

# Arribatec.

## \ Quarterly report Q1 2022 .





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# Highlights

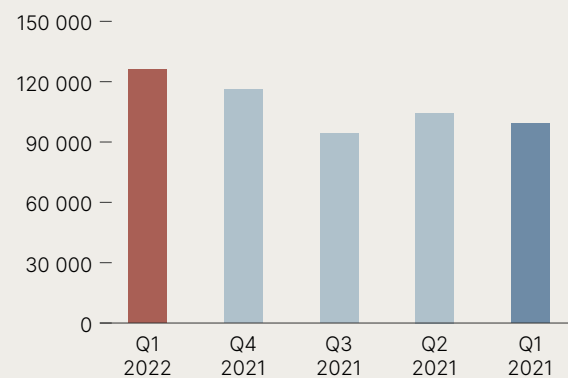
Arribatec Group delivers a record high total revenue of NOK 125.9m for the first quarter of 2022, a growth of 27% compared to the same quarter last year of NOK 99.2m.

The Group reports an EBITDA for the quarter of NOK -6.2m, which is 16.1m below same quarter last year, and an adjusted EBITDA of -2.6m.

Recurring Revenue (RR) increased by NOK 15.9m compared to the same period last year, to NOK 46.8m for the first quarter of 2022.

The cash balance at the end of the quarter was NOK 37.4m.

## Revenue



## Key consolidated figures and ratios

		Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Full year 2021
Revenue	TNOK	125 943	115 977	94 361	104 427	99 173	413 938
Gross profit	TNOK	97 567	90 941	71 260	82 435	76 444	321 079
EBITDA	TNOK	(6 231)	(4 535)	(13 893)	1 783	9 845	(6 800)
Adjusted EBITDA	TNOK	(2 577)	(905)	(13 261)	2 231	10 334	(1 601)
Operating profit/(loss), EBIT	TNOK	(18 936)	(24 622)	(21 969)	(6 215)	3 036	(49 770)
Net profit/(loss)	TNOK	(19 478)	(22 721)	(19 655)	(7 088)	606	(48 858)
Revenue growth y/y for the quarter/full year	%	27.0%	90.7%	253.0%	240.9%	176.7%	264.2%
Gross profit margin	%	77.5%	78.4%	75.5%	78.9%	77.1%	77.6%
EBITDA margin	%	(4.9%)	(3.9%)	(14.7%)	1.7%	9.9%	(1.6%)
Adjusted EBITDA margin	%	(2.0%)	(8.2%)	0.7%	2.9%	4.3%	(0.4%)
Earnings per share	NOK	(0.03)	(0.04)	(0.04)	(0.02)	0.00	(0.10)
Cash at end of period	TNOK	37 415	43 758	56 111	78 586	91 525	43 758
Equity	TNOK	294 121	316 506	328 523	349 266	356 757	316 506
Equity ratio	%	51.9%	57.3%	65.5%	67.3%	68.0%	57.3%
Price per share at end of reporting period	NOK	0.891	1.180	1.486	1.708	1.830	1.180
FTEs	Number	383	373	349	311	290	373
No. of outstanding shares, beg. of period	Number	584 903 064	584 903 064	455 112 929	440 112 929	418 583 331	418 583 331
New shares issued	Number	0	0	129 790 135	15 000 000	21 529 598	166 319 733
No. of outstanding shares, end of period	Number	584 903 064	584 903 064	584 903 064	455 112 929	440 112 929	584 903 064
Average number of shares, year to date	Number	584 903 064	584 903 064	473 926 431	449 508 533	408 112 328	489 277 730

# Operation, sales & outlook .

Arribatec has organized its business activities in five business areas (BA). Three of the BAs, namely;

- Business Services (**BizS**),
- Enterprise Architecture & Business Process Management (**EA-BPM**)
- Cloud (**Cloud**),

are all industry agnostic, meaning the product and services delivered by these BAs, can be sold to all industries and public sector. Cross-sale between the three of them is natural, and they meet the needs of medium- and large-sized mature organizations. They are the three largest BAs both in terms of people, revenue, and EBITDA. Combined, they represent 90% of the revenue for the Group and are the profit drivers going forward.

## Business Services (BizS) ↙

The Business Services segment delivered total revenue of NOK 77.6m in the first quarter, a 33% growth compared to Q1 in 2021. The expansion, particularly in services, mainly manifests in the Nordics and Continental Europe (in particular France), the top growing regions. The BA also signed the first large deals of the new Costing & Pricing solution in the UK, and our operations in the Netherlands and APAC have closed their first local deals during the quarter.

During the quarter, we have been collaborating more closely with our key existing software partners Unit4, Rambase and Hypergene, and have further strengthened our global partner network by adding the Catalyst One HCM solution to our offering. We continue to create and develop our own IP value-add/add-on products around our partner's product offerings further to enhance their fit in our key verticals and markets.

Going forward, we expect to see growth in services revenue, primarily in SaaS/recurring revenue, as our pipeline is strong and our closer collaboration with our software partners has started to yield results, both in terms of an increased success rate and a shortening of the sales cycles.

## Enterprise Architecture & Business Process Management (EA-BPM) ↙

EA-BPM increased total revenue by 85% compared to the same quarter last year (the segment was established in February 2021), reaching NOK 22.1m in Q1 of 2022. The BA plans to increase the headcount by 40% within the year to accommodate further expansion.

