

**Arribatec.**

We simplify complexity

Arribatec.

# Quarterly presentation

## Q4 2022 .

Geir Johansen, CEO



# Strong growth in Q4 and full year 2022

|      | Revenue  | Recurring   | Adj. EBITDA   |
|------|--|---|---|
| Q4   | NOK 141m (116m)<br>+21.2% qrt/qrt<br>Organic Growth +21.2% | NOK 50m (37m)<br>+35% qrt/qrt<br>35% of total     | *NOK -4.5m (-1m)<br>Margin – 3.2%<br><small>Build-up of a new business unit (RAMBASE) reduces adj. EBITDA by 1.6m respectively.<br/>Adj. EBITDA for the underlying operation of NOK -2.9m</small> |
| 2022 | NOK 505m (414m)<br>+22% year/year<br>Organic Growth +11.2% | NOK 184m (146m)<br>+27% year/year<br>37% of total | NOK -26.1m (-1.6m)<br>Margin – 6.8%   |



# Highlights Q4

- Q4 revenue of NOK 141 million is the highest ever.
- All-time high **monthly revenue** in November of NOK 50m and EBITDA of NOK +3m
- Larger contracts secured where more **than one business** area is part of delivery
- Signed agreement with **Thon Hotels** for hospitality solutions
- Annual cost saving of 26m as **restructuring of Marine** is completed in Q4
- Sold **Marine software IP** rights for NOK 9 mill and transferred 12 staff. Marine to focus on **InfoShip**, the core asset management, quality, and hotel defect software.
- Significantly **increasing public cloud capacity** to meet demand – **new integrated cloud concept** to be launched
- Large existing customers will significantly increase **Cloud engagement** with Arribatec due to M&A transaction
- **Home-shored** software development activities from Poland to improve go-to-market speed and efficiency



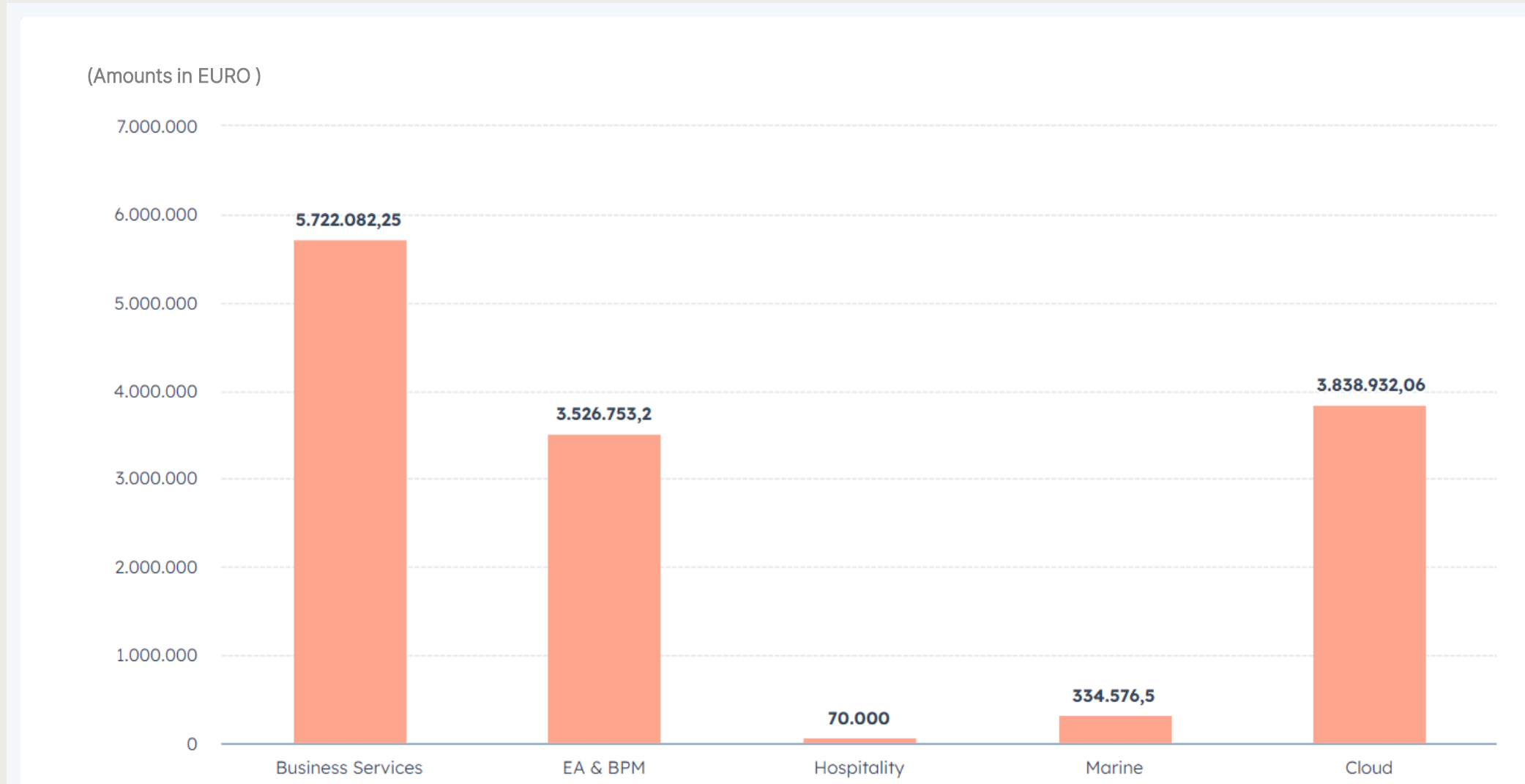
# Geographic revenue growth & share of total

|      | Norway  | EU&UK   | Rest of world                                  |
|------|---|---|--|
| Q4   | NOK 84m (73m)<br>+15% qrt/qrt<br>60% of total     | NOK 45m (38m)<br>+18% qrt/qrt<br>32% of total     | NOK 11.8m(5.3)<br>+126% qrt/qrt<br>8% of total |
| 2022 | NOK 305m (274m)<br>+12% year/year<br>60% of total | NOK 163m (111m)<br>+47% year/year<br>32% of total | NOK 37m (29m)<br>+26% year/year<br>8% of total |



# New contracts and scope extensions in Q4

98 deals for a total value of NOK 130 million (NOK 83 million in Q3-22)



