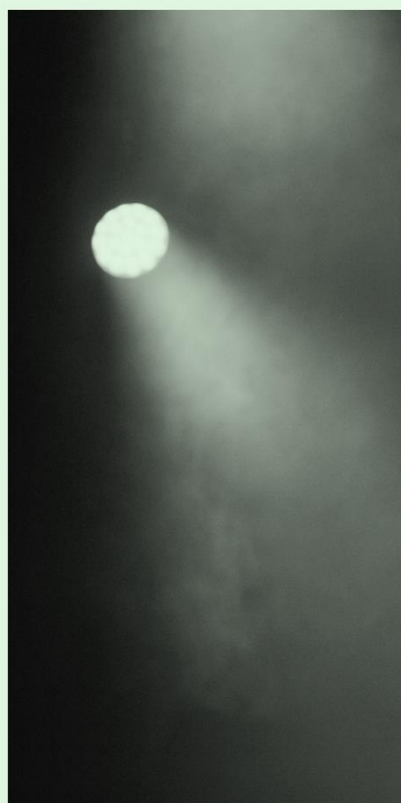


ITERA



2023
Q4

Make a difference

Highlights

October – December 2023

- Operating revenue NOK 222.1 million (NOK 205.5 million), representing organic growth of 8%
- Gross profit NOK 206.2 million (NOK 191.9 million), representing growth of 7%
- Adjusted EBITDA NOK 29.5 million (NOK 28.2 million) and an adjusted EBITDA margin of 11.9% (13.7%)
- Adjusted EBIT of NOK 21.1 million (NOK 19.4 million) and an adjusted EBIT margin of 9.5% (9.5%)
- EBIT NOK 18.1 million (NOK 19.4 million) and an EBIT margin of 8.1% (9.5%)
- 758 (698) employees at the end of the period, which is an increase of 63 (9%) over the last twelve months and a decrease of 4 during the quarter
- Cash flow from operations NOK 57.2 million (NOK 41.4 million)

January – December 2023

- Operating revenue NOK 871.6 million (NOK 735.8 million), representing organic growth of 18%
- Gross profit NOK 813.7 million (NOK 684.2 million), representing growth of 19%
- EBITDA NOK 110.7 million (NOK 109.0 million) and an EBITDA margin of 12.7% (14.8%)
- Adjusted EBIT of NOK 81.4 million (NOK 77.2 million) and an adjusted EBIT margin of 9.3% (10.5%)
- EBIT NOK 78.4 million (NOK 77.2 million) and an EBIT margin of 9.0% (10.5%)
- Cash flow from operations NOK 95.7 million (NOK 76.0 million)

Highlights

Itera reports organic revenue growth of 8% in the fourth quarter and 18% for 2023 as a whole in a softer market. We are on track with our business optimization actions that will achieve margin improvements to create greater resilience. Adjusted for NOK 3.0 million in one-off costs related to the business optimization program, Itera delivered an adjusted EBIT margin of 9.5% in the fourth quarter and 9.3% for 2023 as a whole.

Cash flow from operations increased by 38% to NOK 57.2 million (NOK 41.4 million) for the quarter and 26% to NOK 95.7 million (NOK 76.0 million) for the year as a whole, giving a full-year EBITDA-to-cash conversion of 86%.

Itera had an order intake equivalent to a book-to-bill ratio of 1.7 in the fourth quarter of 2023 and of 1.0 for the year as a whole. It entered into new or extended contracts with customers including Gjensidige, Landsbankinn, Kredinor, Eviny, IMDi, Distribution Innovation, DNV, Santander, Traftsys, and Pelagia.

We are continuing to see significant demand in areas like cloud migration and modernization, data and AI. As we enter 2024, we are optimistic about the opportunities ahead for our investment case in Cloud and Application Services.

A supplementary dividend of NOK 0.40 per share based on 2022 results was paid in the fourth quarter of 2023. The Board of Directors has passed a resolution to propose to the Annual General Meeting on 22 May 2024 the distribution of an ordinary dividend for 2023 of NOK 0.40 per share and for it to be authorised to approve a possible supplementary dividend later in the year.

Key figures

	2023 10-12	2022 10-12	change %	2023 1-12	2022 1-12	change %
Amounts in NOK million						
Operating revenue	222.1	205.5	8%	871.6	735.8	18%
Gross profit	206.2	191.9	7%	813.7	684.2	19%
EBITDA	26.5	28.2	-6%	110.7	109.0	2%
EBITDA margin	11.9 %	13.7 %	-1.8 pts	12.7 %	14.8 %	-2.1 pts
Operating profit (EBIT)	18.1	19.4	-7%	78.4	77.2	1%
EBIT margin	8.1 %	9.5 %	-1.3 pts	9.0 %	10.5 %	-1.5 pts
Adjusted operating profit (EBIT) ⁴	21.1	19.4	8%	81.4	77.2	5%
Adjusted EBIT margin ⁴	9.5 %	9.5 %	0 pts	9.3 %	10.5 %	-1.2 pts
Profit before tax	16.9	19.5	-13%	75.4	78.2	-4%
Net income from continuing operations	11.6	16.8	-31%	56.7	61.4	-8%
Profit margin	5.2 %	8.2 %	-3 pts	6.5 %	8.3 %	-1.8 pts
Net cash flow from operating activities	57.2	41.4	38 %	95.7	76.0	26%
No. of employees at the end of the period	758	698	9 %	758	698	9%

Revenue (NOK)

222.1m 8% ↗

Employees (ending)

758 9% ↗

Adj. EBIT (NOK)

21.1m 8% ↗

CEO's comment

Building the digital core

As a leader of a people-centric technology company, I want to thank our talented team for delivering sustainable digital transformation. Once again, we delivered solid financial performance compared to our peers. While macroeconomic uncertainties persist, we remain optimistic about creating opportunities for our people, customers, and company.



Staying connected to our customers and understanding their needs remains a top priority, as they require short-term solutions and support in digitally transforming their businesses. While the pace of spending and the overall business landscape has changed, the fundamental importance of digital technology has not. Industries and markets have been affected differently, but all strategies continue to lead to using technology, data and AI to stay competitive, optimize operations and drive growth.

Building the digital core.

As we embark on 2024, it is evident that the journey of cloud transformation is far from over. At the heart of this transformation is building the digital core. Indeed, building a strong digital core and leveraging it to drive both business and digital transformations is a key driver of both our customers' and our own growth. As a company, Itera stands out by

providing valuable guidance, shaping strategies, and delivering end-to-end transformation.

Our focus on building the digital core for our customers is reflected in our overall strong performance for the year. Our company's performance demonstrates its resilience. We achieved organic growth of 8% in the fourth quarter and 18% for 2023 as a whole. We had a record order intake measured as book-to-bill of 1.7. The number of customers with annual revenue greater than NOK 50 million is increasing year by year, demonstrating the depth and breadth of our capabilities and the trust our customers have in us.

We continue to invest in developing our people, our international expansion outside Norway and our strategic growth areas such as Cloud and Application Services that will provide more long-term managed services and subscription revenue. Our expansion in Sweden is progressing well, with a leading European energy company joining us as a new customer.

To further optimize the business, we are on track with our business optimization actions that will achieve margin improvements to create greater resilience. These actions demonstrate our long-term growth commitment as well as adapting to market conditions to ensure profitable growth and sustainable cash flow.

Adjusted for business optimization one-offs, we delivered an adjusted EBIT margin of 9.5% in the fourth quarter and 9.3% for 2023 as a whole. We generated operating cash flow of NOK 57 million in the fourth quarter, which is an increase of 38% over the previous year. Returning cash to shareholders is an ongoing objective, and our track record of dividend payout twice a year reflects our company's commitment to providing value to shareholders. The first dividend payout in 2024 is proposed by the Board to be NOK 0.40 per share.