Several significant consulting agreements have been closed during the quarter like a three-year frame agreement with a possible value of NOK 25 million, a management system

content development with a value of NOK 9 million this year alone, and multiple contract extensions at existing customers.

## Cloud (Cloud) ↙

BA Cloud had a total revenue of NOK 26.8m in the first quarter, a 39% growth compared to same quarter last year. During March, Cloud recorded for the first time a monthly revenue of more than NOK 10m. This is mainly due to an increase in the delivery of more public cloud- and security services, where Public Cloud now accounts for more than 25% of total revenue in BA Cloud.

More than 20 new agreements were signed and the pipeline for new contracts in 2022 is robust. Cloud continues to hire new consultants and plan to hire additional sales staff in three new cities in Norway this year.

Cloud was ISO27001 certified in March. This ensures deliveries with a high degree of security and quality.

Marine (**Marine**) and Hospitality (**Hspt**), the two smaller BAs are pure industry verticals where cross-sale is less prevalent.

Marine is currently undergoing a restructuring process, whereby product offering and staffing levels are adjusted for Marine to recover from significant losses in 2021. We expect that Marine will be back to profitability in ultimo third quarter 2022.

Hospitality is a maturing start-up with significant market potential. Over the last 15 months, it has grown from 4 to 11 employees, developed a proven, cutting-edge product offering, and is now focusing on growth and customer support.

We expect a positive EBITDA run rate towards the end of 2022 for Hospitality.

### Marine (Marine) ↙

BA Marine experienced a revenue reduction of 13% compared to the same quarter last year, and reports NOK 12.9m in the first quarter of 2022.

However, the BA now sees an improvement in parts of the shipping industry compared to the last quarter of the previous year. While the cruise segment, a segment where Marine generates a significant part of its revenue, is still far from the pre-pandemic levels, we expect to see this segment expand faster than previously anticipated.

The full effect of the war in Ukraine on the cruise market is still hard to predict. So far, the cruise companies have modified their plans, adjusting routes and itineraries according to the evolution of the conflict.

On the other hand, in the LNG sector, the war has caused a drastic change compared to the business generated last year, as many, if not all, large Russian operators have been sanctioned. For Marine, this resulted in a reduced prospective pipeline compared to what we had at the end of 2021.

To mitigate the effects on BA Marine from the war in Ukraine and the aftermath of the pandemic, the BA is currently undergoing a restructuring process. We expect to see the full effect of this in Q4 2022.

### Hospitality (Hspt) ↙

BA Hospitality continue to expand and has so far signed up 19 hotels for the automated check-in/out solution.

With a new sales representative in Sweden, BA Hospitality continues their Nordic expansion, and additional customers in Sweden are now lined up.

An interesting strategic partnership agreement has been signed with a Dutch company that offers a platform for payment solutions to simplify the payment process across globally. The synergy between Arribatec and the partner aims to combine tech expertise and offer best-in-class technology, focusing on guest journey and experience. With the new partnership, Arribatec Hospitality will get a platform that scales and delivers a seamless self-check-in solution in up to 38 countries – and counting.



# Financial review

## Revenue

Arribatec Group's Q1 Y/Y revenue growth was 27% and was at the end of Q1 reported at NOK 125.9m. Recurring revenue (RR) accounted for NOK 46.8m or 37% of total revenue, where Region Norway delivered 78% of the total. Compared to the same quarter last year, RR increased by NOK 15.9m. Consulting services accounted for NOK 75.2m of the total revenue, where Region Norway had NOK 38.3m, Europe NOK 31.5m, and Americas NOK 5.4m.

Material, software and services amounted to NOK 28.4m compared to last year's quarter of NOK 22.7m. Gross profit increase by NOK 21.1m in Q1 compared to last year.

Total operating expenses amounted to NOK 103.8m, an increase of NOK 37.2m compared to same period last year. The main expense in Operating expense is salary and personnel cost, equal to 85% of total operating expense.

EBITDA for the first quarter amounted to NOK -6.2m which is NOK 16.1m below the same quarter last year. The decrease is mainly explained by restructuring cost within BA Marine, start-up cost for BA Hospitality, time spent on internal integration projects and an increase in business support and

corporate units. EBITDA margin for the quarter was -4.9%. EBITDA adjusted for M&A-related expenses and restructuring cost was NOK -2.6m, thus a margin of -2.0% for the quarter.

Depreciation and amortization (D&A) amounted to NOK 12.7m for the quarter compared to NOK 6.8m in same quarter 2021. The two main components of the D&A are amortizations of intangible assets from acquired companies (2.8m), internally developed software and technical software (4.6m), depreciation of fixed assets (0.6m) and depreciation of right-of-use assets (4.2m) such as office lease contracts calculated according to IFRS 16.

## Finance, tax & net result

Net financial items was NOK -0.4m and calculated tax expense for the period is NOK 0.2m leaving a net loss after tax of NOK -19.5m for the quarter.

## The balance sheet

Total assets of the Group at the end of quarter was NOK 566.7m compared to 552.0m at the end of year 2021. Non-current intangible assets at the end of the period accounted for NOK 307.9m. Intangible assets consist of goodwill of NOK 204.4m, which stems from the acquisitions

Revenue  
+27%  
NOK 125.9m vs. 99.2m



done by Arribatec since Q4 2020. Additionally, as at the end of period, NOK 42.6m of the purchase price paid for the companies was allocated as the value of the customer relations in those same companies. Finally, technical and custom-made software accounts for NOK 56.6m of the intangible assets. Total intangible assets at the end of 2021 was NOK 316.4m.

