

ITERA



Q3
2022

Make a difference

Highlights

July – September 2022

- Operating revenue NOK 170.9 million (NOK 138.9 million), representing growth of 23%
- EBITDA NOK 18.7 million (NOK 20.6 million) and an EBITDA margin of 10.9% (14.8%)
- EBIT NOK 10.2 million (NOK 14.3 million) and an EBIT margin of 5.9% (10.3%)
- 701 (589) employees at the end of the period, up by 40 employees in third quarter and 112 (19%) over the last 12 months
- Cash flow from operations NOK 22.0 million (NOK 12.5 million)

January – September 2022

- Operating revenue NOK 530.4 million (NOK 434.2 million), representing growth of 22%
- EBITDA NOK 80.8 million (NOK 77.3 million) and an EBITDA margin of 15.2% (17.8%)
- EBIT NOK 57.8 million (NOK 58.9 million) and an EBIT margin of 10.9% (13.6%)
- Cash flow from operations NOK 34.6 million (NOK 36.9 million)

Highlights

- With operating revenue up 23% in the third quarter of 2022 compared with the same period in 2021, Itera again achieved a high rate of organic growth, continuing the strong profitable growth trajectory of its continued operations over the last two years, which have over the last 24 months achieved an organic compound annual growth rate of 19.7% at a healthy profit margin (EBIT), averaging 11.8%.
- We continue to invest in new offices and cloud capabilities in order to increase our scalability as a strong international company. We are ramping up three new offices in Central Europe and increasing our footprint in Sweden. While the company expects to continue to grow in its Ukrainian locations, its additional offices will provide an even higher total growth capacity than before the war.
- Itera's sales pipeline of cloud migration and cloud modernisation opportunities is growing fast. Our investment in Cloud Application Services is progressing according to plan, with profitability gradually improving and recurring revenue increasing over the next 3-12 months.
- Entelios, a part of Agder Energi, is Norway's largest electricity supplier to the corporate market and among the largest in the Nordic market. Entelios has chosen Itera as their digitalisation partner to develop a customer solution with a solid data platform to deliver the optimal experience for their customers. Agder Energi is becoming a big strategic customer for Itera.
- Itera's order intake was equivalent to a book-to-bill ratio of 0.8 in the third quarter and to 1.2 for the twelve-month period ending 30 September 2022. In the third quarter, Itera entered into new or extended contracts with customers including Agder Energi, Eviny, Össur, Santander Consumer Bank, Mastercard, DNV, Storebrand, Gjensidige, Hafslund Eco Vannkraft, and Apotek1 Gruppen.
- CEO Arne Mjøs was recognised as the leader of the year in the consultancy industry in Norway.
- The Board has approved an additional dividend of NOK 0.30 per share, which will be paid on 4 November 2022.

Key figures

	2022	2021	change	2022	2021	change	2021
Amounts in NOK million	7-9	7-9	%	1-9	1-9	%	1-12
Operating revenue	170.9	138.9	23%	530.4	434.2	22%	593.0
Gross profit	160.6	129.0	24%	492.2	399.9	23%	547.3
EBITDA	18.7	20.6	-9%	80.8	77.3	5%	101.6
EBITDA margin	10.9 %	14.8 %	-3.9 pts	15.2 %	17.8 %	-2.6 pts	17.1 %
Operating profit (EBIT)	10.2	14.3	-29%	57.8	58.9	-2%	77.0
EBIT margin	5.9 %	10.3 %	-4.4 pts	10.9 %	13.6 %	-2.7 pts	13.0 %
Profit before tax	10.9	14.3	-24%	58.7	58.4	1%	75.9
Net income from continuing operations	8.0	11.0	-27%	44.6	45.5	-2%	58.5
Profit margin	4.7 %	7.9 %	-3.2 pts	8.4 %	10.5 %	-2.1 pts	9.9 %
Net income including discontinued operations	8.0	7.6	6%	34.2	34.6	-1%	44.1
Net cash flow from operating activities	22.0	12.5	76 %	34.6	36.9	-6%	69.7
No. of employees at the end of the period	701	589	19 %	701	589	19%	617

CEO's comment

Once again, I would like to start by thanking our incredibly talented people for their extraordinary work and commitment to delivering on the promise of sustainable digital transformation for our customers. With the breadth and depth of our capabilities, combined with our incredible learning organisation, we are positioning ourselves to serve customers across borders in 20 different countries and to capture new market opportunities in a strongly customer-centric way.

In this quarter, I visited Ukraine for the third time since the invasion and witnessed our brave Ukrainian employees leading a normal life in Western Ukraine, which is nearly as large as Germany. Our business has kept running as normal despite the new wave of Russian drone attacks on critical infrastructure and civilians across the country. I am so proud when wearing our t-shirt that has printed on it: Nordic identity – Ukrainian bravery. Ukraine and our Ukrainian people have become the heroes of the free world.

We are very pleased with our performance in the third quarter, which continues the strong profitable growth trajectory of our core business with an annual growth rate of 20% and average EBIT margin of 11.7% over the last 24 months. Revenue grew by 23% in the third quarter, driven by growth across all markets and services, and our operating EBIT margin was 5.9%, which is seasonally impacted by summer vacations and investments in new offices and cloud capabilities. We also achieved solid organic growth in our headcount, with a net 112 employees joining over the last 12 months, 40 of whom joined in the third quarter.