We are also leveraging automation and managed services through our Digital Factory at Scale, which allows us to do more with less and optimize operations. This approach enables us to manage growth without a proportional increase in headcount. Our headcount increased by a net 60 employees over the last 12 months, and the increase has been slower over the last quarters to adapt to the softer market.

Embracing AI to unlock new opportunities.

2023 was an exciting year for technology, particularly with the emergence of generative AI. The possibilities that generative AI represents for organizations have captivated leaders worldwide. Its potential to unlock new innovations and drive transformative change has inspired many to explore its adoption. Many of our customers have recognized its value and are eager to continue innovating by engaging Itera, including customers such as BAHF, Laki Power and DNB Eiendom. Other customers are inspired by what it has unlocked and are seeking ways with Itera to adopt it into existing engagements.

Customers who have made significant progress on cloud migration are now investing to modernize and innovate across the cloud continuum, extending the cloud to the edge and using data and AI to unlock greater value with more opportunities still to come. As we enter 2024, we are optimistic about the opportunities ahead for our Cloud and Application Services.

Worldwide estimates indicate that currently, only 40% of workloads have been migrated to the cloud. Furthermore, of those workloads in the cloud, only around 20% have been modernized. This leaves a substantial 80% opportunity remaining. In addition, fewer than 10% of companies have mature data and AI capabilities. This is also a critical part of our digital transformations with a focus on data and AI modernizations and on the opportunities of generative AI.

According to Gartner analysts, Generative AI tools will be used to explain legacy business applications and create appropriate replacements, reducing modernization costs by 70% by 2027. Therefore, 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.

Unwavering support for Ukraine.

Our people's engagement and support for Ukraine during these challenging times are admirable. It is important to recognise the resilience and determination of the Ukrainian people and their fight for freedom and values. Our business in Ukraine continues to operate as normal despite the conflict, and we are actively seeking business opportunities that will

contribute to a cleaner, greener, and more modern future for Ukraine.

Our Group COO Jon Erik Høgberg was at COP28, the world's largest climate conference in November, with special focus on Ukraine's role in the green transition in Europe, while I had the opportunity to meet President Zelenskyy in Oslo in December. Together with the EU, Ukraine has created an ambition to become the new green energy and digital hub in Europe with a total of 360 GW renewables in 2050, of which 40% will be exported to the EU in the form of green hydrogen, green ammonia, and electricity. This is both about creating business and creating dreams for the Ukrainian people. The dream is for a new, modern, free, and green Ukraine, completely disconnected from the corrupt system that is the legacy of the Soviet Union.

Our performance demonstrates our resilience.

Going into 2024, we will remain focused on creating short-term value for customers and accelerating their sustainable digital transformation. Our ability to advise, shape, and deliver sustainable digital transformation, from strategy and consulting to technology, to our managed services, sets Itera apart, and our partnerships with tech giants and international players further enhance our capabilities.

Itera is currently at its strongest point in history, and I attribute this success to the incredible contributions of our people. The dedication and hard work of our people have undoubtedly contributed to our ability to thrive and make a difference for our customers, communities, and Ukraine as a whole. Together, as a ONE Itera team, we have the power to achieve great things.

Arne Mjøs

FOUNDER & CHIEF EXECUTIVE OFFICER



Financial review

Fourth quarter and full year 2023

Financial reporting

The comments in this financial review relate to the performance of Itera's continuing operations in the fourth quarter and year as a whole 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.

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 31 December 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.

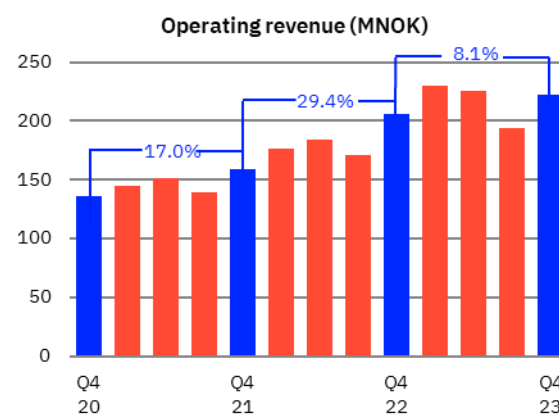
Summary for the fourth quarter

Itera achieved organic revenue growth of 8% in the fourth quarter of 2023 relative to the fourth quarter of 2022. Gross profit increased by 7%, with the gross margin down by 0.6 points to 92.8%. The fourth quarter of 2023 contained a weighted average of 0.9 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 adjusted operating profit (EBIT) for the fourth quarter of 2023 increased by 8% to NOK 21.1 million (NOK 19.4 million), whereas the adjusted EBIT margin was on a par with the corresponding quarter of 2022 at 9.5%. The adjustment relates to a one-off cost of NOK 3.0 million to optimize operations (see Note 4 for more details). EBIT after adjustments was NOK 18.1 million. In addition to the impact of the quarter containing fewer working days, Itera's profits were impacted by lower utilization, a shift in staff usage from Eastern to Central Europe, with this involving higher costs and generally high salary inflation, and the build-up of an office in Sweden. On the positive side, the impact of the cost-reduction program improved the operating margin by 1.2 points.

Operating revenue

Itera reports operating revenue of NOK 222.1 million (NOK 205.5 million) for the fourth quarter of 2023, which represents growth of 8% (4% in constant currency). Revenue from Itera's own services increased by 6% to NOK 186 million. Revenue from subscription-based services increased by 6% to NOK 18 million, while revenue from third-party services increased by 20% to NOK 9 million. Other revenue increased by 63% to NOK 9 million. For the year as a whole operating revenue was NOK 871.6 million (NOK 735.8 million), which represents growth of 18% (12% in constant currency).



Gross profit (revenue minus cost of sales) was NOK 206.2 million (NOK 191.9 million) in the fourth quarter of 2023, which represents an increase of 7%. Gross profit for the year as a whole was NOK 813.7 million (NOK 684.2 million), which represents growth of 19%. Cost of sales consists mainly of subscription and third-party services, including cloud consumption.

Operating expenses

Total operating expenses in the fourth quarter of 2023 were 10% higher at NOK 204.0 million (NOK 186.0 million) and 20% higher at NOK 793.2 (NOK 658.6 million) for the year as a whole.

Cost of sales was NOK 15.9 million (NOK 13.5 million) in the fourth quarter of 2023. Cost of sales relates to subscription and third-party services and other revenue. For the year as a whole cost of sales was NOK 57.9 million (NOK 51.7 million).

Personnel expenses were NOK 162.5 million (NOK 145.5 million) in the fourth quarter of 2023, which represents an increase of 12%. This includes NOK 3.0 million in one-off costs relating to the business optimization program. The average number of employees in the quarter was 9% higher than in the corresponding quarter of 2022. Adjusted for the one-off costs, personnel expenses per employee were 1% higher in the fourth quarter of 2023 than in the same quarter of 2022 (-4% in constant currency). For 2023 as a whole, personnel expenses were NOK 634.4 million (NOK 515.1 million) and personnel expenses per employee were 11% higher (6% in constant currencies). High inflation rates have contributed to an overall high rate of salary growth. In addition, temporary extra social security taxes on high salaries 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 17.1 million (NOK 18.2 million) in the fourth quarter of 2023, down by 6% from last year (-11% 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 year as a whole other operating expenses were NOK 68.7 million (NOK 60.1 million), an increase of 3% per employee (-3% in constant currencies).