# \ Some significant contracts signed in Q4

## Norwegian financial institution

- Value: 7.0 MNOK
- Start Dec. 2022
- Duration 1 year
- Azure consumption extension agreement

## Civil engineering firm

- Value: 2 MNOK
- Start December 2022
- Cloud consulting work

## Norwegian power grid company

- Value: 9-10 MNOK
- ARR 1 MNOK
- Start Nov 2022
- Duration 5 years.
- New ERP system, integrations and analytics

## Software development company

- Value: 4.2 MNOK
- Start: Jan 2023
- 1 year
- Consulting assistance

## Large European engineering group

- Total extension value 5.1 MNOK.
- Contract duration minimum 3 years
- Extension of existing scope



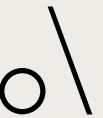
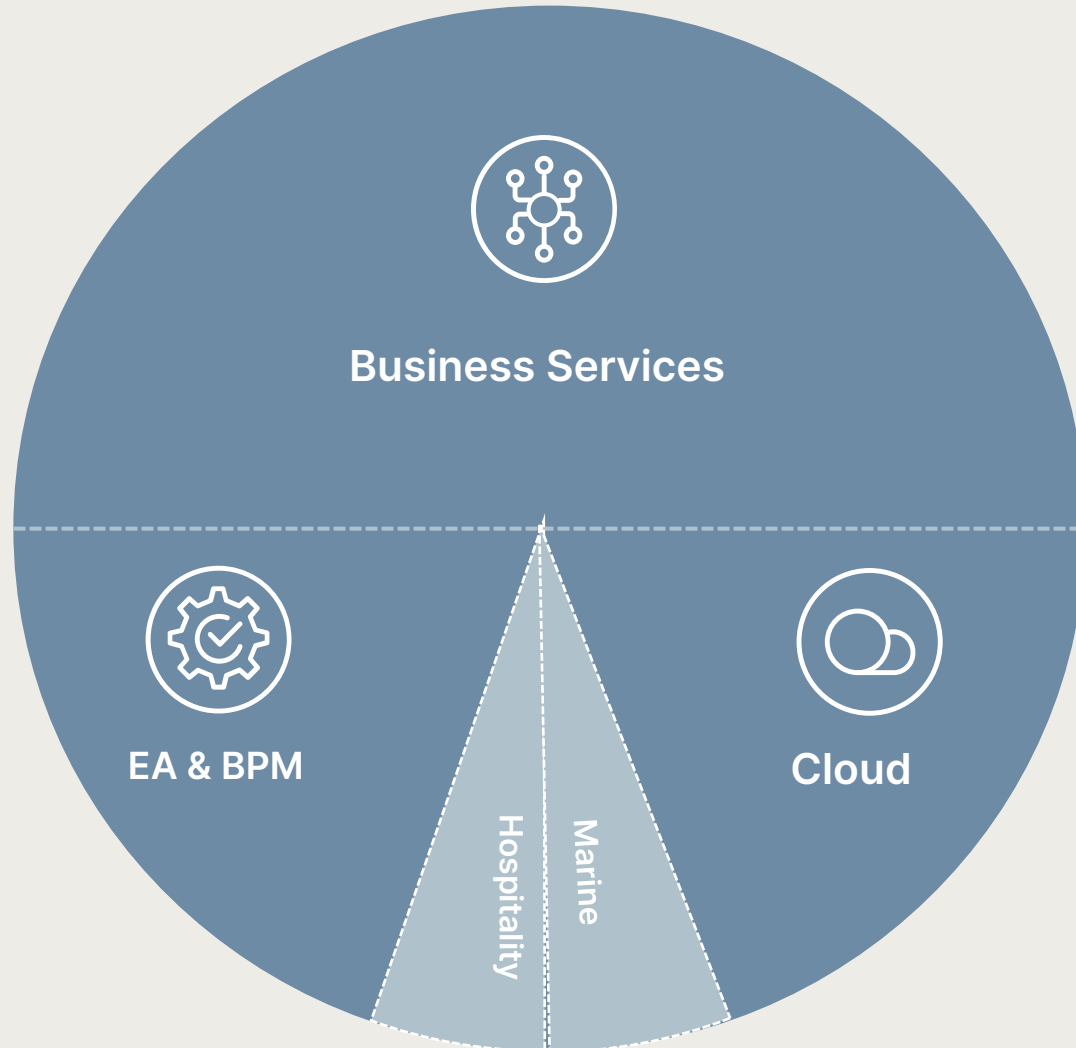
# New contracts and scope extensions in 2022

630 deals for a total value of ~NOK 375 million



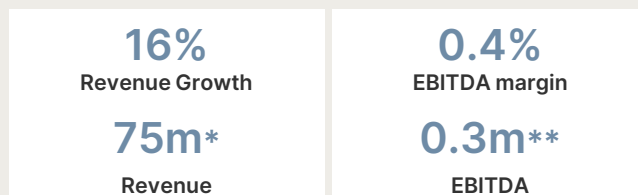


# Our business areas

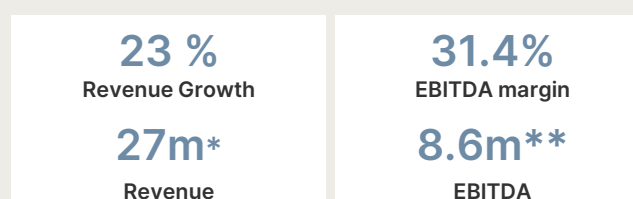


# Q4 performance business areas

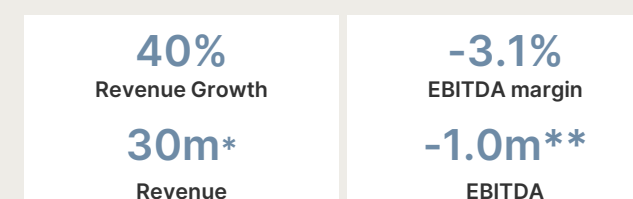
## BizS



## EA-BPM

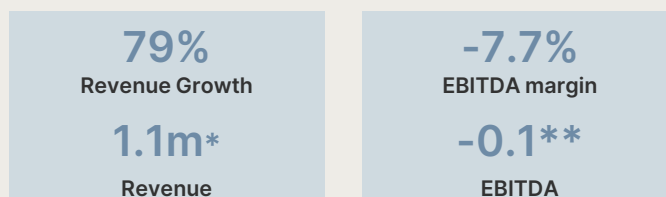


## Cloud

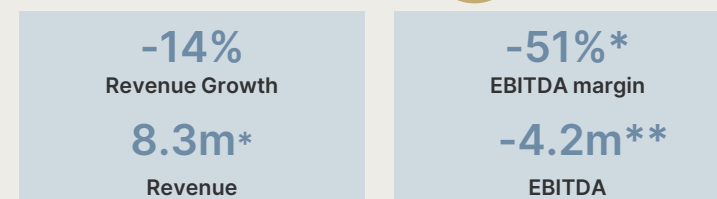


Build-up cost for new business unit (RAMBASE) reduces EBITDA by NOK 1.6m.

