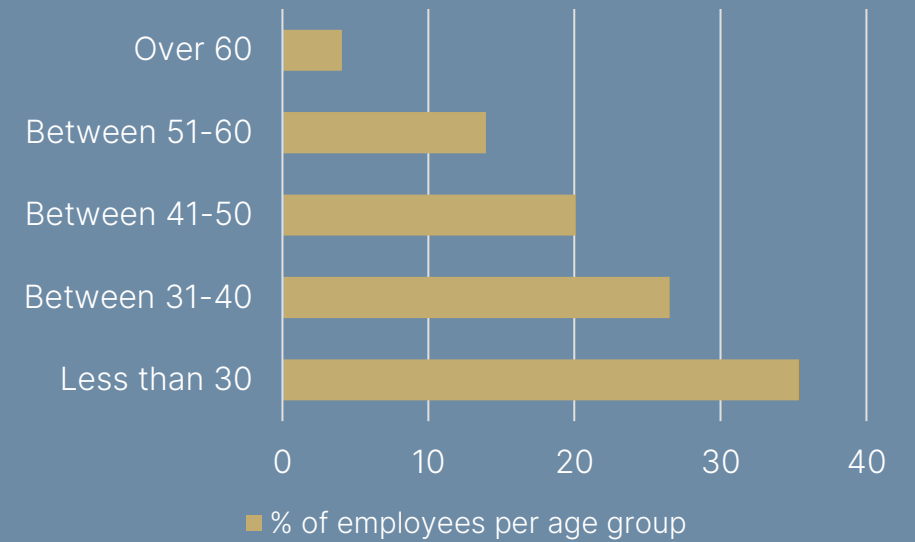
## Global Organization



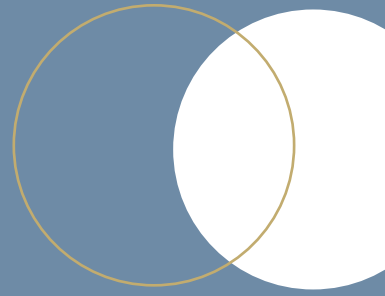
## Management Positions



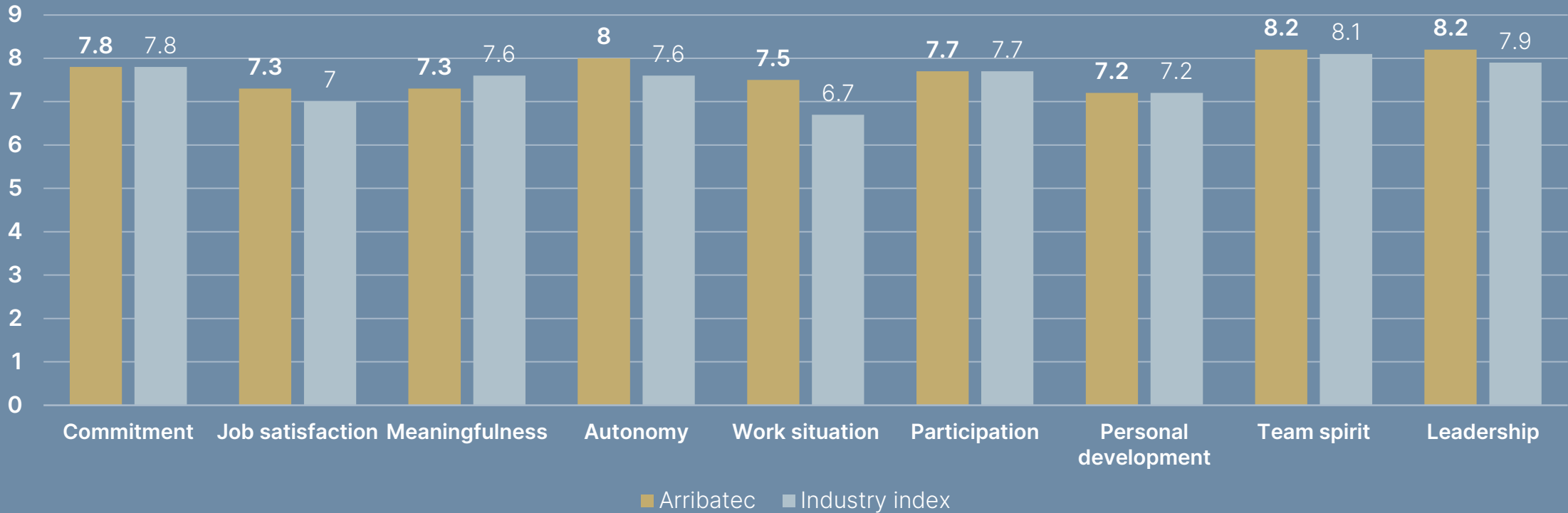
## Age Distribution Q2



# High job satisfaction – above industry index...



Arribatec temperature Q2