We achieved this profitable growth while continuing to invest in our business and our people in order to increase our scalability as a strong international company. We are investing in new offices, industrialised cloud services that deliver greater subscription revenue and the professional growth of our people. We have built a strong ONE Itera foundation based on steady organic growth, instead of making acquisitions of fragmented parts. According to McKinsey, companies with more organic growth generate higher shareholder returns than those whose growth relies more heavily on acquisitions.

Our culture is grounded in our growth mindset, which is: grow our people, grow our customers, grow our company. This means everyone is on a continuous journey of learning and growing. We believe potential can be nurtured and is not pre-determined, and that we should always be learning and curious –without fear of failure.

Our employees embrace our growth mindset and take advantage of the formal learning opportunities as well as the thousands of hours of informal and on-the-job learning opportunities available to them. We continue to offer an employee value proposition that includes providing vibrant career paths and opportunities for our people, and approximately one third of our employees are promoted each year.

We believe our unwavering commitment to diversity, broadly defined, and to inclusion is an essential element of our ability to deliver our strong performance. There is no doubt: diversity and inclusiveness make us smarter, more innovative and more attractive to the most talented people.

The strong demand for our services and consultants, and the trust our customers have in us, are enabling us to be one of the top performers in our marketplace. We succeed by being close to our customers, understanding and anticipating their needs, and

by helping them with their business and product agenda through to their digital strategy and execution - for growth, cost optimisation and resilience. Most of our top customers have been with us for five years or more.

We are continuing to see a growing number of customers embrace our Digital Factory at Scale in order to digitise faster, access digital talent and reduce costs. While industries and markets are being affected differently by the backdrop of the current macroeconomic environment, there is one common theme: all strategies lead to technology, particularly cloud, data, AI and security – all fundamental elements of our Digital Factory at Scale.

We are continuing to ramp up our three new offices, which are located in Brno in the Czech Republic, Žilina in Slovakia and Kraków in Poland, and at the same time we are ready to continue our growth in Ukraine. Once our new offices are running at full speed, our growth capacity will be much larger than before the invasion and less vulnerable to any situation in Ukraine. Indeed, our long-term ambition is to grow our headcount organically by a net 200-350 FTEs annually.

Our Digital Factory at Scale and Cloud Centre of Excellence bring together all of our capabilities, from three-horizon digital strategies and cloud transformation journeys to cloud migration, cloud-native development, data, AI, design, application lifecycle management and change.

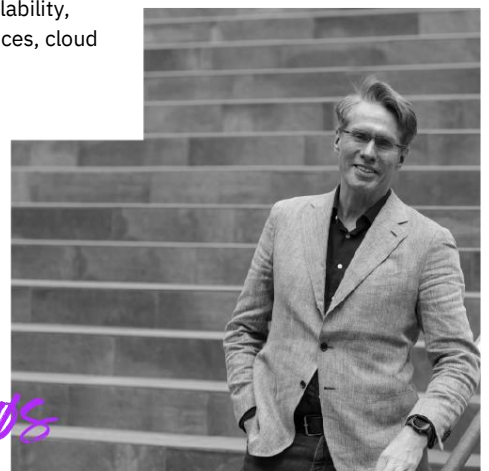
There is a gradual shift taking place in the nature of the demand for managed services. Our sales pipeline of cloud migration and cloud modernisation opportunities is increasing fast. Our Cloud Application Services unit has taken a pole position in the marketplace and is developing according to plan as our economic investment case with gradually improving profitability in addition to increasing recurring revenue during the next 3-12 months.

As a company, we are deeply engaged in supporting Ukraine from all locations. During my most recent visit to Kyiv, I had an extensive meeting with the Minister of Energy of Ukraine and his three Deputy Ministers in which we addressed the twin transition – green and digital – that will reinforce sustainability with technology and enable sustainable digital transformation in the energy sector. This is an immense opportunity for us that will see our digital transformation capabilities in the energy sector being welcomed as part of Ukraine's green transition after the war.

I am very proud of our incredible people. Today, we are the strongest we have ever been in our history. Our consistent investment in scalability, including new offices, cloud capabilities and developing our employees, will define our growth journey going forward.

Arne Mjøs

FOUNDER & CHIEF EXECUTIVE OFFICER
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Business review

Business review

Digitisation is becoming an ever more intrinsic part of business. More specifically, software is a prerequisite for competitiveness in every business area. For an increasing number of companies, it is the basis of what their business is built upon – their software is their product.

After discontinuing our data centre operations in the first quarter, we have built a strong pipeline of cloud transformation opportunities for both existing and new customers. Moving to the cloud – or cloud migration – is just the first step. Over the last 18 months, companies have gone from having an average of about 20% of their workload in the public cloud to about 30-40% today, including SaaS solutions which are a major part. So, we are still in the early days.

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

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 digitalisation.

Increasing our footprint in the Swedish market

Itera has appointed Joachim von Ekensteen as our new CEO for its Swedish entity with the aim of capturing market share and building a local organisation in Sweden that is close to our customers.

