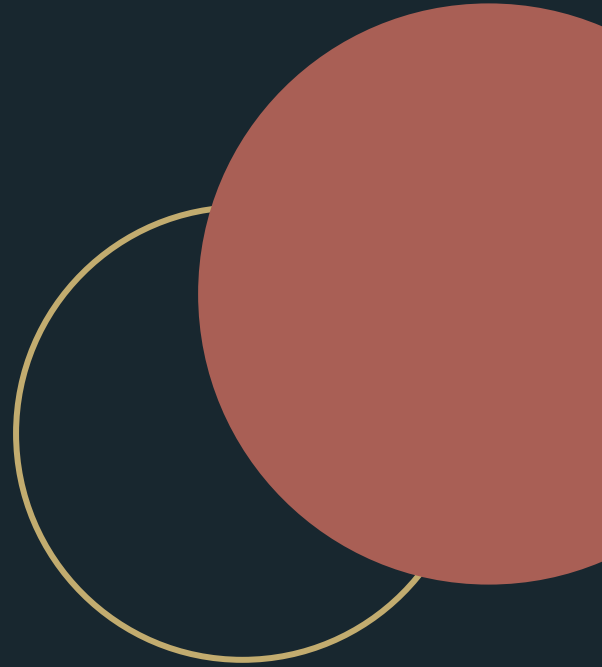


Arribatec.

# Quarterly presentation Q3 2024

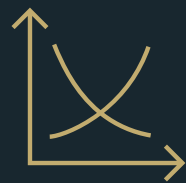
Geir Johansen, CEO



# Highlights Q3.



- Quarterly revenue of NOK 130m (132m) and - 1.7% change compared to Q3 last year
- EBITDA for the quarter was NOK -4.0m (10.0m) a reduction of NOK 14m compared to a year ago
- Cash EBITDA for the quarter was NOK -10.0m
- Available cash at end of Q3 was NOK 18m, well below previous quarters of 30-40m



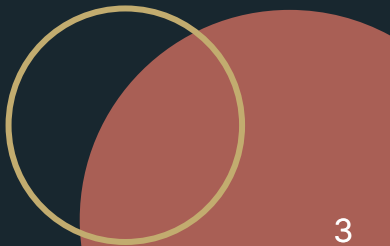
- Arribatec Business Services signed a frame agreement with Forsvarsmateriell (FMA) for NOK 19m, whereof NOK 7.5m is already called on.
- New U4 project signed with TRV for full ERP implementation. Total value approx. NOK 9m

# Financial restructuring

On 27 September 2024 Arribatec announced a financial restructuring.

Arribatec has today announced the full financial restructuring plan which includes

- extension of the NOK 20m credit facility to 31/12 2025,
  - availability of an additional NOK 15 million credit facility to 31 January 2025.
  - proposed a fully underwritten rights issue, with preferential subscription rights for existing shareholders, to raise gross proceeds of up NOK 35 million.
- 
- Group wide profitability improvement initiative launched – move profitability up to peer level
    - Cost reduction
    - Sale of none core assets
    - Resource utilization improvements
    - Take advantage of increasing demand for services
    - Profitability vs. growth



# Revenue and EBITDA Q3-24

## Revenue

NOK 130m (132m)  
-1.7% qrt/qrt

## Recurring

NOK 63m (54m)  
+17% qrt/qrt  
49% of total revenue  
(up from 41% in q3-23)

