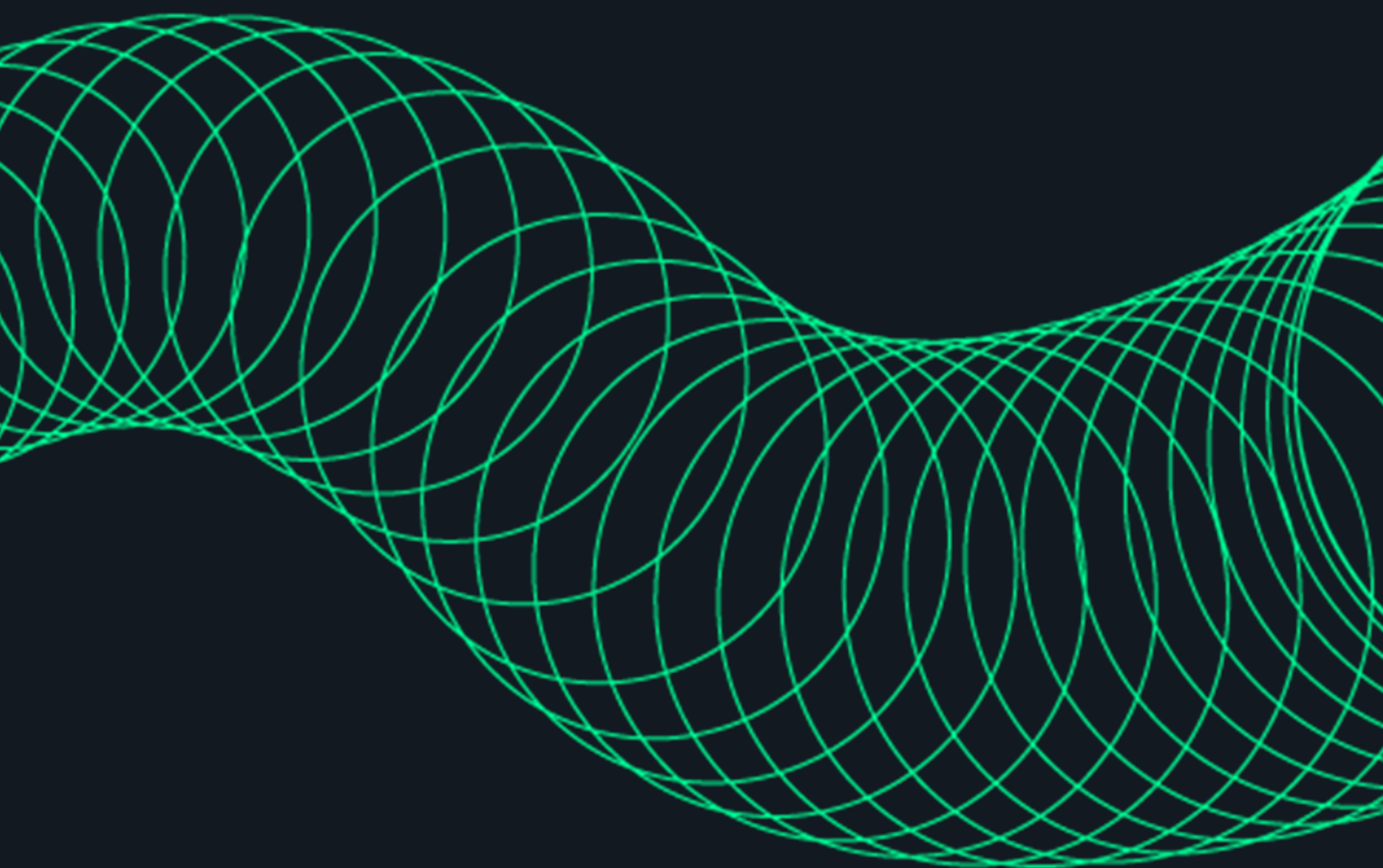


# CHIP BIDCO AS

A Cegal Group company

INTERIM REPORT Q1 2023

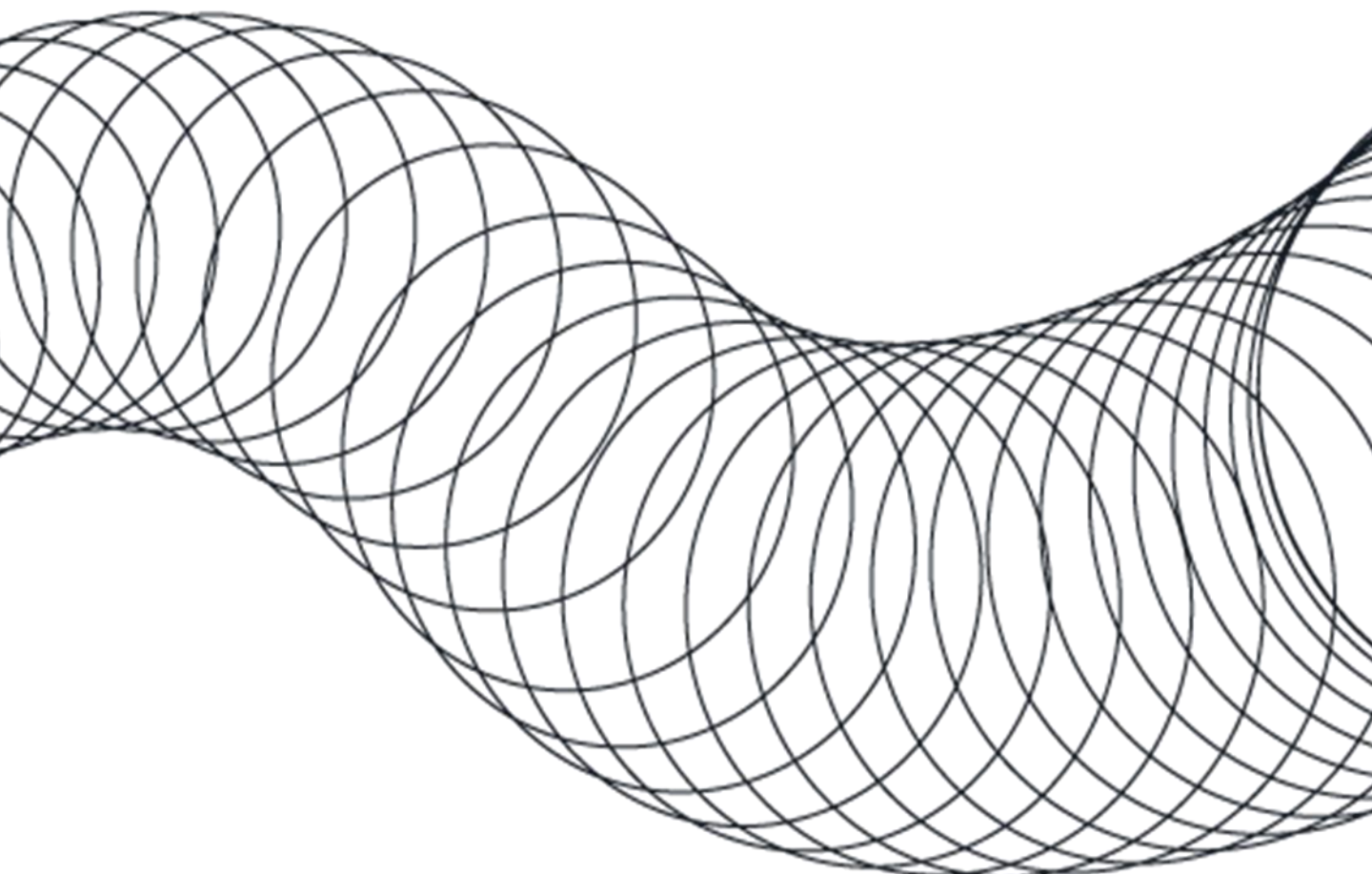


**CEGAL**

# TABLE OF CONTENTS

---

Q1 2023 HIGHLIGHTS	1
BUSINESS UNITS SUMMARY	5
SUMMARY OF THE QUARTER - REPORTED FIGURES	7
INTERIM CONSOLIDATED FINANCIAL INFORMATION	9
GENERAL ACCOUNTING PRINCIPLES AND NOTES	12



## Q1 2023 HIGHLIGHTS

### KEY FINANCIAL METRICS

Figures in NOKm

	Q1 2023	Q1 2022	LTM Q1 2023	LTM Q1 2022
Operating revenue (pro forma)	485.4	371.0	1 747.6	1 432.1
Revenue growth QoQ, %	30.9 %		22.0 %	
EBITDA (pro forma)	98.3	71.4	305.3	206.1
EBITDA (pro forma adjusted post IFRS16)*	100.0	78.2	330.4	300.2