## HspT



## Marine



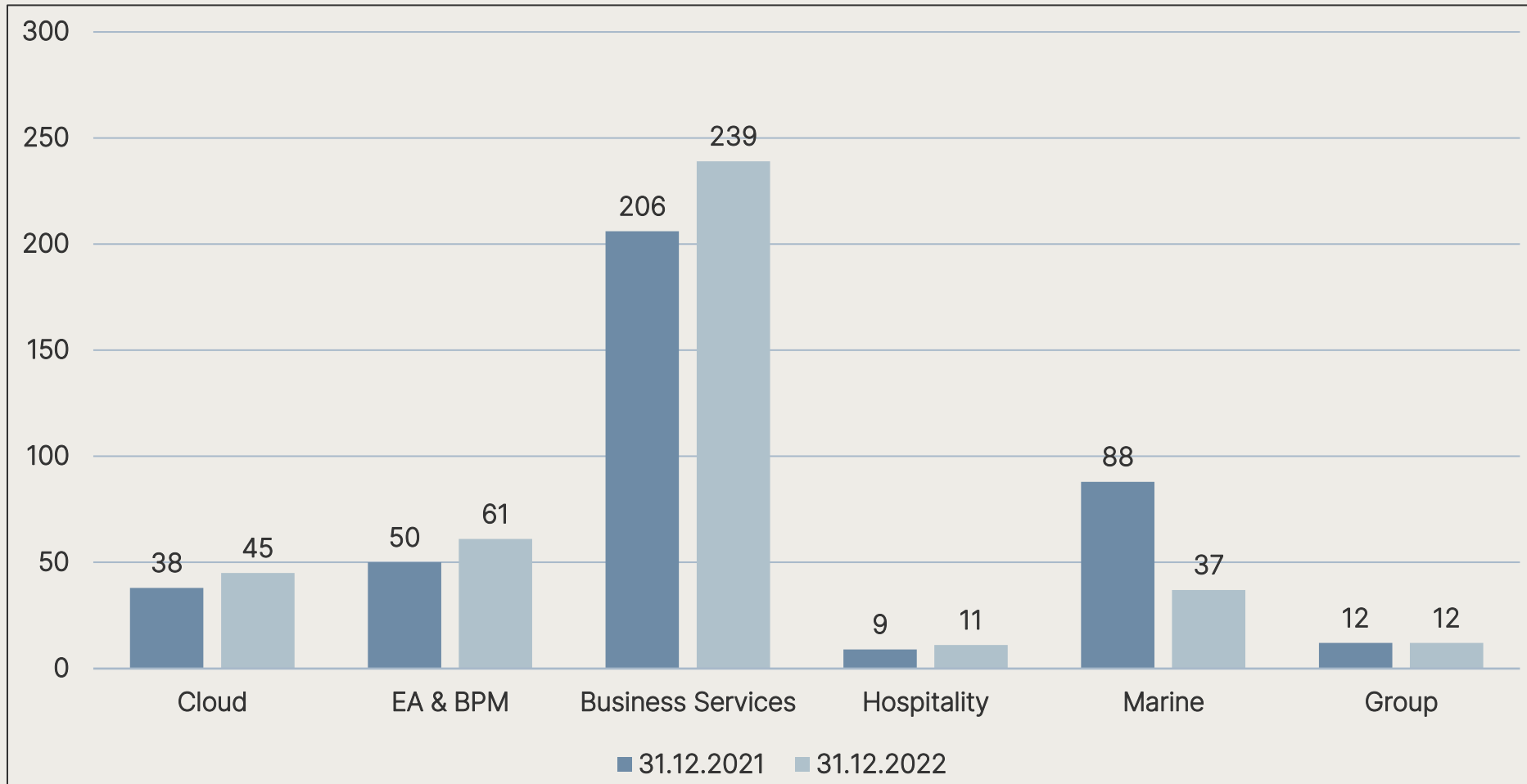
The entire EBITDA loss is due to sale of IP rights in Marine.



# \ Arribatec global foot print



# Employees pr 2022 year end



| Date       | Total |
|------------|-------|
| 31.12.2021 | 403   |
| 30.06.2022 | 445   |
| 30.09.22   | 440   |
| 30.11.22   | 443   |
| 31.12.22   | 405*  |

\*The drop is to a large extent related to Marine.

