

Arribatec.

Quarterly report Q4 2023.



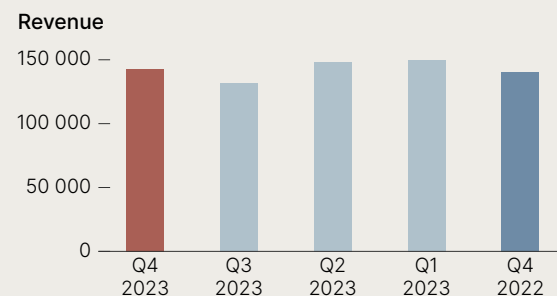
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Highlights .

Arribatec Group delivers a total revenue of NOK 143.0m for the fourth quarter 2023, a growth of 2% compared to the same period last year (140.6m). The equivalent amount for full year 2023 were NOK 573.0m, a growth of 13.5% compared to last year of NOK 505.0m. The Group reports an EBITDA for the fourth quarter of NOK 1.8m which is an increase of NOK 11.5m compared to same period 2022 (-9.7m). For the full year, the EBITDA was NOK 24.5m, which is 58.6m above same period last year.

Recurring Revenue (RR) increased by NOK 5.3m compared to Q4 last year, to NOK 55.2m for Q4 2023. The cash balance at the end of the year was NOK 39.4m.



Key consolidated figures and ratios		Q4	Q3	Q2	Q1	Q4	Full year	Full year
		2023	2023	2023	2022	2022	2023	2022
Revenue	TNOK	142 958	131 812	148 164	150 047	140 550	572 981	504 968
Gross profit	TNOK	111 504	100 029	113 334	115 441	113 825	440 308	389 934
EBITDA	TNOK	1 816	8 965	8 396	5 286	(9 716)	24 463	(34 107)
Adjusted EBITDA	TNOK	1 816	8 965	8 396	5 286	(4 478)	24 463	(25 090)
Operating profit/(loss), EBIT	TNOK	(9 376)	(3 907)	(4 219)	(6 342)	(26 266)	(23 844)	(90 339)
Net profit/(loss)	TNOK	(10 725)	(2 917)	(3 830)	(5 944)	(26 897)	(23 416)	(83 393)
Revenue growth y/y for the quarter/full year	%	1.7%	11.5%	23.2%	19.1%	21.2%	132.7%	22.0%
Gross profit margin	%	78.0%	75.9%	76.5%	76.9%	81.0%	76.8%	77.2%
EBITDA margin	%	1.3%	6.8%	5.7%	3.5%	(6.9%)	4.3%	(6.8%)
Adjusted EBITDA margin	%	1.3%	6.8%	5.7%	3.5%	(3.2%)	4.3%	(5.0%)
Earnings per share	NOK	(0.16)	(0.04)	(0.06)	(0.09)	(0.04)	(0.34)	(0.13)
Cash at end of period	TNOK	39 371	40 161	41 574	61 964	40 449	39 371	40 449
Equity	TNOK	262 100	272 611	277 058	278 471	281 927	262 100	281 927
Equity ratio	%	52.3%	53.6%	52.3%	50.2%	54.7%	52.3%	54.7%
Price per share at end of reporting period ¹	NOK	4 650	5.450	5.300	3.260	0.369	4 650	0.369
FTEs, employed	Number	329	329	334	335	353	329	353
No. of outstanding shares, beg. of period ¹	Number	69 057 322	69 057 322	69 057 322	690 573 217	688 528 217	690 573 217	584 903 064
New shares issued ¹	Number	514 884	0	0	3	2 045 000	514 887	105 670 153
No. of outstanding shares, end of period ¹	Number	69 572 206	69 057 322	69 057 322	69 057 322	690 573 217	69 057 322	690 573 217
Average number of shares, year to date	Number	69 057 322	69 057 322	69 057 322	69 057 322	658 988 513	69 057 322	658 988 513

¹ Reversed share split (10:1) in Q1 2023

Operation & sales .

All Business Areas deliver positive EBITDA in Q4

During 2023 revenue grew by 13.5% compared to the previous year. In Q4, however, we saw a modest growth of 2% compared to the same period a year ago.

While four of our five business areas grew during the quarter, BA Business Services saw revenue decline for the quarter of 6.5%. In the Nordic market we continue to experience a challenging market for sale and installation of large new ERP projects.

The drop in revenue from our ongoing ERP projects, is to a large extent a consequence of Unit4's announcement in October, that they would stop support for the on-premises solutions by the end of 2025. This caused many customers to re-assess their relationship with Unit4, and delay or halt their ongoing Unit4 ERP projects.

We see this situation as transient, and experience many opportunities being created for Cloud migrations and the related digital transformation projects for existing and new U4 clients. Our project pipeline for this type of transformation project is being built and should provide us with additional work for several years to come.

EA&BPM ended 2023 with a total growth of 24% compared to 2022. Q4 showed a growth of 5.5% and was affected by customer projects being postponed into 2024. To accommodate for the increase in demand EA&BPM is now actively recruiting and expects to increase the number of consultants by about 50% during 2024.