## EBITDA

EBITDA NOK -4m (9m)  
Margin -3.1%

## NORWAY

Revenue NOK 87 (82m)  
+6% qrt/qrt  
67% of total

## Cont. EUROPE

Revenue NOK 21m (24m)  
-13% qrt/qrt  
16% of total

## UK & US

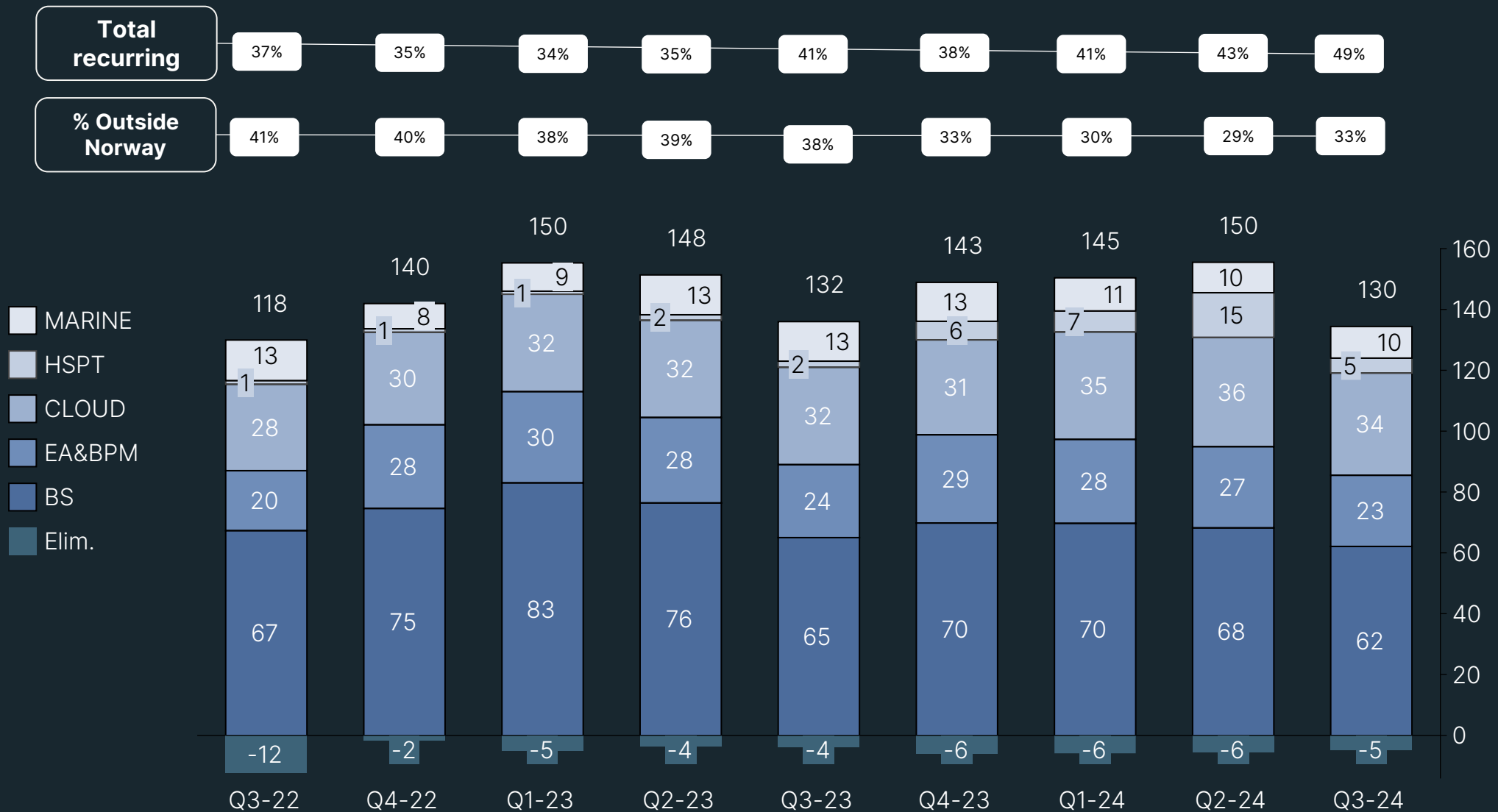
Revenue NOK 21m (26m)  
-23% qrt/qrt  
17% of total

# Q3-24 performance per business area vs. Q3-23

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine Corporate	Elim.	Total
Revenue	62,114	23,386	33,479	4,933	10,424	(4,925)	<b>129,530</b>
Growth vs Q3-23	(4.6%)	(3.5%)	5.8%	135.3%	(16.7%)		<b>-1.7%</b>
EBITDA	2,867	817	1,669	(1,695)	2,589	(10,199)	<b>(3,952)</b>
EBITDA %	4.6%	3.5%	5.0%	(34%)	25%		<b>-3.1%</b>

- A fully burdened EBITDA margin, which includes distribution of corporate support cost, would be significantly lower for each of the business areas.
- Over the next quarters, the company will focus on improving the margin.
- A healthy pipeline and increased demand will further support this effort.