EBITDA (pro forma adjusted pre IFRS16)*	88.8	67.4	285.2	264.4
Order backlog	2 450.0	2 600.0	2 450.0	2 600.0

### KEY CREDIT METRICS

Figures in NOKm

	Q1 2023	Q1 2022	LTM Q1 2023	LTM Q1 2022
NIBD (post IFRS16)	1 553.7	1 699.0	1 553.7	1 699.0
NIBD (pre IFRS16)	1 473.9	1 615.9	1 473.9	1 615.9
Leverage ratio NIBD/EBITDA (adjusted post IFRS16)**			4.7	5.7
Leverage ratio NIBD/EBITDA (adjusted pre IFRS16)			5.2	6.1

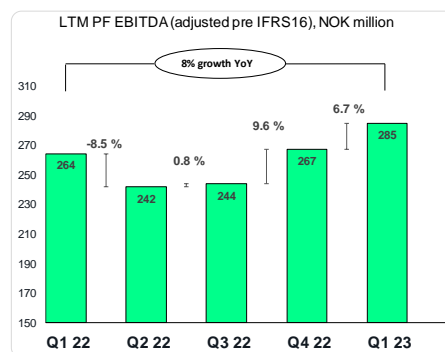
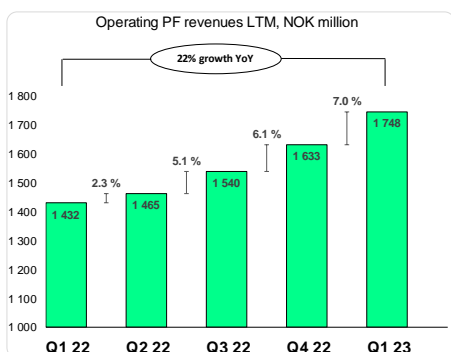
\* Adj. EBITDA for Q1 2023 includes NOK 1.7 million in non-recurring items (NRI) costs related to office relocation in Oslo and other project costs

