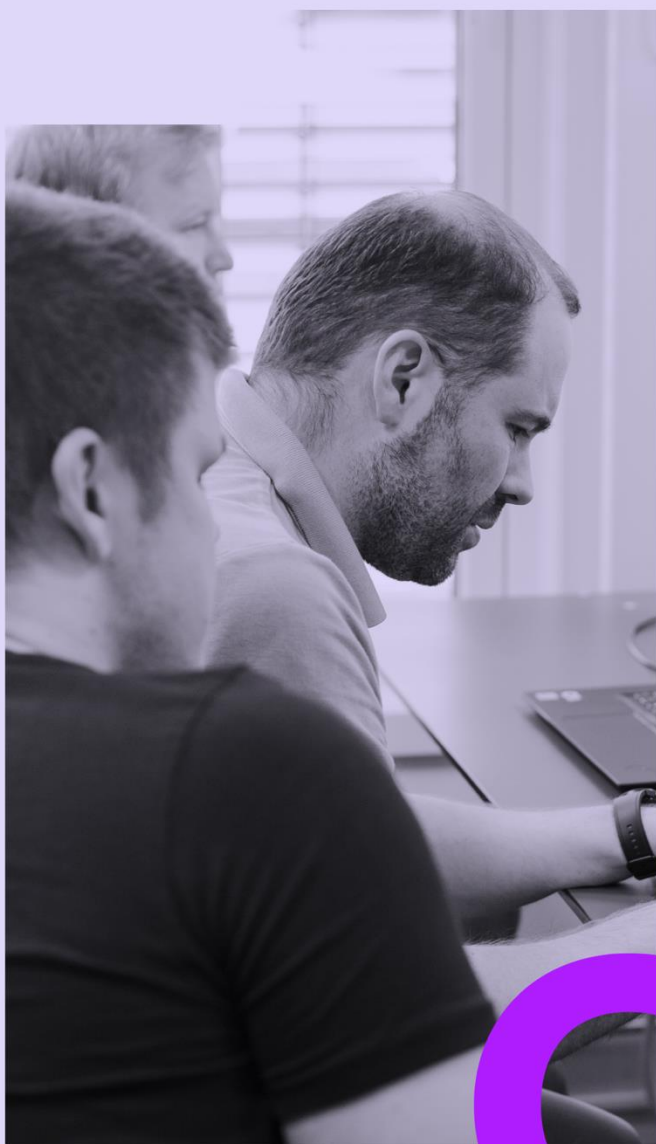


ITERA



Q3 2023

Make a difference

Highlights

July – September 2023

- Operating revenue NOK 193.9 million (NOK 170.9 million), representing organic growth of 14%
- Gross profit NOK 181.6 million (NOK 160.6 million), representing growth of 13%
- EBITDA NOK 16.9 million (NOK 18.7 million) and an EBITDA margin of 8.7% (10.9%)
- EBIT NOK 8.7 million (NOK 10.2 million) and an EBIT margin of 4.5% (5.9%)
- 762 (701) employees at the end of the period, which is an increase of 61 (9%) over the last twelve months and 21 during the quarter
- Cash flow from operations NOK –2.3 million (NOK 22.0 million) in the quarter and NOK 80.0 million for the last twelve months

January – September 2023

- Operating revenue NOK 649.5 million (NOK 530.4 million), representing organic growth of 22%
- Gross profit NOK 607.5 million (NOK 492.2 million), representing growth of 23%
- EBITDA NOK 84.1 million (NOK 80.8 million) and an EBITDA margin of 13.0% (15.2%)
- EBIT NOK 60.3 million (NOK 57.8 million) and an EBIT margin of 9.3% (10.9%)
- Cash flow from operations NOK 38.6 million (NOK 34.6 million)

Highlights

Itera reports solid revenue growth of 14% despite a softer market. Itera's weaker profitability was due to the quarter containing a weighted average of 1.1 fewer working days (NOK -3 million) and to a lower consultant utilization rate (NOK -4 million), which was particularly due to a more difficult environment for deploying this year's graduates.

Cash flow from operations was significantly impacted by the main due date of receivables falling on Saturday 30 September. NOK 39 million was collected in the first week of October.

Itera had an order intake equivalent to a book-to-bill ratio of 0.6 in the third quarter of 2023 and of 1.0 for the last twelve months. It entered into new or extended contracts with customers including Kreditor, Eviny, IMDi, Rayvn, DNV, Össur, Norwegian Red Cross, Currion, and Moelven.

The Board has approved an additional dividend of NOK 0.40 per share, which will be paid on 10 November 2023. Total dividend payments are up by 40% to NOK 0.70 per share in 2023.

Itera achieved a gold rating in the latest EcoVadis sustainability report. This places us among the top 2% of companies in our industry on a global basis.

Key figures

Amounts in NOK million	2023 7-9	2022 7-9	change %	2023 1-9	2022 1-9	change %	2022 1-12
Operating revenue	193.9	170.9	14%	649.5	530.4	22%	735.8
Gross profit	181.6	160.6	13%	607.5	492.2	23%	684.2
EBITDA	16.9	18.7	-9%	84.1	80.8	4%	109.0
EBITDA margin	8.7 %	10.9 %	-2.2 pts	13.0 %	15.2 %	-2.3 pts	14.8 %
Operating profit (EBIT)	8.7	10.2	-14%	60.3	57.8	4%	77.2
EBIT margin	4.5 %	5.9 %	-1.5 pts	9.3 %	10.9 %	-1.6 pts	10.5 %
Profit before tax	7.6	10.9	-30%	58.5	58.7	0%	78.2
Net income from continuing operations	5.8	8.0	-27%	45.1	44.6	1%	61.4
Profit margin	3.0 %	4.7 %	-1.7 pts	6.9 %	8.4 %	-1.5 pts	8.3 %
Net cash flow from operating activities	-2.3	22.0	(111 %)	38.6	34.6	11%	76.0
No. of employees at the end of the period	762	701	9 %	762	701	9%	698

Revenue (NOK)

193.9m 14% ↗

Employees (ending)

762 9% ↗

EBIT (NOK)

8.7m -14% ↘

CEO's comment

Closer to our customers

I want to say a huge thank you to our amazing people who have worked tirelessly to fulfil our promise of delivering sustainable digital transformation for our customers. Although the overall macro environment remains somewhat uncertain, our company's performance demonstrates its resilience. Right now, the most important thing is for us to stay connected to our customers and to truly understand their needs. Our customers require short-term solutions to add value, as well as support with digitally transforming their businesses.



To reflect on how our market has developed over the last 4-5 months, we and our customers have had to navigate a tougher macroeconomic environment than we anticipated at the beginning of the year. While industries and markets have been affected differently, we have seen some caution in terms of lower discretionary spending and slower decision-making.

Following a period during which our three-year average rate of growth was in excess of 20%, we are pleased with organic growth of 14% in the third quarter and 22% for the first nine months. We continued to develop our people and our business in strategic areas such as our Cloud and Application

Services that will provide more long-term managed services and subscription revenue. These investments continued to impact our profitability, with Itera delivering an EBIT margin of 4.5 % in the third quarter and 9.4 % for the first nine months of 2023.

We are implementing several business optimization actions to lower costs and increase revenue in 2023 and beyond, in order to achieve margin improvements over the next quarters. This includes increasing our demand generation activities, increasing hourly rates in line with inflation, transforming overheads into billable value creation and reducing operating expenses and capex.

Our headcount increased by a net 61 employees over the last 12 months, 21 of whom joined in the third quarter. The growth in our headcount has been slower over the last quarters to adapt to the softer market. We also continued to leverage our Digital Factory at Scale, doing more with less through automation and managed services, which means our overall headcount will not really need to grow at the same rate as our revenue.

With regard to our ongoing objective to return cash to shareholders, our Board of Directors approved an additional dividend of NOK 0.40 per share to be paid on 10 November. For 2023 as a whole, the total dividend payout will be NOK 0.70 per share, a 40% increase over last year.

While the pace of spending in the market has changed, the fundamentals have not. All strategies continue to lead to technology, and companies will need to digitally transform their business to optimize their operations and accelerate their growth.

According to Gartner analysts, digitalization projects are shifting from a focus on external facing deliverables, such as revenue and customer experience, to more inward facing efforts focused on optimization. While Generative AI is top of mind for many business and IT leaders, it is not yet significantly impacting IT spending levels. In the longer term, Gartner estimates that Generative AI will primarily be incorporated into enterprises through existing spending.

We are embracing Generative AI across our services, developing new cutting-edge tools and solutions, and embedding Gen AI into the way we work. Our Digital Factory at Scale is infusing AI into the whole value-chain. We have created proprietary AI-tools to strengthen both delivery and operations. We are investing in upskilling our consultants and many have completed online training and certification programs ranging from technical deep dives to responsible AI.

As an example, Itera was engaged by the Confederation of Norwegian Enterprise (NHO) to help them harness the value of AI and identify key areas for implementation. Two prototype solutions have been developed, which focus on information retrieval for NHO's employees and members. The first solution compiles vast amounts of data to provide NHO employees with quick answers regarding various viewpoints on society, technology and working life. This facilitates effective and consistent communication of NHO's positions to stakeholders. The second solution enables NHO members to promptly access answers on relevant employer-related issues using data from NHO's employer portal, Arbinn. These solutions, powered by GPT(3.5), reinforce NHO's reputation as a thought leader in society and a supportive partner for its members.