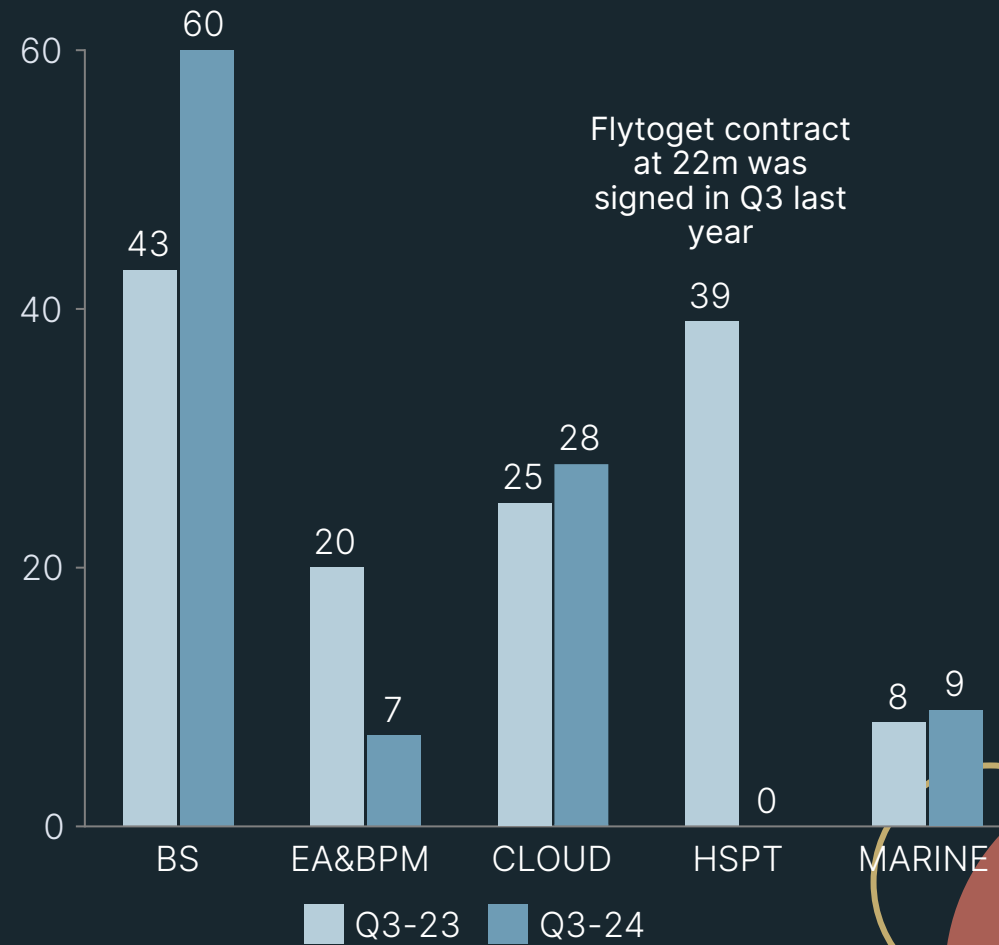
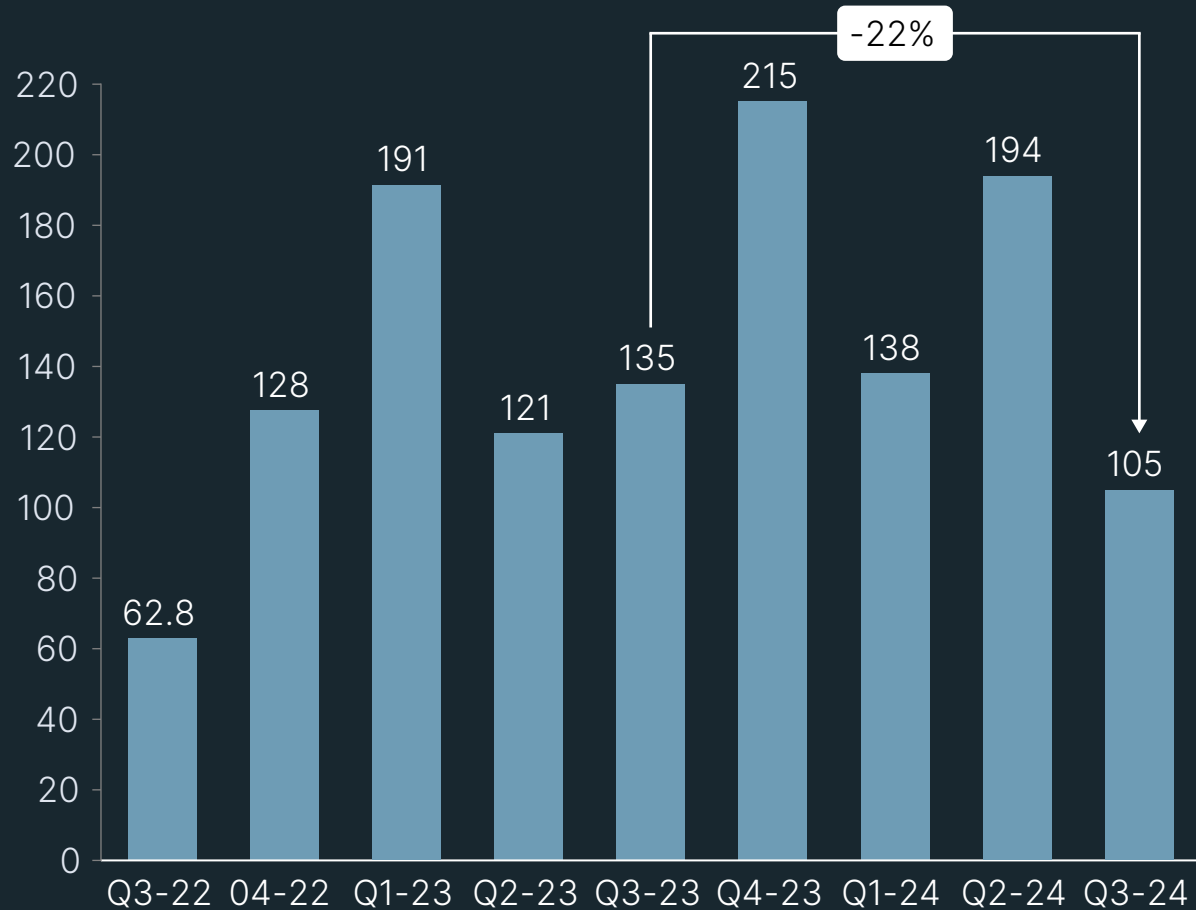
# Revenue development for each BA per quarter .