We have high expectations for our growth in what is the largest market in the Nordics. Overall, our strategy is to grow organically, and with a significant part of our deliveries provided from across the Nordics and Central and Eastern Europe. We will go to market with a lean, customer-centric strategy built on learning what works and adapting quickly. We will continue to serve our current customers in the Swedish market and will expand our ability to support them. We will build on our partnerships, such as those with IBM, Red Hat, Microsoft, DNV and others, and will bring scalability through our Digital Factory at Scale and Cloud Centre of Excellence.

Joachim von Ekensteen joined Itera from Sopra Steria where he grew their nearshoring business significantly across Europe. He has an extensive background in IT management consulting, consulting sales and distributed deliveries. Joachim considers Itera to have a strong platform for growth, and this is what attracted him to the company.

“I see exciting partnerships, solid services and a genuine drive to make a difference. Itera is a what I call a “people company” where people grow together with customers and the company. Itera is customer focused of course, but also very much people focused. For example, its unwavering support of Ukraine – both of our people there and of the country’s coming re-building – is a true manifestation of its commitment to making a difference for people and to showing leadership”, comments Joachim von Ekensteen.

After several years of working internationally, Joachim is looking forward to focusing on growing Itera’s Swedish business. His international experience will be valuable to Itera’s international approach of delivering digitalisation projects to Swedish customers from our offices in the Nordics and Central and Eastern Europe.

A selection of customer successes

Energy solutions for a sustainable future at Entelios

Entelios, a part of Agder Energi, is Norway's largest electricity supplier to the corporate market and among the largest in the Nordic market. Entelios has chosen Itera as their digitalisation partner to develop a customer solution with a solid data platform to deliver the optimal experience for their customers. The engagement is part of our frame agreement with Agder Energi.

According to Chief Digital Officer Åsne Taksrud, Entelios’ ambition with the new customer solution is to offer their customers a platform where they have access to their own data and market information. The new platform will help their customers to analyse consumption and plan and implement energy efficiency measures. In return, the customers will be able to reduce their electricity costs, strengthen the company's finances and reach their sustainability goals.

We started the collaboration in September as an agile project where we launch new functionality on a new platform, and we will be able to deliver the first proof of concept already this year. From the first quarter in 2023, we will continuously add additional new functionality.

Our Digital Factory at Scale that brings together all our capabilities is used. Initially, Itera will deliver an end-to-end team consisting of a product owner, project management, UX/UI design, test management, development, and devops expertise.

Smart asset management monitoring of the electric grid with DNV

DNV’s asset management application, Cascade, enables utility companies to manage critical assets in the electric grid with data analytics, condition monitoring and predictive maintenance, to support better operational decisions. Itera is using the Digital Factory at Scale with a multi-disciplined team to build a new cloud-based solution to increase speed, innovation and cost efficiency.

The new version of Cascade for large US based utility companies is in good progress. The cloud-based solution was demonstrated live with great success for the DNV Electric Grid User Group in Oregon in US in September. As their strategic software development partner, Itera was invited to the event and to share with the audience our contribution to this success: how we worked efficiently by Azure DevOps and were able to complete the project on time, within scope and cost.

The new version of Cascade will be continuously developed as a SaaS solution to increase value for DNV and their customers, enhancing the application with new features and benefits, including integrations with new possible valuable data sources.

Read the full customer story on itera.com.

Helping immigrant women in working life and society for IMDi

The Directorate of Integration and Diversity (IMDi) is responsible for implementing the Norwegian Government's integration policy and is subordinate to the Ministry of Labour and Social Inclusion. As part of this, IMDi will facilitate the participation of more immigrants in working life and society.

One of our projects with IMDi is to develop a “Jobbsjanse-register” (a reporting solution) for IMDi’s “Jobbsjansen-program” (job opportunity programme) which is a subsidy scheme managed by IMDi. This is a qualification programme for stay-at-home immigrant women who after several years in Norway have no permanent connection to working life. A key aim is to develop knowledge and best practices on how immigrants can become economically self-

sufficient through employment and/or higher education, and subsequently to improve their integration into society. The goal of *Jobbsjansen* is that 70 per cent of the participants go into work or education at upper secondary school level or at college/university after completing the program.

A multi-disciplined team of digital consulting, experience and technology from Itera is using the Digital Factory at Scale to develop *Jobbsjansen-register*. This will make it easier to identify results and which measures contribute most effectively to stimulate more immigrant women to enter employment or education.

Taking social responsibility in a time of crisis

CEO Arne Mjøs has visited Ukraine three times since the invasion, with his last visit taking place in September. In his words, he witnessed our Ukrainian employees leading a normal life in the Western part of Ukraine, a region that by itself is nearly as large as Germany.

As a company, we are deeply engaged in supporting Ukraine from all locations. Our people have adapted, learned new habits and formed new routines. Indeed, we achieved almost normal capacity utilisation about one week after the invasion. Most importantly, we have not suffered any casualties. Today, our Ukrainian colleagues are talking a lot about the future and are making plans – both professional and personal - for next year.