Current assets of NOK 183.1m consist of account receivables of 91.9m, while the cash balance at the end of the quarter was NOK 37.4m. Other receivables, inventory and contract assets add up to NOK 53.8m. Total current assets at the end of 2021 was NOK 177.8m.

Non-current liabilities at the end of the quarter are NOK 91.9m, of which 26.3m is drawdowns on smaller revolving credit facilities in Norway and Italy. Lease liabilities related to office and equipment with a remaining lease period above twelve months calculated under IFRS 16 accounted for NOK 27.1m, while deferred tax totaled to 15.9m. Total non-current liabilities at the end of last year was NOK 87.0m.

Current liabilities amounted to NOK 180.6m at the end of Q1 2022. Other current liabilities account for 83.3m. This item mainly includes accruals for employee tax and VAT. The total amount of other current liabilities at the end of last year was NOK 82.9m.

At the end of the quarter, total equity was NOK 294.1m, giving an equity ratio of 51.9%.

At the end of the first quarter 2022, Arribatec had a total of 584 903 094 shares outstanding.

### **Cash flow and liquidity**

Arribatec's cash flow from operating activities in Q1 was positive with NOK 1.3m, which compares to a negative 6.4m in the first quarter of 2021. Net change in accounts receivables and payables had a positive impact of NOK 3.9m while a change in other current accounts increased cash from operation by another NOK 3.7m (mainly employee tax and accrued vacation pay). Net cash flow from investing activities was NOK -3.2m. Of this, 0.9m is capitalized development costs and purchased software. Net cash flow from financing was negative by NOK 4.1m. Arribatec had NOK 37.4m in cash and cash equivalents at the end of the year.

### **Other activities**

Effective 1 January 2022, Geir Johansen was appointed as CEO.

### **Subsequent events after reporting date**

A private placement of 100 000 000 shares, each at a price of NOK 0.50 per share, was completed in April 2022. Gross proceeds from the private placement was NOK 50 m.

# \ Condensed consolidated financial statements & notes .





# Condensed consolidated statements of profit and loss

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

# Consolidated statement of comprehensive profit and loss

NOK thousand	Year to date		
	31 Mar 2022	31 Mar 2021	Full year 2021
<b>Profit/(loss) after tax</b>	(19 478)	606	(48 858)
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign currency translation differences - foreign operations	(2 474)	(1 012)	390
<b>Other comprehensive income/(loss) for the period</b>	(2 474)	(1 012)	390
<b>Total comprehensive income/(loss) for the period</b>	(21 953)	(406)	(48 468)
<b>Attributable to:</b>			
Equity holders of the parent company	(21 953)	(406)	(48 468)

# Interim consolidated statement of financial position

NOK thousand	Note	31 Mar 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment		7 698	7 445
Right-of-use assets	<a href="#">6</a>	43 456	30 266
Goodwill	<a href="#">5</a>	204 413	205 279
Customer relations	<a href="#">5</a>	42 574	46 031
Other Intangible assets	<a href="#">5</a>	60 871	65 047
Other non-current assets		14 971	10 678
Deferred tax assets		9 598	9 511
<b>Total non-current assets</b>		<b>383 581</b>	<b>374 259</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>183 093</b>	<b>177 771</b>
<b>TOTAL ASSETS</b>		<b>566 674</b>	<b>552 029</b>

NOK thousand	Note	31 Mar 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<a href="#">9</a>	163 773	163 773
Other paid in capital		196 268	196 700
Exchange differences		(2 077)	398
Other equity		(63 843)	(44 365)
<b>Total equity</b>		<b>294 121</b>	<b>316 506</b>
<b>Non-current liabilities</b>			
Interest bearing loans	<a href="#">7</a>	26 335	27 902
Non-current lease liabilities	<a href="#">6</a>	27 143	19 148
Other non-current financial liabilities		1 078	96
Deferred tax liabilities		15 915	17 084
Provisions		21 445	22 789
<b>Total non-current liabilities</b>		<b>91 915</b>	<b>87 018</b>
<b>Current liabilities</b>			
Current financial liabilities	<a href="#">7</a>	10 691	9 523
Current lease liabilities	<a href="#">6</a>	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
<b>Total current liabilities</b>		<b>180 638</b>	<b>148 505</b>
<b>Total liabilities</b>		<b>272 553</b>	<b>235 523</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>566 674</b>	<b>552 029</b>

# Interim consolidated statement of changes in 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				(19 478)	(19 478)
Comprehensive income for the period			(2 474)		(2 474)
<b>Total comprehensive result for the period</b>	0	0	(2 474)	(19 478)	(21 953)
Share issue cost		(432)			(432)
<b>Closing balance 31 Mar 2022</b>	163 773	196 268	(2 077)	(63 843)	294 121

# Interim consolidated cash flow statement

NOK thousand	Note	Year to date		Full year 2021
		31 Mar 2022	31 Mar 2021	
<b>Operating activities</b>				
Profit/(Loss) before tax		(19 293)	2 575	(53 660)
Taxes paid		0	(982)	(982)
<b>Adjustments for:</b>				
- 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
<b>Net cash flows operating activities</b>		<b>1 312</b>	<b>(6 390)</b>	<b>(26 197)</b>
<b>Investing activities</b>				
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
<b>Net cash flows investing activities</b>		<b>(3 187)</b>	<b>(87 907)</b>	<b>(115 647)</b>