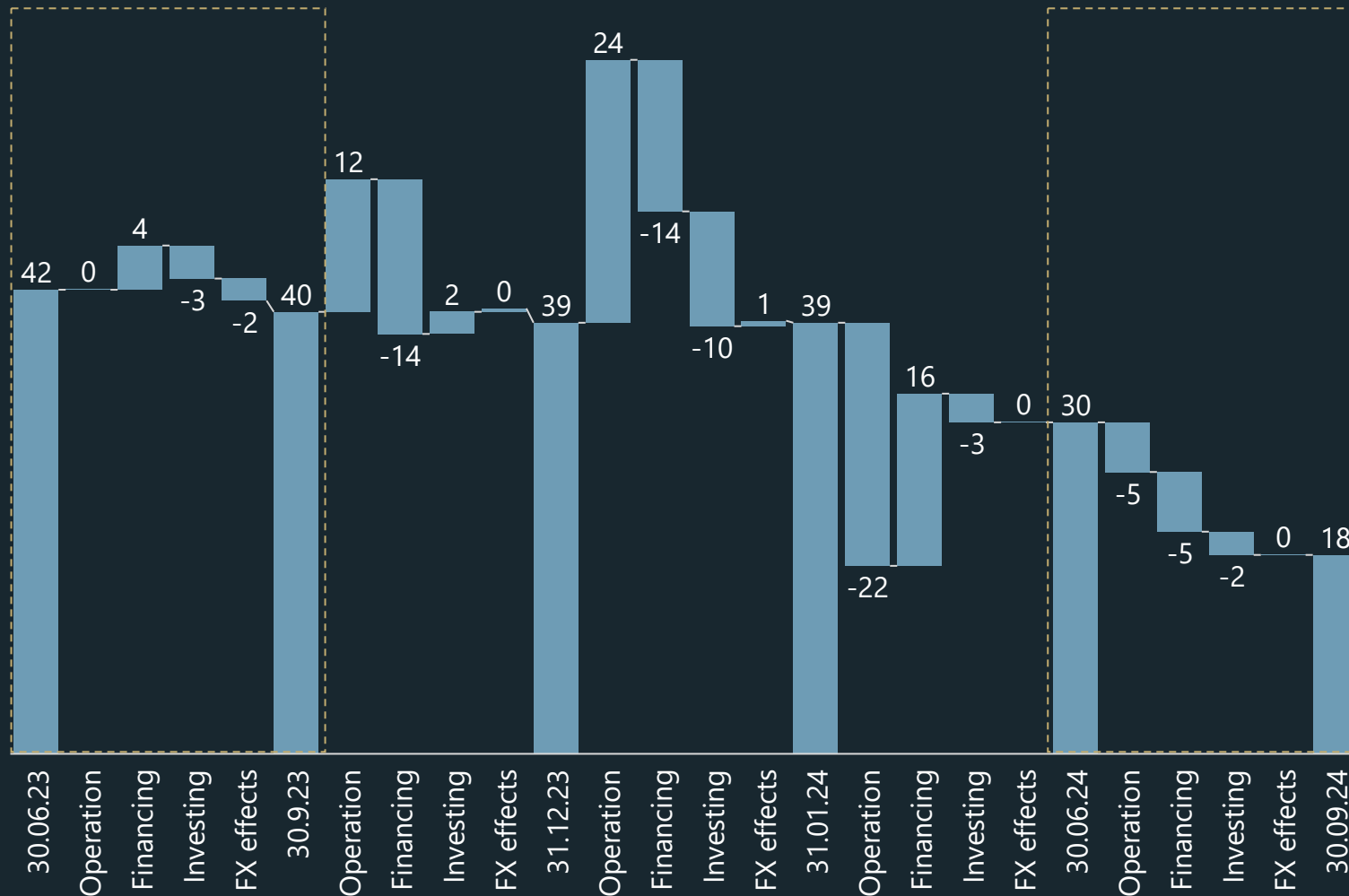
\* BA figures Includes external- and group internal revenue pr BA