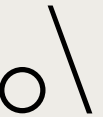
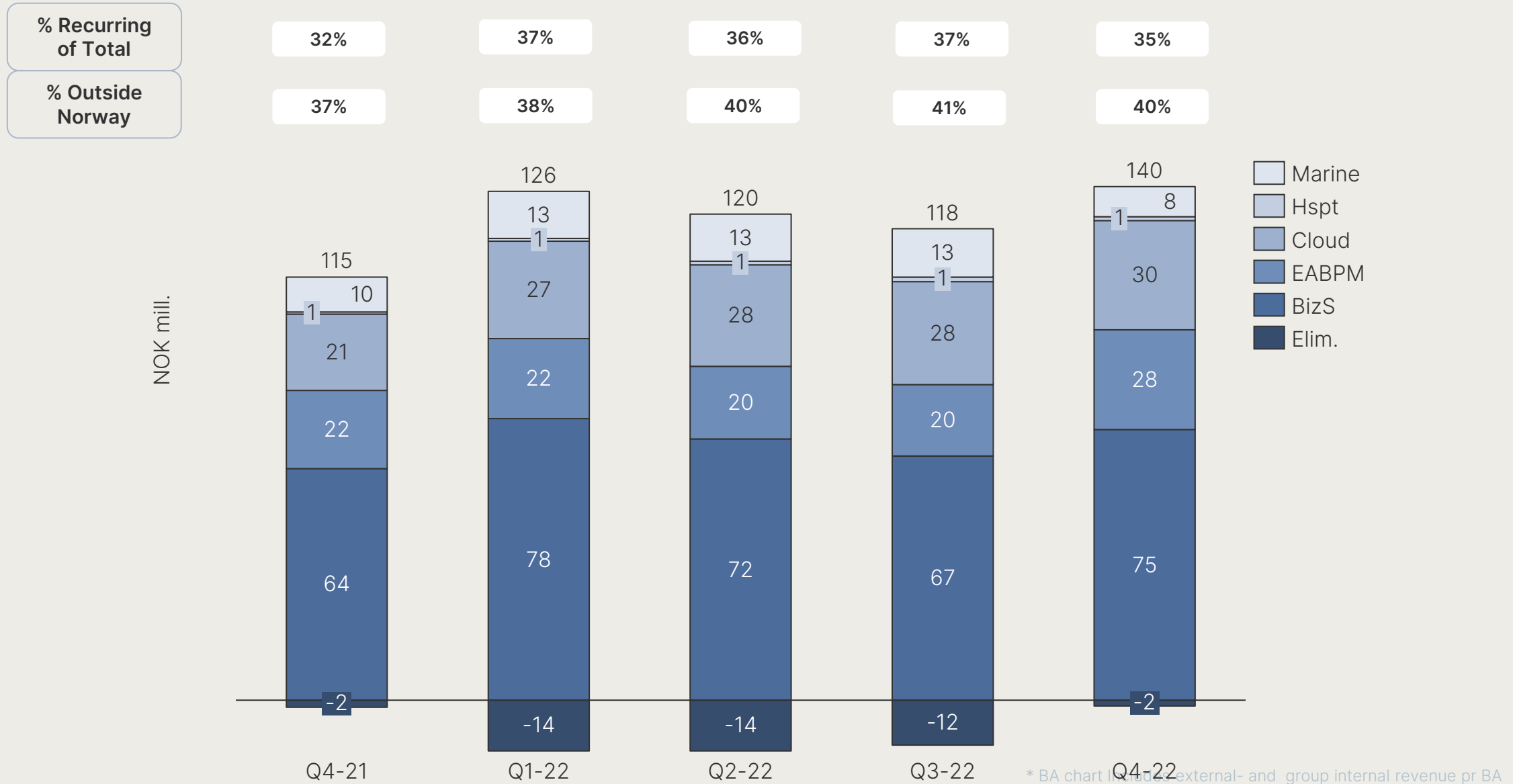
\*Includes long term contracted personnel which constitute 54 persons in Q4 where the majority is in Business Services. A reduction from 60 in Q3