It is essential to ensure that AI is used responsibly. At Itera, we have built a responsible AI program based on recommendations from the tech giants and recognized international AI communities. And we're using our experience and the lessons we have learned to help our customers build their own responsible AI programs, which are necessary to address the risks and get the full value from AI.

Our own progress in sustainability is important to our ability to lead in relation to helping our customers harness this key force of change and to attract top talent. In the third quarter, Itera was awarded a Gold rating for sustainability by Ecovadis, which is the world's largest and most trusted provider of business sustainability ratings. We scored in the top 2% in our industry, up from top 6% last year. We will continue to pursue our own sustainability goals and to help others achieve theirs, aided by technology.

As a company, we are deeply engaged in supporting Ukraine from all locations. On every visit, I witness how our business

in Ukraine is continuing to run as normal despite Russian missiles and drone attacks. In the western part of Ukraine, which is 1.4 times larger than Germany, shops are open, products and services are being delivered, and people go to work as normal.

Ukrainians are fighting not just for their sovereignty but also for us, for our freedom and for our values. It is our biggest social responsibility to help keep the Ukrainian economy running during the war. We are also embracing several business opportunities that will make the future Ukraine cleaner, greener and more modern. The rebuilding of Ukraine after the war will be the largest source of economic, industrial and technological growth in Europe for decades.

As we enter 2024, we will remain focused on creating value for our customers, and we are going to pivot to areas of growth and to optimizing our business. We believe helping our customers to accelerate the digital transformation of their business will be the drivers of our growth.

Our ability to advise, shape and deliver sustainable digital transformation, from strategy and consulting to technology, to our managed services along with our privileged partnerships with the tech giants and international players such as DNV, is what makes Itera unique.

Today, we are the strongest we have ever been in our history because of our incredible people. Their contributions are invaluable, and I recognize that our success is a direct result of their efforts. Together, we will continue to thrive and make a difference in the lives of our customers, our communities, and Ukraine as a whole.

Arne Mjøs

FOUNDER & CHIEF EXECUTIVE OFFICER



Third quarter and first nine months of 2023

Financial reporting

The comments in this financial review relate to the performance of Itera's continuing operations in the third quarter and first nine months of 2023 compared to the equivalent periods of 2022 unless otherwise stated. The figures given in brackets in this report refer to the equivalent period in 2022. Please refer to Note 3 for a description of the alternative performance measures used and to Note 4 for key financial figures for the discontinued data centre operations in 2022.

Itera (the Group) consists of Itera ASA (the Company) and its subsidiaries. Itera ASA is a public limited liability company incorporated in Norway and listed on the Oslo Stock Exchange with the ticker ITERA. The condensed consolidated interim financial statements cover the Group. As a result of rounding differences, some numbers and percentages may not add up to the totals given.

Accounting principles

These interim condensed consolidated financial statements for the quarter ending 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group's annual report for 2022. The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022. The interim financial information contained in this report has not been audited or reviewed.

Summary for the third quarter

Itera achieved organic revenue growth of 14% in the third quarter of 2023 relative to the third quarter of 2022. Gross profit increased by 13%, with the gross margin down by 0.3 points to 93.6%. The third quarter of 2023 contained a weighted average of 1.1 fewer working days than the

corresponding period of 2022. This had a negative impact of an estimated NOK 3.0 million on revenue and profit.

The operating profit (EBIT) for the third quarter of 2023 decreased by 14% to NOK 8.7 million (NOK 10.2 million), with an EBIT margin of 4.5% (5.9%). In addition to the impact of the quarter containing fewer working days, Itera's profits were impacted by lower utilization, particularly from the annual intake of university graduates, a shift in staff usage from Eastern to Central Europe, with this involving higher costs and generally high salary inflation, as well by as the economic investment case in Cloud and Application Services, with this latter impact set to continue until critical business volumes are achieved.

Operating revenue

Itera reports operating revenue of NOK 193.9 million (NOK 170.9 million) for the third quarter of 2023, which represents growth of 14% (8% in constant currency). This was driven by growth in the revenue from Itera's own services, which increased by 14% to NOK 163 million. Revenue from subscription-based services increased by 2% to NOK 18 million, while revenue from third-party services increased by 12% to NOK 7 million. Other revenue increased by 50% to NOK 6 million. For the first nine months operating revenue was NOK 649.5 million (NOK 530.4 million), which represents growth of 22% (15% in constant currency).



Gross profit (revenue minus cost of sales) was NOK 181.6 million (NOK 160.6 million) in the third quarter of 2023, which represents an increase of 13%. Gross profit for the first nine months was NOK 607.5 million (NOK 492.2 million), which represents growth of 23%. Cost of sales consists mainly of subscription and third-party services, including cloud consumption.

Operating expenses

Total operating expenses in the third quarter of 2023 were 15% higher at NOK 185.3 million (NOK 160.7 million) and 25% higher at NOK 589.2 (NOK 472.6 million) for the first nine months.

Cost of sales was NOK 12.3 million (NOK 10.3 million) in the third quarter of 2023. Cost of sales relates to subscription and third-party services and other revenue. For the first nine months cost of sales was NOK 42.0 million (NOK 38.2 million).

Personnel expenses were NOK 148.8 million (NOK 124.6 million) in the third quarter of 2023, which represents an increase of 19%. The average number of employees in the quarter was 10% higher than in the corresponding quarter of 2022. Personnel expenses per employee were 8% higher in the third quarter of 2023 than in the same quarter of 2022 (2% in constant currency). For the first nine months of 2023 personnel expenses were NOK 471.8 million (NOK 369.6 million) and personnel expenses per employee were 15% higher (8% in constant currencies). High inflation rates have contributed to an overall high rate of salary growth. In addition, extra social security taxes introduced in Norway, payroll support for drafted military personnel in Ukraine, and a slightly lower nearshore ratio contributed to the increase in personnel expenses per employee. The increase in personnel expenses was also due to a shift in the mix from Ukrainian staff to more expensive EU-based staff.

Other operating expenses were NOK 15.9 million (NOK 17.3 million) in the third quarter of 2023, down by 8% from last year (-14% in constant currency). The decrease came as a result of a cost-reduction program focused on limiting discretionary spending. The spend per employee was about the same as the same levels seen during Covid in 2020-21, and lower in constant currencies. For the first nine months

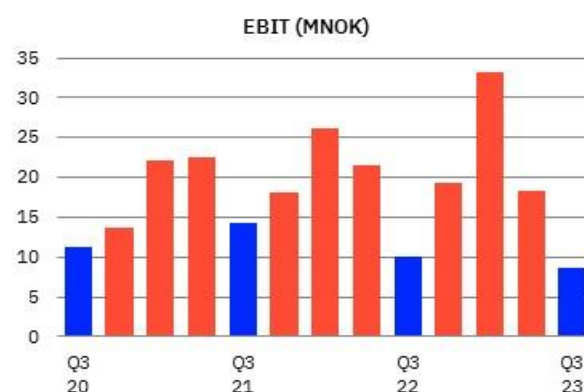
other operating expenses were NOK 51.6 million (NOK 41.8 million), an increase of 11% per employee (4% in constant currencies).

Depreciation and amortization totalled NOK 8.2 million (NOK 8.5 million) in the third quarter and NOK 23.8 million (NOK 23.0 million) for the first nine months.

Operating result

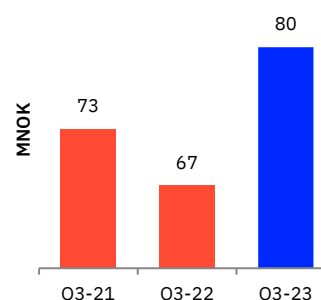
The operating result before depreciation and amortization (EBITDA) for the third quarter of 2023 decreased by 9% to a profit of NOK 16.9 million (NOK 18.7 million), giving an EBITDA margin of 8.7% (10.9%). For the first nine months EBITDA was NOK 84.1 million (NOK 80.8 million) with an EBITDA margin of 13.0% (15.2%).

The operating result (EBIT) for the third quarter decreased by 14% to a profit of NOK 8.7 million (NOK 10.2 million), giving an EBIT margin of 4.5% (5.9%). EBIT for the first nine months was NOK 60.3 million (NOK 57.8 million) with an EBIT margin of 9.3% (10.9%).



Cash flow, liquidity and equity

The net cash flow from operating activities was NOK -2.3 million (NOK 22.0 million) in the third quarter of 2023 and NOK 38.6 million (NOK 34.6 million) for the first nine months. As 30 September fell on a Saturday, around NOK 30 million more than normal of customer receivables were received in the week after the quarter end. For the last twelve months cash flow from operating activities was NOK 80.0 million, representing a cash conversion rate of 71% (cash flow from operations / EBITDA).



Cash flow from operations, rolling 12 months

There was a net cash outflow from investing activities of NOK 7.9 million (NOK 3.7 million) in the third quarter of 2023, of which NOK 4.0 million related to fittings and furniture in the new headquarters in Oslo, the refurbishment of Itera's office in Bryne and the expansion of its office in Bergen. Another NOK 1.7 million was related to investment in office equipment and NOK 2.2 million in intangible assets. For the first nine months the net cash outflow from investing activities was NOK 15.6 million (NOK 11.6 million).