Quarter	Total Arribatec Index	Industry Index
Q1	7,7	7,5
Q2	7,6	7,5



# Financial Review



# Revenue development

% Recurring of Total

37%

43%

32%

37%

36%

% Outside Norway

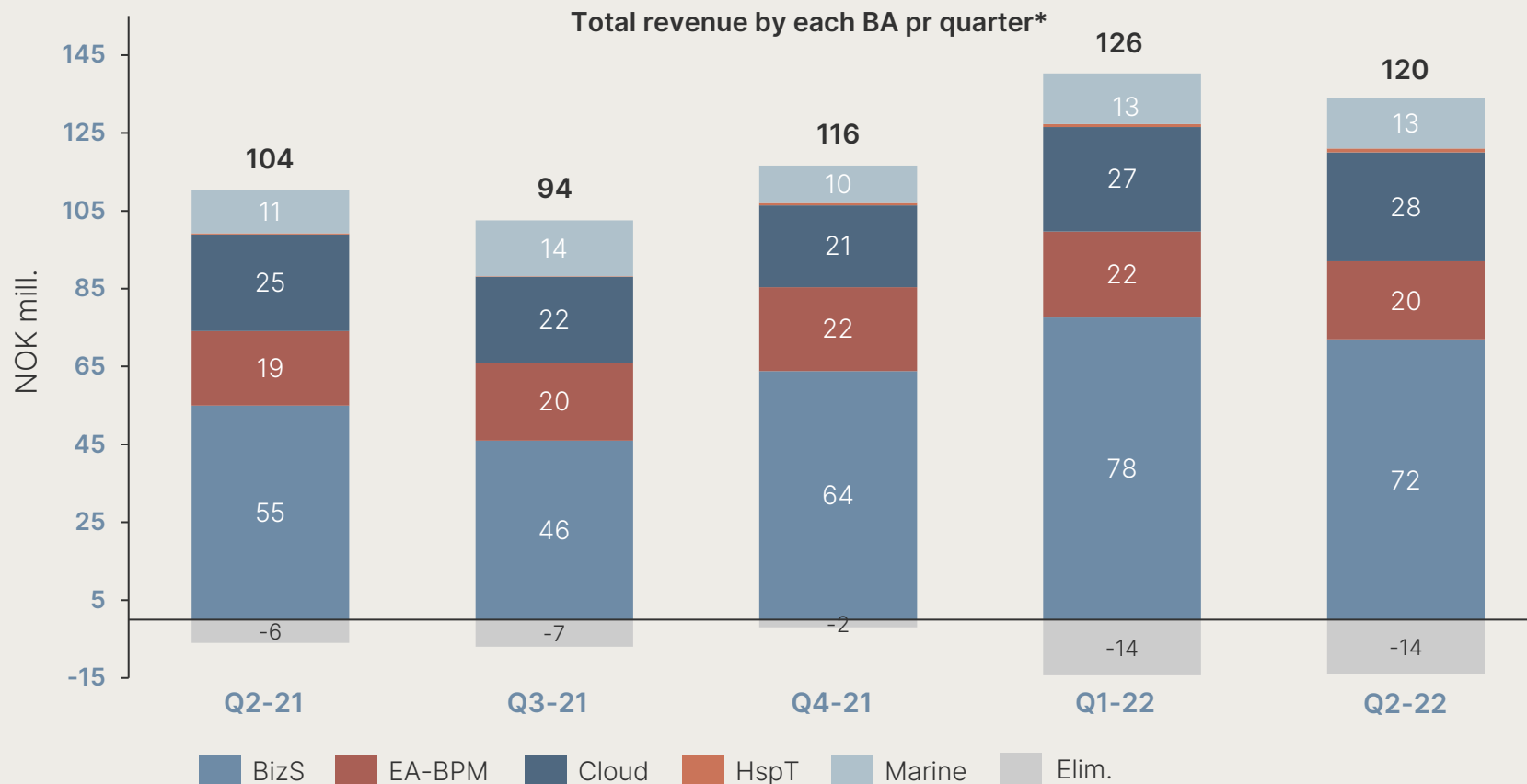
31%

34%

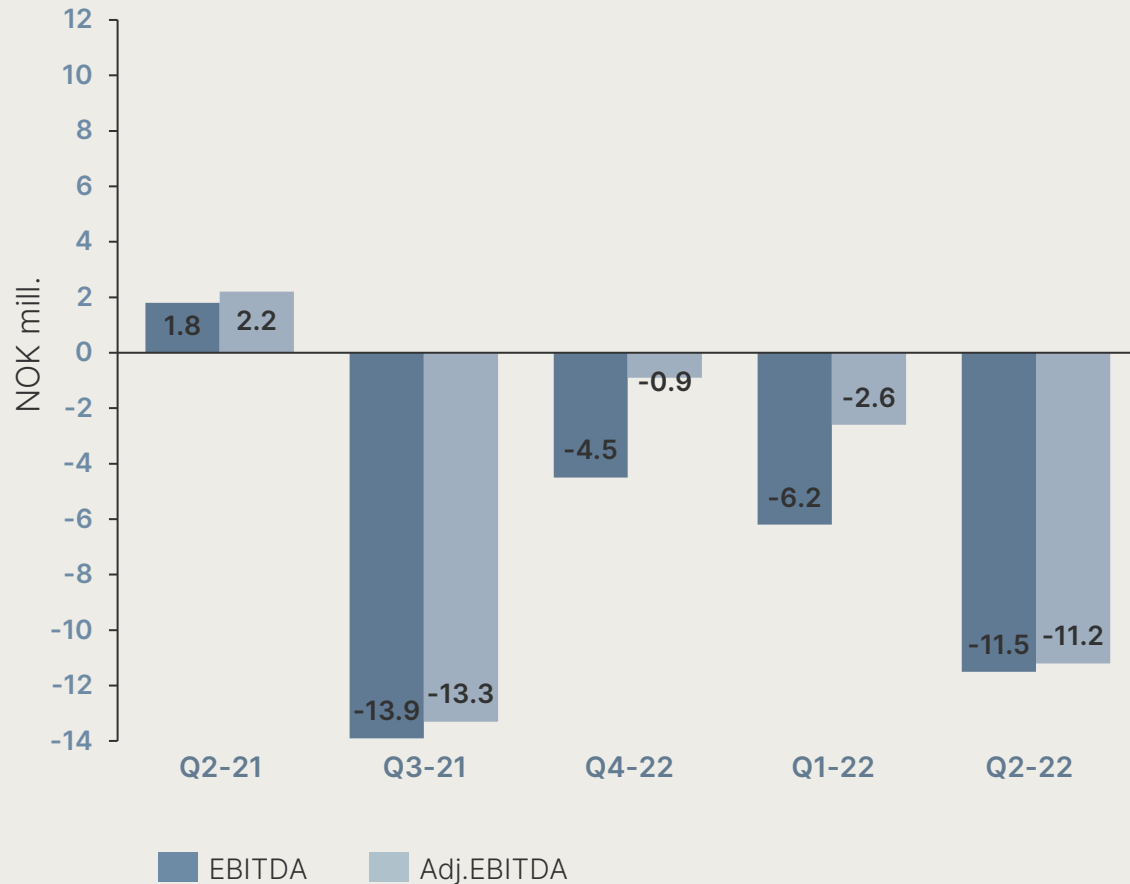
37%

38%

40%