He also had an important meeting with the Minister of Energy in Ukraine and his three Deputy Ministers in Kyiv. Together with Rystad Energy - a world-leading analysis and consultancy company across the full spectrum of energy sources that has a presence in all corners of the globe, he discussed how an executable strategy for fast-tracking co-operation between Norway and Ukraine in the energy sector could be developed as urged by President Zelenskyi.

Overall, the Norwegian energy sector could help resolve several of the energy challenges facing Ukraine. Clearly the situation on the ground is uncertain and unsettled, and many even more imminent challenges might need attention rather than the long-term strategy for the energy sector. However, access to energy will be key for the reconstruction of Ukraine and starting early to set a direction would be beneficial.

They also addressed the twin transition – green and digital – that will reinforce sustainability with technology and enable sustainable digital transformation.

The meeting was summarised by the Ministry of Energy as very effective with several key actions for follow up. This represents an immense opportunity for Norway and the Nordics to demonstrate leadership in the green energy transition in both Europe and Ukraine. And the most favourable business and financial conditions will be created for this according to EU President Ursula von der Leyen.

During his visit in Ukraine, he also met with several charity organisations such as Serhiy Prytula Charity Foundation - a leading Ukrainian charitable foundation fundraising for Ukraine's military and humanitarian needs. They are real defenders of the free world.

We can never fathom and fully compensate for the sacrifices Ukrainians are making every single day. However, as long as the EU and NATO are united in helping Ukraine to win this war, Ukraine will emerge stronger and more successful after the war, with a greener, more digital and more resilient economy.

The biggest social responsibility as business community is to keep the Ukrainian economy running. Every action matters. So, please do act as we do.

Doing more with less

Organisations in all industries will continue to infuse digital technology into every business process and function so that they can do more with less. Doing more with less does not mean working harder or longer but applying technology to amplify what you are able to do across an organisation so you can differentiate and build resilience.

Our Digital Factory at Scale is all about doing more with less. In the third quarter, we continue to see a growing number of customers embrace our Digital Factory at Scale to digitise faster, access digital talent and reduce costs

Itera has invested more than NOK 30 million in Digital Factory at Scale and migrated its own data centre to the cloud. The factory also supports hybrid cloud solutions as well as other hyperscale cloud platforms. With everything in the cloud, Itera operates as a fully digital business with deliveries to 20 countries around the world.

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

Part of the solution is to democratise the development of applications and access to data. The product team is equipped with low-code/no-code tools, such as Microsoft Power Platform, which enables normal users to develop solutions and create value out of their data.

The democratisation of IT is a huge opportunity for both professional developers and normal users to do more for less. By 2025, 70% of new applications in enterprises will use low-code or no-code tools, up from less than 25% in 2020.

Cloud migration and modernisation

Leaders in every industry are accelerating their migration to the cloud. Ninety-five percent of new digital workloads will be deployed on cloud-native platforms by 2025. IT and OT (Operational Technology) are coming together, and the cloud is foundational to how organisations will ensure they are competitive going forward.

It is hard to overstate the opportunity. We often start a customer's cloud journey with a Lite Discovery and Assessment. These assessments help customers to understand their current environment and provide recommended next steps for their cloud journey, as well as a recommended migration and modernisation plan based on a categorisation of workloads. In addition, we combine with a digital strategy offering to define target end state, focused roadmap and business case for the cloud journey.

A typical cloud journey consists of both migration and modernisation and takes from 12 to 36 months. After completing the closure of our own data centre by the end of first quarter, we launched a new service area, Cloud and Application Services, to address this opportunity. Our experience of data centre operations and software engineering have been valuable when building our expertise in cloud and hybrid solutions.

Our world-class Cloud Centre of Excellence is managing everything as code - not only software and infrastructure provisioning but also

operations and service delivery. The Cloud Centre of Excellence is founded on Microsoft best practices but designed to support other hyperscalers, such as Google Cloud and Amazon Web Services (AWS), and hybrid cloud environments such as IBM Red Hat Openshift.

In the third quarter, we continued to conduct Lite Discovery & Assessments for several customers, with expected implementation from the fourth quarter. We are also engaged by several customers with consulting services to help them implement a similar Cloud Centre of Excellence.

We are also working on several large opportunities together with Microsoft Industry Solution Delivery (ISD) as part of our strategic partnership agreement that we entered in the second quarter. Through joint sales and delivery teams, Itera is tapping into a worldwide team of over 20,000 experts who have decades of experience from around the world and its full range of developed intellectual property that has been continuously improved over many years. Examples are industry points of view, value propositions, detailed delivery descriptions, methodology, tools, automation and documentation.

Cloud Application Services is organised as a global unit with a full range of services and expertise to serve customers of any size from all our locations. The unit is growing its revenue with a mix of subscription and consulting services. It is still an economic investment case with its profitability due to gradually improve over the next 3-12 months.

A unique Experience

Itera's design and user experience unit, named *Experience*, has taken pole position in the market by developing and hiring the best talents available. Despite a demanding talent market, *Experience* has increased by approximately 20% year to date, and now has around 50 generous and highly skilled people.

Experience consists of five teams:

- Service design
- Business Design
- Brand Innovation
- Interaction Design
- Digital Design

Our long-standing design unit has always been an important contributor to Itera's unique position in the market. Over the past year, *Experience* has strengthened its position as a spearhead at Itera across borders and is now paving the way for exceptional service and product development, both for customers and Itera's communication and marketing function.