Depreciation and amortization totalled NOK 8.5 million (NOK 8.8 million) in the fourth quarter and NOK 32.3 million (NOK 31.8 million) for the year as a whole.

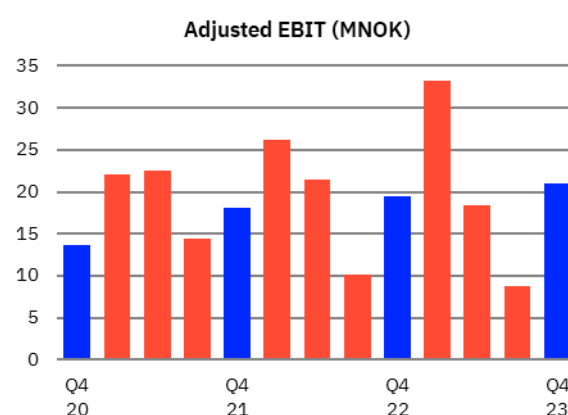
Operating result

The adjusted operating result before depreciation and amortization (Adjusted EBITDA) for the fourth quarter of 2023 increased by 5% to a profit of NOK 29.5 million (NOK 28.2 million), giving an Adjusted EBITDA margin of 13.3% (13.7%).

For 2023 as a whole Adjusted EBITDA was NOK 113.7 million (NOK 109.0 million) with an Adjusted EBITDA margin of 13.0% (14.8%).

The operating result before one-off costs (Adjusted EBIT) increased 8% to NOK 21.1 million (NOK 19.4 million) in the fourth quarter of 2023, and the Adjusted EBIT margin was on a par with the corresponding period in 2022 at 9.5%. For 2023 as a whole, Adjusted EBIT was NOK 81.4 million (NOK 77.2 million) with an Adjusted EBIT margin of 9.3% (10.5%).

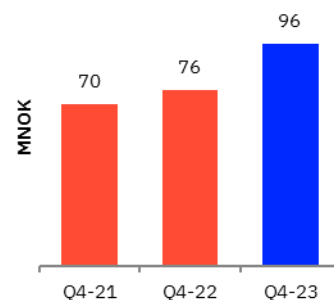
The reported operating result (EBIT) for the fourth quarter decreased by 7% to a profit of NOK 18.1 million (NOK 19.4 million), giving an EBIT margin of 8.1% (9.5%). EBIT for the year as a whole was NOK 78.4 million (NOK 77.2 million) with an EBIT margin of 9.0% (10.5%).



Corporate income taxes were high in the fourth quarter as NOK 2.0 million previously classified as temporary tax differences related to international branch offices were reclassified as permanent differences.

Cash flow, liquidity and equity

The net cash flow from operating activities was NOK 57.2 million (NOK 41.4 million) in the fourth quarter of 2023 and NOK 95.7 million (NOK 76.0 million) for the year as a whole. The cash conversion rate for the year as a whole was 86% (cash flow from operations / EBITDA), compared to 70% in the previous year.



Cash flow from operations, rolling 12 months

There was a net cash outflow from investing activities of NOK 3.9 million (NOK 3.6 million) in the fourth quarter of 2023, of which NOK 1.8 million related to office equipment, fittings, and furniture. A further NOK 2.1 million was related to investment in intangible assets. For the year as a whole the net cash outflow from investing activities was NOK 19.4 million (NOK 15.2 million).

There was a net cash flow from financing activities of NOK -45.8 million (NOK -36.7 million) in the fourth quarter of 2023, predominantly from the distribution of a supplementary dividend and a share re-purchase program. For the year as a whole there was a net cash flow from financing activities of NOK -70.0 million (NOK -56.8 million).

Right-of-use assets primarily related to facility lease agreements increased by NOK 46.3 million from 31 December 2022 to NOK 74.6 million at 31 December 2023 following the capitalization of a 7-year lease agreement for Itera's new headquarters in Oslo and a 5-year prolongation of its office lease in Bryne, as well as an extension and prolongation of the office lease in Bergen.

Contract assets at 31 December 2023 were NOK 3.2 million higher than at 31 December 2022, while there were no remaining capitalized contract costs (NOK 1.3 million). Accounts receivable and other receivables were NOK 8.8 million higher and NOK 0.5 million lower respectively than at 31 December 2022.

Accounts payable at 31 December 2023 were NOK 1.5 million higher than at 31 December 2022. Public duties payable was NOK 10.7 million higher than at the end of the fourth quarter of 2022. Tax payable was NOK 0.9 million lower than at 31 December 2022. Contract liabilities at 31 December 2023 were NOK 0.5 million lower at NOK 14.3 million and other current liabilities were NOK 2.1 million higher at NOK 64.0 million.

Cash and cash equivalents amounted to NOK 49.2 million at 31 December 2023, compared to NOK 41.9 million at 31 December 2022. Itera has a revolving credit facility of NOK 35 million.

Itera had lease liabilities totalling NOK 77.5 million (NOK 29.6 million) at 31 December 2023, which represents a net increase of NOK 47.9 million and which relates to the above-mentioned office facility agreements. NOK 13.9 million of the lease liabilities are current liabilities that fall due within 12 months, while NOK 63.6 million are classified as non-current liabilities. Itera acquired a 5-year serial bank loan for NOK 5 million in the third quarter of 2023 to finance furniture and fittings for its new and refurbished offices.

At 31 December 2023 Itera held 1,654,281 (1,611,602) own shares, valued at NOK 19.9 million (NOK 21.7 million).

Equity at 31 December 2023 totalled NOK 47.9 million (NOK 49.4 million). The equity ratio was 16.1% (21.1%). The equity

ratio without the right-of-use assets included under IFRS 16 was 21.5% (24.1%).

Dividend

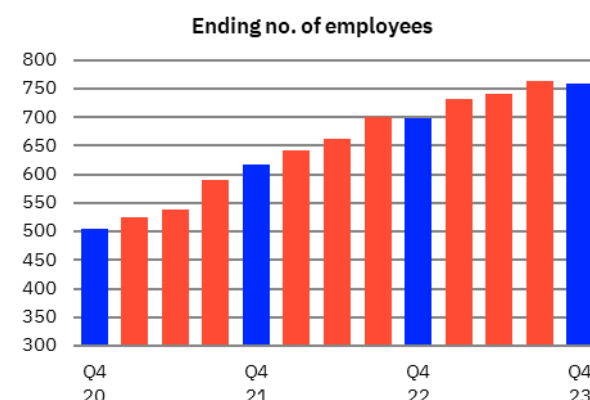
A supplementary dividend of NOK 0.40 per share was paid on 10 November 2023. The total dividend payout in 2023 was NOK 0.70 (NOK 0.50) per share.

At its meeting on 14 February 2024, the Board of Directors passed a resolution to propose an ordinary dividend of NOK 0.40 per share at the Annual General Meeting on 22 May 2024. It will also ask for its authorization to approve possible additional dividends to be renewed.

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 fourth quarter of 2023 was 758 as compared to 698 at the end of the fourth quarter of 2022. This represents an increase of 60 employees (9%) during the last 12 months and a net decrease of 4 employees in the fourth quarter, following some voluntary layoffs.



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 fourth 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. In general, the confidence in Ukraine as a viable sourcing destination is still present, 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. Itera is well positioned with its services today to take the opportunity to grow as most companies are on a digitalization journey and start to look into the benefits of AI. Recruitment of skilled people is and will still be one of our top priorities.

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.

The marketplace is still somewhat weaker than we have experienced in recent years. However, with focused effort on more market activities and the strong positioning of Itera in terms of services and capabilities, there is now a growing pipeline of opportunities.