BA Hospitality signed contracts with 31 hotels and installed 50 kiosks at hotels in the Nordics, UK and Ireland during 2023. This brings the total up to 52 hotels and 72 kiosk installations. Additionally, Hospitality during 2023 signed a NOK 22m agreement with Flytoget for the software development and installation of 29 ticket vending machines in 2024.

BA Marine, recorded a 50% growth in revenue, compared to the same quarter last year, and BA Cloud built up and launched its new Advanced Public Cloud (APC) service offering, and is now in a position to grow the consulting revenue in 2024.

Lastly, we note that all business areas for the first time show positive EBITDA for the quarter.



Business development

497 new sales contracts were signed in Q4-23 at a combined value of NOK 215m, including scope extensions and new agreements. The five largest contracts account for 39% of the new contracted volume.

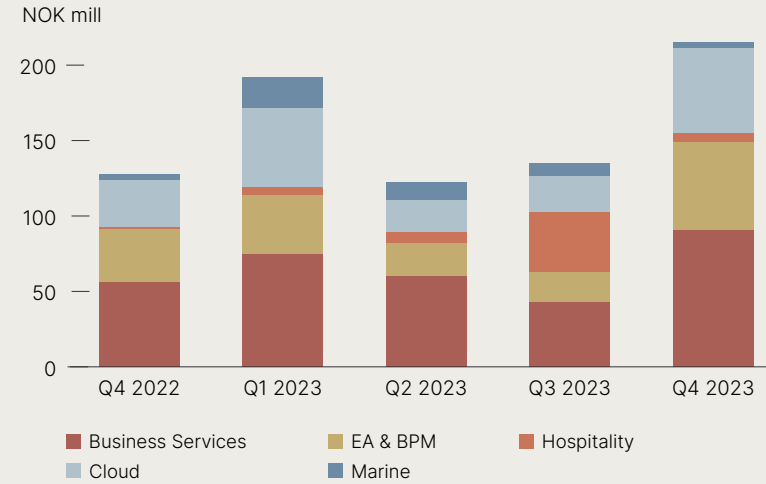
The total number of signed contracts year to date was 1 639. Regionally, the Nordic is still the largest with 76% of the new contract volume in Q4. Value-wise, the distribution is as follows for our three largest business areas: Business services 41%, Cloud 26%, and EA&BPM 27%.

The the top five industries for new contracts are Civil engineering, Energy, Public sector, Maritime, and Higher education.

Signed contracts in NOK

- Q4 2022 NOK 127m
- Q1 2023 NOK 191m
- Q2 2023 NOK 121m
- Q3 2023 NOK 135m
- Q4 2023 NOK 215m

Business Development - signed Q4 compared to previous quarters



Financial review .

Profit & loss

Arribatec Group's FY YoY revenue growth was 13.5% and was reported at NOK 573.0m. The equivalent number for Q4 2023 isolated was 2% growth and revenue of 143.0m. Recurring revenue (RR) accounted for NOK 214.2m in 2023, or 37% of total revenue, whereas Region Norway delivered 81% of the total. Compared to FY 2022, RR increased by NOK 29.7m (16%). In 2023, consulting services accounted for NOK 333.1m of the total revenue, where Region Norway had NOK 169.4m, Europe NOK 132.6m and Americas NOK 31.2m. The corresponding consulting revenue for Q4 was a decrease compared to last year of NOK 3.5m in total.

Cost for material, software and services (Cogs) amounted to NOK 132.7m compared to last year of NOK 115.0m. Gross profit increased by NOK 50.4m to NOK 440.3m in 2023 compared to last year. For the fourth quarter, gross margin decreased by NOK 2.3m compared to Q4 2022 and ended at NOK 111.5m.

Total operating expenses for 2023 amounted to NOK 415.8m compared to NOK 424.0m last year, a decrease of NOK 8.2m. For Q4 isolated, operating expense amounted to NOK 109.7m, a decrease of NOK 13.9m compared to same period last

year. The main expense in Operating expense is salary and personnel cost, equal to appr. 83% of total operating expense.

EBITDA for full year 2023 was NOK 24.5m which is an improvement of NOK 58.6m compared to last year. The improvement stems from a revenue increase for 2023 of NOK 68m, while total operating expenses decreased marginally by NOK 8.2m, thus the organization delivered a 13.5% revenue growth without increasing total cost of operation. EBITDA margin for the year ended at 4.3%. The Q4 EBITDA was NOK 1.8m (1.3% margin), an increase of NOK 11.5m compared to the same period last year.

Depreciation, amortization and impairment (D&A) amounted to NOK 11.2m in Q4, compared to NOK 16.5m same quarter last year. The main change to last year relates to the impairment of the discontinued product in Marine in Q4-22. Full year 2023, D&A amounted to NOK 48.3m compared to NOK 56.2m in 2022. The four components of the D&A are amortizations of intangible assets from acquired companies (15.5m), internally developed software and technical software (11.4m), depreciation of fixed assets (2.9m) and depreciation of right-of-use assets, such as office lease contracts, calculated according to IFRS 16 (18.5m).