# Financials results impacted by integration .

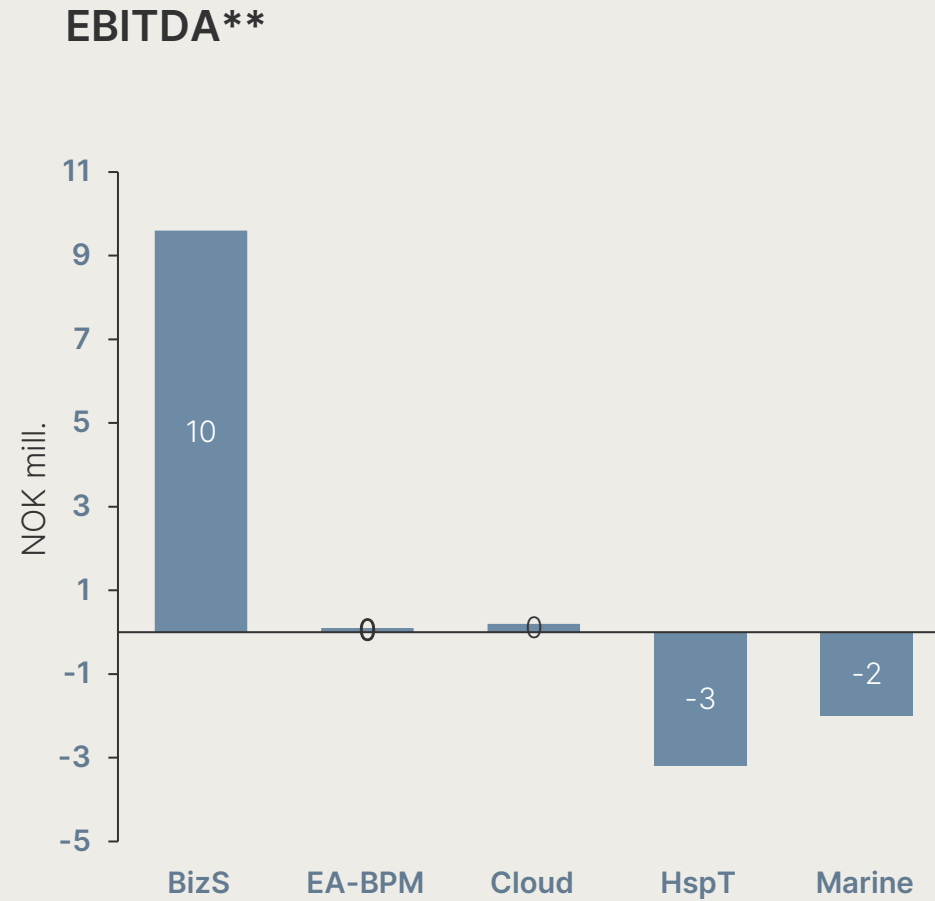
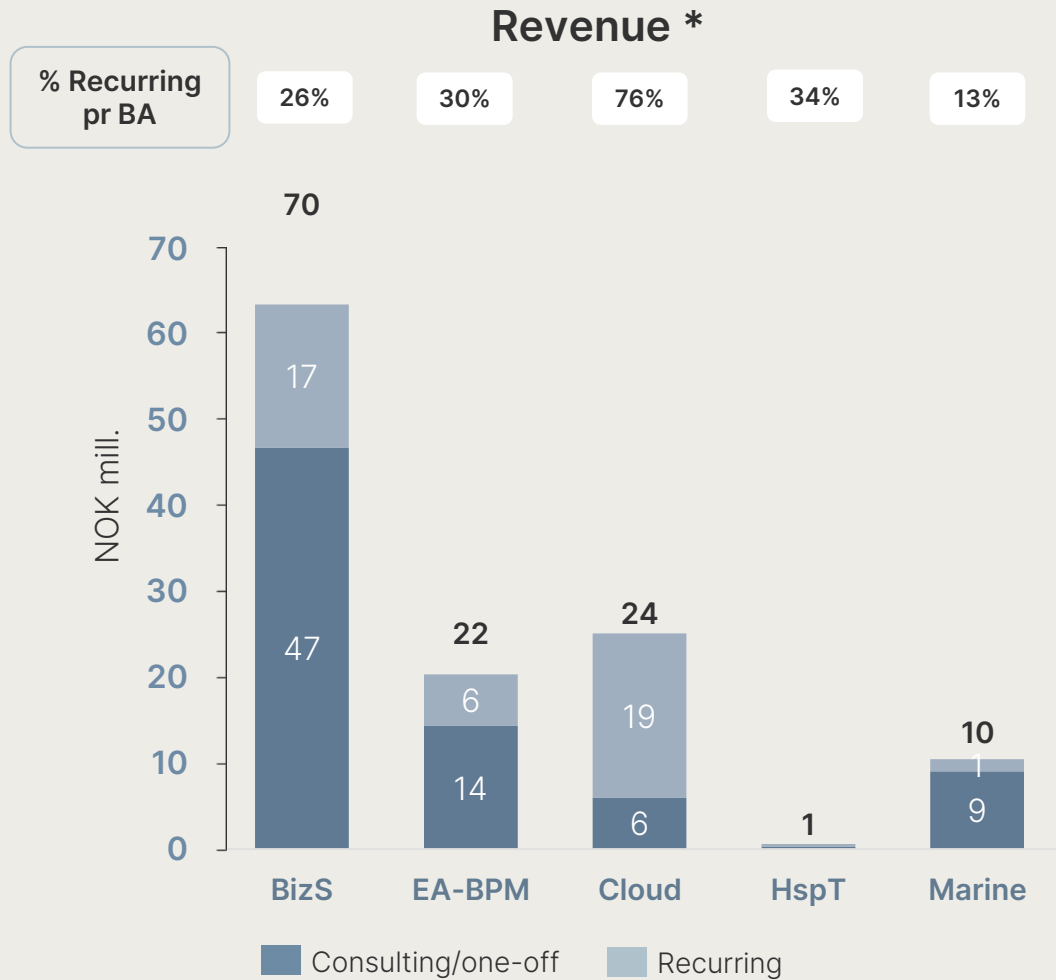


## The decrease year-on-year is mainly explained by:

- Delayed start on three large projects which were signed late last year
- Ramp-up in hiring to accommodate for growth in revenue in rest of year
- Operating losses and restructuring cost within BA Marine
- Operating losses (start-up cost) for BA Hospitality
- Time spent on internal integration projects – however most of these activities have ended in Q3
- Significant amount of “lost” revenue due to use of own employees on internal projects