The business optimization program that was launched to mitigate the short-term impact of the softer demand has progressed according to plan. The program includes curbing discretionary spending, reducing overhead structure, realigning recruitment targets, increasing utilization and strengthening sales efforts.

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 first quarter of 2024 will be published and presented on 3 May 2024.

Statement by the Board of Directors and Chief Executive Officer

The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the Itera Group for the three months ended 31 December 2023, including the comparisons with the corresponding period in 2022.

The Board has based its declaration below on reports and statements from the Group's CEO, on the results of the Group's activities, and on other information that is essential to assessing the Group's position.

To the best of our knowledge:

- The consolidated condensed financial statements for the three months ended 31 December 2023 have been prepared in accordance with IFRS as adopted by EU and IAS 34 (Interim Financial Reporting) and the additional disclosure requirements pursuant to the Norwegian Securities Trading Act.
- The information provided in the financial statements gives a true and fair portrayal of the Itera Group's assets, liabilities, profit and overall financial position as at 31 December 2023.
- The information provided in the report for the fourth quarter of 2023 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing the Itera Group.

Oslo, 14 February 2024

The Board of Directors and CEO of Itera ASA

Morten Thorkildsen
Chairman

Helge Baastad Leiro
Board Member

Jan-Erik Karlsson
Board Member

Gyrid Skalleberg Ingerø
Board Member

Åshild Hanne Larsen
Board Member

Joachim Trøbråten
Board Member

Siren Tønnesen
Board Member

Arne Mjøs
CEO

Business review

International expansion and growing customer base

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 1.7 in the fourth quarter of 2023 and of 1.0 for the last twelve months. We entered into new or extended contracts with customers including Gjensidige, Landsbankinn, Kredinor, Eviny, IMDi, Distribution Innovation, DNV, Santander, Trafsys,

and Pelagia. 4 new customers contributed NOK 13.5 million (6.1%) of revenue in the fourth quarter of 2023.

The revenue from Itera's 30 largest customers accounted for 84% of its operating revenue, which is 2 percentage points higher than in the fourth quarter of 2022. New customers, defined as customers won during the last 12 months, accounted for 6.1% of revenue.

Accelerating the Twin Transition

In 2023, Itera has proved itself to be a leading company in the Nordics, driving the twin transition in the energy sector. With sustainability as our driving force, Itera is committed to making a difference in the world through innovative business practices. By adopting a Twin Transition approach, Itera combines digitalization and sustainability to unlock transforming benefits in terms of efficiency and productivity. The twin transition approach recognizes a huge and largely untapped opportunity for digitalization and data to drive sustainability goals. Rather than treating digital and sustainability in isolation, a twin transition strategy combines these critical functions to unlock huge benefits in terms of efficiency and productivity.

Itera's Energy business and community has continued its strong development in the fourth quarter of 2023, and the activity level was high at our key customers. At Eviny, Itera's consultants had several critical roles in the Cloud Migration project that went live successfully at the end of 2023. The project will result in significant cost savings for Eviny. At

Hafslund and Å Energi, Itera continued the work with ongoing business-critical initiatives.



Laki Power, an Icelandic-based company, has been at the forefront of revolutionizing power grid monitoring solutions since its inception in 2015. Recently, the company partnered with Itera to leverage machine learning techniques to improve their ice monitoring services, enabling more accurate icing forecasts and real-time ice-load measurements.

[Read the whole story on itera.com.](#)

Itera Sweden has also won an important contract at Vattenfall, a European energy company that electrifies industries, supplies energy to people's homes and modernises our way of living through innovation and cooperation. In Denmark, our long-time co-operation with Nordlys, a producer of bio fireplaces, continued. Itera's important role in preparing for the Ukrainian Energy Transition was one of the key reasons why President Zelenskyy wanted to meet Itera CEO Arne Mjøs during his visit to Norway.



In December, Itera in co-operation with Teknologioptimistene, organized a conference for management and key personnel in Norwegian electricity grid companies. Top management and 130 key people from the industry participated in the event and shared learnings and future focus areas. The conference and other similar events have significantly improved Itera's visibility and positioning in the industry.

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 digital transformation and future exploration on behalf of our forward-thinking customers.

For one of the largest financial players in the world and a long-time customer, we have gained the trust and the privilege to participate in continuously developing solutions within unique payment infrastructure and secure handling of new and existing customers. The aim is to continuously embrace and empower end-users with secure and user-friendly solutions.

For a large savings bank in Norway, we successfully developed and implemented a comprehensive suite of self-advisory solutions and financial calculators, including loan, savings, and car loan calculators. As a part of the bank's focus on sustainability and the launch of green product offerings, we assisted the bank in launching one of the first green self-service solutions in Norway's retail banking market. The solutions are now available for the bank's more than 100,000 customers, made possible by our cross-disciplinary and cross-country team from Norway and Slovakia.

Other industries

In Q4, Itera secured two new projects with a long-time customer and leading producer of pelagic fish products. These projects will showcase our expertise in designing and developing Power Apps solutions for various business needs. The first project will improve the user experience and functionality of some existing Power Apps, while the second project will simplify and automate the HR and payroll processes for the customer's employees.

Itera has helped the Norwegian store chain Europris to automate inventory counting and reporting in Power BI. This has saved time and resources and increased data quality. The finance department can now focus on communicating the results to store and regional managers. The process has become less stressful and more satisfying for the employees. Itera is proud to have been part of this project from our office in Fredrikstad.

In collaboration with Itera, Norwegian law firm BAHRR developed a chatbot called Bahrry for its employees. Bahrry is a specialized AI-powered digital assistant built on Azure Open AI Services. Bahrry can improve operational efficiency by using Generative AI and makes it possible to spend even more time and effort on providing extra value to BAHRR's customers.

[Read the full story on itera.com.](#)

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

The past quarter has been marked by our consistent and stable deliveries of high-quality solutions to existing customers in the Banking and Finance and Energy sectors such as Storebrand, Kreditor, Santander and Å Energi. Our team's expertise, dedication, and commitment to delivering high-quality expertise have enabled us to maintain strong relationships with our position as a trusted partner. As we move forward, we will continue to prioritize quality and innovation, ensuring that we deliver solutions that drive success and create lasting value for our customers in these critical sectors.

Our extended partnership with Norwegian Directorate of Integration and Diversity (IMDi) is very meaningful since we provide different kinds of solutions to better support the settlement of newly arrived refugees. In the fourth quarter, IMDi launched a pilot project on competence mapping, which is the first part of the project for better settlement. The first four municipalities have already conducted a successful mapping in the new system.

Furthermore, we are actively enhancing our capabilities and exploring the potential of AI-driven tools to augment value, innovation, and efficiency. Our internal professional development initiatives have been dedicated to empowering our developers, architects, and test managers with the necessary skills to leverage AI tools effectively. The early outcomes of this are already evident in our ongoing customer projects.

As we progress, we will continue to leverage AI technologies to enhance our speed, foster innovation, and deliver exceptional customer value. Our dedication to staying at the forefront of technological advancements ensures that we remain poised to meet the evolving needs of our customers in an ever-changing landscape.

Digital Advantage

The fourth quarter continued the growing demand for all our advisory services, from ensuring that digital and AI transformations achieve business-altering value, to creating data-driven enterprises, and improving digital performance and delivery.

While previous years have been marked by a strong focus on innovation and new digital services to drive top-line growth, we notice a shift in our customers' strategic priorities and digital agendas. Driven by market and macroeconomic uncertainties, business priorities are shifting towards achieving operational efficiencies. During the quarter, we helped one of Norway's largest financial institutions improve the performance of its digital teams, thus increasing the efficiency and throughput of agile deliveries and digitalization investments.