There was a net cash inflow from financing activities of NOK 0.8 million (NOK -4.0 million) in the third quarter of 2023 as a NOK 5 million long-term bank loan was acquired to finance fittings and furniture. For the first nine months there was a net cash inflow from financing activities of NOK 0.5 million (NOK -20.1 million).

Right-of-use assets primarily related to facility lease agreements increased by NOK 49.6 million to NOK 73.1 million at 30 September 2023 following the capitalization of a 7-year lease facility agreement for Itera's new headquarters in Oslo and a 5-year prolongation of its office lease in Bryne.

Contract assets at 30 September 2023 were NOK 3.3 million higher than at 30 September 2022, while there were no remaining capitalized contract costs (NOK 2.0 million). Accounts receivable and other receivables were NOK 38.2 million higher and NOK 5.8 million lower respectively than at 30 September 2022. The former was particularly high as the main due date of receivables was on a Saturday (30 September).

Accounts payable at 30 September 2023 were NOK 6.0 million lower than at 30 September 2022. Public duties payable were NOK 11.7 million higher than at the end of the third quarter of 2022. Tax payable was NOK 3.0 million higher than at 30 September 2022. Contract liabilities at 30 September 2023 were NOK 1.8 million lower at NOK 18.6 million.

Cash and cash equivalents amounted to NOK 42.2 million at 30 September 2023, compared to NOK 41.0 million at 30 September 2022. Itera has a revolving credit facility of NOK 35 million.

Itera had lease liabilities totalling NOK 75.6 million (NOK 25.3 million) at 30 September 2023, which represents a net increase of NOK 50.3 million and which relates to the above-mentioned office facility agreements. NOK 13.4 million of the lease liabilities are current liabilities that fall due within 12 months, while NOK 62.2 million are classified as non-current liabilities. Itera acquired a 5-year serial bank loan for NOK 5 million to finance furniture and fittings for its new and refurbished offices.

At 30 September 2023 Itera held 948,059 (1,011,602) own shares, valued at NOK 11.4 million (NOK 12.8 million).

Equity at 30 September 2023 totalled NOK 79.0 million (NOK 65.0 million). The equity ratio was 24.2% (27.1%). The equity ratio without the right-of-use assets included under IFRS 16 was 31.2% (30.1%).

Dividend

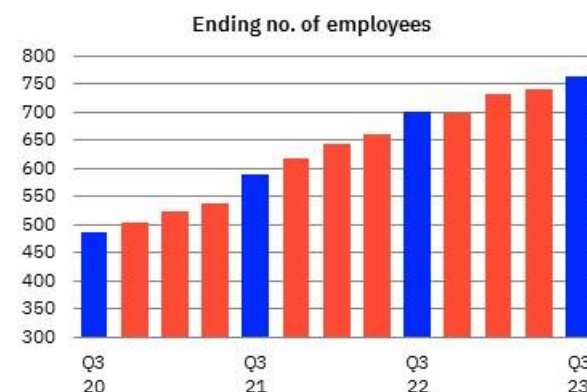
At its meeting on 26 October 2023, the Board of Directors approved the payment of an additional dividend of NOK 0.40 per share for 2022 in accordance with the authorisation it was granted at the Annual General Meeting on 24 May 2023. The share will trade excluding the right to receive the additional dividend starting on 31 October 2023 and the dividend will be paid on 10 November 2023.

Including this dividend, the total dividend payments based on Itera's 2022 results are NOK 0.70 per share (NOK 0.50 per share), which is 111% (91%) of EPS.

Personnel

Building on a strong Nordic heritage, we combine local presence with geographically distributed capabilities into a distributed delivery model that features multidisciplinary teams and a flexible distribution of work across borders.

Itera's headcount at the end of the third quarter of 2023 was 762 as compared to 701 at the end of the third quarter of 2022. This represents an increase of 61 employees (9%) during the last 12 months and an increase of 21 employees in the third quarter, most of whom were recent university graduates.



Itera has nearshore development centres in Slovakia, Poland, Czechia and Ukraine. The proportion of Itera's capacity that is located in these locations (its nearshore ratio) was 51% (52%) at the end of the third quarter of 2023.

Our distributed delivery model is very scalable and provides access to a much larger workforce than is available in local markets. Through our presence in Central and Eastern Europe we are tapping into a pool of more than 600,000 digitally talented people.

Our distributed delivery model was recognized for having the best Project Management Office in Europe by the PMO Global Alliance in 2020. Itera also received the PMO Ukraine Award

for 2020, achieving the best results in the categories "Best Practices", "Customer Service", "PMO Path", "Value Generation", "Innovations", "Competency Development" and "Formation of Commonality".

Significant risks and uncertainties

Itera's activities are influenced by several different factors, both within and outside of the company's control. As a service provider, Itera faces business risks associated with competition and pressure on prices, project overruns, recruitment, loss of key employees, customers' performance and bad debts. Market-related risks include risks related to the business cycle. Financial risks include currency fluctuations against the Norwegian krone (NOK), principally in relation to the Danish krone (DKK), the Swedish krone (SEK), the US dollar (USD), the euro (EUR) and more recently the Czech koruna (CZK) and Polish zloty (PLN). In addition, interest rate changes will affect the returns earned by Itera on its bank deposits, as well as leasing costs and the cost of credit facilities.

Itera executed on its business continuity plans when Russia started a military invasion of Ukraine in late February of 2022 after initially facilitating the safe relocation of its employees and their families to the Western region of Ukraine and abroad. The downtime in production before resuming close to full availability was limited to a few days. During the first few months of the invasion there was a natural reduction in sales opportunities due to the uncertainty of the impact of the invasion. Gradually, confidence in Ukraine as a viable sourcing destination is returning, and existing and new customers are quoting trade with Ukraine as an important Corporate Social Responsibility (CSR) initiative. Itera is firmly committed to continuing its growth in Ukraine but has also mitigated the current risk by strengthening its presence in nearby EU locations.

The current macroeconomic environment is challenging, with high inflation rates and the associated pressure on salaries, rising interest rates, the energy crisis and the ongoing invasion of Ukraine all impacting businesses to varying extents. These factors may cause some companies to reduce their spending levels. Digitization is an important tool for reducing costs and creating new business opportunities. However, a reduced overall availability of capital will also increase the investment hurdles in this area. Several technology companies have laid off employees or reduced recruitment recently. This may have a positive impact on the availability of talent in our industry and may also reduce the high salary pressure.

More information about risks and uncertainties can be found in Itera's annual report for 2022.

Outlook

The company's overall strategy of developing large, long-term customer relationships, increasing the number of engagements which involve the full range of Itera's services, and using our Digital Factory at Scale and distributed delivery model across borders in the Nordics and Central and Eastern Europe, remains unchanged.

Itera will continue to invest in its expansion in Sweden and Central and Eastern Europe to accommodate current and expected future demand, while maintaining readiness to accelerate expansion in Ukraine. Itera is utilizing its strong relationships with the Ukrainian authorities and senior management teams in Nordic industries to enable the green transition through new industrial software solutions and services for the rebuilding of Ukraine once the invasion is over. There are several potential cases under discussion.

In recent months demand has been somewhat weaker in the marketplace, with longer sales cycles and tougher competition. There is still a very strong underlying demand for digitization, and we expect this will translate into sales once capital becomes more available again. Itera nonetheless expects to maintain a high growth rate, although variance in the balance of supply and demand may cause somewhat lower utilization in the short term.

To mitigate the short-term impact of the softer demand, Itera launched a business optimization programme to identify areas for savings and improvements. The programme includes curbing discretionary spending, reducing overhead structure, realigning recruitment targets, increasing utilization and strengthening sales efforts. Some of these measures have already produced tangible results in the third quarter, whilst others will have positive impacts in the quarters to come.

There is a gradual shift taking place in the nature of the demand for managed services. As businesses seek greater resilience, face a war for talent, and need to digitize and experience cost pressures, strategic managed services are increasingly a top management priority. Leveraging the substantial investment that it has carried out in its Cloud and Application Services, Itera expects to see a gradual improvement in its profitability once the volume of migration and modernization engagements reaches critical mass.

Next interim report

The interim report for the fourth quarter and preliminary full year will be published and presented on 15 February 2024.

Business review

Navigating the possibilities of AI

Our mission is to help businesses and organizations to accelerate their sustainable digital transformations and to achieve more for less. This mission has never been more urgent nor more necessary. Both the private and public sectors are increasingly looking to digital technology to overcome today's challenges and emerge stronger. As an international tech company, Itera has never been better positioned to help them.

We leverage our scale and international footprint, our innovation-led culture and strong partnerships, and our Digital Factory at Scale and Cloud Centre of Excellence capabilities to consistently deliver tangible value for our customers worldwide.

We are fully committed to something bigger than ourselves and take responsibility for showing how to become more sustainable, how to create new pathways for industrial growth, and how to deliver far-reaching lifestyle changes through digitalization.

Industries

We have a focused customer-centric strategy in selected industries. Industry expertise is a critical competitive advantage which allows us to bring industry-specific solutions to our customers to enhance value creation. Our industry focus gives us an understanding of the evolution of industries, business issues and new and emerging technologies.