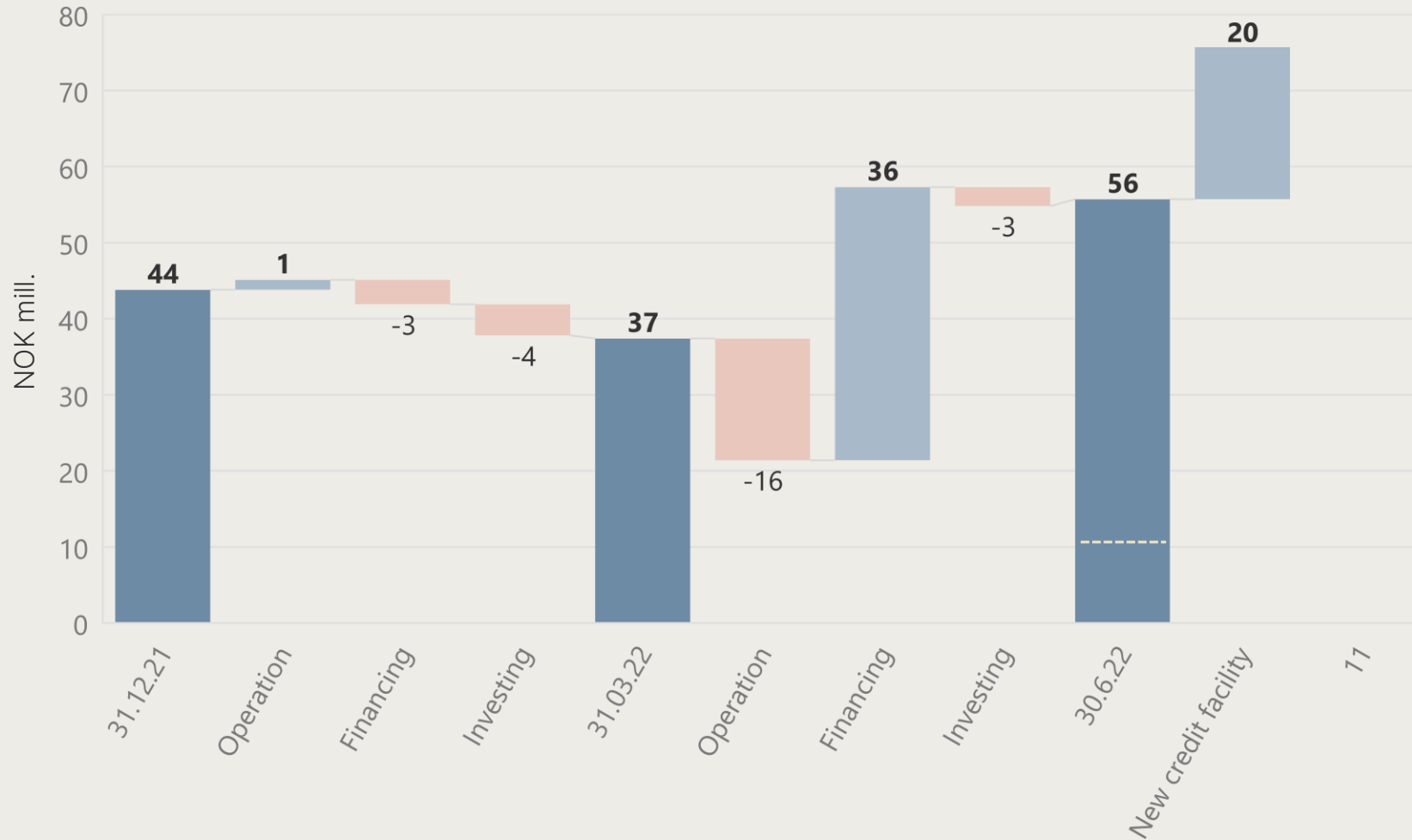
# \ Q1-22 Business area size and profitability .



\* Includes external- and group internal revenue  
 \*\*BA EBITDA is calculated before Group overhead allocation