The interest in Data and AI continued to transcend industries. During Q4 we held several events for new and existing customers to jointly discuss the opportunities and challenges in creating large-scale value from Data and AI. We held events

such as "AI in the financial sector" and "AI in the legal sector". Building on our strong experience in helping customers unleash the power of data and AI, we also secured and completed several exciting projects. In the legal industry, we helped build, scale, and adopt AI-powered solutions for leading companies such as BAHN and TESS.

Experience

In the fourth quarter, we continued to deliver strongly across all design disciplines for our customers. Through continuous focus on quality and value creation together with our customers, Experience has further consolidated its position.

In Q4, we won several exciting competitions within brand and strategic communication. Among other successes, Itera won the opportunity to work with Buena Bank that provides bank services for Norwegians with real estate in Spain. The first project is to develop their new identity and brand.

NorgesGruppen, the Norwegian grocery wholesaler group, wanted to increase awareness of digital security among its employees in October. They asked Itera to create a communication concept that linked digital security to food safety. The concept was called "Digital Security on the Menu" and consisted of AI-generated images, textual messages and physical reminders. The team delivered everything from idea to execution in all channels, powered by AI design tools.



"Does the mail smell phishy?"

Our Business Design team has consolidated its position by winning engagements to lead strategic projects for Storebrand, which is one of our largest and most important customers within banking and insurance.

Itera was also engaged by a new customer, Gartnerhallen, a Norwegian producer organization for fruit, berries, and vegetables, to create better insight into the Norwegian fruit industry. We have visited the research station NIBIO Ullensvang and the fruit packing plant at Utne with an introduction on new apple varieties. The insight work aims to design solutions that lead to increased knowledge among Norwegian fruit farmers, reduced food waste and better quality of Norwegian apples in the market.

In addition to our regular customer assignments, Experience has conducted several customer events, professional presentations, lectures and idea development for customers

to identify new opportunities and increase our attractiveness in the market.

For instance, Itera hosted an exciting customer event called "Practical Innovation". Our premises in Oslo were filled with customers and partners during a session where time was spent looking at how established companies and mature start-ups can get more out of their resources in pursuit of meaningful growth. Our work for Gjensidige Forsikring and Ledidi was showcased and received positive feedback.

Cloud and Application Services

Cloud and Application Services (CAS) has played a pivotal role in several initiatives, facilitating seamless integration of value-adding deliveries with Itera's digital and AI solutions, enhancing the quality and speed of our offerings.

We have expanded our collaboration with an existing customer who provides procurement systems for hotels, restaurants and catering services. Through our Cloud Centre of Excellence (CCoE), we are now delivering design and platform services. This will enable the initiation of the development of a service aimed at providing their customers with deeper insights into their purchasing activities. This project holds great promise as it will allow the customer to offer added value to their end users and enhance their understanding of the products they offer. Cloud and Application Services are integral to this delivery for two primary reasons. Firstly, it represents an initiative to integrate value-adding deliveries with Itera's Data & AI solutions, thereby improving the quality and speed of these offerings. Secondly, the customer achieves a robust platform base in Azure, leveraging Infrastructure as Code (IAC) and scalability. This interest stems from their future plans for cloud migration, and the insight project serves as a crucial starting point for their engagement with Azure and cloud technologies. Through this expanded collaboration, we will continue to support the customer in their digital transformation journey and contribute to their success.

Itera has been engaged in a long-standing collaboration with our customer IMDi (The Directorate of Integration and Diversity) for over a year now, and several of our deliveries have transitioned into a comprehensive Application Lifecycle Management program. IMDi has been prominently featured in several of our recent quarterly reports, highlighting the progress and success achieved through our partnership. Our Digital Factory at Scale has consistently proven its efficiency in delivering the expected value to IMDi, and we have fostered a strong collaborative relationship with the customer to ensure their specific needs are met with excellence. Furthermore, we have achieved stable operations and maintenance of our deliveries, which have significantly contributed to sustaining the customer's confidence and satisfaction. This positive experience reinforces Itera's

strategic alignment with IMDi and establishes a solid foundation for continued success in our collaboration.

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%.

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. Our Ukrainian unit is running as normal, and risk mitigation is continuously being assessed and implemented. The recent increase in the number of missile and drone attacks by Russia is not impacting our operation.

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 fourth quarter, we had approximately 40 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 a grant of USD 1,500 a month from Itera. Our long-term corporate social responsibility to support Ukraine continues.

Our Crisis Management Team diligently monitors the evolving situation and assesses its potential impact on our operations and employees. We will keep everyone informed of any pertinent changes on itera.com/itera-update-on-the-situation-in-ukraine.

Competence development at a time of war in Ukraine

In challenging times, we prioritize the well-being and growth of our people. Competence development remains a cornerstone of our Employer Value Proposition, and in 2023, we continued our unwavering commitment to investing in our employees' development.

Recognizing the strength of the Ukrainian IT community, we actively invest in talent development. Throughout 2023, the tech specialists in our Ukraine offices conducted over 25 technical and 7 soft skills Level Up smart talks and webinars. Notably, we were honoured to have two industry experts as invited speakers, further enriching these webinars with their valuable insights.

In addition, two Itera Open Days, a specifically tailored event for beginners and junior developers took place in 2023. These events attracted over 50 participants, providing them with valuable guidance and support as they embarked on their professional journeys.

Vitaly Ruban, Competence Development Manager, made significant contributions to the industry as a speaker at a conference dedicated to #React.js and #TypeScript. His expertise and insights were shared with fellow developers, fostering knowledge exchange and professional growth. Furthermore, Vitaly had the privilege of being an invited speaker for students at Zhytomyr Polytechnic University, inspiring the next generation of tech professionals.

A major highlight in our QA & testing department was the successful organization of a cross-locational QA conference. This event brought together more than 90 participants from 5 countries, creating a platform for collaboration, knowledge sharing, and professional networking.

Level-Up events

Technology, opportunities, user expectations and trends are evolving rapidly. For our employees to have the best

opportunities to further develop throughout their careers with us, Itera has developed a solid framework for continuous competence development called "Level Up". Level Up brings together activities, sources and resources that are useful for employees' development. In 2023, over 130 educational events were arranged through Level Up. The events are arranged and held by employees, for employees. This activity has significantly increased since we moved into modern premises in the city centre of Oslo with special facilities for running events.

Overall, the Level Up initiative, along with our modern office facilities in all locations, demonstrates our commitment to fostering a culture of learning, collaboration, and growth. By providing our employees with valuable educational resources and opportunities, we are investing in their success and contributing to the overall strength and competitiveness of the company.



All-time high engagement

In our technology department in Oslo, our engagement score has reached an all-time high, reflecting the dedication and commitment of our team. We have focused on implementing Itera's values: Trust, Transparency, Diversity, and Entrepreneurship, which have helped create an open culture. Active involvement, recognition, mentorship, accountability, one-on-one coaching focused on customer value, and continuous improvement through practice have all played crucial roles in achieving this engagement score.

Talent acquisition

In a softer market, our recruitment needs are affected temporarily, especially in Norway where we are focused on replacing those who left the company. In Sweden, we have seen a positive development on the customer side, and we plan to strengthen our presence in the financial sector. We prioritize recruiting seniors with high competence in tech and look for experienced candidates who can contribute to our sales and growth strategy. We are starting to have a strong team in Sweden, with solid professional backgrounds in management and energy.