The two most dominant industries for Itera are energy and banking and insurance. In addition, we focus on several country-specific industries, such as the public sector, within each country where we are located.

Itera had an order intake equivalent to a book-to-bill ratio of 0.6 in the third quarter of 2023 and of 1.0 for the last twelve months. We entered into new or extended contracts with customers including Kredinor, Eviny, IMDi, Rayvn, DNV, Össur, the Norwegian Red Cross, Currón, and Moelven. 43 new

customers contributed NOK 9.8 million (5.1%) of revenue in the third quarter of 2023.

Accelerating the Energy Transition through digitalization

The transformation of the energy system remains a key focus both in the Nordics and globally. While the process of building physical infrastructure can be time-consuming, taking up to a decade from initiation to production, digitalization and data initiatives offer agile solutions that yield tangible results in shorter timeframes. The adoption of digital technologies and leveraging data are crucial to driving the energy transition at the necessary speed and scale to unlock green business opportunities and achieve climate goals.

In Q3, Itera continued its strong growth in the energy sector and collaborated with leading power companies such as Eviny, Hafslund and Å Energi in Norway, Nordlys in Denmark, Laki Power in Iceland and DNV in the USA. We are also in concrete discussions about opportunities with some of the largest energy companies in Ukraine.

Itera contributes to successful projects by providing a wide range of capabilities, including Business Design, Digital Design, Project Management, Data & Analytics, Testing, Development, and Cloud and Application Services. Our objective is to unleash the digital potential of our customers, helping them to create innovative customer solutions that enhance the customer journey and satisfaction and to launch new scalable ventures. By modernizing legacy solutions, we optimize business processes and enhance agility for our

customers. Additionally, transitioning applications from on-premises data centres to the cloud not only boosts innovation capabilities but also lowers operational costs.

Itera plays a pivotal role in developing mission-critical software for key vendors driving the energy industry's transformation. We collaborate with fast-growing companies like Aize, Rayvn, and Laki Power, enabling them to accelerate the development and enhance the quality of their software offerings.

In late September, Itera, in collaboration with Thema Consulting, published the latest edition of the Power Market Report, which is focused on Northern European markets in addition to Norway. While there are shared topics and important differences across the markets, customer-facing solutions are universally vital for success in an era characterized by volatile prices and a rapidly evolving energy system.

Download the report on itera.com.

Digitalization and automation in banking and insurance

The banking and insurance industries remain a major revenue generator for Itera, and we continue to contribute to the digital transformation and future exploration activities of our forward-thinking customers.

Itera and Cicero Consulting, Itera's banking and insurance research and consulting services subsidiary, are spearheading a sustainability project in the property and casualty insurance sector. Together with partners like Gjensidige, we are exploring environmentally responsible construction methods, risk mitigation, market dynamics, and incentive mechanisms. This project aims to drive sustainable progress in line with the EU taxonomy. The findings will be presented in a comprehensive report due for release in Q4 this year, which should spark industry discussions.

Recognizing the challenges associated with establishing business pension and insurance programs, Storebrand embarked on an innovative journey that resulted in its 'Storebrand Bedriftsveilederen' solution winning UX Nordic Award 2023. By automating processes and incorporating customer feedback, Storebrand has challenged industry norms, achieving remarkable outcomes. The user-friendly solution significantly reduces the time and effort required to purchase business pension and insurance programs. In collaboration with Itera, Storebrand's unwavering commitment to user studies, challenging conventions and fostering behavioural change was instrumental to the creation of this award-winning digital solution.

In the realm of modern business development and design, Itera's professionals prioritize competence and leadership development to enhance the strategic innovation capabilities of our customers. How can you amplify the impact of your innovation and growth investments by enhancing employees' knowledge and competence in strategy, business

development, and design? This challenge was presented to Itera by Gjensidige. Together, we created a design-driven business development course. Itera has successfully delivered this course to four cohorts, and it has been recognized for its excellence and listed as an annual master class available to all Gjensidige employees through their internal training program, Gjensidigeskolen.

New and extended deals in other industries

Itera also has many interesting customers and projects outside our primary industry domains. In the quarter, we signed and extended several extensive deals. For example, we will be working with the Norwegian Red Cross, using Power Platforms to upgrade, rebuild and relaunch its current solution for volunteers and volunteer management.

We have strengthened our partnership with DNV by means of providing additional capacity and a wider range of competence in selected product teams. We are also supporting Moelven Industries with QA and testing within the ERP area. We are seeing a high level of demand for expertise and services within Data & AI and Low Code, to name but a few.

Core Services

Itera combines skills, capabilities, and industry experience to help our customers achieve tangible outcomes. We are a talent and innovation-led organization with people whose skills and specialization are a significant source of competitive differentiation.

Technology

Customers are increasingly demanding Itera's technology competence as we continue to play a pivotal role in developing and implementing innovative solutions. For instance, in the Norwegian debt collection market, Itera has been instrumental in the creation of a revolutionary product for Kreditor. We were part of its conception and are now a driving force behind a high-speed delivery that will see the new product launched in the market before Christmas. An MVP has already been successfully launched, and customers are actively utilizing the product. This game-changing solution is set to transform the debt collection market in Norway, significantly benefiting those with debt or financial challenges.

Additionally, Itera's position as one of Eviny's key digital transformation partners has further solidified our role as a trusted advisor for their digital journey. Through our diverse teams specializing in integration, Low Code and Fusion, Quality Assurance, and project management, we are leveraging our expertise in digitalization and cloud transformation. By collaboratively unlocking the full potential of Eviny's digital capabilities, we are seeking to drive innovation at Eviny, to enhance its operational efficiency and to help it achieve its strategic objectives. Itera's increasing engagement with Eviny demonstrates the value and impact of Itera's technology expertise in enabling digital transformation.

Digital Advantage

In the third quarter there was continuous strong demand for all our advisory services. Our consultants continued to make a strong impact by helping customers drive digital and AI transformations with business-altering value. In the third quarter, more than ten new customers were onboarded and scaled, many within energy, underpinning our strong growth in this sector.

The demand for Data, AI and Analytics services is still being accelerated by the high level of attention surrounding Generative AI. We continue to deliver high-impact value by combining the exploratory nature of Generative AI with the need for both strategic and substantial value creation. We have helped DNB Eiendom to identify and qualify how Generative AI can create value and also to build a solution targeting a high-value use case. Within legal professional services, we have helped some of Norway's top legal firms navigate the possibilities of AI and to create AI-fuelled solutions and assistants. We secured new framework agreements, such as with Norsk Rikstoto on data analysis.

Our customers' commitment to maximizing the return on their investment in digital tech is increasing across industries due to growing macroeconomic uncertainties. Within our digital business and delivery services, we are helping customers to drive and maximize the business impact of successful digitalization programs, projects and initiatives. We are helping one of Norway's largest financial institutions improve their agile development processes' efficiency and value delivery.

Experience

We understand that strong and loyal customer relationships are our most valuable asset. We therefore continue to excel in fulfilling our existing and exciting customer assignments. In the third quarter, we also established a new and strong partnership with a Norwegian SaaS company specializing in clinical research and medicine. This company has developed a unique all-in-one solution and platform for medical research. Our team of designers took the lead in facilitating and driving the entire strategy process to assist the company with its international expansion, starting with the United Kingdom. The designers developed a management platform for efficient goal setting, conducted competitor analyses, worked on market positioning, and established a value-based pricing structure to compete with new international players. As a result, we designed an entirely new brand, including all associated elements, produced a comprehensive design system, and completed a complete redesign of the company's website. The new management platform also provides a solid foundation for building culture, making value-based decisions, and future hiring for this company.

We have observed that our multidisciplinary expertise is also attractive to companies seeking guidance in competence development and value assessment. Together with Thema Consulting, our advisors have delivered Vendor Due Diligence (VDD) analyses in the energy industry. Additionally, we

provide training and competence programs in design-driven business development to our major customers.

The power of our design expertise, combined with Itera's overall domain knowledge, contributes to value creation across Itera's entire customer portfolio. To establish Itera as a leading player in digitalization, it is undeniable that design expertise is crucial in order to deliver quality and value to the customer. In order to be recognized as one of the most reputable design teams, we have worked to increase demand for our services. Through close collaboration with sales at Itera, we have taken ownership and uncovered new opportunities. Market-relevant expertise in areas such as Generative AI and Low Code has played a central role. By showcasing our value and enhancing our expertise, we are striving to become the most attractive and recognized design team in Europe.

Cloud and Application Services

In our pursuit of value creation, we have supported customers with overcoming challenges related to accessing transformation and technology skills. By establishing new ways of working, we enable them to achieve speed-to-value and to build empowered organizations. Emphasizing user-driven effects and efficiencies, we employ data-driven risk assessment and mitigation methods.

There is a gradual shift taking place in the nature of demand for managed services. CAS is still an economic investment case until a critical business volume is achieved. The profitability margin of delivered services to customers is higher than with classical staff augmentations due to automation and much less difference in the price tag for Nordic and nearshore consultants. Our sales pipeline of cloud migration and cloud modernisation opportunities is increasing steadily and includes several large cloud transformation opportunities.