Revenue

+2%

NOK 143.0m vs. 140.6m



Finance, tax & net result

Net financial items for the quarter were NOK -2.8m, including an additional cost of earn-out concerning the contingent liability from the acquisition of Integra in 2021 of NOK 1.7m. Calculated tax income for the quarter was NOK 1.4m. Net loss were NOK -10.8m. The equivalent amounts for the full year were NOK -6.2m and calculated tax income for the same period was NOK 6.6m leaving a net loss after tax of NOK -23.5m for 2023.

The balance sheet

Total assets of the Group at the end of year 2023 were NOK 501.1m compared to 515.4m at the end of year 2022. Non-current intangible assets at the end of the period accounted for NOK 274.4m. Intangible assets consist of goodwill of NOK 206.5m, which stems from the acquisitions done by Arribatec since Q4 2020. Additionally, as at the end of period, NOK 24.1m 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 43.8m of the intangible assets, and deferred tax assets NOK 18.6m. Total intangible assets at the end of 2022 were NOK 281.2m.

Current assets of NOK 169.3m consist of account receivables of 90.9m and cash balance at the end of the year of NOK 39.4m. Other receivables, contract assets, inventory and other current assets add up to NOK 39.1m. Total current assets at the end of 2022 were NOK 168.3m.

Non-current liabilities at the end of year were NOK 50.0m, of which 12.9m were drawdowns on smaller revolving credit facilities in Italy. Lease liabilities related to office and equipment with a remaining lease period above twelve months calculated under IFRS 16 accounted for NOK 16.8m, while deferred tax totalled to 7.7m. Total non-current liabilities at the end of last year was NOK 71.4m.

Current liabilities amounted to NOK 189.1m at end of year. Other current liabilities accounted for 83.9m, which mainly includes accruals for employee tax and VAT. The total amount of other current liabilities at the end of last year was NOK 162.1m.

At the end of the year, total equity was NOK 262.1m, giving an equity ratio of 52.3%.

Cash flow and liquidity

Arribatec's cash flow from operating activities in 2023 improved by NOK 60.4m compared to a negative amount of 26.8m in 2022, to positive NOK 33.7m. The net change in accounts receivables and payables had a positive impact of NOK 5.3m. Furthermore, a change in other current accounts increased cash from operation by another NOK 5.3m.

Net cash flow from investing activities was NOK -22.3m in 2023 and NOK -14.3m for Q4. Of the capitalized assets, main part is capitalized software development costs and purchased software.

Net cash flow from financing was negative by NOK 11.5m (NOK +1.7m in Q4). Arribatec had NOK 39.4m in cash and cash equivalents at the end of the year.

Other activities

In December, Arribatec issued 514 844 new shares concerning the purchase agreement of Integra Associated Ltd in 2021. The share purchase agreement included an earn-out provision that stipulated that the sellers were entitled to additional shares in the Company if certain terms were met. The terms of the earn-out provision were met on 30 April 2023.

Subsequent events after reporting date

The final cash settlement concerning the purchase agreement of Integra Associated Ltd in 2021 was paid in January 2024 with GBP 575 thousand.

Outlook

Our partnership-strategy will continue, and additional partnerships will be pursued and established going forward. We see a robust demand for cloud services that will drive growth within our cloud- and managed IT-services. Additionally, cloud migration and related digital transformation projects are expected to increase among existing and new U4 customers. Within the hospitality segment we see a significant increase in demand from international hotel brands for our hospitality solutions, thus international is to growth is expected to pick up. Within the marine industry we notice increased interest for industry specific software and we believe that this trend will continue throughout 2024. Lastly, we plan to take our business process management solutions out of Norway in 2024, as we have buildt up a significant industry expertise within the oil&gas sector, and should be able to build on this internationally. The Group continues to focus on EBITDA margin improvement during 2024, in all business areas.

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period 1 January to 31 December 2023, which have been prepared in accordance with IAS 34 as adopted by EU, gives a true and fair view of the Company and the Group's consolidated assets, liabilities, financial position, and results of operations, and the management report includes a fair review of important events during the period and their effects on the condensed set of financial statements for the full year 2022, together with a description of the principal risks and uncertainties for the remaining months of the financial year as well as material transactions with related parties for the period.

Oslo, 14 February 2024

Martin Nes
Chairman of the board

Linn Katrine Høie
Board member

Terje Mjøs
Board member

Øystein Stray Spetalen
Board member

Kristin Hellebust
Board member

Geir Johansen
CEO



Condensed consolidated financial statements & notes .

Condensed consolidated statements of profit and loss .

NOK thousand	Note	For the quarter end		Year to date	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Revenue	<u>3</u>	142 958	140 550	572 981	504 968
Materials, software and services		(31 454)	(26 724)	(132 673)	(115 035)
Gross profit		111 504	113 825	440 308	389 934
Salary and personnel costs		(93 088)	(95 463)	(346 608)	(338 800)
Other operating expenses		(16 600)	(28 078)	(69 236)	(85 241)
Total operating expenses		(109 688)	(123 542)	(415 845)	(424 041)
EBITDA		1 816	(9 716)	24 463	(34 107)
Depreciation, amortization and impairment	<u>4, 5</u>	(11 192)	(16 549)	(48 307)	(56 232)
EBIT		(9 376)	(26 266)	(23 844)	(90 339)
Financial income	<u>6</u>	466	877	3 208	5 191
Financial expense	<u>6</u>	(3 218)	(2 107)	(9 414)	(5 280)
Profit/(loss) before tax		(12 127)	(27 495)	(30 050)	(90 428)
Tax expense		1 402	598	6 634	7 035
Profit/(loss) after tax		(10 725)	(26 897)	(23 416)	(83 393)
Attributable to:					
Equity holders of the parent company		(10 725)	(26 897)	(23 416)	(83 393)
Earnings per share: basic	<u>7</u>	(0.16)	(0.04)	(0.34)	(0.13)
Earnings per share: diluted	<u>7</u>	(0.16)	(0.04)	(0.34)	(0.13)

Consolidated statement of comprehensive profit and loss .