Financial review

Consolidated statement of comprehensive income

Amounts in NOK thousand	2023 10-12	2022 10-12	change %	2023 1-12	2022 1-12	change %
Operating revenue	222 099	205 454	8 %	871 581	735 840	18 %
Operating expenses						
Cost of sales	15 937	13 522	18 %	57 902	51 687	12 %
Gross Profit	206 163	191 932	7 %	813 678	684 153	19 %
<i>Gross Margin</i>	<i>92.8 %</i>	<i>93.4 %</i>	<i>-0.6 pts</i>	<i>93.4 %</i>	<i>93.0 %</i>	<i>0.4 pts</i>
Personnel expenses	162 543	145 515	12 %	634 359	515 118	23 %
Other operating expenses	17 083	18 237	(6 %)	68 667	60 063	14 %
Depreciation and amortisation	8 479	8 758	(3 %)	32 299	31 753	2 %
Total operating expenses	204 041	186 032	10 %	793 228	658 622	20 %
Non-recurring items	2 999	-		2 999	-	
Adjusted EBITDA	29 536	28 180	5 %	113 651	108 971	4 %
Adjusted operating profit (Adj. EBIT)	21 057	19 422	8 %	81 352	77 218	5 %
Operating profit (EBIT)	18 058	19 422	(7 %)	78 353	77 218	1 %
Other financial income	1 056	483	119 %	2 266	2 016	12 %
Other financial expenses	1 413	(425)	432 %	3 918	1 254	213 %
Foreign exchange (gains) / losses	807	858	(6 %)	1 288	(225)	673 %
Net financial income (expenses)	(1 165)	50	(2 409 %)	(2 941)	987	(398 %)
Profit before taxes	16 894	19 473	(13 %)	75 412	78 206	(4 %)
Income taxes	5 313	2 633	102 %	18 727	16 777	12 %
Net income from continuing operations	11 581	16 840	(31 %)	56 685	61 429	(8 %)
Net income from discontinued operations*	-	-		-	(10 438)	100 %
Net income	11 581	16 840	(31 %)	56 685	50 990	11 %
Other comprehensive income						
Translation diff. on net investm. in foreign operations	(1 416)	(435)	(225 %)	(346)	440	(179 %)
Total comprehensive income	10 165	16 404	(38 %)	56 338	51 430	10 %
Total comprehensive income attributable to:						
Shareholders in parent company	10 165	16 404	(38 %)	56 338	51 430	10 %
Earnings per share continuing operations	0.14	0.21	(31 %)	0.70	0.76	(8 %)
Fully diluted earnings per share continuing operations	0.14	0.21	(31 %)	0.70	0.76	(8 %)

Consolidated statement of financial position

Amounts in NOK thousand	2023 31 Dec	2022 31 Dec	change	change %
ASSETS				
Non-current assets				
Deferred tax assets	2 653	4 388	(1 735)	(40 %)
R&D	30 853	32 676	(1 822)	(6 %)
Other intangible assets	273	509	(236)	(46 %)
Property, plant and equipment	16 213	12 790	3 423	27 %
Right-of-use assets	74 582	28 271	46 311	164 %
Total non-current assets	124 574	78 634	45 940	58 %
Current assets				
Contract assets	3 452	225	3 227	1 433 %
Contract costs	-	1 345	(1 345)	(100 %)
Accounts receivable	107 770	98 971	8 799	9 %
Other receivables	12 172	12 661	(489)	(4 %)
Cash and cash equivalents	49 209	41 934	7 275	17 %
Total current assets	172 603	155 136	17 466	11 %
TOTAL ASSETS	297 177	233 771	63 407	27 %
EQUITY AND LIABILITIES				
Equity				
Share capital	24 656	24 656	-	0 %
Other equity	(33 459)	(26 644)	(6 815)	(26 %)
Net income for the period	56 685	51 430	5 255	10 %
Total equity	47 881	49 442	(1 560)	(3 %)
Non-current liabilities				
Other provisions and liabilities	759	1 304	(546)	(42 %)
Long-term interest bearing debt	3 750	-	3 750	
Lease liabilities - long-term portion	63 613	20 420	43 194	212 %
Total non-current liabilities	68 122	21 724	46 398	214 %
Current liabilities				
Accounts payable	18 288	16 760	1 529	9 %
Tax payable	11 191	12 112	(921)	(8 %)
Public duties payable	58 503	47 828	10 675	22 %
Contract liabilities	14 292	14 840	(549)	(4 %)
Lease liabilities - short term	13 874	9 175	4 699	51 %
Current portion of long-term debt	1 000	-	1 000	
Other current liabilities	64 026	61 891	2 135	3 %
Total current liabilities	181 173	162 606	18 568	11 %
Total liabilities	249 296	184 330	64 966	35 %
TOTAL EQUITY AND LIABILITIES	297 177	233 771	63 406	27 %
Equity ratio	16.1 %	21.1 %		-5 pts

Consolidated statement of cash flow

Amounts in NOK thousand	2023 10-12	2022 10-12	change	2023 1-12	2022 1-12	change
Profit before taxes	16 894	19 473	(2 579)	75 412	64 823	10 589
Income taxes paid	(5)	(1 240)	1 236	(12 176)	(7 980)	(4 196)
Depreciation and amortisation	8 479	8 758	(279)	32 299	32 510	(211)
Finance cost	928	-	928	2 322	-	2 322
Share option costs	123	839	(716)	1 655	1 454	201
Change in contract assets	(415)	(444)	28	(3 227)	895	(4 122)
Change in accounts receivable	29 828	460	29 368	(8 799)	(22 879)	14 080
Change in accounts payable	2 276	(5 286)	7 562	1 529	(2 086)	3 615
Change in other accruals	(1 013)	18 298	(19 311)	(346)	7 094	(7 439)
Effect of changes in exchange rates	81	553	(472)	7 354	1 382	5 971
Net cash flow from operating activities	57 151	41 411	15 740	95 710	76 028	19 682
- of which included in discontinued operations	-	(738)	738		(13 260)	13 260
Payment from sale of fixed assets	25	-	25	357	1 055	(698)
Investment in fixed assets	(1 773)	(1 166)	(607)	(10 908)	(6 503)	(4 405)
Investment in intangible assets	(2 112)	(2 423)	312	(8 870)	(9 773)	904
Net cash flow from investing activities	(3 860)	(3 589)	(271)	(19 421)	(15 222)	(4 200)
- of which included in discontinued operations	-	1 055	(1 055)		1 055	(1 055)
Purchase of own shares	(11 794)	(8 465)	(3 329)	(11 873)	(9 086)	(2 787)
Sales of own shares	-	-	-	6 237	6 559	(322)
Equity settlement of options contract	2 675	-	2 675	2 943	-	2 943
Principal elements of lease payments	(4 251)	(3 851)	(400)	(15 207)	(15 537)	330
Instalment of sublease receivable	-	-	-	-	1 750	(1 750)
Long term borrowings	(250)	-	(250)	4 750	-	4 750
Dividends paid to equity holders of Itera ASA	(32 204)	(24 353)	(7 852)	(56 860)	(40 451)	(16 409)
Net cash flow from financing activities	(45 824)	(36 669)	(9 155)	(70 010)	(56 766)	(13 244)
- of which included in discontinued operations	-	(468)	468	-	(982)	982
Effects of FX rate changes on cash and cash equiv.	(413)	(217)	(197)	997	437	560
Net change in cash and cash equivalents	7 054	936	6 117	7 276	4 478	2 798
Cash and cash equivalents at the beg. of the period	42 156	40 998	1 158	41 934	37 457	4 478
Cash and cash equivalents at the end of the period	49 209	41 935	7 275	49 209	41 935	7 275