A typical journey starts with a Discovery & Assessment offering that takes 8-10 weeks and provides an overview of the current situation, what is required for a safe journey to the cloud and the potential value of modernization. We then start to implement the roadmap to the cloud over the next 1-3 years.

This quarter witnessed significant advancements in service delivery, including the successful integration of AI for initial efficiency gains. Collaboration across cross-functional teams led to increased utilization of Cloud and Application services. Our commitment to long-term subscription customers goes beyond the expected scope, providing comprehensive support. Implementing a continuous assessment model for our application lifecycle management portfolio ensures governance and transparency in delivery improvements. Notably, our platform and deliveries remained stable without critical incidents.

In addition to our financial achievements, we prioritize people and sustainability. Sharing the CO2 footprint of our cloud platform enables customers to monitor their environmental

impact through the 'Pulse' customer portal. Increased engagement from individuals utilizing our Cloud and Application services, fuelled by valuable feedback, is strengthening our continuous improvement efforts.

Accelerating partnership with Microsoft Industry Solutions Delivery

Itera's strategic partnership with Microsoft Industry Solutions Delivery (ISD, previously the Microsoft Consulting Services unit) is materializing in accordance with our vision. Through this partnership, Itera is tapping into ISD's worldwide team of 15,000 experts and their developed IP that is based on best practices from the digital transformation of their most strategic customers in the world.

The new dedicated sales lead for CAS is facilitating more efficient collaboration and lead development with Microsoft. We have progressed to mature stages of opportunities together, presenting and co-selling as a unified unit. Our strong local and European presence, combined with our experience and capabilities gained through our Digital Factory transformation and Microsoft IP, resonate strongly with potential customers. We are observing increased interest from larger customers.

Together we are working on developing the next generation of transformational IP for our customers, integrating the latest industry trends into our stories and materials. We are proud to be contributing to the development of the Lean Product Organization approach that Itera internally has adopted as our own Cloud Centre of Excellence (CCoE) at the core of its Digital Factory strategy.

While our CCoE is founded on Microsoft best practices, it is also designed to support other hyperscalers, such as Google Cloud and Amazon Web Services (AWS), and hybrid cloud environments such as IBM Red Hat OpenShift.

Digital Factory at Scale

We are continuing to see a growing number of customers embrace our Digital Factory at Scale. The factory is based on global best practices for Lean Product Development that bridge the cultural gap between Business and IT along three dimensions - people, processes, and policies - in order to deliver material benefits, including shorter time to value, improved business agility and reduced business risk.

Our Digital Factory at Scale is all about doing more with less. It is our way of leveraging our digital capabilities in terms of creating and maintaining one or more digital products, services or experiences for our customers. The secret to the Digital Factory's success is building reusable products and tools and repeatable processes to accelerate digital transformation.

The factory encompasses all our services and tools, from digital strategy, customer experience and cloud transformation journeys to cloud migration and modernization, data-driven development, artificial intelligence usage and entire product lifecycle management.

Typically, speed and throughput are increased by 20-30% or more compared with classical staff augmentation. Revenue consists of a mix of consultancy and managed services. For instance, for an international customer in the energy sector, we managed to increase the speed of the digital transformation of a core product by 40%.

Itera awarded gold rating by EcoVadis

Itera has been awarded a gold rating by EcoVadis in its latest sustainability ratings. This places us among the top 2% of companies in our industry on a global basis. EcoVadis is a recognized rating agency within sustainability and has rated over 100,000 companies in over 100 countries over the past 15 years. The ranking is based on a number of factors, including the environment, social responsibility and ethics, which are important to sustainable businesses. Through exhaustive analysis and strict documentation requirements, EcoVadis helps to reduce the risk of greenwashing and ensures that companies have their own affairs in order.

New office in Denmark

Itera is experiencing significant growth and has opened several offices in different countries and cities over the past two years. This year, Itera celebrated its 25th anniversary in Denmark and marked this occasion by opening an office in a new location. While we have been serving customers in Jutland for many years, our new regional presence allows us to take on even more exciting projects for new customers in the coming years.

People

Our culture is grounded in our growth mindset: Grow people, Grow customers, and Grow company. This means everyone is on a continuous journey of learning and growing. We continue to invest in our people, providing learning opportunities and upskilling to enable us to pivot as our customers' needs evolve. We believe our unwavering commitment to diversity and inclusion is the right thing to do and an essential element of our business strategy and strong financial performance.

Ukraine

Our colleagues in Ukraine continue to show admirable courage and resilience in the face of the consequences of the invasion. They continue to deliver high-quality services in hybrid mode, namely from their homes and Itera's offices in Kyiv and Lviv. The well-being of our Ukrainian colleagues is our priority every day. In our regular corporate crisis management meetings, we receive feedback and agree on how to support personal requests. In the third quarter, we had approximately 50 of our 300 Ukrainian colleagues living outside Ukraine, most of whom live in one of the seven other countries where Itera has offices. The number of expats is decreasing as many colleagues have returned to their Ukrainian homes.

We continue to respond to personal requests for support with re-locating and buying powerbanks, Starlinks and power generators as needed. Our brave employees serving in the armed forces receive 50% of their normal salary from Itera.

Thanks to the funds collected by the Itera Employee Foundation, we can finance key practical items for Itera employees serving as soldiers (e.g. second-hand SUVs, medical aid kits, clothes, gas drones etc.). Our long-term corporate social responsibility to support Ukraine continues.

Extensive onboarding program for new employees

This quarter, we organized an additional onboarding program for employees who joined us in the first half of the year. This event created a platform to address consultant-related dilemmas, explore the consultant role, and collaborate on solving tasks and challenging scenarios. Participants from Oslo, Bergen and Fredrikstad enjoyed a sociable atmosphere while gaining valuable insights and enhancing their skills as consultants. They also discussed navigating third-party partnerships and shared experiences from various projects, promoting interdisciplinary learning among consultants of different ages and industries.

Recognizing the significance of fostering a strong team connection, especially for consultants primarily working on-site with customers, this supplementary onboarding day proved highly valuable. As many of our new hires immediately engage in projects upon joining Itera, the opportunity to establish a sense of connection and shared knowledge is essential.

Talent acquisition

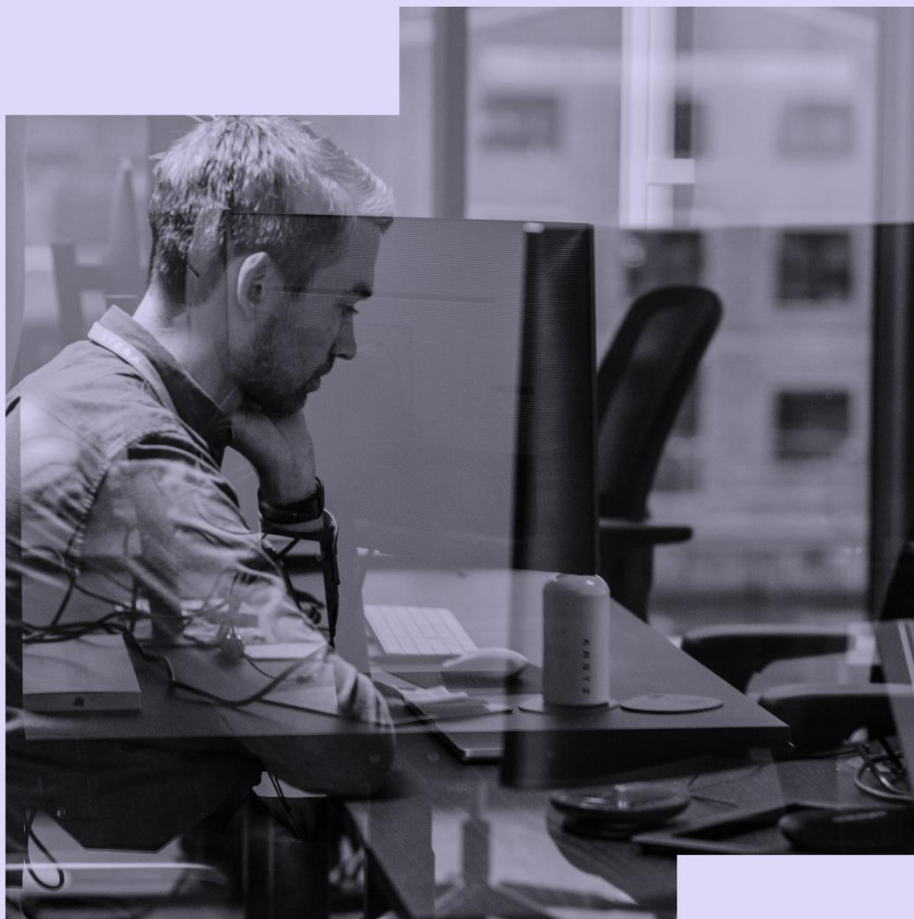
Itera Sweden is growing and added a sales professional to its team in August. Her focus will be to continue developing new

accounts for Itera as we work to establish our brand in the Swedish market. In Q3 in the Swedish market we strongly focused on Generative AI, and there was a great deal of interest. Itera will help our customers work with the new technology safely and competently while exploring use cases and business applications for Generative AI.