# Sales - new contracts and scope extensions .

Q2: 412 contracts for a total value of NOK 105 million (135m in Q3-23)



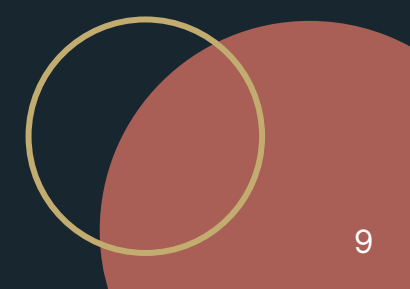
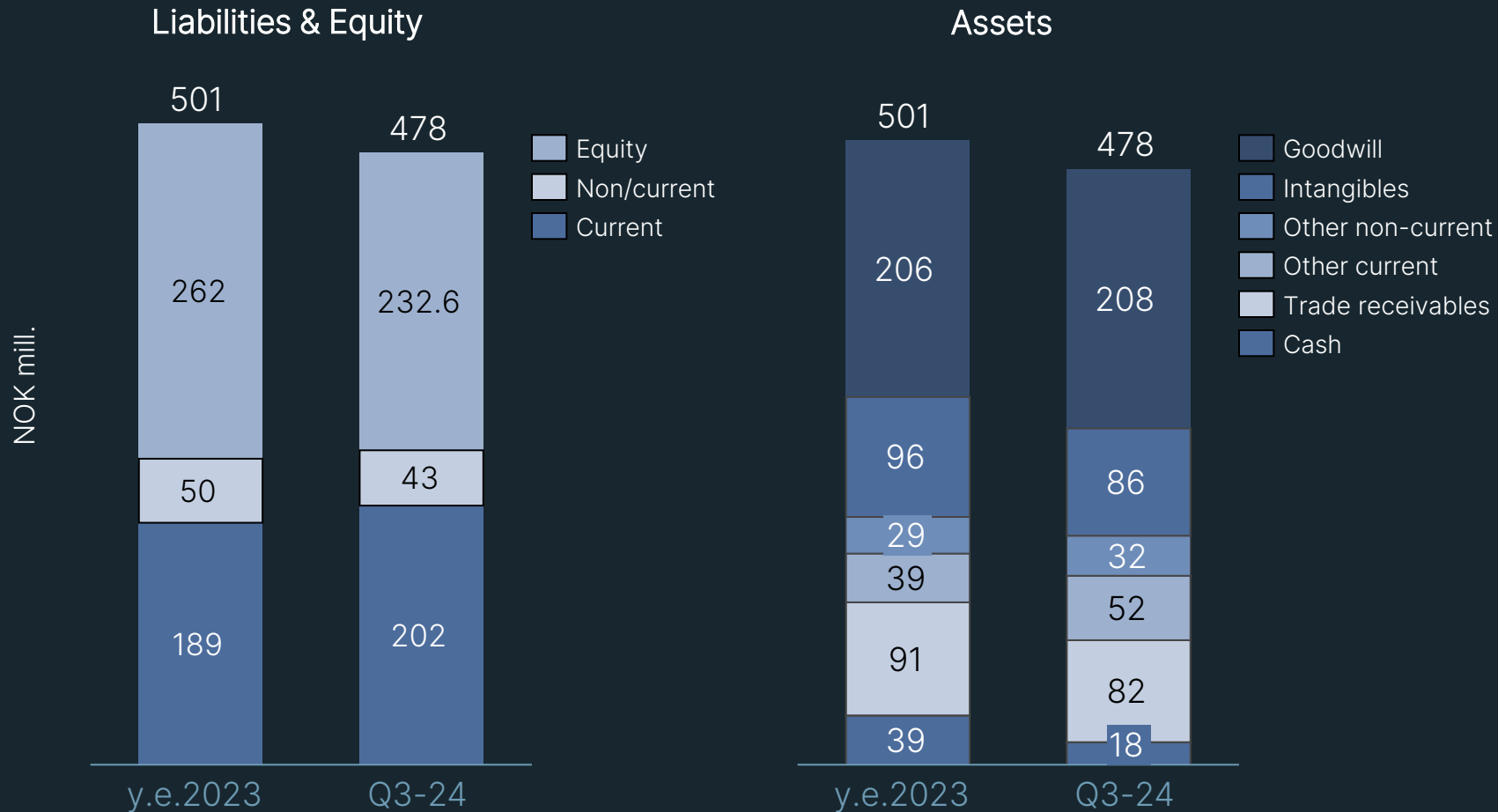
# Cash flow development.



- Net cash flow from operation was NOK -5m for Q3 2024. Main items:
  - Net loss of -16.5m
  - Net WC had a positive effect of NOK 17.2m
  - Contract assets had a negative effect of NOK 10.2m
  - Public dues and taxes NOK -7.7m
- Net cash flow from financing was NOK 5.4m, where the main item was NOK -4.8 in installments on lease liabilities.
- Net cash flow from investing activities was NOK -2,1m where main component is capitalized development cost.
- Arribatec had NOK 18m in cash and cash equivalents at the end of the quarter.



# Balance sheet development.



# Outlook

- Focus going forward will be to improve financial performance, reassess our balance sheet, and win new business
- The group wide initiative to reduce cost and improve efficiency is expected to lift margins during 2025
- Robust demand for cloud services will drive growth for our cloud- and managed IT-services
- Demand for EA and BPM is showing signs of picking up again in Nordics after two slow quarters
- Cloud migrations and related digital transformation projects will continue to be in demand
- Orbus partnership will accelerate for EA&BPM growth outside Norway
- Our multi-partnership strategy will continue

A photograph of three people sitting in a modern office lounge, engaged in a conversation. On the left, a man with a beard and tattoos is smiling and holding a coffee cup. In the center, a woman with long brown hair is also smiling and holding a coffee cup. On the right, another man is seen in profile, smiling towards the woman. They are seated in contemporary-style chairs around a low table with a small potted plant and some papers. The background is dark and out of focus.