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	-	-	-	-	56 685	56 685
Other comprehensive income for the period	-	-	-	(346)	-	(346)
Share option costs	-	-	1 655	-	-	1 655
Equity settlement of options contract	-	85	2 858	-	-	2 943
Sales of own shares	-	194	6 043	-	-	6 237
Purchase of own shares	-	(292)	(11 581)	-	-	(11 873)
Dividends	-	-	-	-	(56 860)	(56 860)
Equity as of 31 Dec 2023	24 655	(498)	(34 916)	913	57 727	47 881

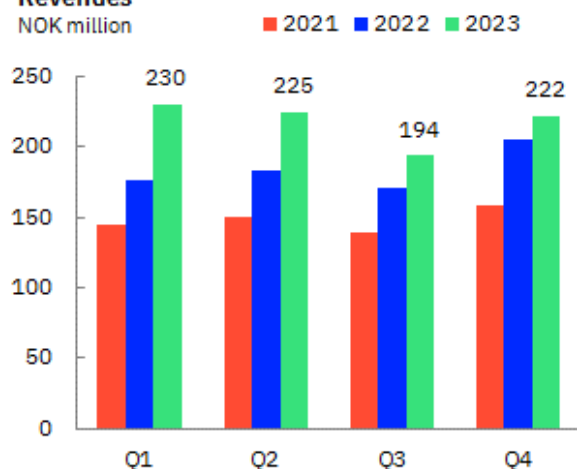
Key figures

	2023	2022	change	2023	2022	change
Amounts in NOK thousand	10-12	10-12	%	1-12	1-12	%
Profit & Loss continuing operations						
Operating revenue	222 099	205 454	8%	871 581	735 840	18%
Gross profit	206 163	191 932	7%	813 678	684 153	19%
EBITDA	26 537	28 180	-6%	110 652	108 971	2%
<i>EBITDA margin</i>	11.9%	13.7 %	-1.8 pts	12.7%	14.8 %	-2.1 pts
Operating profit (EBIT)	18 058	19 422	-7%	78 353	77 218	1%
<i>EBIT margin</i>	8.1%	9.5 %	-1.3 pts	9.0%	10.5 %	-1.5 pts
Adjusted operating profit (EBIT)	21 057	19 422	8%	81 352	77 218	5%
<i>Adjusted EBIT margin</i>	9.5 %	9.5 %	0 pts	9.3 %	10.5 %	-1.2 pts
Profit before taxes	16 894	19 473	-13%	75 412	78 206	-4%
Net income	11 581	16 840	-31%	56 685	61 429	-8%
Net income incl. discount. operations	11 581	16 840	-31%	56 685	50 990	11%
Balance sheet						
Non-current assets	124 574	78 634	58%	124 574	78 634	58%
Bank deposits	49 209	41 934	17 %	49 209	41 934	17 %
Other current assets	123 394	113 202	9 %	123 394	113 202	9 %
Total assets	297 177	233 771	27 %	297 177	233 771	27 %
Equity	47 881	49 442	(3 %)	47 881	49 442	(3 %)
Total non-current liabilities	68 122	21 724	214 %	68 122	21 724	214 %
Total current liabilities	181 173	162 606	11 %	181 173	162 606	11 %
<i>Equity ratio</i>	16.1%	21.1 %	-5 pts	16.1%	21.1 %	-5 pts
Current ratio	0.95	0.95	(0%)	0.95	0.95	(0%)
Cash flow						
Net cash flow from operating activities	57 151	41 411	38 %	95 710	76 028	26 %
Net cash flow	7 054	936	653 %	7 276	4 478	62 %
Share information						
Number of shares	82 186 624	82 186 624	0 %	82 186 624	82 186 624	0 %
Weighted average basic shares outstanding	80 885 454	80 875 022	0 %	81 061 511	80 851 746	0 %
Weighted average diluted shares outstanding	81 072 419	80 979 586	0 %	81 314 497	81 100 219	0 %
Earnings per share continuing business	0.14	0.21	(31%)	0.70	0.76	(8%)
Diluted Earnings per share contin. operations	0.14	0.21	(31%)	0.70	0.76	(8%)
EBITDA per share continuing operations	0.33	0.35	(6%)	1.37	1.35	1 %
Equity per share	0.59	0.61	(3%)	0.59	0.61	(3%)
Dividend per share	0.40	0.30	33 %	0.70	0.50	40 %
Employees continuing business						
Number of employees at the end of the period	758	698	9 %	758	698	9 %
Average number of employees	760	700	9 %	741	669	11 %
Operating revenue per employee	292	294	(1%)	1 177	1 099	7 %
Gross profit per employee	271	274	(1%)	1 099	1 022	7 %
Personnel expenses per employee	214	208	3 %	857	770	11 %
Other operating expenses per employee	22	26	(14%)	93	90	3 %
EBITDA per employee	35	40	(13%)	149	163	(8%)
EBIT per employee	24	28	(14%)	106	115	(8%)