\* Adj. EBITDA for Q1 2022 includes NOK 4.3 million in NRI costs related to merger, strategy & branding as well as bond listing costs

\* Adj. EBITDA for LTM Q1 2023 includes NOK 25.1 million in NRI costs for strategy & branding, transaction advisory and other non-recurring project costs

\* Adj. EBITDA for LTM Q1 2022 includes NOK 80.9 million in NRI costs for strategy & branding, non-capitalised R&D, integration, transactions and projects

\*\* Includes NOK 104.8 million in leasing liabilities, whereof NOK 77.6 million is IFRS16 leasing debt and NOK 27.2 million is HW/SW leasing debt



- Pro forma revenues<sup>1</sup> in Q1 2023 were NOK 485.4 million compared to NOK 371.0 million in Q1 2022, representing a YoY growth of 30.9%. The revenue YoY growth was 17.2% in Cloud operations, 20.1% in Services and 7.1% in Products, respectively. In addition, third-party resale revenue grew substantially
- Pro forma LTM Q1 2023 revenues were NOK 1 747.6 million compared to NOK 1 432.1 million for LTM Q1 2022, representing an increase of 22.0% YoY
- Pro forma adjusted Q1 2023 EBITDA was NOK 100.0 million compared to NOK 78.2 million in the same period last year. Pro forma adjusted LTM Q1 2023 EBITDA was NOK 330.4 million, compared to NOK 300.2 million in the same period last year, driven by good momentum across all business areas
- The Group improved its cash position by NOK 35.5 million from Q4 to Q1 and had an available cash position of NOK 199.0 million at quarter end.

<sup>1</sup> Profit and loss figures in highlights section are pro forma for Sysco, Envision, Sql Services and Systemtech acquisitions completed in October 2021, June 2021, April 2021 and September 2022, respectively.

## CEO STATEMENT



### **A strong quarter with continued momentum**

In the second half of 2022, Cegal accelerated the growth as a result of the merger between Cegal and Sysco. In Q1 2023, our momentum continues, and we continue to deliver very strong growth, solid margins, higher than industry people engagement and lower turnover than comparable peers. Our revenues in the quarter grew by 30.9% versus Q1 last year, the adjusted EBITDA margin grew by 27.9% and the margin landed at 20.6%. All business divisions contributed to the strong financial performance. Cloud Operations grew by 17.2%, driven by both new customer wins and upsell to

existing customers. Services grew by 20.1%, driven by solid demand and data capital managed services. Software products grew by 7.1%, driven by good momentum in both our EnergyX and BlueBack portfolios.

We also secured several great new wins during the quarter, confirming Cegal's strong market position and momentum in the Energy sector. Wintershall DEA awarded a large public Service Desk tender to Cegal, confirming and reinforcing our position with this large customer. Sval Energi chose to outsource their full IT management to us, and we won the cloud operations tender at Nord Trøndelag Energi. In sum, we won three out of three operations tenders in the Power and Utilities sector. Finally, we renewed and expanded a large software contract with Equinor now including also a frame agreement for consulting services. We landed new data capital managed services at Eviny and we secured a new cloud asset light (operations of industry applications in the public cloud) with BW Energy.

So in short, a fantastic start to the year.

On the HR and personnel side, our people engagement also increased in Q1, and remains higher than industry benchmarks. Simultaneously, our people attrition numbers remained relatively low at 3.5%, which is significantly lower than average turnover in the IT industry that currently lies above 5% per quarter. Given our focus to protect margins, we have been somewhat more careful with new hires, but still welcomed 37 new fantastic people to the Cegal family in Q1, and had a positive net increase of people.

We in Cegal, as all other companies, have our fair share of challenges to struggle with, things that are not working and stuff we need to improve. But our results show that we are managing to grow strongly while delivering very solid profitability, high people engagement and low turnover. That is something we can be very proud of. We also saw that 33% of our new hires were women and the average age of new hires was 34.7 years, so our diversity is flourishing, and we are attracting younger talent to the company.

**Keeping momentum, rigorous execution and scaling faster globally**

Going forward, our focus will be to keep our sales momentum, win tenders, continue to deliver world class service, drive tight governance in our business and further develop our people and continue to protect margins.

We will also work closer on how to leverage our momentum in order to scale and expand faster in global markets with huge untapped potential for Cegal. Both our assets light Cloud operations services, data capital managed services and software solutions have significant scale potential, so we have the opportunity to sharpen our game plan on how to enter and expand in both new and existing international markets.

**Mixed macro environment, but more optimism in energy and continuous high demand for Cegal's core offerings**

The overall macro environment remains mixed, with a general slowdown in IT spend and continuous hard fights for tech talents (with coherent accelerating salary pressure) on one hand, and more tech spend optimism in the Energy industry and continuous high investments in equipment, renewables, technology and digitalization on the other.