# Arribatec .

we simplify complexity

# Condensed consolidated statements of profit and loss

NOK thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Revenue	<u>3</u>	129 530	131 812	424 230	430 023	572 981
Materials, software and services		(34 194)	(31 783)	(109 346)	(101 218)	(132 673)
<b>Gross profit</b>		<b>95 336</b>	<b>100 029</b>	<b>314 884</b>	<b>328 804</b>	<b>440 308</b>
Salary and personnel costs		(86 150)	(75 832)	(269 027)	(253 520)	(346 608)
Other operating expenses		(13 138)	(15 232)	(49 364)	(52 637)	(69 236)
<b>Total operating expenses</b>		<b>(99 288)</b>	<b>(91 064)</b>	<b>(318 392)</b>	<b>(306 157)</b>	<b>(415 845)</b>
<b>EBITDA</b>		<b>(3 952)</b>	<b>8 965</b>	<b>(3 508)</b>	<b>22 648</b>	<b>24 463</b>
Depreciation, amortisation and impairment	<u>4, 5</u>	(11 748)	(12 872)	(33 942)	(37 116)	(48 307)
<b>EBIT</b>		<b>(15 700)</b>	<b>(3 907)</b>	<b>(37 450)</b>	<b>(14 468)</b>	<b>(23 844)</b>
Financial income	<u>6</u>	1 096	(104)	1 812	2 742	3 208
Financial expense	<u>6</u>	(1 844)	(1 717)	(4 789)	(6 197)	(9 414)
<b>Profit/(loss) before tax</b>		<b>(16 448)</b>	<b>(5 728)</b>	<b>(40 427)</b>	<b>(17 923)</b>	<b>(30 050)</b>
Tax expense		1 549	2 811	5 560	5 232	6 998
<b>Profit/(loss) after tax</b>		<b>(14 899)</b>	<b>(2 917)</b>	<b>(34 867)</b>	<b>(12 691)</b>	<b>(23 053)</b>
<b>Attributable to:</b>						
Equity holders of the parent company		(14 899)	(2 917)	(34 867)	(12 691)	(23 053)
Earnings per share: basic	<u>7</u>	(0.21)	(0.04)	(0.50)	(0.18)	(0.33)
Earnings per share: diluted	<u>7</u>	(0.21)	(0.04)	(0.50)	(0.18)	(0.33)

# Consolidated statements of financial position

NOK thousand	Note	30 Sep 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment		5 857	6 436
Right-of-use assets	<u>4</u>	28 919	28 442
Goodwill	<u>5</u>	208 386	206 457
Customer relations	<u>5</u>	16 394	24 125
Other Intangible assets	<u>5</u>	40 827	43 771
Other non-current assets		4 390	3 989
Deferred tax assets		21 795	18 998
<b>Total non-current assets</b>		<b>326 569</b>	<b>332 217</b>
<b>Current assets</b>			
Accounts receivable		81 860	90 898
Contract assets		30 104	24 244
Inventory		7 932	1 548
Other current assets		13 654	13 267
Cash and cash equivalents		18 008	39 371
<b>Total current assets</b>		<b>151 558</b>	<b>169 329</b>
<b>TOTAL ASSETS</b>		<b>478 127</b>	<b>501 545</b>

NOK thousand	Note	30 Sep 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<u>8</u>	194 802	194 802
Other paid in capital		214 043	214 085
Exchange differences		6 229	3 767
Other equity		(182 498)	(150 191)
<b>Total equity</b>		<b>232 575</b>	<b>262 463</b>
<b>Non-current liabilities</b>			
Interest bearing loans	<u>9</u>	8 073	12 928
Non-current lease liabilities	<u>4</u>	15 782	16 836
Other non-current financial liabilities		2 346	1 804
Deferred tax liabilities		5 540	7 786
Provisions		11 413	10 685
<b>Total non-current liabilities</b>		<b>43 155</b>	<b>50 038</b>
<b>Current liabilities</b>			
Interest bearing loans	<u>9</u>	43 847	26 460
Current lease liabilities	<u>4</u>	14 305	12 909
Accounts payable		31 988	39 816
Contract liabilities		37 033	24 319
Current tax payable		797	1 669
Other current liabilities		74 427	83 869
<b>Total current liabilities</b>		<b>202 397</b>	<b>189 044</b>
<b>Total liabilities</b>		<b>245 552</b>	<b>239 082</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>478 127</b>	<b>501 545</b>