NOK thousand	Note	Year to date		Full year 2021
		31 Mar 2022	31 Mar 2021	
<b>Financing activities</b>				
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)
<b>Net cash flows financing activities</b>		<b>(4 091)</b>	<b>(2 448)</b>	<b>(3 028)</b>
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
<b>Cash and cash equivalents at end of period</b>		<b>37 415</b>	<b>91 525</b>	<b>43 758</b>

# Notes to the condensed consolidated interim financial statements .

## Note 01 Basis for the preparation

The parent company Arribatec Group ASA (Company) is a company domiciled in Norway. These condensed consolidated interim statements ("interim financial statements") comprise the Company and its subsidiaries (together referred to as "the Group"). This interim report is unaudited and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2021. Changes to IFRSs which have been effective from 1 January 2022 have had no material impact on the Group's financial statements. All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented total figure.

## Note 02 Risk and uncertainties

In preparing these interim financial statements, management has made judgements and estimates that effects the application and accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. Critical Accounting estimates and judgements in terms of accounting policies are more comprehensive discussed in the Company Annual report for the Financial Year 2021, which is available on Arribatec's website: [www.Arribatec.com](http://www.Arribatec.com).

## Note 03 Revenue per geography and segment

### Segment

The management of the Group follow up the revenue by Business Area and geography. During 2022, segment reporting was implemented and for comparable 2021 figures, estimates have been applied, ref table below.

**Business services** is focusing on ERP, BI & Analytics, Devops, integrations and research management. Arribatec Business services provide simplicity by implementing, customize, maintain and support the entire business landscape with ERP as the core engine. We integrate it with other market-leading systems that provide better operational support and insight than a single ERP system does.

**EA & BPM** provides Enterprise Architecture and Business Process Management. Arribatec EA&BPM delivers solutions and long-term services within the spaces of business process management, enterprise architecture and corporate governance to major Norwegian and Nordic customers, both in the private and public sector.

**Cloud** provides Cloud solutions; hybrid, Azure, Splunk, GDPR.

Arribatec Cloud provides consulting, outsourcing and cloud services to private and public enterprises. In addition to offering market leading cloud services from Microsoft and Google, Arribatec Cloud also operates its own public cloud offering based on Norwegian datacenters to accommodate special use cases for our customers.

**Hospitality** delivers a various of different solutions within self-check-in, check-out, housekeeping management, conference systems and more.

**Marine** is the Business Unit of Arribatec Group focusing on the Maritime sector. Arribatec Marine competencies are the development, implementation and consultancy of the owned asset management system solutions: Infoship. Arribatec Marine history goes back to early age of Information Technology in the Maritime sector.

## Year to date 31 Mar 2022

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	77 587	22 130	26 799	804	12 890	740	(15 008)	125 943
Materials, software and services	(21 528)	(5 370)	(9 647)	(444)	(4 154)	(4 784)	17 552	(28 375)
<b>Gross margin</b>	56 059	16 760	17 152	360	8 735	(4 043)	2 545	97 567
Salary and personnel costs	(44 413)	(13 259)	(10 166)	(2 413)	(12 747)	(5 492)	0	(88 490)
Other operating expenses	(1 163)	(1 518)	(4 966)	(738)	(385)	(3 995)	(2 545)	(15 308)
<b>Total operating expenses</b>	(45 576)	(14 777)	(15 131)	(3 151)	(13 132)	(9 486)	(2 545)	(103 799)
<b>EBITDA</b>	10 483	1 983	2 021	(2 792)	(4 397)	(13 529)	0	(6 231)
Depreciation, amortization and impairment	(3 077)	(1 124)	(2 052)	(389)	(3 080)	(2 981)	0	(12 704)
<b>EBIT</b>	7 406	858	(31)	(3 181)	(7 476)	(16 511)	0	(18 936)
<b>Net financial items</b>	(364)	62	(26)	(69)	(170)	210	0	(357)
<b>Profit/(loss) before tax</b>	7 041	920	(57)	(3 250)	(7 646)	(16 301)	0	(19 293)
Gross margin %	72.3%	75.7%	64.0%	44.7%	67.8%	(546.2%)	(17.0%)	77.5%
EBITDA %	13.5%	9.0%	7.5%	(347.3%)	(34.1%)	na	0.0%	(4.9%)



## Year to date 31 Mar 2021

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	58 208	11 932	19 280	0	14 754	0	(5 002)	99 173
Materials, software and services	(8 837)	(2 617)	(12 715)	(57)	(3 262)	0	4 760	(22 729)
<b>Gross margin</b>	49 371	9 315	6 565	(57)	11 492	0	(242)	76 444
Salary and personnel costs	(32 584)	(5 838)	(6 438)	(1 074)	(10 614)	(15)	0	(56 563)
Other operating expenses	(3 552)	(900)	243	(619)	(2 091)	(3 359)	242	(10 036)
<b>Total operating expenses</b>	(36 136)	(6 738)	(6 195)	(1 692)	(12 705)	(3 374)	242	(66 599)
<b>EBITDA</b>	13 235	2 577	370	(1 750)	(1 213)	(3 359)	0	9 845
Depreciation, amortization and impairment	(625)	(29)	(780)	(257)	(2 028)	(3 089)	0	(6 809)
<b>EBIT</b>	12 610	2 548	(410)	(2 007)	(3 242)	(6 463)	0	3 036
<b>Net financial items</b>	(771)	86	(114)	(5)	214	128	0	(461)
<b>Profit/(loss) before tax</b>	11 839	2 634	(523)	(2 012)	(3 028)	(6 335)	0	2 575
Gross margin %	84.8%	78.1%	34.0%	na	77.9%	na	4.8%	77.1%
EBITDA %	22.7%	21.6%	1.9%	na	(8.2%)	na	0.0%	9.9%