We also continue to see strong demand and higher growth in the core value pockets where Cegal operates - cloud, data management and technology integration. Hence, we continue with an optimistic outlook for the year.

Cegal is better positioned than ever to grow, scale and turn into a large global player. Our momentum and results are strong, we are specialized in an industry where there will be unprecedented tech investments over the next decade and, most importantly, we have a super skilled group of highly engaged people that love turning complex IT into digital success for our customers and that want to be part of a nextgen tech company that enables a more sustainable future.

## ABOUT THE GROUP

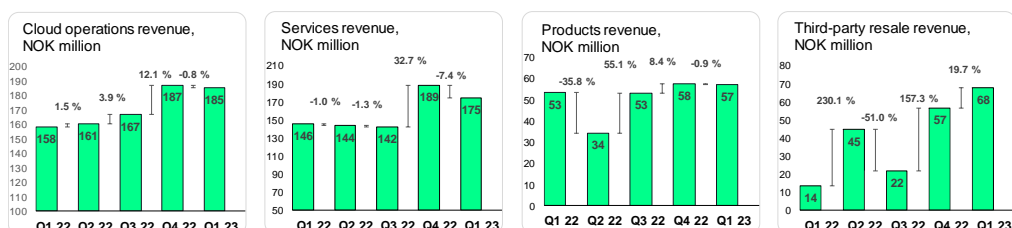
Chip Bidco, a Cegal Group company, is a trusted global technology powerhouse specialized in the energy sector, providing hybrid cloud solutions, software and consultancy within IT, business, geoscience, and data management. The Group provides deep domain competencies across the whole energy vertical, including renewables.

Our employees are working from offices in Stavanger (HQ), Oslo, Trondheim, Bergen, Haugesund, Stord, Hamar, Mosjøen, Larvik, London, Aberdeen, Stockholm, Uppsala, Lund, Ørebro, Copenhagen, Aberdeen, Dubai, Tallin, Perth, Houston, Calgary and Kuala Lumpur, enabling a strong geographical presence.

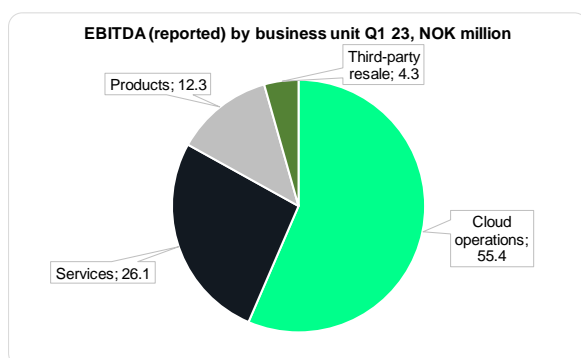
The Group's vision is to build a stellar nextgen tech company that enables a more sustainable future.

## BUSINESS UNIT SUMMARY (pro forma figures)

### REVENUE DEVELOPMENT BY BUSINESS UNIT



### REPORTED EBITDA DISTRIBUTION BY BUSINESS UNIT, Q1 2023



### CLOUD OPERATIONS

The Group's cloud-based solutions provide high performance IT systems and customized software solutions that boost speed and productivity for our customers, enabling them to securely collaborate in the cloud. We have customized our offering for the broader energy sector, covering the full value chain with our cloud offering and customized applications.

In Q1 2023, Cloud Operations revenue, which is almost entirely long-term recurring revenue, represented 38.2% of the Group's total revenues. Through onboarding of new clients and upselling of existing customers, we have achieved 17.2% growth YoY from Q1 2022 to Q1 2023 for Cloud operations.

### SERVICES

The Group offers highly experienced on-site consultants, primarily to the broader energy industry. Our technical expertise adds real value in key areas, such as integrating and monitoring technologies, turning data into insights and driving professional IT processes as a service.

In Q1 2023, Services revenue represented 36.0% of the Group's total revenues and has achieved a growth of 20.1% YoY from Q1 2022 to Q1 2023 due to improved utilization and higher number of chargeable FTEs post merger integration.

**PRODUCTS**

The Group develops and sells software to extend, improve and speed up workflows within renewable energy, geology, geophysics, reservoir engineering and data management as well as providing energy solutions.

In Q1 2023, Products revenue represented 11.8 % of the Group's total revenues and has achieved a growth of 7.1% YoY from Q1 2022 to Q1 2023 due to a combination of both more long-term recurring software sales as well as higher sales on energy products.

**THIRD-PARTY RESALE**

The Group sells third-party hardware and licenses to its clients to support its activities within Cloud operations, Services and Products.

In Q1 2023, third-party revenue represented 14.0 % of the Group's total revenues.



## SUMMARY – REPORTED FIGURES

### Q1 2023

(Figures in brackets refer to the corresponding period of 2022)

Reported revenues for the first quarter of 2023 amounted to NOK 485.4 million (369.0), a strong organic increase with recurring Cloud operations increasing by NOK 25.9 million, Services by NOK 33.2 million and Products (including third-party resale as reported) by NOK 57.3 million, respectively. Reported EBITDA amounted to NOK 98.3 million (71.0) for the first quarter, driven by a combination of volume effect from strong revenue growth and margin effect from cost control. Reported EBITDA margin in Q1 2023 was 20.3% (19.2%).