NOK thousand	For the quarter end		Year to date	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Profit/(loss) after tax	(10 725)	(26 897)	(23 416)	(83 393)
Items that may be classified subsequently to profit or loss				
Foreign currency translation differences - foreign operations	(295)	(342)	3 087	282
Other comprehensive income/(loss) for the period	(295)	(342)	3 087	282
Total comprehensive income/(loss) for the period	(11 020)	(27 239)	(20 329)	(83 111)
Attributable to:				
Equity holders of the parent company	(11 020)	(27 239)	(20 329)	(83 111)

Interim consolidated statement of financial position .

NOK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, Plant and equipment		6 436	6 517
Right-of-use assets	5	28 442	41 719
Goodwill	4	206 457	204 581
Customer relations	4	24 125	34 637
Other Intangible assets	4	43 771	41 934
Other non-current assets		3 989	5 323
Deferred tax assets		18 576	12 322
Total non-current assets		331 794	347 034
Current assets			
Accounts receivable		90 898	88 214
Other receivables		1 398	1 128
Contract assets		26 221	16 276
Inventory		1 548	3 777
Other current assets		9 893	18 484
Cash and cash equivalents		39 371	40 449
Total current assets		169 329	168 328
TOTAL ASSETS		501 123	515 362

NOK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	8	194 802	193 361
Other paid in capital		214 085	215 645
Exchange differences		3 767	679
Other equity		(150 555)	(127 758)
Total equity		262 100	281 927
Non-current liabilities			
Interest bearing loans	9	12 928	18 883
Non-current lease liabilities	4	16 836	26 727
Other non-current financial liabilities		1 804	967
Deferred tax liabilities		7 707	10 590
Provisions		10 685	14 202
Total non-current liabilities		49 959	71 369
Current liabilities			
Interest bearing loans - current portion	9	26 460	12 328
Current lease liabilities	4	12 909	16 765
Accounts payable		39 816	31 879
Contract liabilities		24 319	16 476
Current tax payable		1 691	650
Other current liabilities		83 869	83 969
Total current liabilities		189 065	162 066
Total liabilities		239 024	233 435
TOTAL EQUITY AND LIABILITIES		501 123	515 362

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 2022	163 773	196 700	398	(44 365)	316 506
Result of the period				(83 393)	(83 393)
Other comprehensive income for the period			282		282
Total comprehensive result for the period	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
Closing balance 31 Dec 2022	193 361	215 645	679	(127 758)	281 927
Balance on 1 January	193 361	215 645	679	(127 758)	281 927
Result of the period				(23 416)	(23 416)
Other comprehensive income for the period			3 087		3 087
Total comprehensive result for the period	0	0	3 087	(23 416)	(20 329)
Capital issue, Feb	0				0
Share issue cost		(118)			(118)
Share consideration relating to acquisition of Integra		(8 409)			(8 409)
Capital issue in relation to acq. of Integra, Dec	1 442	6 968			8 409
Share option cost				620	620
Closing balance 31 Dec 2023	194 802	214 085	3 767	(150 555)	262 100

Interim consolidated cash flow statement .

NOK thousand	Note	For the quarter end		Year to date	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Operating activities					
Profit/(Loss) before tax		(12 127)	(27 495)	(30 050)	(90 428)
Taxes paid		(1 082)	0	(2 192)	(1 566)
Adjustments for:					
- Finance income and expense	<u>4</u>	2 751	1 214	6 203	73
- (Increase)/decrease in trade receivables		8 365	11 412	(2 684)	460
- (Decrease)/increase in trade payables		10 913	11 209	7 937	10 652
- Depreciation and amortization	<u>5, 6</u>	11 372	11 762	48 488	50 618
- Impairment losses on intangible assets	<u>5</u>	0	4 787	0	5 614
Calculated cost of employee share option program		620	0	620	0
Change in other current accounts		(8 750)	(11 434)	5 340	(2 190)
Net cash flows operating activities		12 062	1 455	33 663	(26 766)
Investing activities					
Sale of intangible assets	<u>5</u>	0	9 347	0	9 347
Cash consideration earn-out payment	<u>8</u>	(3 704)	0	(3 704)	0
Purchase of property, plant and equipment		(1 057)	(271)	(2 693)	(1 964)
Purchase and development of intangible assets	<u>5</u>	(9 649)	(5 920)	(16 502)	(13 881)
Interest received		152	36	563	291
Net cash flows investing activities		(14 257)	3 191	(22 336)	(6 207)