# Financial Review

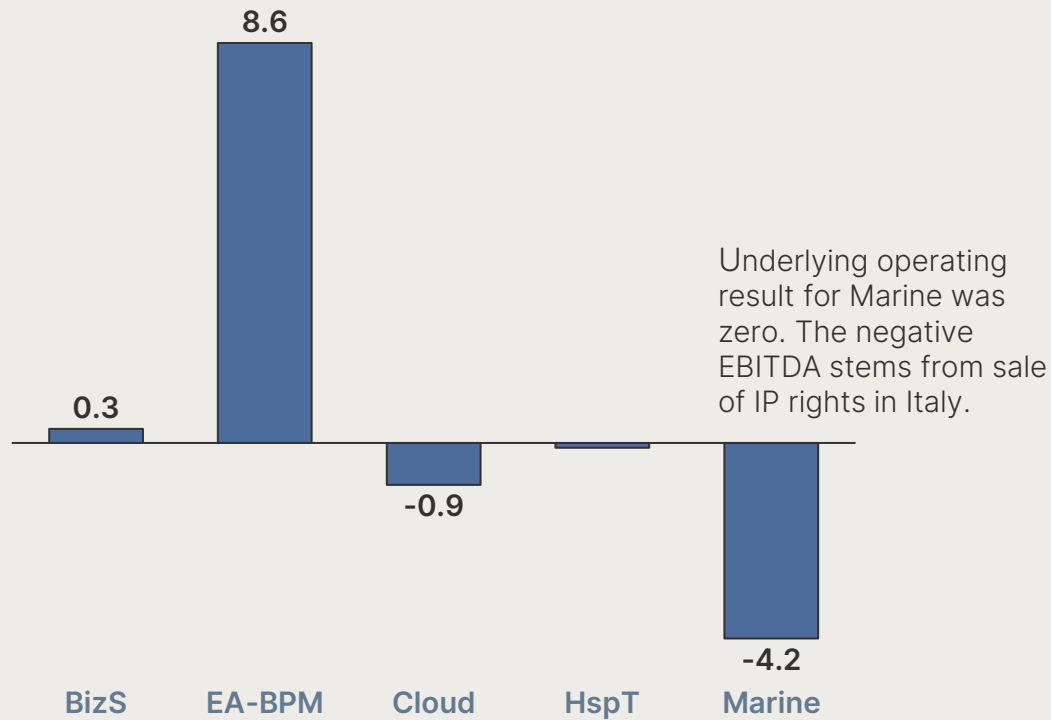


# Revenue development for each BA per quarter

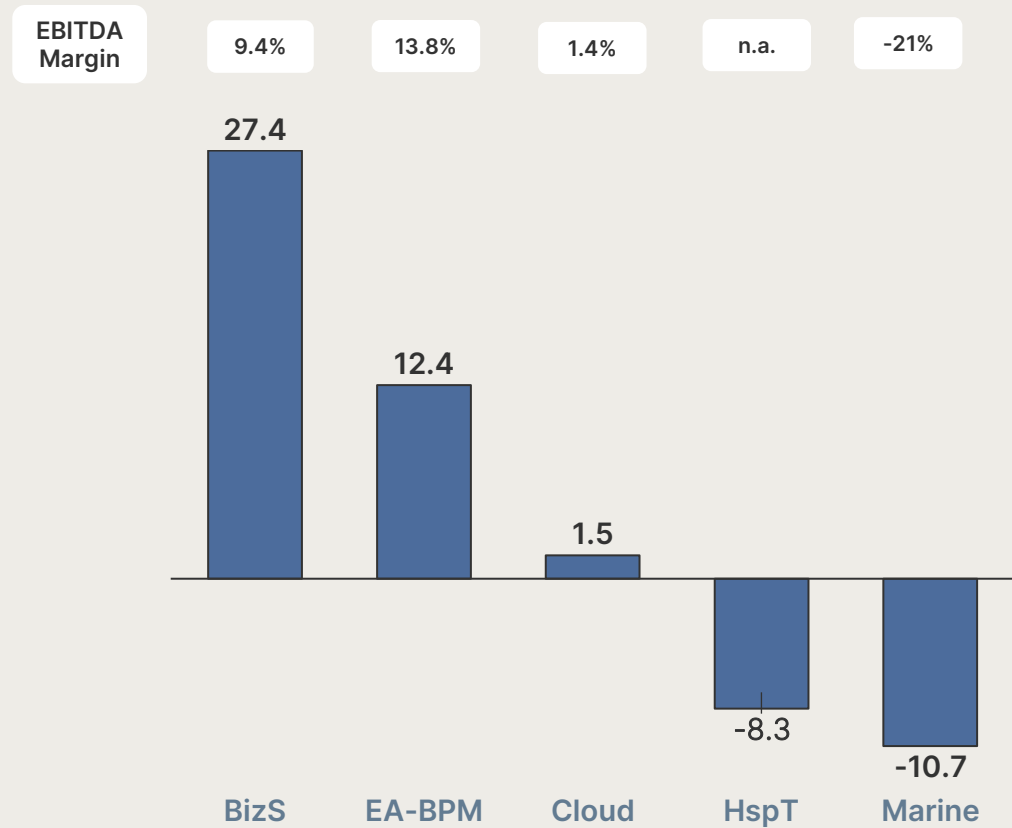


# \ EBITDA pr Business Area

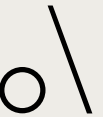
Q4-22



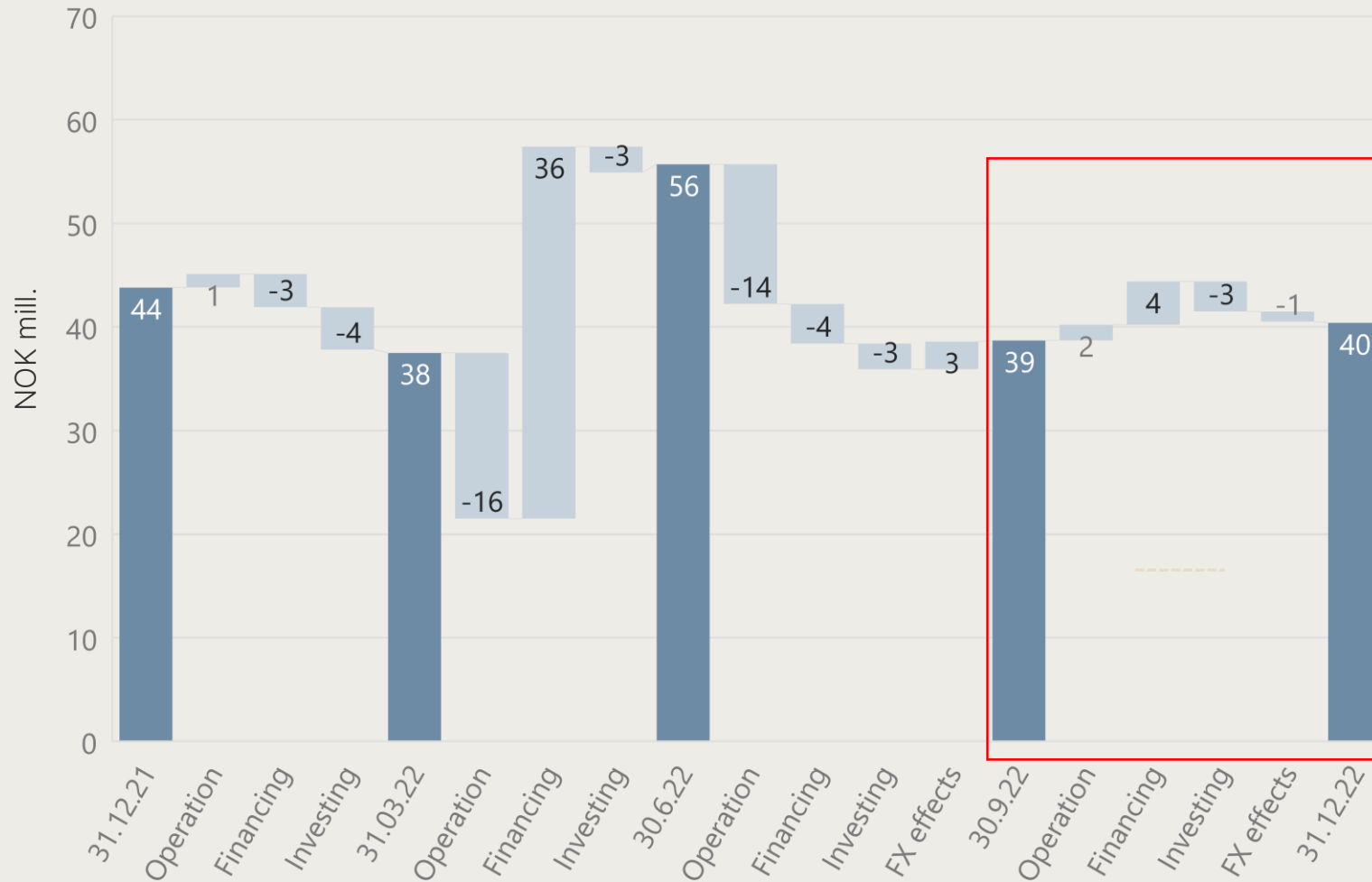
Full year 2022



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



# Cash flow development

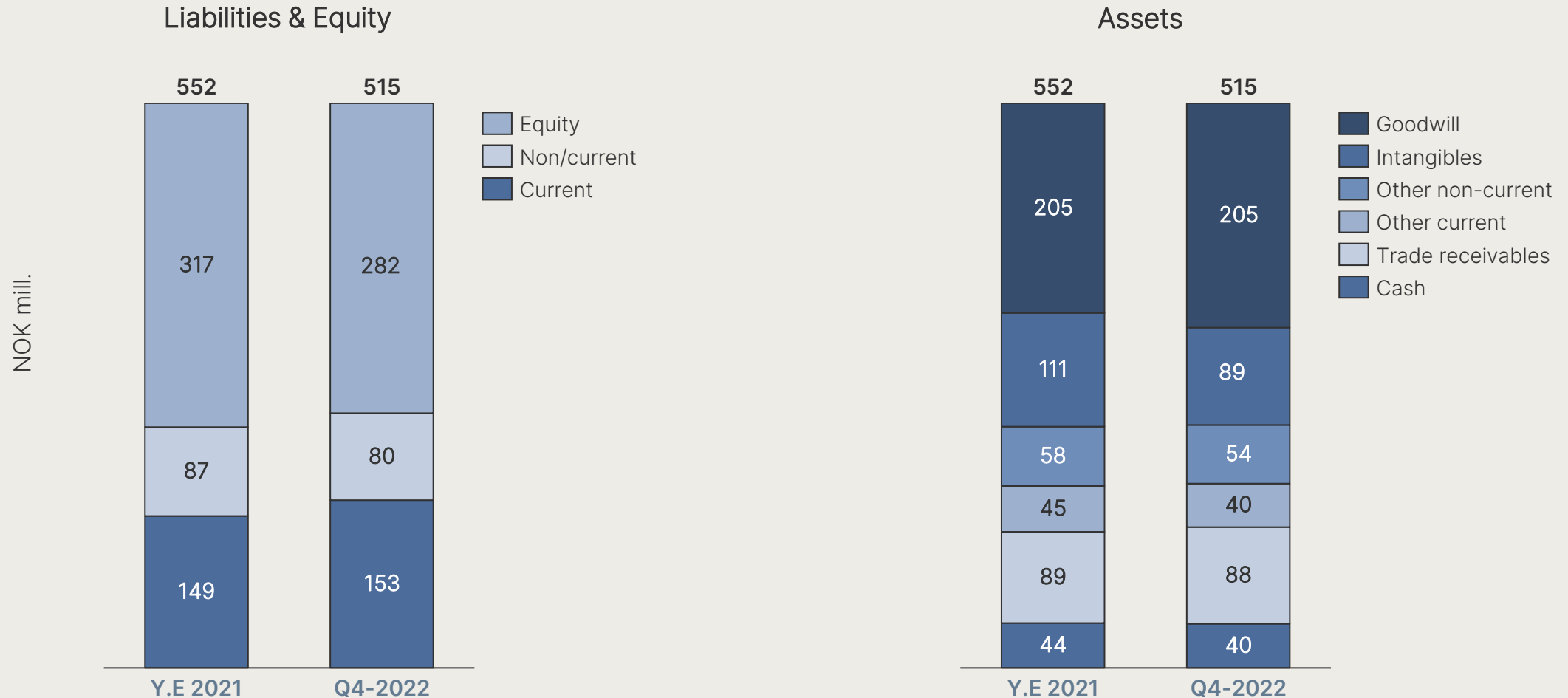


- 1mill increase in available cash over the last quarter
- Total cash at end of 2022 was NOK 40m. In addition we had NOK 14m in un-used bank overdraft facility.
- Of the total cash balance, restricted cash accounts for NOK 14m.
- As of today, NOK 69.9 in cash and unused overdraft facilities, where of 14m is restricted cash.

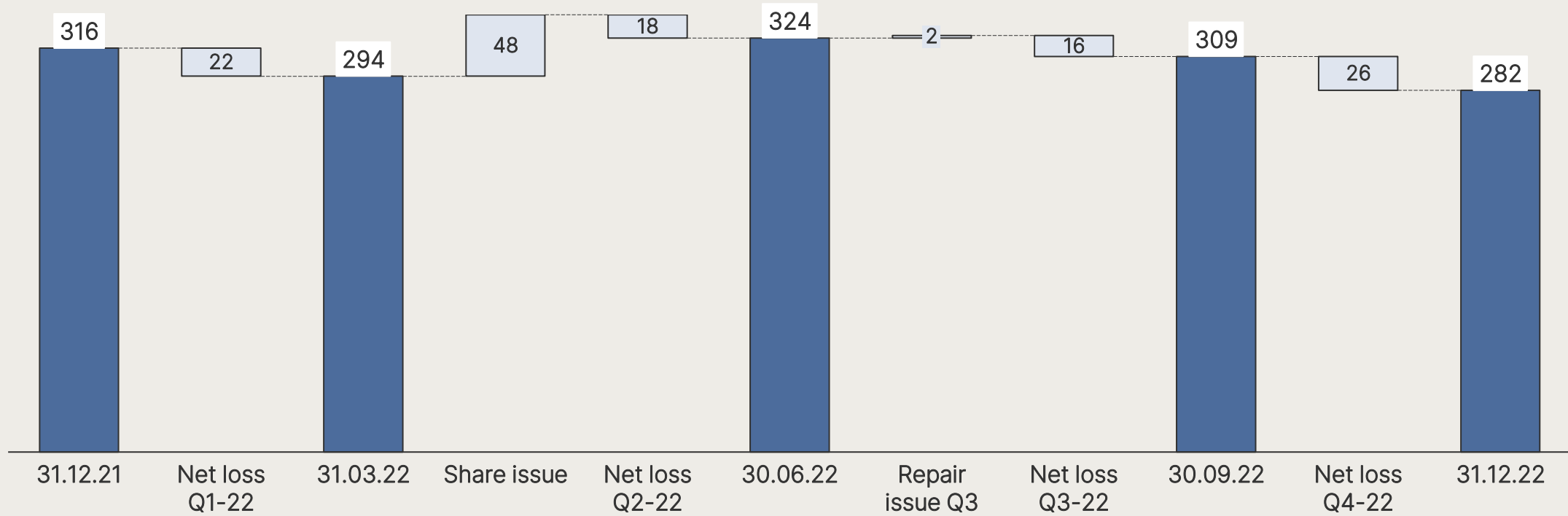




# Balance sheet development



# Equity development



# Outlook

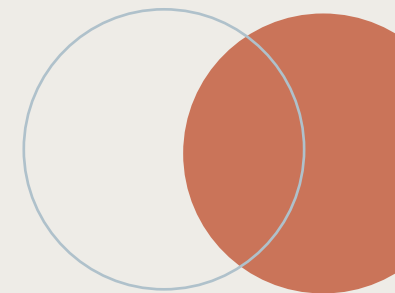
- We expect higher growth rate in 2023 vs 2022 – no planned M&A
  - Partnership with U4, Hypergene and Rambase will drive growth over the next quarters
  - Several large public sector projects are out for tender – decisions anticipated Q1
  - Robust demand for cloud services will drive growth for our cloud- and managed IT-services
  - Planning for Hospitality to grow significantly over next quarters – building SaaS revenue base
  - Growth for Marine will be driven by significant interest from the cruise industry
  - Increased focus on efficiency and chargeability to improve profitability continues
- 
- *The plans to do a reverse share split (share consolidation) of the Company's shares in the ratio of 10:1 to meet the Oslo Børs' requirements of a minimum share value of NOK 1 per share.*
  - *In order to facilitate the share consolidation, the board of directors also proposes a minor increase of the current share capital by NOK 0.84 (three (3) shares each of par value NOK 0.28), in order to obtain a total number of shares outstanding divisible by 10.*