Non-recurring items amounted to NOK 1.7 million (4.3) in Q1 2023, primarily related to relocation costs for the new Oslo office.

In terms of order backlog, the Group still has a solid order backlog of NOK 2.4 billion backed by a steady order intake on a monthly basis.

The Group invested NOK 10.0 million (9.1) in tangible IT equipment during the first quarter. In addition, the Group invested NOK 4.9 million (10.3) in development of new software products and cloud solutions.

At the end of the quarter, the number of FTEs were 774.

### BALANCE SHEET AND LIQUIDITY

Total reported assets (unaudited) as at 31 March 2023 were NOK 3 256.8 million compared to NOK 3 309.5 million last year. Consolidated equity as at 31 March 2023 was NOK 1 025.7 million compared to NOK 1 097.5 million last year. The decrease in equity is mostly related to amortisations of intangible assets following recent acquisitions as well as depreciations of tangible assets.

Net cash flow from operating activities in Q1 2023 was NOK 84.5 million compared to NOK 37.5 million in Q1 2022. The higher operational cash flow generated is primarily due to significant higher profits and a positive impact from change in working capital.

As at 31 March 2023, the Group had bank deposits of NOK 80.6 and NOK 118.4 million of undrawn RCF<sup>1</sup>, resulting in NOK 199.0 million of available liquidity at quarter end.

<sup>1</sup> Revolving Credit Facility

## STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today reviewed and approved the interim report for the period 1 January to 31 March 2023 of Chip Bidco AS. We believe, to the best of our knowledge, that the financial statements presented in this report, gives a fair representation of the Group's financial position of assets and liabilities and the profits earned for this quarter. Furthermore, in our opinion, the Management's review gives a fair representation of the Group's activities as well as a fair description of the material risks and uncertainties which the Group is currently facing.