NOK thousand	Note	For the quarter end		Year to date	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Financing activities					
Change in overdrafts		5 038	(0)	12 677	(2 432)
Repayment of debt		(1 769)	(1 172)	(6 173)	(5 464)
Interest paid		(300)	(194)	(1 161)	(697)
Received Gov.grants (SkatteFUNN)		3 301	3 493	3 301	3 493
Instalments lease liabilities		(4 504)	(3 780)	(20 038)	(15 932)
Proceeds from shares issued		0	0	0	51 813
Share issue cost		(111)	(197)	(118)	(3 280)
Net cash flows financing activities		1 655	(1 849)	(11 511)	27 501
Net change in cash and cash equivalents		(540)	2 797	(184)	(5 472)
Cash and cash equivalents at beginning of period		40 161	38 699	40 449	43 758
Currency translation		(250)	(1 047)	(893)	2 163
Cash and cash equivalents at end of period, incl. restricted cash		39 371	40 449	39 371	40 449
-whereof restricted cash		12 111	13 492	12 111	13 492

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”). These interim financial statements are unaudited for 2023 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 31 December 2022. Changes to IFRSs which have been effective from 1 January 2023 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 judgments and estimates that effects the application and accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. Critical Accounting estimates and judgments in terms of accounting policies are more comprehensively discussed in the Company’s Annual report for the Financial Year 2022, available on Arribatec’s website: www.Arribatec.com.

Note 03 Revenue per geography and segment

Segment

The management of the Group follows up the revenue by Business Area and geography.

Business services are focusing on ERP, BI & Analytics, DevOps, integrations, and software solutions for research institutes. Arribatec Business services provide simplicity by implementing, customizing, maintaining, and supporting the entire business landscape, with ERP as the core engine. We integrate it with other marked 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 sectors.

Cloud provides cloud services such as hosting IT infrastructure within f ex hybrid, Azure, Splunk, and 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 data centers to accommodate special use cases for our customers.

Hospitality delivers solutions for self-check-in/check-out and payments for the hospitality industry.

Marine focus on the Maritime sector. BA Marine’s competencies are the development, implementation, and consulting of the owned asset management system solutions: Infoship.

For the quarter end 31 Dec 2023

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	69 820	28 982	31 223	6 071	12 780	128	(6 046)	142 958
Materials, software and services	(12 619)	(4 916)	(16 013)	(2 040)	(1 335)	(582)	6 052	(31 454)
Gross margin	57 201	24 066	15 210	4 031	11 445	(454)	6	111 504
Salary and personnel costs	(50 891)	(16 579)	(12 042)	364	(5 971)	(7 969)	0	(93 088)
Other operating expenses	(3 210)	(1 990)	(2 916)	(1 703)	(2 289)	(4 486)	(6)	(16 600)
Total operating expenses	(54 101)	(18 569)	(14 958)	(1 339)	(8 261)	(12 455)	(6)	(109 688)
EBITDA	3 100	5 497	252	2 692	3 184	(12 909)	0	1 816
Depreciation, amortization and impairment	(6 205)	(1 615)	(1 875)	(911)	(1 638)	1 052	0	(11 192)
EBIT	(3 105)	3 882	(1 623)	1 781	1 546	(11 857)	0	(9 376)
Net financial items	(1 725)	285	1	(122)	(598)	(591)	0	(2 752)
Profit/(loss) before tax	(4 830)	4 167	(1 623)	1 659	948	(12 448)	0	(12 127)
Gross margin %	81.9%	83.0%	48.7%	66.4%	89.6%	na	na	78.0%
EBITDA %	4.4%	19.0%	0.8%	44.3%	24.9%	na	na	1.3%

For the quarter end 31 Dec 2022

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	74 638	27 475	30 097	1 108	8 256	597	(1 621)	140 550
Materials, software and services	(17 301)	(3 092)	(12 696)	3 135	3 654	(2 397)	1 972	(26 724)
Gross margin	57 337	24 383	17 401	4 243	11 910	(1 800)	351	113 825
Salary and personnel costs	(52 163)	(14 533)	(12 286)	(3 145)	(8 135)	(5 201)	0	(95 463)
Other operating expenses	(4 867)	(1 218)	(6 058)	(1 183)	(7 983)	(6 419)	(351)	(28 078)
Total operating expenses	(57 030)	(15 751)	(18 344)	(4 328)	(16 118)	(11 620)	(351)	(123 542)
EBITDA	307	8 632	(943)	(85)	(4 208)	(13 420)	0	(9 716)
Depreciation, amortization and impairment	(4 846)	(1 902)	(1 795)	(1 580)	(4 515)	(1 911)	0	(16 549)
EBIT	(4 539)	6 730	(2 738)	(1 665)	(8 722)	(15 331)	0	(26 266)
Net financial items	(467)	(96)	31	(8)	(378)	(311)	0	(1 229)
Profit/(loss) before tax	(5 006)	6 634	(2 707)	(1 673)	(9 100)	(15 642)	0	(27 495)
Gross margin %	76.8%	88.7%	57.8%	383.1%	144.3%	na	na	81.0%
EBITDA %	0.4%	31.4%	(3.1%)	(7.7%)	(51.0%)	na	na	(6.9%)