Q&A

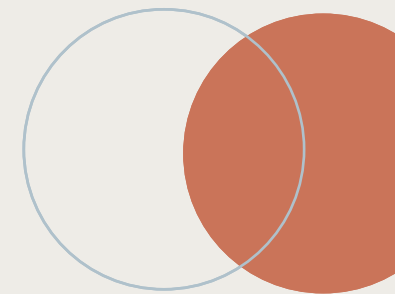
# Profit & Loss



| NOK thousand                              | Note      | For the quarter end |                 | Year to date     |                  |
|---|-----------|---------------------|-----------------|------------------|------------------|
|   |           | 31 Dec 2022         | 31 Dec 2021     | 31 Dec 2022      | 31 Dec 2021      |
| Revenue                                   | <u>3</u>  | 140 550             | 115 977         | 504 968          | 413 938          |
| Materials, software and services          |           | (26 724)            | (25 037)        | (115 035)        | (92 859)         |
| <b>Gross profit</b>                       |           | <b>113 825</b>      | <b>90 941</b>   | <b>389 934</b>   | <b>321 079</b>   |
| Salary and personnel costs                |           | (95 463)            | (80 292)        | (338 800)        | (272 679)        |
| Other operating expenses                  |           | (28 078)            | (15 184)        | (85 241)         | (55 201)         |
| <b>Total operating expenses</b>           |           | <b>(123 542)</b>    | <b>(95 476)</b> | <b>(424 041)</b> | <b>(327 879)</b> |
| <b>EBITDA</b>                             |           | <b>(9 716)</b>      | <b>(4 535)</b>  | <b>(34 107)</b>  | <b>(6 800)</b>   |
| Depreciation, amortization and impairment |           | (16 549)            | (20 087)        | (56 232)         | (42 970)         |
| <b>EBIT</b>                               |           | <b>(26 266)</b>     | <b>(24 622)</b> | <b>(90 339)</b>  | <b>(49 770)</b>  |
| Financial income                          | <u>4</u>  | 877                 | (1 307)         | 5 191            | 2 598            |
| Financial expense                         | <u>4</u>  | (2 107)             | (944)           | (5 280)          | (6 487)          |
| <b>Profit/(loss) before tax</b>           |           | <b>(27 495)</b>     | <b>(26 873)</b> | <b>(90 428)</b>  | <b>(53 660)</b>  |
| Tax expense                               |           | 598                 | 4 152           | 7 035            | 4 802            |
| <b>Profit/(loss) after tax</b>            |           | <b>(26 897)</b>     | <b>(22 721)</b> | <b>(83 393)</b>  | <b>(48 858)</b>  |
| <b>Attributable to:</b>                   |           |                     |                 |                  |                  |
| Equity holders of the parent company      |           | (26 897)            | (22 721)        | (83 393)         | (48 858)         |
| Earnings per share: basic                 | <u>10</u> | (0.04)              | (0.04)          | (0.13)           | (0.10)           |
| Earnings per share: diluted               | <u>10</u> | (0.04)              | (0.04)          | (0.13)           | (0.10)           |

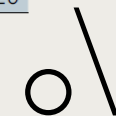


# Balance Sheet

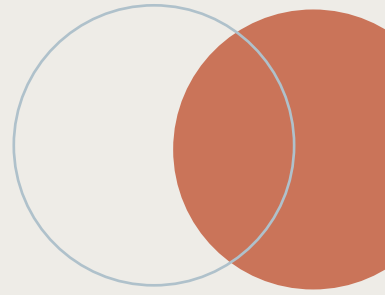


| NOK thousand                    | Note     | 31 Dec 2022    | 31 Dec 2021    |
|---------------------------------|----------|----------------|----------------|
| <b>ASSETS</b>                   |          |                |                |
| <b>Non-current assets</b>       |          |                |                |
| Property, Plant and equipment   |          | 6 517          | 7 445          |
| Right-of-use assets             | <u>6</u> | 41 719         | 30 266         |
| Goodwill                        | <u>5</u> | 204 581        | 205 279        |
| Customer relations              | <u>5</u> | 34 637         | 46 031         |
| Other Intangible assets         | <u>5</u> | 41 934         | 65 047         |
| Other non-current assets        |          | 5 323          | 10 678         |
| Deferred tax assets             |          | 12 322         | 9 511          |
| <b>Total non-current assets</b> |          | <b>347 034</b> | <b>374 259</b> |
| <b>Current assets</b>           |          |                |                |
| Accounts receivable             |          | 88 214         | 88 674         |
| Other receivables               |          | 1 128          | 2 290          |
| Contract assets                 |          | 16 276         | 19 549         |
| Inventory                       |          | 3 777          | 3 179          |
| Other current assets            |          | 18 484         | 20 320         |
| Cash and cash equivalents       |          | 40 449         | 43 758         |
| <b>Total current assets</b>     |          | <b>168 328</b> | <b>177 771</b> |
| <b>TOTAL ASSETS</b>             |          | <b>515 362</b> | <b>552 029</b> |