Quarterly development 2021-2023

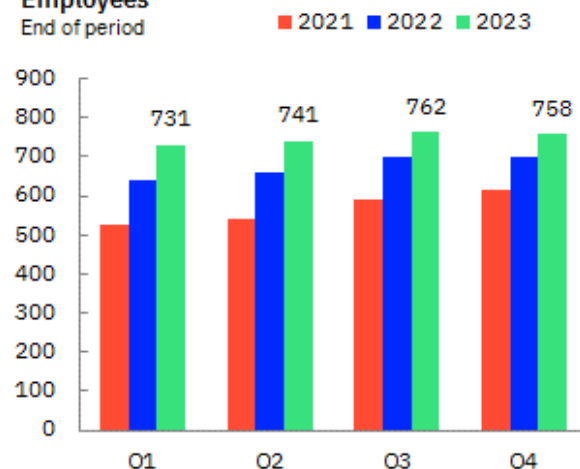
Revenues

NOK million



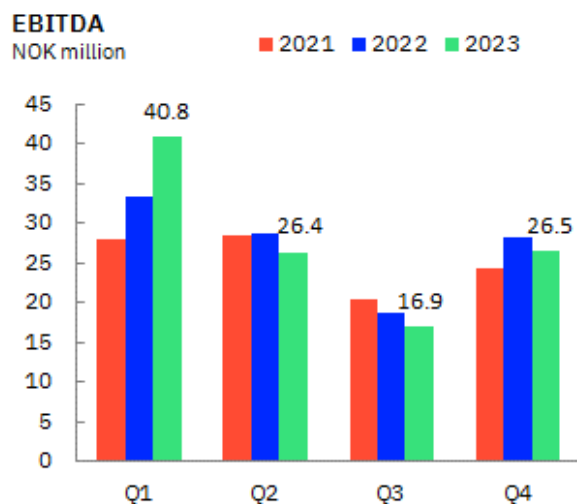
Employees

End of period



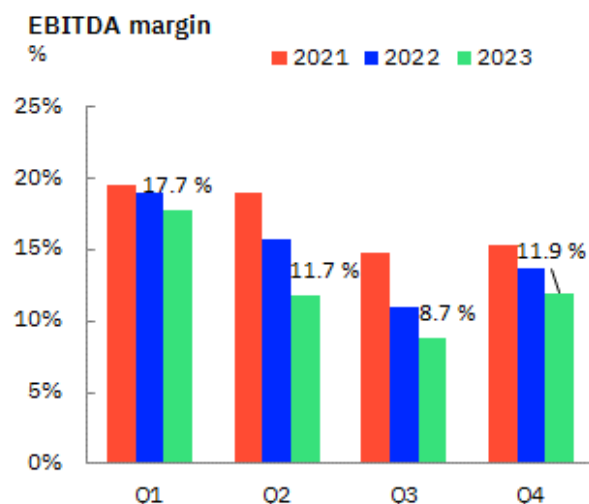
EBITDA

NOK million



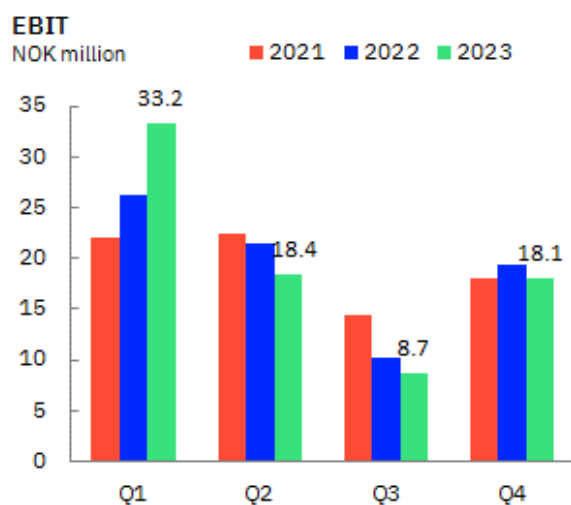
EBITDA margin

%



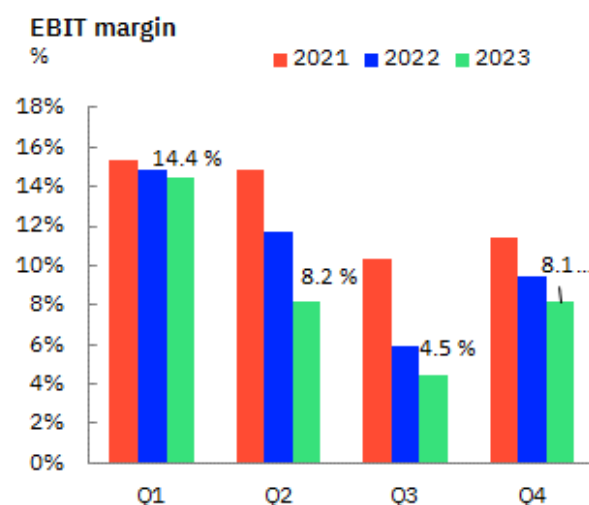
EBIT

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 31 December 2023.

Note 2: Events after the balance sheet date

There have been no events after 31 December 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.

Adjusted EBIT is calculated as EBIT before non-recurring costs.

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

Note 4: Non-recurring costs

In the fourth quarter of 2023 Itera incurred or took provisions for costs of NOK 3.0 million to streamline its operations and improve future profitability. The actions are part of the business optimization program launched during the third quarter that is expected to yield a targeted margin improvement of 1.2-1.6% when in full effect.

About Itera

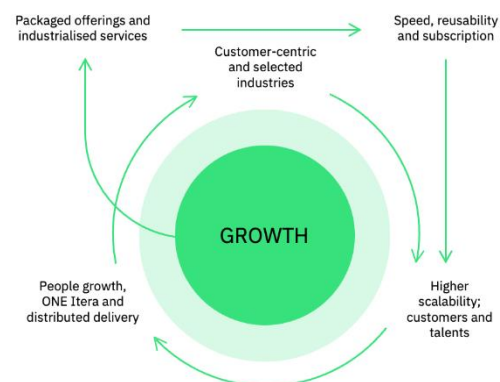
Our strategic position

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).

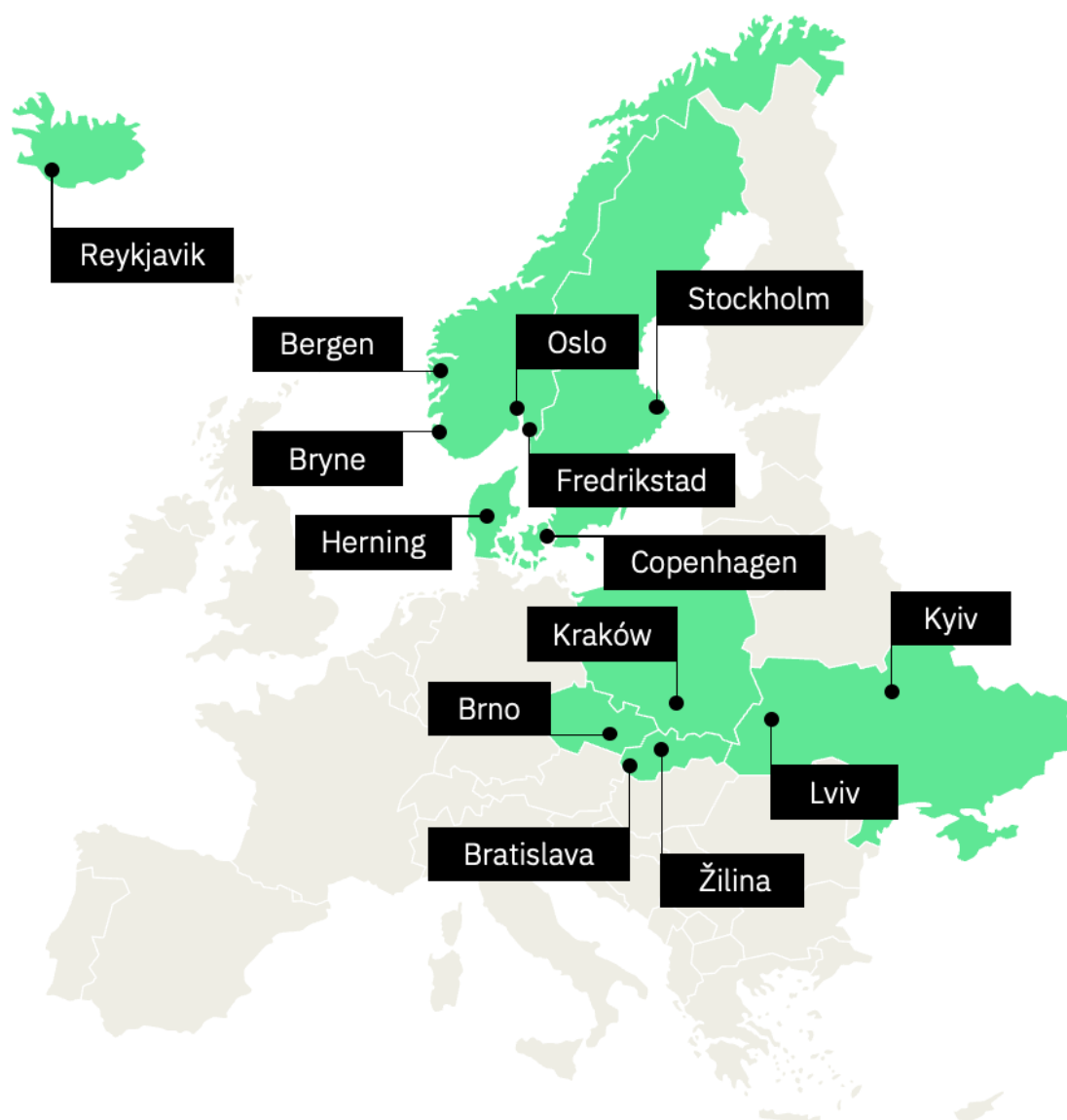


We are seeing all emerging technology become digital capabilities in the cloud that represent a dynamic continuum from public and hybrid cloud to edge and everything in between. Every business will need to become sustainable and digital, and data will be the key to success. Our success is grounded in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