## Full year 2021

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	223 390	72 967	87 673	1 097	49 540	0	(20 729)	413 938
Materials, software and services	(44 260)	(13 597)	(42 505)	(1 003)	(5 550)	0	14 055	(92 859)
<b>Gross margin</b>	179 130	59 371	45 168	94	43 990	0	(6 673)	321 079
Salary and personnel costs	(154 807)	(43 288)	(27 264)	(7 050)	(39 594)	(1 846)	1 170	(272 679)
Other operating expenses	(21 333)	(5 391)	(9 494)	(3 531)	(11 351)	(9 604)	5 503	(55 201)
<b>Total operating expenses</b>	(176 139)	(48 679)	(36 758)	(10 581)	(50 945)	(11 451)	6 673	(327 879)
<b>EBITDA</b>	2 991	10 692	8 410	(10 487)	(6 955)	(11 451)	0	(6 800)
Depreciation, amortization and impairment	(4 247)	(1 324)	(6 310)	(1 432)	(8 747)	(20 910)	0	(42 970)
<b>EBIT</b>	(1 256)	9 368	2 100	(11 920)	(15 701)	(32 361)	0	(49 770)
<b>Net financial items</b>	(8 765)	100	(516)	(235)	(2 478)	8 004	0	(3 890)
<b>Profit/(loss) before tax</b>	(10 021)	9 468	1 584	(12 154)	(18 179)	(24 357)	0	(53 660)
Gross margin %	80.2%	81.4%	51.5%	8.6%	88.8%	na	32.2%	77.6%
EBITDA %	1.3%	14.7%	9.6%	na	(14.0%)	na	0.0%	(1.6%)

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary service line, geography and recurrence. In presenting the geographic information, revenue has been based on the geographic location of legal entity.

#### Year to date 31 Mar 2022

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	38 290	36 451	3 425	78 166
Europe	31 475	9 022	522	41 019
Americas	5 387	1 336	35	6 758
<b>Total revenue</b>	<b>75 152</b>	<b>46 809</b>	<b>3 982</b>	<b>125 943</b>

#### Year to date 31 Mar 2021

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	33 801	26 795	5 965	66 561
Europe	19 834	3 042	1 752	24 629
Americas	7 018	1 084	(119)	7 983
<b>Total revenue</b>	<b>60 652</b>	<b>30 922</b>	<b>7 598</b>	<b>99 173</b>

#### Full year 2021

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	131 872	126 924	14 877	273 672
Europe	92 742	14 345	4 211	111 297
Americas	23 355	4 313	1 301	28 968
<b>Total revenue</b>	<b>247 969</b>	<b>145 581</b>	<b>20 388</b>	<b>413 938</b>

## Note 04 Financial items

NOK thousand	Year to date		Full year 2021
	31 Mar 2022	31 Mar 2021	
<b>Financial income</b>			
Interest income	4	398	259
Realized foreign exchange gains	277	445	2 193
Net unrealized foreign exchange gains	166	0	0
Other financial income	84	353	146
<b>Total financial income</b>	<b>531</b>	<b>1 196</b>	<b>2 597</b>
<b>Financial expenses</b>			
Interest on debts and borrowings	(181)	(724)	(1 872)
Interest expense on lease liabilities	(325)	(280)	(1 079)
Realized foreign exchange losses	(178)	(129)	(1 821)
Net unrealized foreign exchange losses	0	(349)	(979)
Other financial expenses	(203)	(175)	(736)
<b>Total financial expenses</b>	<b>(888)</b>	<b>(1 657)</b>	<b>(6 487)</b>
<b>Net financial items</b>	<b>(357)</b>	<b>(461)</b>	<b>(3 890)</b>

## Note 05 Intangible assets

### Year to date 31 Mar 2022

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
<b>Cost at 1 Jan 2021</b>	205 279	57 526	29 975	54 353	4 979	352 112
Additions	0	0	45	0	436	482
Additions - internally developed	0	0	1 661	0	0	1 661
Translation difference	(866)	(616)	(21)	(1 221)	(6)	(2 731)
<b>Cost at 31 Mar 2022</b>	204 413	56 910	31 660	53 132	5 409	351 525
<b>Accumulated amortizations at 1 Jan 2021</b>	0	(11 495)	(10 093)	(13 523)	(643)	(35 755)
Amortization	0	(2 841)	(1 998)	(2 620)	(453)	(7 913)
<b>Accumulated amortization at 31 Mar 2022</b>	0	(14 337)	(12 092)	(16 144)	(1 096)	(43 667)
<b>Carrying amount at 31 Mar 2022</b>	204 413	42 574	19 569	36 989	4 313	307 857
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