**Sandnes, 15.05.2023**

### **Executive Management**

Dagfinn Ringås, Group CEO

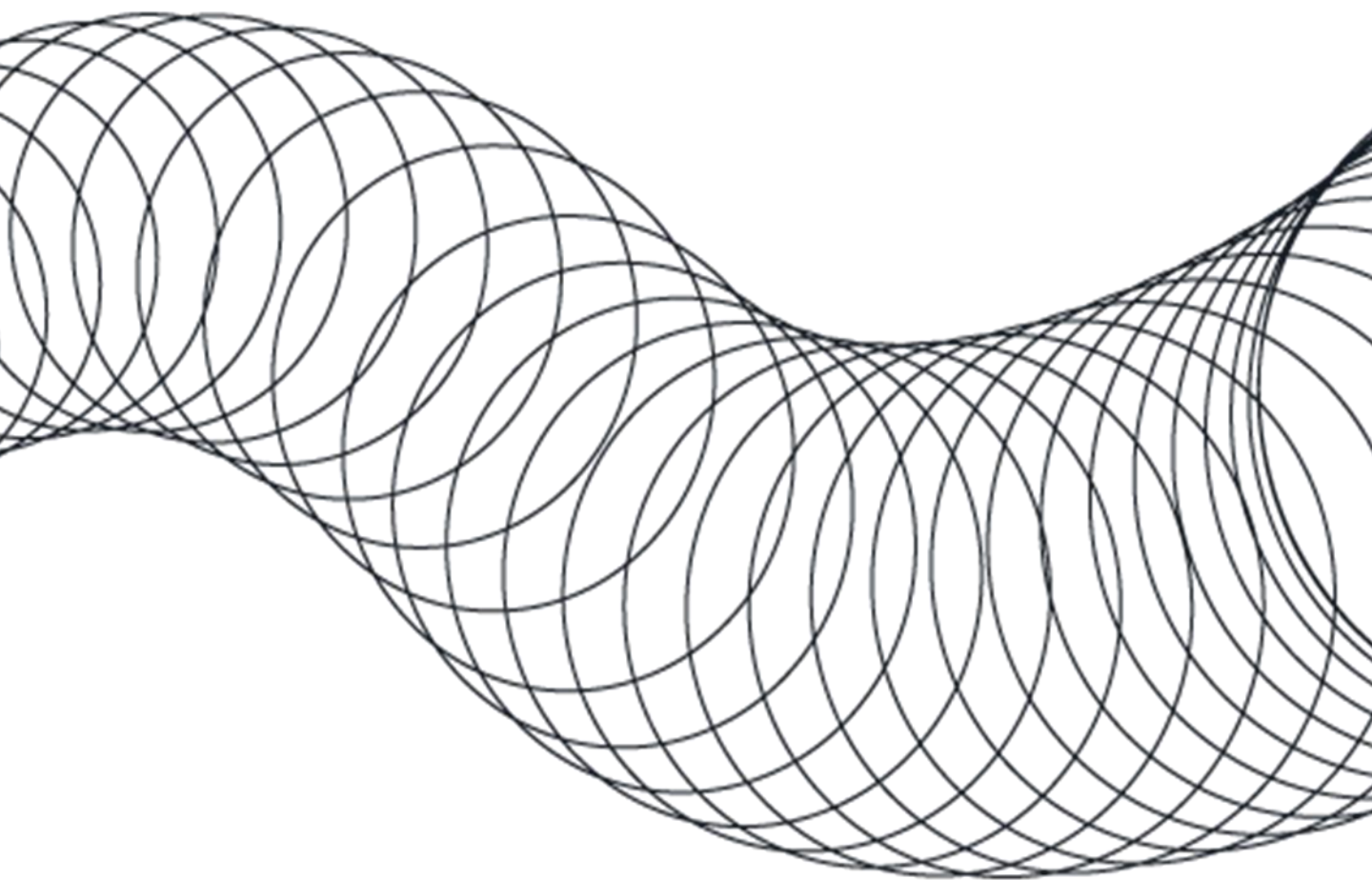
Trym Gudmundsen, Group CFO

### **Board of Directors**

Fredrik Gyllenhammar Raaum, Chairman of the Board

## REPORTED INTERIM CONSOLIDATED FINANCIAL INFORMATION

- Profit & loss statement
- Balance sheet statement
- Cash flow statement
- General accounting principles and notes



REPORTED PROFIT & LOSS	Unaudited Q1 2023	Unaudited Q1 2022	Unaudited YTD 2023	Unaudited YTD 2022	Unaudited LTM Q1 2023	Unaudited LTM Q1 2022
<i>Figures in NOKm</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Operating revenue</b>	<b>485.4</b>	<b>369.0</b>	<b>485.4</b>	<b>369.0</b>	<b>1 742.3</b>	<b>1 163.2</b>
Cost of goods sold	149.3	100.1	149.3	100.1	512.0	334.9
Salaries	208.0	174.7	208.0	174.7	805.0	558.2
Other operating costs	29.7	23.3	29.7	23.3	121.2	100.2
<b>EBITDA</b>	<b>98.3</b>	<b>71.0</b>	<b>98.3</b>	<b>71.0</b>	<b>304.1</b>	<b>169.8</b>
Depreciations	20.5	21.1	20.5	21.1	76.3	81.9
Amortisations	37.1	34.8	37.1	34.8	144.6	99.5
<b>EBIT</b>	<b>40.8</b>	<b>15.0</b>	<b>40.8</b>	<b>15.0</b>	<b>83.2</b>	<b>(11.6)</b>
Net financial items	(39.9)	(29.5)	(39.9)	(29.5)	(137.8)	(101.8)
<b>EBT (profit before tax)</b>	<b>0.9</b>	<b>(14.5)</b>	<b>0.9</b>	<b>(14.5)</b>	<b>(54.5)</b>	<b>(113.3)</b>
Estimated tax	(0.2)	3.2	(0.2)	3.2	(0.6)	25.0
<b>Net profit</b>	<b>0.7</b>	<b>(11.3)</b>	<b>0.7</b>	<b>(11.3)</b>	<b>(55.1)</b>	<b>(88.4)</b>
EBITDA margin %	20.3 %	19.2 %	20.3 %	19.2 %	17.5 %	14.6 %
<b>EBITDA adjustments and IFRS16</b>						
Non-recurring items	1.7	4.3	1.7	4.3	25.1	80.9
<b>Adjusted EBITDA post IFRS16</b>	<b>100.0</b>	<b>75.3</b>	<b>100.0</b>	<b>75.3</b>	<b>329.2</b>	<b>250.7</b>
IFRS16 lease adjustments	(11.3)	(10.8)	(11.3)	(10.8)	(45.2)	(35.8)
<b>Adjusted EBITDA pre IFRS16</b>	<b>88.8</b>	<b>64.4</b>	<b>88.8</b>	<b>64.4</b>	<b>284.0</b>	<b>214.9</b>
EBITDA margin % post IFRS16 (adjusted)	20.6 %	20.4 %	20.6 %	20.4 %	18.9 %	21.6 %
EBITDA margin % pre IFRS16 (adjusted)	18.3 %	17.5 %	18.3 %	17.5 %	16.3 %	18.5 %

BALANCE SHEET (reported)	Unaudited	Unaudited
<i>Figures in NOKm</i>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Assets</b>		
Goodwill	1 814.1	1 803.5
Intangible assets	827.1	952.7
Tangible fixed assets	113.9	154.3
Other assets	0.0	3.9
<b>Total non-current assets</b>	<b>2 755.1</b>	<b>2 914.5</b>
Trade receivables	345.2	319.8
Prepayments	38.0	29.8
Other receivables	35.8	28.2
Bank deposits, cash and similar	82.8	17.2
<b>Total current assets</b>	<b>501.7</b>	<b>395.0</b>
<b>Total assets</b>	<b>3 256.8</b>	<b>3 309.5</b>