# Cash flow development

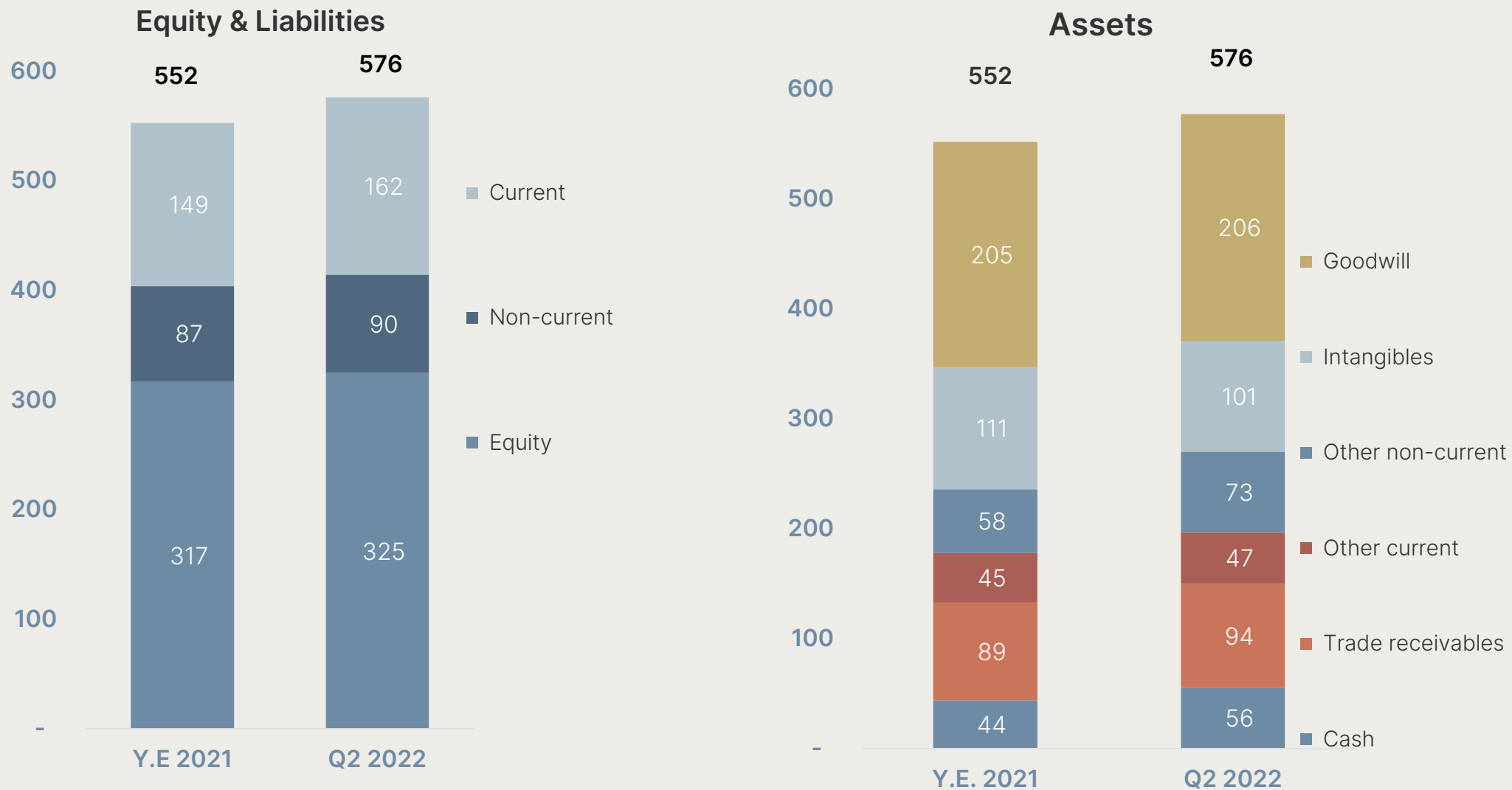


- Financing Q2 includes share issue and repayment of NOK 8 mill of credit facilities
- New credit facility (kassakreditt) of NOK 20m established in July. The new facility has not been utilized
- Of the total cash balance, restricted cash accounts for NOK 14.6m.

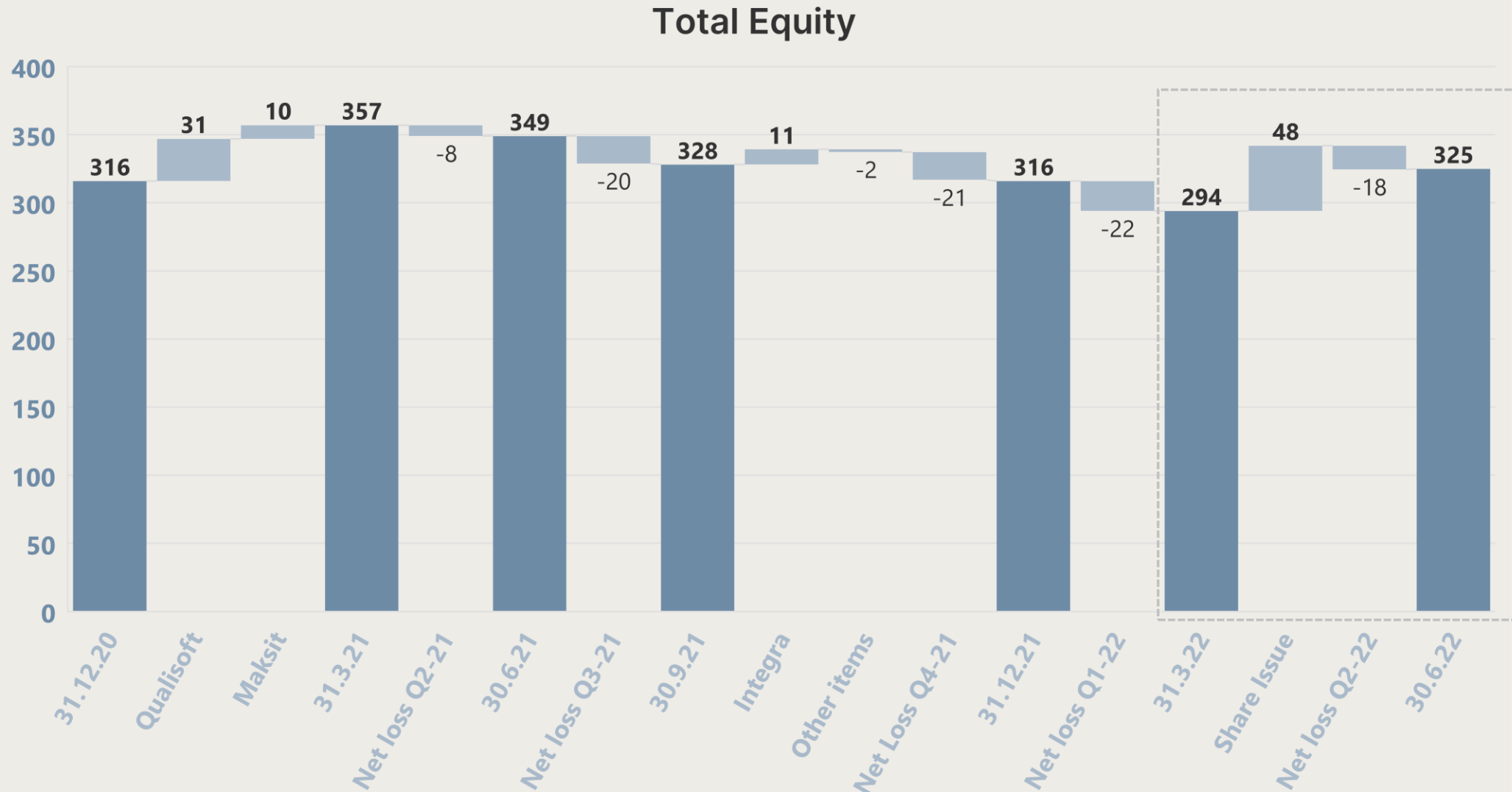




# Balance sheet development



# Equity development





Arribatec.