All teams are well integrated into ONE Itera, so that we can always work interdisciplinary in end-to-end projects. *Experience* will continue to create opportunities at a higher level with the customer, working with the business and product agenda and creating high value by delivering the optimal experience, broadly defined, for the customer. These opportunities will pave the way for new, large, end-to-end projects in Itera.

For instance, *Experience* is helping Gjensidige with Service and UX design as well as how to establish a design driven company and culture. For IMDi, our designers are part of our multi-disciplined team to shape services, simplify internal complex processes and systems, and enable the optimal experience that are relevant and makes a difference to the people. Our highly skilled people in Business Design in *Experience* work as a strategic partner for

customers such as Entelios to evaluate the market fit and solve challenges for the future. This expertise reveals new opportunities and business areas that will scale with new products and services.

Experience's goal is to create value for our customers and their end users, as well as for our employees and the society even. They will do this by combining all disciplines such as business insight, cutting edge technology and human-centred design in combination with data. Digital Factory at Scale helps us with an outside-in approach. This secure that we always make products and services that brings value for our people and the world we live in.

Itera takes the stage

Arendalsuka

At the 2022 Arendalsuka conference, the largest business and political gathering in Norway, Itera stated that the Norwegian business community must contribute more to keeping the Ukrainian economy running, at a panel debate it organised: "Ukraine and Norway – a kinder egg of sustainability".

Vice Prime Minister and Minister of Digital Transformation of Ukraine, Mykhailo Fedorov, sent a greeting to the event on behalf of the Ukrainian Government. He said that donating money and helping Ukrainian refugees is important, but that in order for Ukraine's economy to be quickly rebuilt, the world should not be afraid of investing in Ukraine now. He urged to "engage Ukrainian IT specialists by taking a look at Ukrainian start-ups and IT companies".

The panel consisted of Ole Erik Almlid (the CEO of the Confederation of Norwegian Enterprise (NHO)), Øyvind Eriksen (the CEO of Aker ASA), and Itera's Arne Mjøs (CEO) and Tanya Ponomarenko (HR Manager in Ukraine). The moderator was Kristian Enger (Director of Innovation, Development and Corporate Governance at NHO).

Watch a recording of the session here:

<https://www.dn.no/.../anno.../arendalsuka/2022/torsdag/1430/>

Østfoldkonferansen

Østfoldkonferansen (The Østfold Conference), the title of which this year was "A new tomorrow", took place on 7 September. This conference is the Østfold region's most important conference for businesses, both public and private. The conference was opened by State Secretary Halvard Ingebrigtsen and the CEO of the Confederation of Norwegian Enterprise (NHO), Ole Erik Almlid.

The world is facing many crises, but this is also creating a climate of opportunities. Itera's CEO Arne Mjøs was invited to participate in a debate on how to ensure job creation and value creation in uncertain times.

Itera's regional office in Fredrikstad, which has almost 20 employees, will contribute to such value creation. It will help build expertise locally while at the same time benefiting from our scalable business model, and in this way will help more and more customers with their digital transformation.

Microsoft Power Platform Conference and Nordic Summit

The first annual Microsoft Power Platform Conference was held in late September in Orlando. This is a new event at which Microsoft executive leaders from the low code platform and the overall community meet to learn, share feedback and network.

Ulrikke Akerbæk, Low Code Practice Lead, represented Itera as an attendee at this event. She used the three-day conference to learn

more about the areas in which Microsoft is investing in relation to the platform in terms of new features and functionality.

Ulrikke Akerbæk then travelled directly from Orlando, Florida, to Stockholm for a smaller community event called Nordic Summit that weekend. At the event she presented a session on how to style Power Pages portals and recorded a podcast with the event organising team.

Ramping up three new offices in Central Europe

Over the last 3-4 months, we have established three offices in accordance with our growth plan. These new locations are Brno in the Czech Republic, Žilina in Slovakia and Kraków in Poland. Our office in Kraków will serve both local new hires and our colleagues from Ukraine that have relocated to the Kraków area.

All new offices are being set up in accordance with our ONE Itera operating model. While the company expects continued growth in its Ukrainian locations, the additional offices will provide an even higher total growth capacity than before the war.

Itera's strategy outlines the fact that we aim to grow in a customer-centric manner. We seek to expand into new geographical locations in response to growing demand for Itera's services.

Grow people

"The Itera family is wonderful"

In September, we invited all employees of Itera Norway to a weekend at Vestlia Resort in Geilo. It was a busy weekend focused on competence development, bonding, good food, and fun activities – surrounded by beautiful mountains.

The employee survey afterwards show that the vast majority found that they got to know new colleagues and benefited from the professional program. Everyone who responded has said that the trip was either "fantastic, or "a nice trip with work".

Itera received a lot of feedback on the weekend, examples of which included: "The best trip so far! I've been at Itera since 2018 and this was certainly the best trip yet. Very happy and satisfied, feeling closer to colleagues and to Itera", and "The Itera family is wonderful".