In Q3, we welcomed 18 new graduates, who participated in our customized program called "Boost". This week-long event at Engø Gård encompassed professional and social activities, introducing them to Itera's culture, life as a consultant, and general working life.

Recruitment for next year's graduates is well underway, with significant interest from students eager to join us. We have engaged with major educational institutions across the country, including the Norwegian University of Science and Technology (NTNU), the University of Oslo (UiO), and Østfold University College (Høgskolen Østfold), through stands and company presentations.

This summer, we had 13 interns working with us, divided into two customer teams. One team focused on an AI project delivered to the Confederation of Norwegian Enterprise (NHO), while the other served one of our prominent financial sector clients. Next year's summer interns have already been recruited, forming a cross-functional team of seven consultants.



Interim condensed financial report

Consolidated statement of comprehensive income

Amounts in NOK thousand	2023 7-9	2022 7-9	change %	2023 1-9	2022 1-9	change %	2022 1-12
Operating revenue	193 938	170 863	14 %	649 482	530 386	22 %	735 840
Operating expenses							
Cost of sales	12 333	10 294	20 %	41 966	38 165	10 %	51 687
Gross Profit	181 606	160 569	13 %	607 516	492 221	23 %	684 153
<i>Gross Margin</i>	93.6 %	94.0 %	-0.3 pts	93.5 %	92.8 %	0.7 pts	93.0 %
Personnel expenses	148 774	124 641	19 %	471 817	369 604	28 %	515 118
Other operating expenses	15 899	17 266	(8 %)	51 584	41 826	23 %	60 063
Depreciation and amortisation	8 231	8 507	(3 %)	23 820	22 995	4 %	31 753
Total operating expenses	185 237	160 708	15 %	589 187	472 590	25 %	658 622
EBITDA	16 933	18 661	(9 %)	84 115	80 791	4 %	108 971
Operating profit (EBIT)	8 701	10 155	(14 %)	60 295	57 796	4 %	77 218
Other financial income	409	217	88 %	1 210	1 534	(21 %)	2 016
Other financial expenses	1 168	223	424 %	2 506	1 679	49 %	1 254
Foreign exchange (gains) / losses	311	(766)	141 %	481	(1 082)	144 %	-225
Net financial income (expenses)	(1 069)	760	(241 %)	(1 776)	937	(290 %)	987
Profit before taxes	7 632	10 915	(30 %)	58 519	58 733	(0 %)	78 206
Income taxes	1 789	2 866	(38 %)	13 415	14 143	(5 %)	16 777
Net income from continuing operations	5 843	8 049	(27 %)	45 104	44 589	1 %	61 429
Net income from discontinued operations*	-	-		-	(10 438)	100 %	(10 438)
Net income	5 843	8 049	(27 %)	45 104	34 151	32 %	50 990
Other comprehensive income							
Translation diff. on net investm. in foreign operations	(600)	(529)	(14 %)	1 070	875	22 %	440
Total comprehensive income	5 243	7 520	(30 %)	46 173	35 026	32 %	51 430
Total comprehensive income attributable to:							
Shareholders in parent company	5 243	7 520	(30 %)	46 173	35 026	32 %	51 430
Earnings per share continuing operations	0.07	0.10	(27 %)	0.56	0.55	1 %	0.76
Fully diluted earnings per share continuing operations	0.07	0.10	(28 %)	0.55	0.55	1 %	0.76

*) See note 4 for information about discontinued operations.

Consolidated statement of financial position

Amounts in NOK thousand	2023 30 Sep	2022 30 Sep	change	change %	2022 31 Dec
ASSETS					
Non-current assets					
Deferred tax assets	4 477	4 242	234	6 %	4 388
R&D	31 458	33 063	(1 605)	(5 %)	32 676
Other intangible assets	329	504	(174)	(35 %)	509
Property, plant and equipment	16 822	14 658	2 164	15 %	12 790
Right-of-use assets	72 987	23 469	49 518	211 %	28 271
Total non-current assets	126 072	75 935	50 137	66 %	78 634
Current assets					
Contract assets	3 036	(219)	3 255	1 489 %	225
Contract costs	-	2 018	(2 018)	(100 %)	1 345
Accounts receivable	137 598	99 431	38 167	38 %	98 971
Other receivables	15 767	21 609	(5 842)	(27 %)	12 661
Cash and cash equivalents	42 156	40 999	1 156	3 %	41 934
Total current assets	198 557	163 838	34 719	21 %	155 136
TOTAL ASSETS	324 629	239 773	84 856	35 %	233 771
EQUITY AND LIABILITIES					
Equity					
Share capital	24 656	24 656	-	0 %	24 656
Other equity	9 156	6 209	2 947	47 %	(26 644)
Net income for the period	45 104	34 151	10 953	32 %	51 430
Total equity	78 916	65 016	13 900	21 %	49 442
Non-current liabilities					
Other provisions and liabilities	1 070	1 311	(241)	(18 %)	1 304
Long-term interest bearing debt	4 000	-	4 000	-	-
Lease liabilities - long-term portion	62 253	15 040	47 212	314 %	20 420
Total non-current liabilities	67 323	16 351	50 972	312 %	21 724
Current liabilities					
Accounts payable	16 012	22 045	(6 033)	(27 %)	16 760
Tax payable	14 478	11 435	3 043	27 %	12 112
Public duties payable	54 210	42 516	11 694	28 %	47 828
Contract liabilities	18 602	16 773	1 829	11 %	14 840
Lease liabilities - short term	13 391	10 271	3 120	30 %	9 175
Current portion of long-term debt	1 000	-	1 000	-	-
Other current liabilities	60 697	55 366	5 331	10 %	61 891
Total current liabilities	178 390	158 406	19 984	13 %	162 606
Total liabilities	245 713	174 757	70 956	41 %	184 330
TOTAL EQUITY AND LIABILITIES	324 629	239 774	84 856	35 %	233 771
Equity ratio	24.3 %	27.1 %		-2.8 pts	21.1 %

Consolidated statement of cash flow

Amounts in NOK thousand	2023 7-9	2022 7-9	change	2023 1-9	2022 1-9	change	2022 1-12
Profit before taxes	7 633	10 915	(3 282)	58 519	45 350	13 168	64 823
Income taxes paid	(166)	4 513	(4 678)	(12 171)	(6 739)	(5 432)	(7 980)
Depreciation and amortisation	8 231	8 507	(276)	23 820	23 752	68	32 510
Share option costs	-	48	(48)	1 532	615	917	1 454
Change in contract assets	660	(74)	734	(2 811)	1 339	(4 150)	895
Change in accounts receivable	(12 252)	(335)	(11 917)	(38 627)	(23 339)	(15 288)	(22 879)
Change in accounts payable	(1 813)	2 838	(4 651)	(747)	3 199	(3 947)	(2 086)
Change in other accruals	(789)	(5 594)	4 805	667	(11 205)	11 872	7 094
Effect of changes in exchange rates	(3 833)	1 206	(5 039)	8 666	829	7 837	1 382
Net cash flow from operating activities	(2 328)	22 025	(24 353)	38 558	34 617	3 941	76 027
- of which included in discontinued operations	-	(738)	738	-	(13 260)	13 260	(13 260)
Payment from sale of fixed assets	-	-	-	332	1 055	(723)	-
Investment in fixed assets	(5 773)	(1 584)	(4 189)	(9 135)	(5 338)	(3 798)	(6 503)
Investment in intangible assets	(2 174)	(2 067)	(107)	(6 758)	(7 350)	592	(9 773)
Net cash flow from investing activities	(7 947)	(3 651)	(4 296)	(15 561)	(11 632)	(3 929)	(15 222)
- of which included in discontinued operations	-	1 055	(1 055)	-	1 055	(1 055)	1 055
Purchase of own shares	-	-	-	(80)	(621)	542	(9 086)
Sales of own shares	-	-	-	6 237	6 559	(322)	6 559
Cash settlement of options contract	-	-	-	-	-	-	-
Equity settlement of options contract	-	-	-	267	-	267	-
Principal elements of lease payments	(4 202)	(3 953)	(249)	(10 956)	(11 686)	730	(15 537)
Instalment of sublease receivable	-	-	-	-	1 750	(1 750)	1 750
Long term borrowings	5 000	-	5 000	5 000	-	5 000	-
Dividends paid to equity holders of Itera ASA	-	-	-	(24 656)	(16 099)	(8 557)	(40 451)
Net cash flow from financing activities	798	(3 953)	4 751	(24 186)	(20 097)	(4 089)	(56 767)
- of which included in discontinued operations	-	(468)	468	-	(982)	982	(982)
Effects of FX rate changes on cash and cash equiv.	(349)	(506)	157	1 410	654	757	437
Net change in cash and cash equivalents	(9 826)	13 915	(23 741)	221	3 542	(3 320)	4 475
Cash and cash equivalents at the beg. of the period	51 982	27 083	24 899	41 935	37 457	4 478	37 457
Cash and cash equivalents at the end of the period	42 156	40 998	1 158	42 156	40 998	1 158	41 933