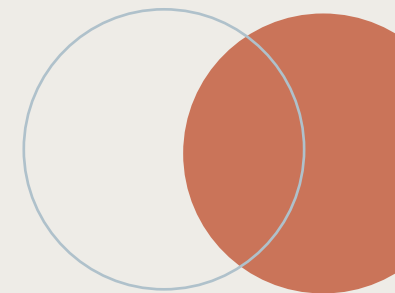
one solution



# Appendix

Financial Figures

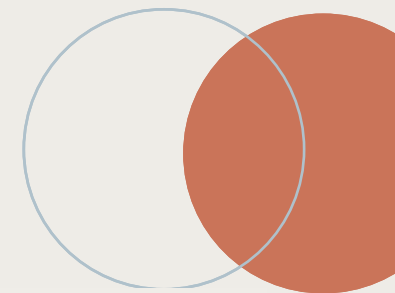
# Profit & Loss



NOK thousand	Note	For the quarter end		Year to date		Full year 2021
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	
Revenue	<u>3</u>	120 241	104 427	246 183	203 599	413 938
Materials, software and services		(30 012)	(21 992)	(58 387)	(44 720)	(92 859)
<b>Gross profit</b>		<b>90 229</b>	<b>82 435</b>	<b>187 796</b>	<b>158 879</b>	<b>321 079</b>
Salary and personnel costs		(81 674)	(61 663)	(170 164)	(118 226)	(272 679)
Other operating expenses		(20 044)	(18 989)	(35 352)	(29 025)	(55 201)
<b>Total operating expenses</b>		<b>(101 718)</b>	<b>(80 652)</b>	<b>(205 517)</b>	<b>(147 251)</b>	<b>(327 879)</b>
<b>EBITDA</b>		<b>(11 489)</b>	<b>1 783</b>	<b>(17 720)</b>	<b>11 628</b>	<b>(6 800)</b>
Depreciation, amortization and impairment		(13 263)	(7 998)	(25 967)	(14 807)	(42 970)
<b>EBIT</b>		<b>(24 752)</b>	<b>(6 215)</b>	<b>(43 687)</b>	<b>(3 179)</b>	<b>(49 770)</b>
Financial income	<u>4</u>	2 049	(66)	2 580	1 130	2 598
Financial expense	<u>4</u>	(1 247)	(342)	(2 135)	(1 999)	(6 487)
<b>Profit/(loss) before tax</b>		<b>(23 949)</b>	<b>(6 622)</b>	<b>(43 242)</b>	<b>(4 047)</b>	<b>(53 660)</b>
Tax expense		4 243	(465)	4 057	(2 435)	4 802
<b>Profit/(loss) after tax</b>		<b>(19 706)</b>	<b>(7 088)</b>	<b>(39 184)</b>	<b>(6 482)</b>	<b>(48 858)</b>
<b>Attributable to:</b>						
Equity holders of the parent company		(19 706)	(7 088)	(39 184)	(6 482)	(48 858)
Earnings per share: basic	<u>10</u>	(0.03)	(0.02)	(0.06)	(0.01)	(0.10)
Earnings per share: diluted	<u>10</u>	(0.03)	(0.02)	(0.06)	(0.01)	(0.10)



# Balance Sheet

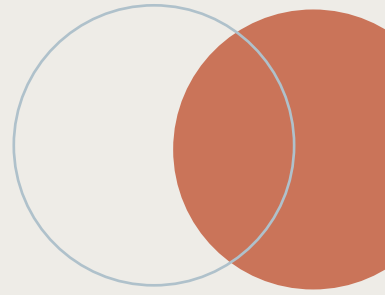


NOK thousand	Note	30 Jun 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment		7 277	7 445
Right-of-use assets	<u>6</u>	45 086	30 266
Goodwill	<u>5</u>	205 502	205 279
Customer relations	<u>5</u>	40 398	46 031
Other Intangible assets	<u>5</u>	60 628	65 047
Other non-current assets		7 048	10 678
Deferred tax assets		13 782	9 511
<b>Total non-current assets</b>		<b>379 721</b>	<b>374 259</b>
<b>Current assets</b>			
Accounts receivable		94 002	88 674
Other receivables		1 750	2 290
Contract assets		16 308	19 549
Inventory		6 995	3 179
Other current assets		21 877	20 320
Cash and cash equivalents		55 730	43 758
<b>Total current assets</b>		<b>196 662</b>	<b>177 771</b>
<b>TOTAL ASSETS</b>		<b>576 383</b>	<b>552 029</b>