## Year to date 31 Dec 2021

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
<b>Cost at 1 Jan 2021</b>	93 827	15 529	12 568	1 000	10 018	132 942
Adjustment of opening balance	0	700	(700)	0	0	0
Additions	0	0	826	153	4 876	5 855
Additions - internally developed	0	0	10 316	9 390	0	19 706
From business combinations <sup>1</sup>	111 282	40 972	1 116	42 167	0	195 537
Reclassifications	0	0	6 613	3 773	(10 386)	0
Less government grants	0	0	(725)	(713)	0	(1 438)
Translation difference	170	325	(39)	(1 416)	470	(489)
<b>Cost at 31 Dec 2021</b>	<b>205 279</b>	<b>57 526</b>	<b>29 975</b>	<b>54 353</b>	<b>4 979</b>	<b>352 112</b>
<b>Accumulated amortizations at 1 Jan 2021</b>	<b>0</b>	<b>(3 084)</b>	<b>(1 807)</b>	<b>(667)</b>	<b>(2 102)</b>	<b>(7 660)</b>
Amortization	0	(8 411)	(3 091)	(11 335)	(1 898)	(24 735)
Reclassifications	0	0	(1 836)	(1 521)	3 357	0
Impairment	0	0	(3 359)	0	0	(3 359)
<b>Accumulated amortization at 31 Dec 2021</b>	<b>0</b>	<b>(11 495)</b>	<b>(10 093)</b>	<b>(13 523)</b>	<b>(643)</b>	<b>(35 755)</b>
<b>Carrying amount at 31 Dec 2021</b>	<b>205 279</b>	<b>46 031</b>	<b>19 882</b>	<b>40 830</b>	<b>4 336</b>	<b>316 358</b>
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

<sup>1</sup> Ref [Note 8](#), Business combinations

## Note 06 Leased assets

### Right-of-use assets

#### Year to date

NOK thousand	Buildings	Vehicles	Hardware	Other	Total
<b>Right-of-use assets per 1 Jan 2022</b>	18 149	430	3 139	8 548	30 266
Addition of right-of-use assets	14 170	0	622	2 741	17 533
Depreciation in the period	(2 498)	(92)	(471)	(1 114)	(4 176)
Translation difference	(136)	(7)	(24)	0	(167)
<b>Carrying amount of right-of-use assets, end of period</b>	<b>29 684</b>	<b>331</b>	<b>3 267</b>	<b>10 175</b>	<b>43 456</b>
Remaining lease term	1-5 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

### Lease liabilities

NOK thousand	31 Mar 2022
<b>Undiscounted lease liabilities and maturity of cash outflow</b>	
< 1 year	17 560
1-2 years	14 369
2-3 years	8 305
3-4 years	5 611
4-5 years	1 270
<b>Total undiscounted lease liabilities, end of period</b>	<b>47 117</b>
Discount element	(2 414)
<b>Total discounted lease liabilities, end of period</b>	<b>44 703</b>

## Note 07 Interest bearing debt in detail

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	Amount in NOK	
						31 Mar 2022	31 Dec 2021
DNB	Revolving credit facility	NOK	7 000	6.15%	2023	3 779	5 710
DNB	Unsecured bank loan	NOK		4.65%	2023	146	185
DLL	Leasing & finance company	NOK		4.5%	2024	422	493
The Norwegian Research Council	Governmental	NOK		3.35%	2022	94	188
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	9 499	9 824
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	6 512	7 236
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	6 770	7 478
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	2 892	2 991
Italian banks, ref above	Revolving credit facility	EUR		1.0-4.75%	2023	6 912	3 320
<b>Total</b>						<b>37 025</b>	<b>37 425</b>

	Credit facilities	Other borrowings	Total
<b>Balance at 1 Jan 2021</b>	9 030	28 394	37 425
Proceeds from loans and borrowings	3 702	0	3 702
Repayment of loans and borrowings	(1 931)	(1 147)	(3 078)
<b>Total changes in financial cashflow</b>	1 770	(1 147)	623
Translation difference	(110)	(913)	(1 023)
<b>Total Borrowings at end of period</b>	10 691	26 335	37 025



## Note 08 Business combinations – Preliminary PPA

NOK thousand	2021				
	Maksit	Qualisoft	IB Group	Infoship	Integra
Date of acquisition	18 Feb 2021	23 Feb 2021	20 Jan 2021	01 Apr 2021	11 Oct 2021
Acquired part of Company	100%	100%	100%	100%	100%
Purchase price	35 987	85 605	20 830	258	36 268
whereof Cash consideration	25 787	54 855	20 830	258	16 569
whereof Share consideration	10 200	30 750	0	0	2 863
An earn-out component is included in the purchase price amounting to:	0	0	0	0	16 836
<b>Fair value of assets and liabilities on acquisition</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	101	457	1 114	142	940
Goodwill	22 541	66 361	5 025	9	17 091
Customer Relationship	9 234	15 128	0	0	16 610
Software	0	0	43 282	143	0
Other intangible fixed assets	0	0	22 034	0	0
Deferred tax assets	0	0	71	0	0
<b>Total non-current assets</b>	<b>31 876</b>	<b>81 946</b>	<b>71 527</b>	<b>294</b>	<b>34 640</b>
<b>Current assets</b>					
Trade receivables	3 675	21 856	3 060	240	7 648
Other current assets	263	7 218	1 202	31	462
Contract assets (earned, not invoiced)	0	656	748	0	930
Cash & cash equivalents	7 331	10 937	2 446	1 253	7 890
<b>Total current assets</b>	<b>11 269</b>	<b>40 667</b>	<b>7 457</b>	<b>1 524</b>	<b>16 930</b>
<b>Total Assets</b>	<b>43 145</b>	<b>122 613</b>	<b>78 985</b>	<b>1 817</b>	<b>51 570</b>