Consolidated statement of changes in equity

Amounts in NOK thousand	Share capital	Own shares	Other paid in equity	Cumulative translation differences	Other equity	Total equity
Equity as of 1 Jan 2022	24 655	(492)	(32 811)	820	47 362	39 536
Net income for the period	-	-	-	-	50 990	50 990
Other comprehensive income for the period	-	-	-	440	-	440
Share option costs	-	-	1 454	-	-	1 454
Purchase of own shares	-	(197)	(8 890)	-	-	(9 085)
Sale of own shares	-	204	6 355	-	-	6 558
Dividends	-	-	-	-	(40 451)	(40 451)
Equity as of 31 Dec 2022	24 655	(485)	(33 891)	1 259	57 902	49 442
Net income for the period	-	-	-	-	45 104	45 104
Other comprehensive income for the period	-	-	-	1 070	-	1 070
Share option costs	-	-	1 532	-	-	1 532
Equity settlement of options contract	-	7	260	-	-	267
Sales of own shares	-	194	6 043	-	-	6 237
Purchase of own shares	-	(2)	(77)	-	-	(80)
Dividends	-	-	-	-	(24 656)	(24 656)
Equity as of 30 Sep 2023	24 655	(286)	(26 133)	2 328	78 350	78 917

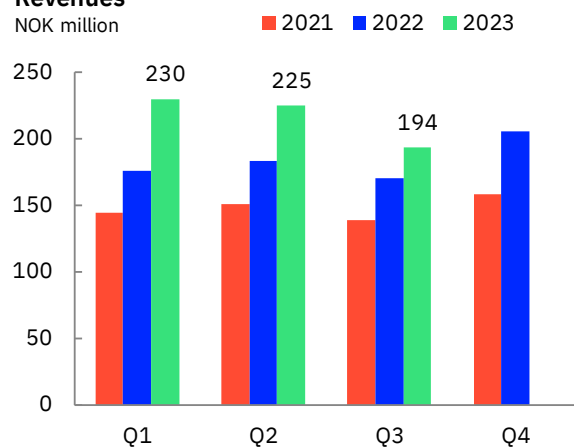
Key figures

	2023	2022	change	2023	2022	change	2022
Amounts in NOK thousand	7-9	7-9	%	1-9	1-9	%	1-12
Profit & Loss continuing operations							
Operating revenue	193 938	170 863	14%	649 482	530 386	22%	735 840
Gross profit	181 606	160 569	13%	607 516	492 221	23%	684 153
EBITDA	16 933	18 661	-9%	84 115	80 791	4%	108 971
<i>EBITDA margin</i>	8.7%	10.9 %	-2.2 pts	13.0%	15.2 %	-2.3 pts	14.8 %
Operating profit (EBIT)	8 701	10 155	-14%	60 295	57 796	4%	77 218
<i>EBIT margin</i>	4.5%	5.9 %	-1.5 pts	9.3%	10.9 %	-1.6 pts	10.5 %
Profit before taxes	7 632	10 915	-30%	58 519	58 733	0%	78 206
Net income	5 843	8 049	-27%	45 104	44 589	1%	61 429
Net income incl. discount. operations	5 843	8 049	-27%	45 104	34 151	32%	50 990
Balance sheet							
Non-current assets	126 072	75 935	66%	126 072	75 935	66%	78 634
Bank deposits	42 156	40 999	3 %	42 156	40 999	3 %	41 934
Other current assets	156 401	122 839	27 %	156 401	122 839	27 %	113 202
Total assets	324 629	239 774	35 %	324 629	239 774	35 %	233 771
Equity	78 916	65 016	21 %	78 916	65 016	21 %	49 442
Total non-current liabilities	67 323	16 351	312 %	67 323	16 351	312 %	21 724
Total current liabilities	178 390	158 406	13 %	178 390	158 406	13 %	162 606
<i>Equity ratio</i>	24.3%	27.1 %	-2.8 pts	24.3%	27.1 %	-2.8 pts	21.1 %
Current ratio	1.11	1.03	8 %	1.11	1.03	8 %	0.95
Cash flow							
Net cash flow from operating activities	(2 328)	22 025	(111%)	38 558	34 617	11 %	76 028
Net cash flow	(9 826)	13 915	(171%)	221	3 542	(94%)	4 478
Share information							
Number of shares	82 186 624	82 186 624	0 %	82 186 624	82 186 624	0 %	82 186 624
Weighted average basic shares outstanding	81 238 565	81 175 022	0 %	81 120 197	80 843 987	0 %	80 851 746
Weighted average diluted shares outstanding	81 637 270	81 270 120	0 %	81 395 189	81 090 178	0 %	81 100 219
Earnings per share continuing business	0.07	0.10	(27%)	0.56	0.55	1 %	0.76
Diluted Earnings per share contin. operations	0.07	0.10	(28%)	0.55	0.55	1 %	0.76
EBITDA per share continuing operations	0.21	0.23	(9%)	1.04	1.00	4 %	1.35
Equity per share	0.97	0.80	21 %	0.97	0.80	21 %	0.61
Dividend per share	0.00	0.00		0.30	0.20	50 %	0.50
Employees continuing business							
Number of employees at the end of the period	762	701	9 %	762	701	9 %	698
Average number of employees	752	681	10 %	734	659	11 %	669
Operating revenue per employee	258	251	3 %	885	805	10 %	1 099
Gross profit per employee	242	236	2 %	828	747	11 %	1 022
Personnel expenses per employee	198	183	8 %	643	561	15 %	770
Other operating expenses per employee	21	25	(17%)	70	63	11 %	90
EBITDA per employee	23	27	(18%)	115	123	(7%)	163
EBIT per employee	12	15	(22%)	82	88	(6%)	115

Quarterly development 2021-2023

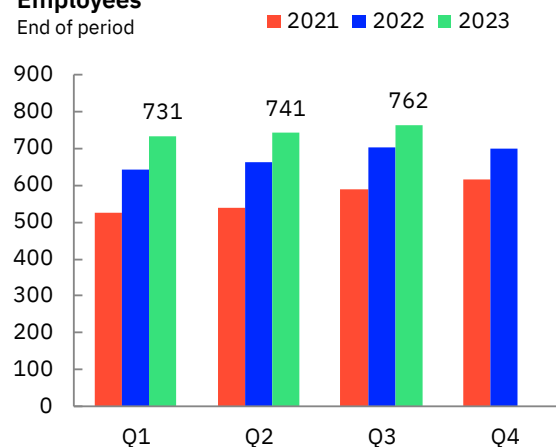
Revenues

NOK million



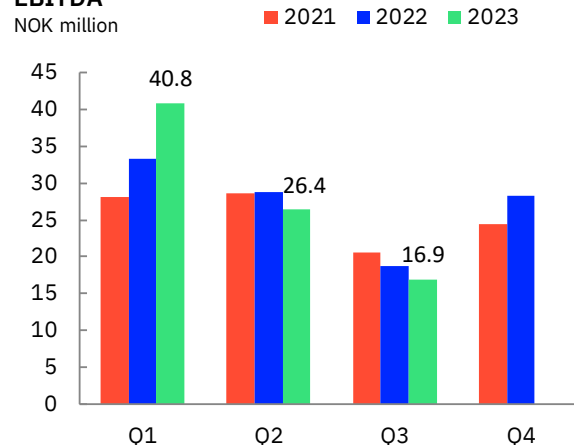
Employees

End of period



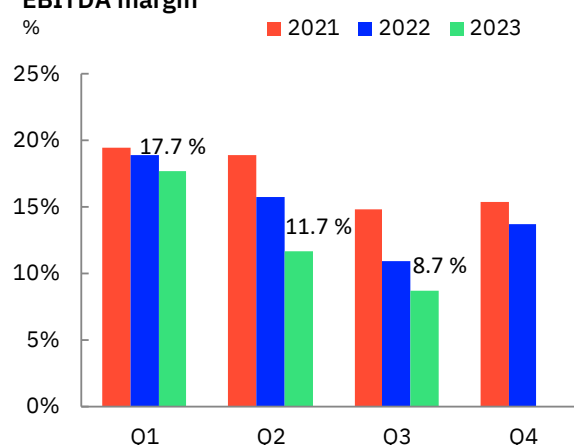
EBITDA

NOK million



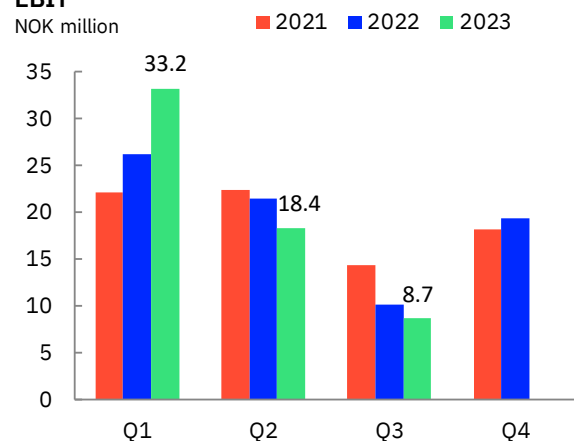
EBITDA margin

%



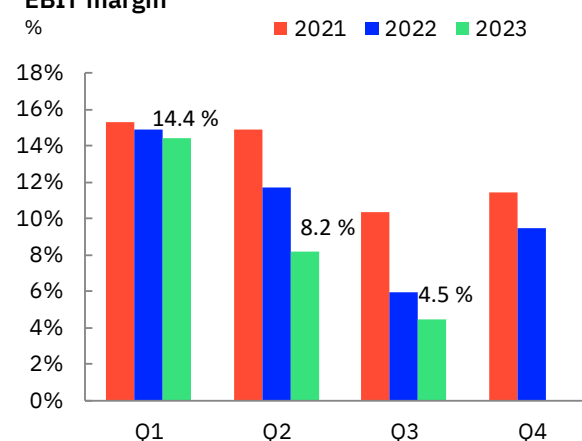
EBIT

NOK million



EBIT margin

%



Notes

Note 1: Transactions with related parties

There have been no material transactions with related parties during the reporting period 1 January 2023 to 30 September 2023.