Leader of the year 2022

In September, Arne Mjøs was named "Leader of the Year" by Virke (The Federation of Norwegian Enterprises) and Konsulentguiden.

The jury's statement read: "This year's leader has been keen to understand the situation of his employees and their families in this increasingly war-torn country. Just before Easter, he went to Ukraine to experience and understand himself what the conditions were like for their 300 employees."

On winning the award, Arne commented: "I am very proud and honoured to be recognised as "Leader of the year 2022" in the consultancy industry in Norway. [...] Freedom is worth fighting for. It is our biggest social responsibility to get the Ukrainian economy running. Every action matters, so please do act".

Market and customer development

In the third quarter of 2022, Itera had an order intake equivalent to a book-to-bill ratio of 0.8. For the twelve-month period ending 30 September 2022, the book-to-bill ratio was 1.2. Itera entered into new or extended contracts with customers including Agder Energi, Eviny, Össur, Santander Consumer Bank, Mastercard, DNV, Storebrand, Gjensidige, Hafslund Eco Vannkraft, and Apotek1 Gruppen.

The revenue from Itera's 30 largest customers accounted for 83% of its operating revenue during the third quarter of 2022, which is six percentage points higher than in the third quarter of 2021. New customers, defined as customers won during the last 12 months, accounted for 9% of revenue.



Financial review

Financial review

Financial reporting

Itera completed the transition of its customers from its on-premise data centre operations to managed cloud services and transferred the residual customer portfolio with all associated supplier contracts and assets to a new data centre vendor with effect from 1 April 2022. See the separate section on this for more details. Following the sale of this business, Itera reports the profit and loss statement relating to this business as discontinued operations on a net income basis. The continuing operations are equivalent to the core digital business that Itera reported as its primary segment in 2021.

The comments in this financial review relate to the performance of Itera's continuing operations in the third quarter of 2022 compared to the third quarter of 2021 unless otherwise stated. The figures given in brackets in this report refer to the equivalent period in 2021. 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.

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 2022 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 2021. 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 2021. 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 23% in the third quarter of 2022 relative to the third quarter of 2021. Gross profit increased by 24%, with the gross margin up by 1.0 points to 93.8%. The third quarter of 2022 contained the same number of working days in Norway as the corresponding period of 2021.

The operating profit (EBIT) for the third quarter of 2022 was NOK 10.2 million (NOK 14.4 million), with an EBIT margin of 5.9% (10.3%). For the first nine months of 2022 EBIT was NOK 57.8 million (NOK 58.9 million) and the EBIT margin was 10.9% (13.6%).

As disclosed in the last interim report, Itera is investing in significant recruitment capacity in the EU to mitigate slower growth in Ukraine during the war. The setup costs of recruiters, offices, administration and onboarding had a negative impact on Itera's financial results of about NOK 5 million. This negative impact will continue in the fourth quarter, albeit to a lesser extent as the benefits of increased recruitment are gradually materialising.

Itera is in the early stages of capitalising on its investment into becoming a full-scale provider of cloud migration and operation services for larger customers. The cost of having excess capacity in order to be ready for larger migration projects and operations will gradually diminish as business volume grows.

Operating revenue

Itera reports operating revenue of NOK 170.9 million (NOK 138.9 million) for the third quarter of 2022, which represents growth of 23%. This was driven by growth in the revenue from Itera's own services, which increased by 29% to NOK 150 million. Revenue from subscription-based services increased by 20% to NOK 18 million, while revenue from third-party services decreased by 42% to NOK 6 million. For the first nine months operating revenue was NOK 530.4 million (NOK 434.2 million), which represents growth of 22%.

Gross profit (revenue minus cost of goods sold) was NOK 160.6 million (NOK 129.0 million) in the third quarter of 2022, which represents an increase of 24%. Gross profit for the first nine months was NOK 492.2 million (NOK 399.9 million), which represents growth of 23%.

Operating expenses

Total operating expenses in the third quarter of 2022 were 29% higher at NOK 160.7 million (NOK 124.6 million), while for the first nine months they were up 26% to NOK 472.6 million.

Cost of sales was NOK 10.3 million (NOK 10.0 million) and relates to subscription and third-party services and other revenue. For the first nine months cost of sales was up 11% to NOK 38.2 million (NOK 34.3 million).

Personnel expenses were NOK 124.6 million (NOK 97.0 million) in the third quarter of 2022, which represents an increase of 28%. The average number of employees in the quarter was 21% higher than in the corresponding quarter of 2021. More than NOK 3 million was invested in regional Company Day events, which are a combination of training and social activities. Personnel expenses per employee were 6% higher in the third quarter of 2022 than in the same quarter of 2021. For the first nine months personnel expenses were up 26% to NOK 369.6 million as compared to an increase of 24% in the average number of employees. Average personnel expenses per employee were up by 2%.

Other operating expenses were NOK 17.3 million (NOK 11.4 million) in the third quarter of 2022, up by 51% from last year. The increase was primarily due to higher spend on recruitment, facilities, travel and training. Vacated space from the discontinued operations has a cost of approximately NOK 0.4 million per quarter that has been absorbed by the continuing operations in the last two quarters. Itera will move to a new location in June 2023 with approximately 30% less space. For the first nine months other operating expenses were NOK 41.8 million (NOK 29.1 million).