Year to date 31 Dec 2023

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	294 258	111 010	127 016	10 903	47 645	662	(18 514)	572 981
Materials, software and services	(56 402)	(24 170)	(61 136)	(4 318)	(3 075)	(1 989)	18 418	(132 673)
Gross margin	237 856	86 840	65 880	6 585	44 570	(1 327)	(96)	440 308
Salary and personnel costs	(190 084)	(59 394)	(43 950)	(4 400)	(23 939)	(24 841)	0	(346 608)
Other operating expenses	(18 170)	(5 832)	(12 732)	(5 518)	(6 942)	(20 139)	96	(69 236)
Total operating expenses	(208 254)	(65 227)	(56 682)	(9 918)	(30 882)	(44 980)	96	(415 845)
EBITDA	29 602	21 614	9 198	(3 333)	13 689	(46 307)	0	24 463
Depreciation, amortization and impairment	(19 563)	(6 557)	(7 802)	(3 533)	(7 211)	(3 642)	0	(48 307)
EBIT	10 039	15 057	1 396	(6 866)	6 478	(49 949)	0	(23 844)
Net financial items	(1 956)	(121)	(367)	(602)	(1 742)	(1 417)	0	(6 206)
Profit/(loss) before tax	8 083	14 935	1 029	(7 468)	4 736	(51 366)	0	(30 050)
Gross margin %	80.8%	78.2%	51.9%	60.4%	93.5%	na	na	76.8%
EBITDA %	10.1%	19.5%	7.2%	(30.6%)	28.7%	na	na	4.3%

Year to date 31 Dec 2022

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	291 362	89 789	113 726	3 642	47 066	1 166	(41 781)	504 968
Materials, software and services	(64 177)	(19 812)	(48 862)	1 948	(6 365)	(17 561)	39 794	(115 035)
Gross margin	227 185	69 977	64 864	5 590	40 701	(16 395)	(1 988)	389 934
Salary and personnel costs	(177 970)	(52 108)	(41 291)	(10 192)	(39 066)	(18 172)	0	(338 800)
Other operating expenses	(21 768)	(5 437)	(22 031)	(3 678)	(11 702)	(22 613)	1 988	(85 241)
Total operating expenses	(199 739)	(57 545)	(63 322)	(13 870)	(50 768)	(40 785)	1 988	(424 041)
EBITDA	27 446	12 432	1 542	(8 280)	(10 067)	(57 180)	0	(34 107)
Depreciation, amortization and impairment	(15 110)	(5 707)	(7 116)	(2 762)	(14 696)	(10 842)	0	(56 232)
EBIT	12 336	6 725	(5 573)	(11 042)	(24 764)	(68 022)	0	(90 340)
Net financial items	(331)	(9)	(357)	(223)	74	757	0	(89)
Profit/(loss) before tax	12 005	6 717	(5 931)	(11 265)	(24 690)	(67 265)	0	(90 428)
Gross margin %	78.0%	77.9%	57.0%	153.5%	86.5%	na	na	77.2%
EBITDA %	9.4%	13.8%	1.4%	(227.4%)	(21.4%)	na	na	(6.8%)

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.

For the quarter end 31 Dec 2023

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	46 599	44 618	4 735	95 952
Europe	29 718	8 634	2 901	41 253
Americas	3 671	1 919	164	5 753
Total revenue	79 988	55 170	7 800	142 959

For the quarter end 31 Dec 2022

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	39 831	38 687	5 695	84 213
Europe	34 546	8 494	1 478	44 518
Americas	9 096	2 648	75	11 819
Total revenue	83 473	49 829	7 248	140 550

Year to date 2023

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	169 368	174 273	16 463	360 104
Europe	132 597	33 190	7 445	173 232
Americas	31 167	6 714	1 764	39 645
Total revenue	333 131	214 177	25 672	572 981

Year to date 2022

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	140 157	149 666	15 472	305 295
Europe	129 395	27 911	5 819	163 126
Americas	28 902	6 917	728	36 548
Total revenue	298 454	184 495	22 019	504 968

Note 04 Leased assets

Right-of-use assets Year to date 31 Dec 2023

NOK thousand	Buildings	Vehicles	Hardware	Other	Total
Right-of-use assets per 1 Jan 2022	18 149	430	3 139	8 548	30 266
Addition of right-of-use assets	18 336	0	37	9 836	28 209
Depreciation in the period	(10 791)	(345)	(1 561)	(4 518)	(17 215)
Reclassification between categories	6 631	1	191	(6 822)	0
Translation difference	447	3	9	0	459
Right-of-use assets per 1 Jan 2023	32 773	89	1 814	7 043	41 719
Addition of right-of-use assets	4 740	724	1 135	270	6 869
Correction of initial index regulation, addition part	(1 372)	(1)	0	0	(1 373)
Depreciation in the period	(13 320)	(235)	(1 650)	(3 458)	(18 663)
Correction of initial index regulation, reversal of depr. prev.years	180	0	0	0	181
Reclassification between categories	(41)	41	0	0	0
Disposals	(952)	0	0	0	(952)
Translation difference	657	2	1	0	660
Carrying amount of right-of-use assets, end of period	22 665	620	1 299	3 856	28 442
Remaining lease term	1-6 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Lease liabilities