Note 2: Events after the balance sheet date

There have been no events after 30 September 2023 that would have a material effect on the interim accounts.

Note 3: Alternative performance measures

In accordance with the guidelines issued by the European Securities and Markets Authority on alternative performance measures (APMs), Itera publishes definitions for the alternative performance measures used by the company. Alternative performance measures, i.e. performance measures not based on financial reporting standards, provide the company's management, investors and other external users with additional relevant information on the company's operations by excluding matters that may not be indicative of the company's operating result or cash flow. Itera has adopted non-recurring costs, EBITDA, EBITDA margin, EBIT, EBIT margin and equity ratio as alternative performance measures both because the company thinks these measures will increase the level of understanding of the company's operational performance and because these represent performance measures that are often used by analysts and investors and other external parties.

Non-recurring costs are significant costs that are not expected to reoccur under normal circumstances.

EBITDA is short for earnings before interest, tax, depreciation and amortization. It is calculated as profit for the period before (i) tax expense, (ii) financial income and expenses and (iii) depreciation and amortization.

EBITDA margin is calculated as EBITDA as a proportion of operating revenue.

EBIT is short for earnings before interest and tax and is calculated as profit for the period before (i) tax expense and (ii) financial income and expenses.

EBIT margin is calculated as EBIT as a proportion of operating revenue.

Note 4: Discontinued operations

As part of its strategy to exit its own data centre operations and migrate fully to the cloud, Itera sold its remaining data centre operations to Move AS at the end of the third quarter of 2022. This business segment is reported as discontinued operations on a net income basis (IFRS 5) in the comparative 2022 figures.

Below are figures from the discontinued operations presented on a gross basis in order to provide further insight into the figures for 2022. There were no further transactions post second quarter of 2022.

	2023	2022	change	2023	2022	change	2022
NOK million	7-9	7-9		7-9	7-9		1-12
Operating revenue	0.0	0.0	0.0	0.0	7.3	-7.3	7.3
Cost of sales	0.0	0.0	0.0	0.0	4.7	-4.7	4.7
Gross profit	0.0	0.0	0.0	0.0	2.6	-2.6	2.6
Personnel expenses	0.0	0.0	0.0	0.0	12.7	-12.7	12.7
Other operating expenses	0.0	0.0	0.0	0.0	2.5	-2.5	2.5
Depreciation and amortisation	0.0	0.0	0.0	0.0	0.8	-0.8	0.8
Total operating expenses	0.0	0.0	0.0	0.0	20.7	-20.7	20.7
EBIT	0.0	0.0	0.0	0.0	-13.4	13.4	-13.4
EBIT margin	0.0%	0.0%	0.0%	0.0%	-182.3%	182.3%	-182.3%
Income taxes	0.0	0.0	0.0	0.0	-2.9	2.9	-2.9
Net income from discontinued operations	0.0	0.0	0.0	0.0	-10.4	10.4	-10.4

About Itera

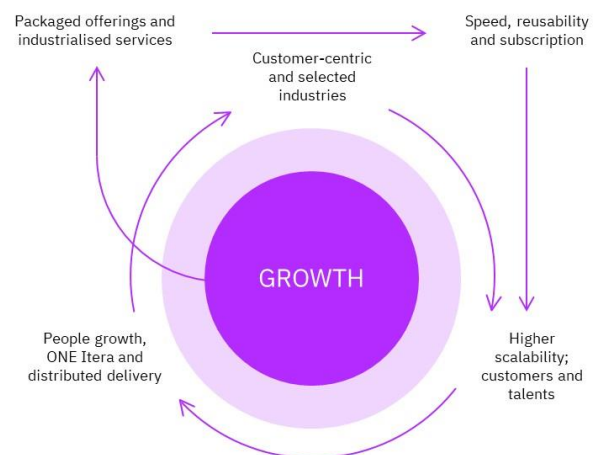
Our strategic position

Itera is a leading international tech company that helps businesses and organizations accelerate their sustainable digital transformation and contribute to the advancement of society.

As companies embrace digital transformation, they come to us as their trusted partner to build their digital core with cloud-based technology because of our full range of services across digital strategy, consulting and execution, customer experience, technology and cloud operations. Our integrated services meet customer needs rapidly and at scale through our distributed multi-disciplined teams and our world-class cross-border Digital Factory at Scale that enables more for less.

There is no more powerful contributor to business growth than digital technology. Digital technology will accelerate growth beyond what was previously possible with people and machines. When talking to executives, Itera always finds that they highlight speed and results from digital initiatives as their top priorities.

We have a focused customer-centric strategy in selected industries and ONE operating model across all locations that offers the right mix of autonomy and alignment. Our entrepreneurial culture is grounded in a strong growth mindset of *'grow our people, our customers and our company'*. Our business model consists of us combining both consulting services (the inner circle in the figure to the left) with subscription-based managed services such as package offerings and industrialized services (the outer circle).

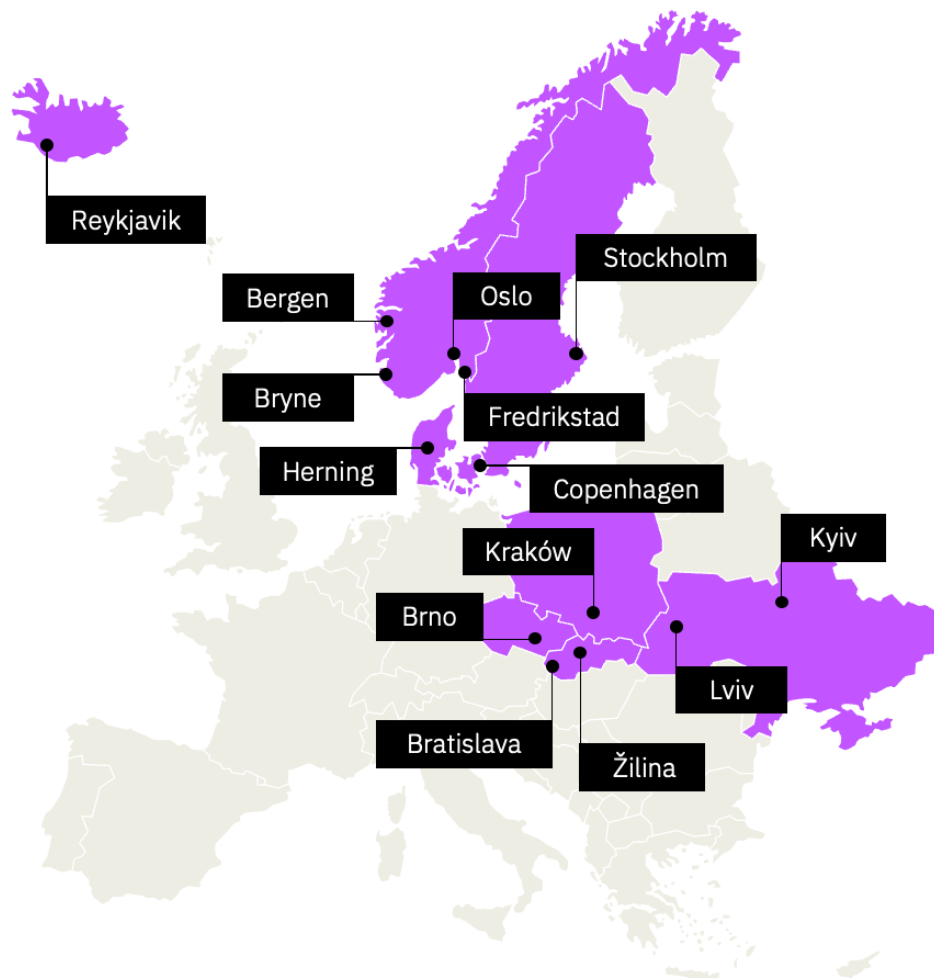


We are seeing all emerging technology become digital capabilities in the cloud that represent a dynamic continuum from public and hybrid cloud to edge and everything in between. Every business will need to become sustainable and digital, and data will be the key to success. Our success is grounded in our ability to anticipate the future and to provide digital capabilities for their transformation.

These changes will simultaneously create more challenging jobs and career paths for our skilled people. Working from our 14 offices in the Nordics and Central and Eastern Europe, we serve customers in 20 countries worldwide. We leverage our scale and international footprint, our innovation-led culture and our strong partnerships, together with our Digital Factory at Scale, to consistently deliver tangible value for our customers worldwide.

We are fully committed to something bigger than ourselves and take responsibility for showing how to become more sustainable, how to create new pathways for industrial growth and how to deliver far-reaching lifestyle changes through digitalization.

Our locations



I T E R A

*Make a
difference!*

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