Depreciation and amortisation totalled NOK 8.5 million (NOK 6.2 million) in the third quarter. The increase was primarily due to the amortisation of Itera's investment in its Cloud Centre of Excellence. For the first nine months depreciation and amortisation totalled NOK 23.0 million (NOK 18.3 million).

Operating result

The operating result before depreciation and amortisation (EBITDA) for the third quarter of 2022 was a profit of NOK 18.7 million (NOK 20.6 million), giving an EBITDA margin of 10.9% (14.8%). For the

first nine months EBITDA was NOK 80.8 million (NOK 77.3 million) with an EBITDA margin of 15.2% (17.8%).

The operating result (EBIT) for the third quarter was a profit of NOK 10.2 million (NOK 14.4 million), giving an EBIT margin of 5.9% (10.3%). For the first nine months EBIT was NOK 57.8 million (NOK 58.9 million) with an EBIT margin of 10.9% (13.6%).

Discontinued operations

As previously reported, Itera had discontinued its data centre operations by the end of the first quarter of 2022. There was no financial impact from this in the third quarter of 2022. Please refer to Note 4 for financial statements relating to the discontinued operations.

Cash flow, liquidity and equity

Net cash flow from operating activities was NOK 22.0 million (NOK 12.5 million) in the third quarter of 2022. NOK 0 million (NOK 4.5 million) of this amount related to the discontinued operations.

There was a net cash outflow from investing activities of NOK 3.7 million (NOK 6.4 million) in the third quarter of 2022, NOK 1.6 million of which amount related to investment in office equipment and inventory and NOK 2.1 million to intangible assets.

There was a net cash outflow from financing activities of NOK 4.0 million in the third quarter of 2022, NOK 4.0 million of which amount related to office facilities. This compares to a net inflow of NOK 1.0 million in the same quarter of 2021.

Contract assets (previously referred to as *work in progress*) at 30 September 2022 were NOK 1.7 million lower than at 30 September 2021, while capitalised contract costs were NOK 2.7 million lower. The capitalised contract costs relate to revenue which is deferred under IFRS 15. Accounts receivable and other receivables were NOK 18.0 million and NOK 0.3 million higher respectively than at 30 September 2021.

Accounts payable at 30 September 2022 were NOK 0.6 million higher than at 30 September 2021. Public duties payable were NOK 5.6 million higher than at the end of the third quarter of 2021. Tax payable was NOK 2.1 million higher than at 30 September 2021. Contract liabilities at 30 September 2022 were NOK 3.5 million lower at NOK 16.8 million.

Cash and cash equivalents amounted to NOK 41.0 million at 30 September 2022, compared to NOK 22.6 million at 30 September 2021. Itera has a revolving credit facility of NOK 35 million.

Itera had lease liabilities totalling NOK 25.3 million (NOK 36.4 million) at 30 September 2022, which represents a net decrease of NOK 11.1 million. NOK 10.3 million of the lease liabilities are current liabilities that fall due within 12 months, while NOK 15.0 million are classified as non-current liabilities.

At 30 September 2022, Itera held 1,011,062 (1,637,006) own shares, valued at NOK 12.9 million (NOK 25.2 million).

Equity at 30 September 2022 totalled NOK 63.5 million (NOK 37.7 million). The equity ratio was 26.5% (17.2%). The equity ratio without the right-of-use assets included under IFRS 16 was 29.4% (20.0%).

Dividend

At its meeting on 24 October 2022, the Board of Directors approved the payment of an additional dividend of NOK 0.30 per share for 2021 in accordance with the authorisation it was granted at the

Annual General Meeting on 24 May 2022. The share will trade excluding the right to receive the additional dividend starting on 26 October 2022 and the dividend will be paid on 4 November 2022.

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 2022 was 701 as compared to 589 at the end of the third quarter of 2021. This represents an increase of 112 employees (19%) during the last 12 months.

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 53% (51%) at the end of the third quarter.

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 recognised for having the best Project Management Office in Europe by the PMO Global Alliance in 2021. Itera also received the PMO Ukraine Award for 2021, 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 US dollar (USD) and the euro (EUR). 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 war there was a natural reduction in sales opportunities due to the uncertainty of the impact of the war. 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 is also mitigating the intermediate risk by strengthening its presence in nearby EU locations.

More information about risks and uncertainties can be found in Itera's annual report for 2021.

Outlook

The company's overall strategy of developing large, long-term customer relationships, increasing the number of project deliveries which involve the full range of Itera's services, using distributed teams of Nordic and nearshore resources and focusing on operational efficiency remains unchanged.

Itera is utilising its strong relations with the Ukrainian authorities and senior management in industries to enable the green transition through new industrial software solutions and services.

In the short term, Itera's financial results will be impacted by its investment in growing its capacity in Central Europe to accommodate new demand. The new offices in Žilina (Slovakia), Brno (Czechia) and Krakow (Poland) will provide Itera with access to a wider range of potential employees in Central Europe.

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 digitise and experience cost pressures, strategic managed services are increasingly a top management priority. Leveraging its investment in its Cloud and Application Services and its partnership with Microsoft and IBM Red Hat, Itera is currently performing several cloud journey assessment projects which hold the promise of significant migration and operations business in the near future.