# Consolidated statements 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	193 361	215 645	679	(127 758)	281 927
Result of the period				(23 053)	(23 053)
Other comprehensive income for the period			3 087		3 087
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>3 087</b>	<b>(23 053)</b>	<b>(19 965)</b>
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
<b>Closing balance 31 Dec 2023</b>	<b>194 802</b>	<b>214 085</b>	<b>3 767</b>	<b>(150 191)</b>	<b>262 463</b>
Balance on 1 January	194 802	214 085	3 767	(150 191)	262 463
Result of the period				(34 867)	(34 867)
Other comprehensive income for the period			2 462		2 462
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>2 462</b>	<b>(34 867)</b>	<b>(32 405)</b>
Share issue cost		(43)			(43)
Share option cost				2 559	2 559
<b>Closing balance 30 Sep 2024</b>	<b>194 802</b>	<b>214 043</b>	<b>6 229</b>	<b>(182 498)</b>	<b>232 575</b>



# Consolidated cash flow statement

NOK thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
<b>Operating activities</b>						
Profit/(Loss) before tax		(16 448)	(5 728)	(40 427)	(17 923)	(30 050)
Taxes paid		(514)	(58)	(1 547)	(1 110)	(2 192)
<b>Adjustments for:</b>						
- Finance income and expense	<u>6</u>	1 133	1 886	2 977	3 452	6 203
- (Increase)/decrease in trade receivables		21 156	(998)	9 038	(11 048)	(2 684)
- (Decrease)/increase in trade payables		(3 931)	4 885	(7 828)	(2 976)	7 937
- Depreciation and amortisation	<u>4, 5</u>	11 748	12 872	33 942	37 116	48 488
Calculated cost of employee share option program		790	0	2 559	0	620
Change in contract assets/liabilities		(10 401)	(10 132)	6 853	14 289	(124)
Change in other current accounts		(7 679)	(2 853)	(7 931)	(198)	5 465
<b>Net cash flows operating activities</b>		<b>(4 147)</b>	<b>(126)</b>	<b>(2 363)</b>	<b>21 602</b>	<b>33 663</b>
<b>Investing activities</b>						
Cash consideration earn-out payment	<u>8</u>	0	0	(7 531)	0	(3 704)
Purchase of property, plant and equipment		(67)	(278)	(1 475)	(1 637)	(2 693)
Purchase and development of intangible assets	<u>5</u>	(2 107)	(3 111)	(6 406)	(6 853)	(16 502)
Interest received		83	99	340	411	563
<b>Net cash flows investing activities</b>		<b>(2 091)</b>	<b>(3 290)</b>	<b>(15 073)</b>	<b>(8 079)</b>	<b>(22 336)</b>
<b>Financing activities</b>						
Change in overdrafts	<u>9</u>	1 549	13 722	17 091	7 639	12 677
Repayment of debt	<u>9</u>	(1 942)	(1 648)	(5 475)	(4 405)	(6 173)
Interest paid	<u>6</u>	(587)	(305)	(1 096)	(860)	(1 161)
Received Gov.grants (SkatteFUNN)		0	0	0	0	3 301
Instalments lease liabilities		(4 821)	(8 001)	(14 421)	(15 534)	(20 038)
Share issue cost		0	0	(43)	(6)	(118)
<b>Net cash flows financing activities</b>		<b>(5 801)</b>	<b>3 768</b>	<b>(3 944)</b>	<b>(13 167)</b>	<b>(11 511)</b>
Net change in cash and cash equivalents		(12 039)	352	(21 380)	356	(184)
Cash and cash equivalents at beginning of period		30 062	41 574	39 371	40 449	40 449
Currency translation		(15)	(1 765)	18	(644)	(893)
<b>Cash and cash equivalents at end of period, incl. restricted cash</b>		<b>18 008</b>	<b>40 161</b>	<b>18 008</b>	<b>40 161</b>	<b>39 371</b>
-whereof restricted cash		8 499	9 332	8 499	9 332	12 111