NOK thousand	31 Dec 2023
Undiscounted lease liabilities and maturity of cash outflow	
< 1 year	13 609
1-2 years	9 421
2-3 years	5 344
3-4 years	2 064
4-5 years	546
Total undiscounted lease liabilities, end of period	30 984
Discount element	(1 239)
Total discounted lease liabilities, end of period	29 745

NOK thousand	31 Dec 2023	31 Dec 2022
Total lease liabilities, end of period	29 745	43 492

Note 05 Intangible assets

Year to date 31 Dec 2023

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2023	204 581	56 799	51 883	13 654	7 752	334 669
Additions	0	0	0	0	3 634	3 634
Additions - internally developed	0	0	12 868	0	0	12 868
Less government grants	0	0	(604)	0	0	(604)
Reclassifications between categories	0	0	(2 249)	2 249	7	7
Disposals	0	0	(5 559)	(0)	(161)	(5 720)
Translation difference	1 875	1 541	1 099	937	71	5 523
Cost, end of period	206 457	58 340	57 439	16 839	11 304	350 378
Accumulated amortizations at 1 Jan 2023	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Amortization	0	(11 721)	(9 969)	(3 086)	(2 165)	(26 941)
Reclassifications between categories	0	0	1 253	(1 253)	(7)	(7)
Disposals	0	0	5 559	(0)	84	5 644
Translation difference	0	(332)	(399)	(423)	(50)	(1 204)
Accumulated amortization and impairment, end of period	0	(34 215)	(24 845)	(11 446)	(5 518)	(76 024)
Carrying amount at 31 Dec 2023	206 457	24 125	32 593	5 393	5 786	274 353
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

Full year 2022

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2022	205 279	57 526	29 975	54 353	4 979	352 112
Additions	0	0	887	0	1 240	2 127
Additions - internally developed	0	0	11 755	0	0	11 755
Less government grants	0	0	(1 006)	0	0	(1 006)
Reclassifications ¹	0	(691)	44 003	(32 619)	1 551	12 244
Sale of asset	(910)	0	0	(9 202)	0	(10 113)
Disposals	0	0	(35 302)	0	0	(35 302)
Translation difference	213	(36)	1 570	1 122	(17)	2 852
Cost, end of period	204 581	56 799	51 883	13 654	7 752	334 669
Accumulated amortizations at 1 Jan 2022	0	(11 495)	(10 093)	(13 523)	(643)	(35 755)
Amortization	0	(11 360)	(13 962)	(3 887)	(1 689)	(30 898)
Impairment	0	0	(5 606)	0	0	(5 606)
Reclassifications ¹	0	691	(19 283)	7 614	(1 054)	(12 032)
Sale of asset	0	0	0	3 527	0	3 527
Disposals	0	0	28 408	0	0	28 408
Translation difference	0	2	(754)	(416)	6	(1 163)
Accumulated amortization and impairment, end of period	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Carrying amount at 31 Dec 2022	204 581	34 637	30 593	6 969	4 372	281 152
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

¹ Reclassifications made between categories

Note 06 Financial items

NOK thousand	For the quarter end		Year to date	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Finance income				
Interest income	152	36	563	291
Realized foreign exchange gains	214	1 154	2 149	2 153
Net unrealized foreign exchange gains	179	(346)	381	1 522
Other financial income	(79)	34	115	1 225
Total financial income	466	877	3 208	5 191
Finance expenses				
Interest on debts and borrowings	(300)	(194)	(1 161)	(697)
Interest expense on lease liabilities	(193)	(289)	(1 171)	(1 236)
Realized foreign exchange losses	(441)	(1 373)	(4 131)	(1 998)
Other financial expenses	(2 283)	(251)	(2 952)	(1 349)
Total financial expenses	(3 218)	(2 107)	(9 414)	(5 280)
Net financial items	(2 752)	(1 229)	(6 206)	(89)

Note 07 Earnings per share

NOK thousand	For the quarter end		Year to date	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net profit/(loss) to equity holders	(10 725)	(26 897)	(23 416)	(83 393)
Total	(10 725)	(26 897)	(23 416)	(83 393)
Number of shares (in thousands)				
Weighted average number of ordinary shares ¹	69 057	687 481	69 057	648 757
Effects of dilution, weighted average	337	5 871	371	5 871
Weighted average number of shares, adjusted for effects of dilution	69 394	693 352	69 428	654 628
Basic earnings per share (NOK)	(0.16)	(0.04)	(0.34)	(0.13)
Diluted earnings per share (NOK) ²	(0.16)	(0.04)	(0.34)	(0.13)

¹ Reverse share split 10:1 in Q1 2023

² If Net loss, EPS per Basic and Diluted share will be equal

Note 08 Issued shares, share capital and shareholder information

Issued shares and share capital

	Number of shares	Share Capital (NOK)
1 January 2020	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
1 January 2021	418 583 331	117 203 333
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
31 December 2021	584 903 064	163 772 858
Capital issue, April	100 000 000	28 000 000
Share issue, repair offer, July	3 625 153	1 015 043
Capital issue in relation to acq. of Integra, Nov	2 045 000	572 600
31 December 2022	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
Capital issue, December	514 884	1 441 675
31 December 2023	69 572 206	194 802 177