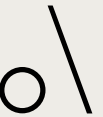
NOK thousand	Note	30 Jun 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<u>9</u>	191 773	163 773
Other paid in capital		216 543	196 700
Exchange differences		105	398
Other equity		(83 549)	(44 365)
<b>Total equity</b>		<b>324 873</b>	<b>316 506</b>
<b>Non-current liabilities</b>			
Interest bearing loans	<u>7</u>	21 399	27 902
Non-current lease liabilities	<u>6</u>	29 416	19 148
Other non-current financial liabilities		0	96
Deferred tax liabilities		15 602	17 084
Provisions		23 171	22 789
<b>Total non-current liabilities</b>		<b>89 589</b>	<b>87 018</b>
<b>Current liabilities</b>			
Current financial liabilities	<u>7</u>	9 771	9 523
Current lease liabilities	<u>6</u>	17 140	12 346
Accounts payable		20 036	21 227
Contract liabilities		35 405	21 483
Current tax payable		1 816	1 046
Other current liabilities		77 755	82 880
<b>Total current liabilities</b>		<b>161 922</b>	<b>148 505</b>
<b>Total liabilities</b>		<b>251 510</b>	<b>235 523</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>576 383</b>	<b>552 029</b>



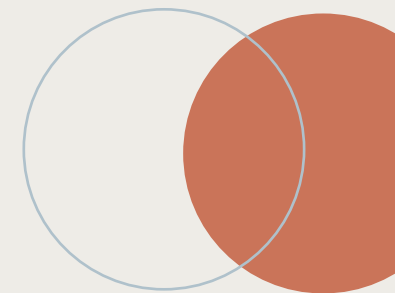
# Cash flow



NOK thousand	Note	For the quarter end		Year to date		Full year 2021
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	
<b>Operating activities</b>						
Profit/(Loss) before tax		(23 949)	(6 622)	(43 242)	(4 047)	(53 660)
Taxes paid		(873)	0	(873)	(982)	(982)
<b>Adjustments for:</b>						
- Finance income and expense	<u>4</u>	(802)	416	(445)	877	3 890
- (Increase)/decrease in trade receivables		(2 114)	(3 243)	(5 328)	(10 836)	(6 874)
- (Decrease)/increase in trade payables		(8 287)	(7 105)	(1 191)	(18 548)	(13 257)
- Depreciation and amortization	<u>5, 6</u>	13 263	7 999	25 967	14 807	39 611
- Impairment losses on intangible assets	<u>5</u>	0	0	0	0	3 359
Change in other current accounts		6 764	(2 452)	10 426	1 332	1 715
<b>Net cash flows operating activities</b>		<b>(15 999)</b>	<b>(11 007)</b>	<b>(14 687)</b>	<b>(17 397)</b>	<b>(26 197)</b>
<b>Investing activities</b>						
Cash received through business combination	<u>8</u>	0	1	0	20 712	29 857
Cash consideration Investment in subsidiaries	<u>8</u>	0	0	0	(101 472)	(118 299)
Capitalized tangible and intangible assets	<u>5</u>	(2 461)	(5 702)	(5 652)	(13 245)	(27 416)
Interest received		5	(398)	9	0	212
<b>Net cash flows investing activities</b>		<b>(2 456)</b>	<b>(6 098)</b>	<b>(5 643)</b>	<b>(94 005)</b>	<b>(115 647)</b>
<b>Financing activities</b>						
Proceeds from borrowings		0	15 793	0	15 793	18 445
Change in overdrafts		(6 475)	(7 950)	(4 705)	(9 383)	(2 067)
Repayment of debt		(1 443)	470	(2 590)	0	(3 006)
Interest paid		(6)	(299)	(187)	(844)	(2 507)
Instalments lease liabilities		(4 452)	(2 418)	(8 554)	(2 418)	(13 293)
Proceeds from shares issued		50 000	0	50 000	0	0
Share issue cost		(1 725)	0	(2 157)	0	(600)
<b>Net cash flows financing activities</b>		<b>35 898</b>	<b>5 596</b>	<b>31 807</b>	<b>3 147</b>	<b>(3 028)</b>
Net change in cash and cash equivalents		14 054	(11 509)	8 089	(108 254)	(144 872)
Cash and cash equivalents at beginning of period		37 414	91 525	43 758	188 270	188 270
Currency translation		873	(1 430)	495	(1 430)	361
<b>Cash and cash equivalents at end of period, incl. restricted cash</b>		<b>55 730</b>	<b>78 586</b>	<b>55 730</b>	<b>78 586</b>	<b>43 758</b>
-whereof restricted cash		16 212	10 159	16 212	10 159	11 810



# 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
<b>Total comprehensive result for the period</b>	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)
<b>Closing balance 31 Dec 2021</b>	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				(39 184)	(39 184)
Comprehensive income for the period			(292)		(292)
<b>Total comprehensive result for the period</b>	0	0	(292)	(39 184)	(39 476)
Capital increase	28 000	22 000			50 000
Share issue cost		(2 157)			(2 157)
<b>Closing balance 30 June 2022</b>	191 773	216 543	105	(83 550)	324 873