<b>Equity and liabilities</b>		
Share capital	0.2	0.2
Share premium reserve	690.0	750.0
Retained earnings	335.5	347.3
<b>Total equity</b>	<b>1 025.7</b>	<b>1 097.5</b>
Deferred tax	161.3	171.4
Interest-bearing long-term liabilities	1 500.0	1 500.0
Interest-bearing lease liabilities	63.8	84.0
Other long-term liabilities	0.0	13.5
<b>Total non-current liabilities</b>	<b>1 725.1</b>	<b>1 769.0</b>
Interest-bearing current lease liabilities	41.1	50.8
Accounts payable	99.5	77.2
Income taxes payable	1.6	0.9
VAT & social security payable	94.1	89.4
Revolving credit facility	31.6	81.3
Other current liabilities	238.2	143.5
<b>Total current liabilities</b>	<b>506.1</b>	<b>443.1</b>
<b>Total liabilities</b>	<b>2 231.2</b>	<b>2 212.1</b>
<b>Total equity and liabilities</b>	<b>3 256.8</b>	<b>3 309.5</b>

CASH FLOW STATEMENT (reported)	Unaudited	Unaudited	Unaudited	Unaudited
<i>Figures in NOKm</i>	<b>Q1</b>	<b>Q1</b>	<b>YTD</b>	<b>YTD</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit before tax	0.9	(14.6)	0.9	(14.6)
Group contribution	-	-	-	-
Add-back of IFRS16 operational leases	(11.3)	(10.8)	(11.3)	(10.8)
Taxes paid	(0.2)	0.0	(0.2)	-
Depreciations and write-downs	57.5	55.9	57.5	55.9
Interest payments to financial institutions	32.9	24.5	32.9	24.5
Change in net working capital	4.6	(17.5)	4.6	(17.5)
<b>Net cash flow from operations</b>	<b>84.5</b>	<b>37.5</b>	<b>84.5</b>	<b>37.5</b>
Acquisition of tangible assets	(10.0)	(9.1)	(10.0)	(9.1)
Acquisition of intangible assets	(4.9)	(10.3)	(4.9)	(10.3)
Other investment activities/issuance of capital	-	(35.7)	-	(35.7)
<b>Net cash flow from investment activities</b>	<b>(14.9)</b>	<b>(55.2)</b>	<b>(14.9)</b>	<b>(55.2)</b>
Net repayment of debt to financial institutions	(8.0)	(4.9)	(8.0)	(4.9)
Interest payments to financial institutions	(32.9)	(24.5)	(32.9)	(24.5)
Add-back of IFRS16 interest costs	1.8	2.1	1.8	2.1
Change in revolving credit facility debt	10.2	0.0	10.2	0.0
<b>Net cash flow from financing activities</b>	<b>(29.0)</b>	<b>(27.3)</b>	<b>(29.0)</b>	<b>(27.3)</b>
<b>Net change in cash and cash equivalents</b>	<b>40.6</b>	<b>(44.9)</b>	<b>40.6</b>	<b>(44.9)</b>
Cash and cash equivalents at start of period	42.2	62.1	42.2	62.1
<b>Cash and cash equivalents at end of period</b>	<b>82.8</b>	<b>17.2</b>	<b>82.8</b>	<b>17.2</b>

## GENERAL ACCOUNTING PRINCIPLES

The Group consists of the parent company Chip Bidco AS and its subsidiaries in Cegal Group AS. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2022 which was published on 2 May 2023.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRS as adopted by the EU, and are mandatory for financial year beginning on or after 1 January 2020. The accounting principles used for this interim report are consistent with accounting principles in the Group's financial statements for 2022.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are in all material respect the same as those that applied in the annual financial statements for 2022.

## NOTE 1 INTANGIBLE ASSETS

<i>(Figures in NOKm)</i>	GOODWILL	CUSTOMER RELATIONSHIPS	SOFTWARE	ORDER BACKLOG	TOTAL
Acquisition cost 01.01	1 814.1	565.0	416.0	247.5	1 228.5
Additions	0.0	0.0	0.8	0.0	0.8
Disposals	0.0	0.0	0.0	0.0	0.0
Acquisition cost 31.03.2023	1 814.1	565.0	416.8	247.5	1 229.3
Accumulated impairments at 31.03.2023	0.0	0.0	0.0	0.0	0.0
Accumulated amortizations at 31.03.2023	0.0	119.0	149.1	134.1	402.2
<b>Carrying amount 31.03.2023</b>	<b>1 814.1</b>	<b>446.0</b>	<b>267.7</b>	<b>113.5</b>	<b>827.1</b>
Impairment charges YTD 2023	0.0	0.0	0.0	0.0	<b>0.0</b>
Amortization YTD 2023	0.0	14.0	12.8	10.3	<b>37.1</b>
Useful economic life	Indefinite	4-11 years	3-10 years	6 years	
Amortization plan		Linear	Linear	Linear	

## NOTE 2 TANGIBLE ASSETS

<i>(Figures in NOKm)</i>	RIGHT-OF-USE ASSET IT- EQUIPMENT	RIGHT-OF- USE ASSET OFFICE LEASES	TANGIBLE ASSETS	TOTAL
Acquisition cost 01.01	142.7	160.7	83.6	387.1
Additions	0.0	0.8	0.0	0.8
Disposals	0.0	0.0	0.0	0.0
Acquisition cost 31.03.23	142.7	161.5	83.6	387.9
Accumulated impairments at 31.03.23	0.0	0.0	0.0	0.0
Accumulated depreciations at 31.03.23	119.1	92.8	62.1	273.9
<b>Carrying amount 31.03.23</b>	<b>23.6</b>	<b>68.7</b>	<b>21.5</b>	<b>113.9</b>
Impairment charges YTD 2023	0.0	0.0	0.0	<b>0.0</b>
Depreciation YTD 2023	4.8	8.8	6.9	<b>20.5</b>
Useful economic life	2-5 years	2-5 years	2-5 years	
Depreciation plan	Linear	Linear	Linear	