| NOK thousand                            | Note     | 31 Dec 2022    | 31 Dec 2021    |
|---|----------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>           |          |                |                |
| <b>Equity</b>                           |          |                |                |
| Share capital                           | <u>9</u> | 193 361        | 163 773        |
| Other paid in capital                   |          | 215 645        | 196 700        |
| Exchange differences                    |          | 679            | 398            |
| Other equity                            |          | (127 758)      | (44 365)       |
| <b>Total equity</b>                     |          | <b>281 927</b> | <b>316 506</b> |
| <b>Non-current liabilities</b>          |          |                |                |
| Interest bearing loans                  | <u>7</u> | 18 883         | 27 902         |
| Non-current lease liabilities           | <u>6</u> | 26 727         | 19 148         |
| Other non-current financial liabilities |          | 967            | 96             |
| Deferred tax liabilities                |          | 10 590         | 17 084         |
| Provisions                              |          | 22 620         | 22 789         |
| <b>Total non-current liabilities</b>    |          | <b>79 787</b>  | <b>87 018</b>  |
| <b>Current liabilities</b>              |          |                |                |
| Current financial liabilities           | <u>7</u> | 12 328         | 9 523          |
| Current lease liabilities               | <u>6</u> | 16 765         | 12 346         |
| Accounts payable                        |          | 31 879         | 21 227         |
| Contract liabilities                    |          | 16 476         | 21 483         |
| Current tax payable                     |          | 650            | 1 046          |
| Other current liabilities               |          | 75 551         | 82 880         |
| <b>Total current liabilities</b>        |          | <b>153 649</b> | <b>148 505</b> |
| <b>Total liabilities</b>                |          | <b>233 435</b> | <b>235 523</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>     |          | <b>515 362</b> | <b>552 029</b> |



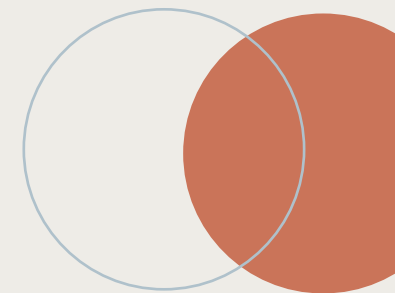
# Cash flow



| NOK thousand   | Note | For the quarter end |                 | Year to date    |                  |
|--|------|---------------------|-----------------|-----------------|------------------|
|  |      | 31 Dec 2022         | 31 Dec 2021     | 31 Dec 2022     | 31 Dec 2021      |
| <b>Operating activities</b>  |      |                     |                 |                 |                  |
| Profit/(Loss) before tax   |      | (27 495)            | (26 873)        | (90 428)        | (53 660)         |
| Taxes paid   |      | 0                   | 0               | (1 566)         | (982)            |
| <b>Adjustments for:</b>  |      |                     |                 |                 |                  |
| - Finance income and expense   | 4    | 1 214               | 2 250           | 73              | 3 890            |
| - (Increase)/decrease in trade receivables                               |      | 11 412              | 734             | 460             | (6 874)          |
| - (Decrease)/increase in trade payables                                  |      | 11 209              | 3 823           | 10 652          | (13 257)         |
| - Depreciation and amortization  | 5, 6 | 11 762              | 16 728          | 50 618          | 39 611           |
| - Impairment losses on intangible assets                                 | 5    | 4 787               | 3 359           | 5 614           | 3 359            |
| Change in other current accounts   |      | (11 434)            | 6 700           | (2 190)         | 1 715            |
| <b>Net cash flows operating activities</b>                               |      | <b>1 455</b>        | <b>6 722</b>    | <b>(26 766)</b> | <b>(26 197)</b>  |
| <b>Investing activities</b>  |      |                     |                 |                 |                  |
| Sale of intangible asset   | 5    | 9 347               | 0               | 9 347           | 0                |
| Cash received through business combination                               | 8    | 0                   | 7 890           | 0               | 29 857           |
| Cash consideration Investment in subsidiaries                            | 8    | 0                   | (16 569)        | 0               | (118 299)        |
| Capitalized tangible and intangible assets                               | 5    | (5 185)             | (12 258)        | (14 839)        | (27 416)         |
| Interest received  |      | 36                  | 113             | 291             | 212              |
| <b>Net cash flows investing activities</b>                               |      | <b>4 197</b>        | <b>(20 824)</b> | <b>(5 201)</b>  | <b>(115 647)</b> |
| <b>Financing activities</b>  |      |                     |                 |                 |                  |
| Proceeds from borrowings   |      | 0                   | 2 723           | 0               | 18 445           |
| Change in overdrafts   |      | 0                   | 5 385           | (2 432)         | (2 067)          |
| Repayment of debt  |      | (1 172)             | (657)           | (5 464)         | (3 006)          |
| Interest paid  |      | (194)               | (1 321)         | (697)           | (2 507)          |
| Received Gov.grants (SkatteFUNN)   |      | 2 487               | 0               | 2 487           | 0                |
| Instalments lease liabilities  |      | (3 780)             | (6 367)         | (15 932)        | (13 293)         |
| Proceeds from shares issued  |      | 0                   | 0               | 51 813          | 0                |
| Share issue cost   |      | (197)               | (57)            | (3 280)         | (600)            |
| <b>Net cash flows financing activities</b>                               |      | <b>(2 855)</b>      | <b>(294)</b>    | <b>26 495</b>   | <b>(3 028)</b>   |
| Net change in cash and cash equivalents                                  |      | 2 797               | (14 396)        | (5 472)         | (144 872)        |
| Cash and cash equivalents at beginning of period                         |      | 38 699              | 56 111          | 43 758          | 188 270          |
| Currency translation   |      | (1 047)             | 2 043           | 2 163           | 361              |
| <b>Cash and cash equivalents at end of period, incl. restricted cash</b> |      | <b>40 449</b>       | <b>43 758</b>   | <b>40 449</b>   | <b>43 758</b>    |
| -whereof restricted cash   |      | 13 492              | 11 810          | 13 492          | 11 810           |



# Equity



| NOK thousand  | Share capital | Other paid in capital | Exchange differences | Other equity | Total Equity |
|---|---------------|-----------------------|----------------------|--------------|--------------|
| 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  |               |                       |                      | (83 393)     | (83 393)     |
| Comprehensive income for the period   |               |                       | 282                  |              | 282          |
| <b>Total comprehensive result for the period</b>  | 0             | 0                     | 282                  | (83 393)     | (83 111)     |
| Capital issue, April  | 28 000        | 22 000                |                      |              | 50 000       |
| Share issue, repair offer, July   | 1 015         | 798                   |                      |              | 1 813        |
| Share issue cost  |               | (3 280)               |                      |              | (3 280)      |
| Share consideration relating to acquisition of Integra  |               | (2 872)               |                      |              | (2 872)      |
| Capital issue in relation to acq. of Integra, Nov   | 573           | 2 299                 |                      |              | 2 872        |
| <b>Closing balance 31 Dec 2022</b>  | 193 361       | 215 645               | 679                  | (127 758)    | 281 927      |