20 largest shareholders at 31 Dec 2023

	Holding	Stake
FERNCLIFF LISTED DAI AS	16 655 404	23.9%
TITAN VENTURE AS	2 988 661	4.3%
DALLAS ASSET MANAGEMENT AS	2 467 200	3.5%
JOAR AARENES	2 411 185	3.5%
ARRIBA INVEST AS	2 290 500	3.3%
SRK CONSULTING AS	1 780 947	2.6%
ERIK SKAAR OPDAL	1 695 200	2.4%
Nordnet Bank AB	1 653 270	2.4%
TRUDE HALVORSEN	1 079 789	1.6%
HANEKAMB INVEST AS	1 055 347	1.5%
EXCESSION AS	900 000	1.3%
DATUM AS	854 291	1.2%
MIDDELBOE AS	739 662	1.1%
KRISTIAN FALNES AS	654 592	0.9%
Danske Bank A/S	602 331	0.9%
LARS HUGO BRAADLAND OLSEN	574 850	0.8%
LCS AS	551 801	0.8%
JAN ARNE CHRISTENSEN	524 675	0.8%
NORDLYS TRADING AS	450 000	0.6%
VALSET INVEST AS	450 000	0.6%
Total 20 largest shareholders	40 379 705	58.0%
Other shareholders	29 192 501	42.0%
Total	69 572 206	100.0%

Shares held by related parties

	Holding	Stake	
FERNCLIFF LISTED DAI AS	16 655 404	23.9%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
HANEKAMB INVEST AS	1 055 347	1.5%	Related to Martin Nes, Chairman of the Board in Arribatec Group ASA
FINANCE RESOURCES GJ AS	360 609	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA
TERJE MJØS HOLDING AS	150 000	0.2%	Related to Terje Mjøs, Member of the Board in Arribatec Group ASA
KJØLVIK INVEST AS	58 334	0.1%	Related to Ole-Jakob Kjølvik, COO of Arribatec Group ASA
SICUBI AS	24 072	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA
HELLEBUST, KRISTIN	22 728	0.0%	Related to Kristin Hellebust, Member of the Board in Arribatec Group ASA

Note 09 Interest bearing debt

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	31 Dec 2023	31 Dec 2022
Danske Bank	Revolving credit facility	NOK	20 000	NIBOR+2.75%	2023	19 458	6 750
DLL	Leasing & finance company	NOK		4.5%	2024	19	244
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	7 896	8 411
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	3 671	5 759
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	5 681	6 863
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	2 663	3 154
Italian banks, ref above	Revolving credit facility	EUR		1.0-4.75%	2023	0	29
Total						39 388	31 211

	Credit facilities	Other borrowings	Total
Balance at 1 Jan 2023	6 779	24 431	31 211
Proceeds from loans and borrowings	19 686	0	19 686
Repayment of loans and borrowings	(7 009)	(6 173)	(13 183)
Total changes in financial cashflow	12 677	(6 173)	6 504
Translation difference	2	1 672	1 674
Total interest bearing debt, end of period	19 458	19 930	39 388

Note 10 Transactions with related parties

During 2022 and 2023, rent for office in UK is paid to MDB & Sons Ltd, a company related to the CEO of Arribatec UK Ltd (former Integra Associated Ltd).

APMs, terms and abbreviations .

NOK thousand	For the quarter end		Year to date	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
EBITDA	1 816	(9 716)	24 463	(34 107)
Restructuring cost	0	0	0	3 779
Bad debt in relation to discount. product	0	1 048	0	1 048
Sale of intangible asset (IP)	0	4 190	0	4 190
Adjusted EBITDA	1 816	(4 478)	24 463	(25 090)

APM cost is considered as one-time and not part of the ongoing business and are therefore adjusted to show an EBITDA mirroring the underlying business.

Restructuring cost is related to the restructuring of BA Marine, bad debt in relation to discontinued product in BA Business Services and Sale of intangible asset is related to loss on sale of IP in BA Marine.

KPI/APM definition

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

Terms and abbreviations

APAC	Asia/Pacific
BA	Business Area
BizS	BA Business Services
BoD	Board of Directors
BPM	Business Process Management
CAGR	CAGR Compound Annual Growth Rate, used to measure an investment's annual growth rate over time, with the effect of compounding taken into account.
CGU	Cash Generating Unit
Cloud	BA Cloud
DKK	Danish Krone
EA&BPM	BA Enterprise Architecture & Business Process Management
EBIT	Operating profit, Earning before Interest and Tax

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Estimated Credit Losses
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Equivalent
Hspt	BA Hospitality
IFRS	International Financial Reporting Standards
Marine	BA Marine
M&A	Mergers and Acquisitions
NOK	Norwegian Krone
Opex	Operating expenses
RR	Recurring revenue, derived from sale of services and solutions through subscription models this reporting period
SEK	Swedish Krone
Saas	Software as a service
Solaas	Solution as a service
USD	US dollar
VIU	Value in Use
WACC	Weighted Average Cost of Capital
WAEP	Weighted Average Exercise Price

A.

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