NOK thousand	2021				
	Maksit	Qualisoft	IB Group	Infoship	Integra
<b>Non-current liabilities</b>					
Long term interest bearing debt	0	0	16 227	0	0
Deferred tax liabilities	2 032	3 328	7 127	0	3 126
Other long-term liabilities & provisions	0	0	14 472	1 549	1 101
<b>Total non-current liabilities</b>	<b>2 032</b>	<b>3 328</b>	<b>37 825</b>	<b>1 549</b>	<b>4 228</b>
<b>Current liabilities</b>					
Trade payables	613	1 871	6 287	0	1 747
Tax liabilities	520	0	0	0	(443)
Current Contract liabilities (deferred revenue)	0	10 942	737	0	0
Other short term liabilities	3 621	20 867	13 306	10	9 771
Accrued expenses and prepaid income	372	0	0	0	0
<b>Total current liabilities</b>	<b>5 126</b>	<b>33 680</b>	<b>20 330</b>	<b>10</b>	<b>11 075</b>
<b>Total Net assets</b>	<b>35 987</b>	<b>85 605</b>	<b>20 830</b>	<b>258</b>	<b>36 268</b>
<b>Info</b>					
Net Sales full year	Merged	78 309	45 167	2 280	46 556
Profit /Loss full year	Merged	7 964	(17 838)	(2 147)	(2 870)
Net Sales full year (Arribatec ownership period)	Merged	72 967	45 167	2 280	13 053
Profit /Loss full year (Arribatec ownership period)	Merged	7 309	(17 838)	(2 147)	(133)

## Note 09 Issued shares, share capital and shareholder information

### Issued shares and share capital

	Number of shares	Share Capital (NOK)
<b>1 January 2020</b>	16 077 403	16 077 403
Capital issue, Jan	7 164 688	7 164 688
Capital issue, Mar	41 666 666	41 666 666
Capital issue, Mar	25 000 000	25 000 000
Capital decrease, Nov		(64 734 305)
New shares, Oct	235 819 574	66 029 481
Share issue, repair offer, Nov	32 855 000	9 199 400
Share issue, employee offer, Nov	10 000 000	2 800 000
Share issue, private placement, Dec	50 000 000	14 000 000
<b>1 January 2021</b>	<b>418 583 331</b>	<b>117 203 333</b>
Capital issue in relation to acq. of Facil, Jan	12 423 200	3 478 496
Capital issue in relation to acq. of Microsky, Feb	3 499 998	979 999
Capital issue in relation to acq. of Innit, Mar	5 606 400	1 569 792
Capital issue in relation to acq. of Qualisoft, May	15 000 000	4 200 000
Capital issue in relation to acq. of Maksit, Aug	5 000 000	1 400 000
Capital issue in relation to merger with Arribatec AS, Sep	124 790 135	34 941 238
<b>31 December 2021</b>	<b>584 903 064</b>	<b>163 772 858</b>
<b>31 March 2022</b>	<b>584 903 064</b>	<b>163 772 858</b>

## 20 largest shareholders at 31 Mar 2022

	Holding	Stake
FERNCLIFF LISTED DAI AS	116 554 032	19.9%
ARRIBA INVEST AS	79 452 700	13.6%
DALLAS ASSET MANAGEMENT AS	24 598 694	4.2%
JOAR AARENES	23 911 850	4.1%
NORDNET BANK AB	22 959 641	3.9%
TORSTEIN INGVALD TVENGE	21 000 000	3.6%
SRK CONSULTING AS	18 710 527	3.2%
ERIK SKAAR OPDAL	16 952 000	2.9%
TRUDE HALVORSEN	10 797 884	1.8%
TIGERSTADEN AS	10 000 000	1.7%
DATUM AS	8 542 908	1.5%
HANEKAMB INVEST AS	7 553 463	1.3%
NORSK REGNESENTRAL	6 770 735	1.2%
DANSKE BANK A/S	5 743 227	1.0%
LCS AS	5 518 001	0.9%
LARS HUGO BRAADLAND OLSEN	5 419 500	0.9%
JAN ARNE CHRISTENSEN	4 961 750	0.8%
NORDNET LIVSFORSIKRING AS	4 139 852	0.7%
CANTAVIT HOLDING AS	3 875 000	0.7%
AWR AS	3 875 000	0.7%
<b>Total 20 largest shareholders</b>	<b>401 336 764</b>	<b>68.6%</b>
Other shareholders	183 566 300	31.4%
<b>Total</b>	<b>584 903 064</b>	<b>100.0%</b>

## Shares held by related parties

	Holding	Stake	
FERNCLIFF LISTED DAI AS	116 554 032	19.9%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
HANEKAMB INVEST AS	7 553 463	1.3%	Related to Martin Nes, Chairman of the Board in Arribatec Group ASA
FINANCE RESOURCES GJ AS	3 079 574	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA
REAKTOR RETURNS AS	1 738 830	0.3%	Related to Henrik Lie-Nielsen, Member of the Board in Arribatec Group ASA
KJØLVIK INVEST AS	583 334	0.1%	Related to Ole-Jakob Kjølvik, COO of Arribatec Group ASA
SICUBI AS	240 712	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA

## Note 10 Earnings per share

NOK thousand	Year to date		
	31 Mar 2022	31 Mar 2021	Full year 2021
Net profit/(loss) to equity holders	(19 478)	606	(48 858)
<b>Total</b>	<b>(19 478)</b>	<b>606</b>	<b>(48 858)</b>
<b>Number of shares (in thousands)</b>			
Weighted average number of ordinary shares	584 903	408 112	489 278
Effects of dilution, weighted average	5 871	143 577	91 776
<b>Weighted average number of shares, adjusted for effects of dilution</b>	<b>590 774</b>	<b>551 689</b>	<b>581 054</b>
Basic earnings per share (NOK)	(0.03)	0.00	(0.10)
Diluted earnings per share (NOK) <sup>1</sup>	(0.03)	0.00	(0.10)

<sup>1</sup> If Net loss, EPS per Basic and Diliuted share will be equal

### Effects of dilution

NOK thousand	Year to date		
	31 Mar 2022	31 Mar 2021	Full year 2021
Redemption shares to minority shareholders of Arribatec AS	0	129 664	85 131
Share consideration outstanding Qualisoft	0	11 739	2 877
Share consideration outstanding Maksit	0	2 174	2 466
Share consideration outstanding Integra	5 871	0	1 303

## Note 11 Transactions with related parties

NOK thousand	Year to date		
	31 Mar 2022	31 Mar 2021	Full year 2021
<b>Transactions with related parties</b>			
Ferncliff AS - Fee for CEO and CFO for hire <sup>1</sup>	0	562	562
Ferncliff AS - Fee related to capital increase <sup>1</sup>	0	0	0
<b>Total Related parties transactions</b>	<b>0</b>	<b>562</b>	<b>562</b>

<sup>1</sup> Approved by the General meeting in Arribatec Group ASA 20 November 2020. Related to Tycoon Industrier AS, related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA

# APMs, terms and abbreviations

NOK thousand	Year to date		
	31 Mar 2022	31 Mar 2021	Full year 2021
<b>EBITDA</b>	(6 231)	9 845	(6 800)
M&A cost	0	489	1 959
Restructuring cost	3 110	0	3 240
Sanctions <sup>1</sup>	545	0	0
<b>Adjusted EBITDA</b>	<b>(2 577)</b>	<b>10 334</b>	<b>(1 601)</b>

<sup>1</sup> Accrual for ECL Russia

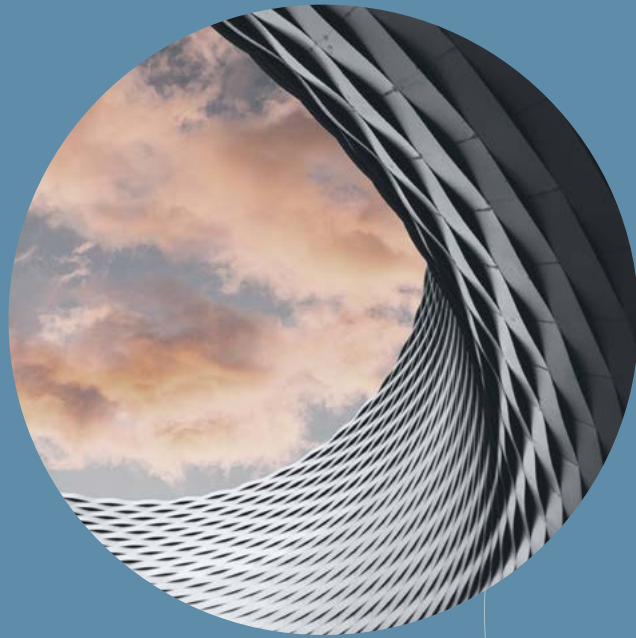
## APM / KPI definition

<b>Gross profit</b>	Operating revenue less materials, software and services
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortization
<b>Adjusted EBITDA</b>	EBITDA, adjusted for calculated reverse take-over cost, restructuring cost and direct M&A cost
<b>EBITDA margin</b>	EBITDA as a percentage of Total income
<b>Equity ratio</b>	Equity as a percentage of total assets

## Terms and abbreviations

<b>APAC</b>	Asia/Pacific
<b>BA</b>	Business Area
<b>BizS</b>	BA Business Services
<b>BoD</b>	Board of Directors
<b>CGU</b>	Cash Generating Unit
<b>Cloud</b>	BA Cloud
<b>DKK</b>	Danish Krone
<b>EA-BPM</b>	BA Enterprise Architecture & Business Process Management
<b>EBIT</b>	Operating profit, Earning before Interest and Tax
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization
<b>ECL</b>	Estimated Credit Losses
<b>EPS</b>	Earnings Per Share
<b>EUR</b>	Euro
<b>FTE</b>	Full Time Equivalent
<b>Hspt</b>	BA Hospitality

<b>IFRS</b>	International Financial Reporting Standards
<b>LNG</b>	Liquefied Natural Gas
<b>Marine</b>	BA Marine
<b>M&amp;A</b>	Mergers and Acquisitions
<b>NOK</b>	Norwegian Krone
<b>Opex</b>	Operating expenses
<b>RR</b>	Recurring revenue, derived from sale of services and solutions through subscription models this reporting period
<b>RTO</b>	Reverse take over
<b>SEK</b>	Swedish Krone
<b>SaaS</b>	Software as a service
<b>Solaas</b>	Solution as a service
<b>USD</b>	US dollar
<b>VIU</b>	Value in Use
<b>WACC</b>	Weighted Average Cost of Capital
<b>WAEP</b>	Weighted Average Exercise Price



## Next event

19 August 2022  
Half-year report

Contact: [ir@arribatec.com](mailto:ir@arribatec.com)