## NOTE 3 REVENUE

<b>ACTIVITY DISTRIBUTION BY BUSINESS UNIT</b> <i>(figures in NOKm)</i>	Q1 2023	Q1 2022	YTD 2023	YTD 2022
Cloud operations	185.5	159.6	185.5	159.6
Services	175.0	141.8	175.0	141.8
Products including	57.2	67.6	57.2	67.6
Third-party resale	67.8	0.0	67.8	0.0
<b>Total</b>	<b>485.4</b>	<b>369.0</b>	<b>485.4</b>	<b>369.0</b>

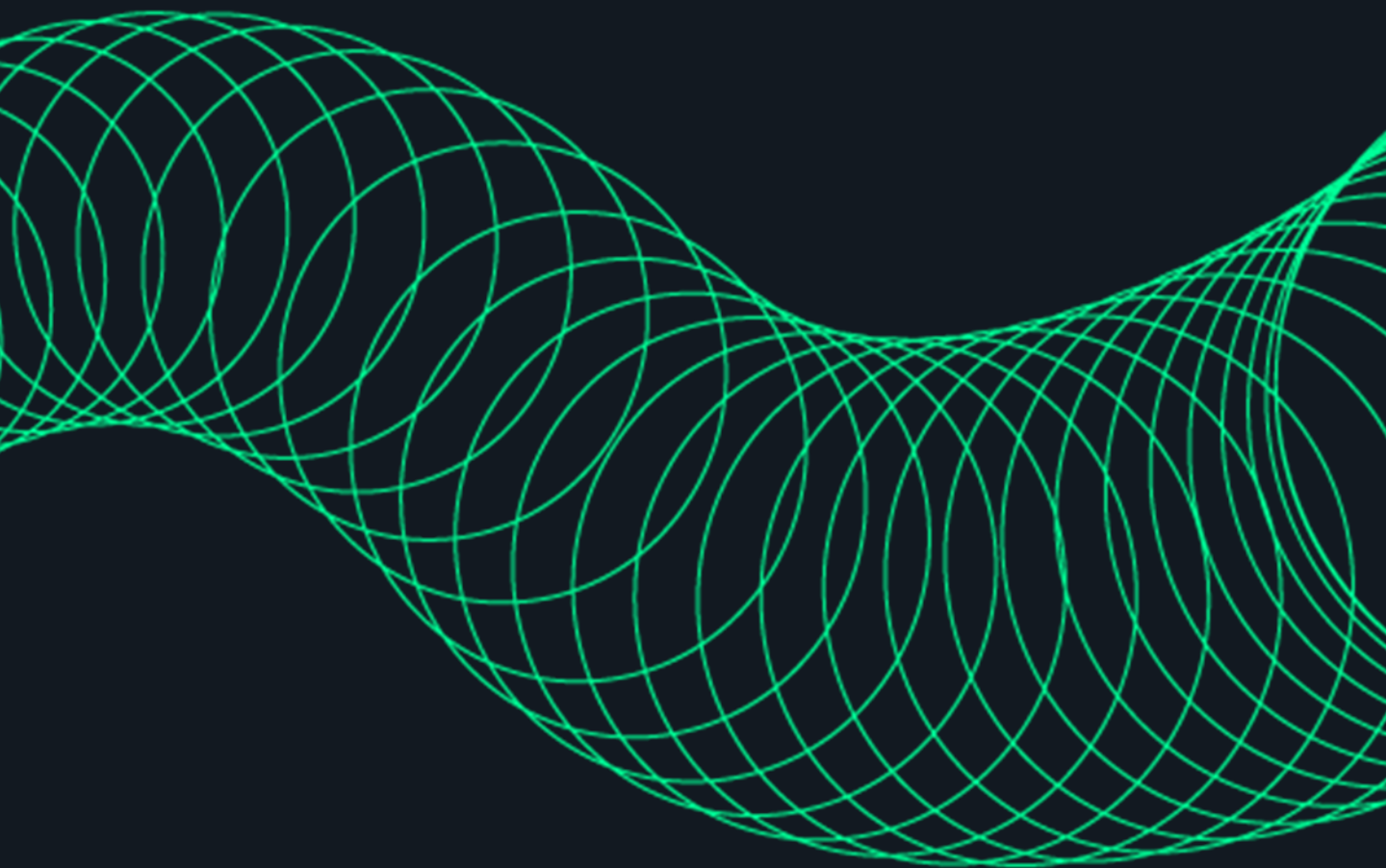
## NOTE 4 SUBSEQUENT EVENTS

On April 1 2023, the Group divested Cegal Finans in which it held 100% of the shares until 31 March 2023.

## Chip Bidco AS

Org. nr. 923 807 888

[www.cegal.com](http://www.cegal.com)  
+47 52 04 00 00



**CEΘAL**