Until then, Itera's capacity readiness is an economic investment case, the profitability of which is expected to improve over the next 3-12 months.

Next interim report

The interim report for the fourth quarter will be published and presented on 16 February 2023.

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 30 September 2022, including the comparisons with the corresponding period in 2021.

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 30 September 2022 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 30 September 2022.
- The information provided in the report for the third quarter of 2022 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, 25 October 2022

The Board of Directors and CEO of Itera ASA

Morten Thorkildsen
Chairman

Marianne Killengreen
Board Member

Jan-Erik Karlsson
Board Member

Gyrid Skalleberg Ingerø
Board Member

Siren Tønnesen
Board Member

Joachim Trøbråten
Board Member

Arne Mjøs
CEO



Interim condensed financial information

Consolidated statement of comprehensive income

Amounts in NOK thousand	2022 7-9	2021 7-9	change %	2022 1-9	2021 1-9	change %	2021 1-12
Operating revenue	170,863	138,943	23 %	530,386	434,218	22 %	592,956
Operating expenses							
Cost of sales	10,294	9,963	3 %	38,165	34,269	11 %	45,699
Gross Profit	160,569	128,980	24 %	492,221	399,949	23 %	547,257
<i>Gross Margin</i>	94.0 %	92.8 %	1.1 pts	92.8 %	92.1 %	0.7 pts	92.3 %
Personnel expenses	124,641	97,001	28 %	369,604	293,595	26 %	403,688
Other operating expenses	17,266	11,412	51 %	41,826	29,102	44 %	41,944
Depreciation and amortisation	8,507	6,218	37 %	22,995	18,329	25 %	24,582
Total operating expenses	160,708	124,593	29 %	472,590	375,294	26 %	515,912
EBITDA	18,662	20,567	(9 %)	80,791	77,252	5 %	515,912
Operating profit (EBIT)	10,155	14,350	(29 %)	57,796	58,924	(2 %)	77,044
Other financial income	983	946	4 %	2,300	2,029	13 %	2,424
Other financial expenses	223	993	(78 %)	1,363	2,602	(48 %)	3,602
Net financial income (expenses)	760	(47)	1,704 %	937	(573)	263 %	(1,178)
Profit before taxes	10,915	14,302	(24 %)	58,733	58,350	1 %	75,866
Income taxes	2,866	3,261	(12 %)	14,143	12,817	10 %	17,333
Net income from continuing operations	8,049	11,041	(27 %)	44,590	45,533	(2 %)	58,533
Net income from discontinued operations*	-	(3,430)	100 %	-10,438	-10,892	4 %	(14,385)
Net income	8,049	7,611	6 %	34,151	34,640	(1 %)	44,148
Other comprehensive income							
Translation diff. on net investment in foreign operations	(266)	(331)	20 %	3	(203)	102 %	274
Total comprehensive income	7,783	7,281	7 %	34,154	34,438	(1 %)	274
Total comprehensive income attributable to:							
Shareholders in parent company	7,783	7,281	7 %	34,154	34,438	(1 %)	44,422
Earnings per share continuing operations	0.10	0.14	(28 %)	0.55	0.56	(2 %)	0.73
Fully diluted earnings per share continuing operations	0.10	0.14	(27 %)	0.55	0.56	(2 %)	0.72

*) See note 4 for information about discontinued operations.

Consolidated statement of financial position

Amounts in NOK thousand	2022 30 Sep	2021 30 Sep	change	change %	2021 31 Dec
ASSETS					
Non-current assets					
Deferred tax assets	4,242	4,761	(519)	(11 %)	4,791
Other intangible assets	33,566	32,625	942	3 %	34,826
Property, plant and equipment	14,658	15,372	(715)	(5 %)	15,729
Right-of-use assets	23,469	30,244	(6,775)	(22 %)	30,917
Lease receivable - long term	-	3,628	(3,628)	(100 %)	-
Total non-current assets	75,935	86,630	(10,695)	(12 %)	86,262
Current assets					
Contract assets	(219)	1,502	(1,721)	(115 %)	1,120
Contract costs	2,018	4,708	(2,690)	(57 %)	4,035
Lease receivable - short term	0	620	(620)	(100 %)	3,370
Accounts receivable	99,431	81,464	17,967	22 %	76,092
Other receivables	21,609	21,242	367	2 %	12,794
Cash and cash equivalents	40,999	22,568	18,431	82 %	37,457
Total current assets	163,838	132,104	31,734	24 %	134,867
TOTAL ASSETS	239,774	218,735	21,039	10 %	221,130
EQUITY AND LIABILITIES					
Equity					
Share capital	24,656	24,656	-	(0 %)	24,656
Other equity	6,209	(21,592)	27,802	129 %	(29,870)
Net income for the period	34,151	34,642	(490)	(1 %)	44,750
Total equity	65,017	37,705	27,311	72 %	39,536
Non-current liabilities					-
Other provisions and liabilities	1,311	330	981	297 %	1,944
Lease liabilities - long-term portion	15,040	18,607	(3,567)	(19 %)	20,036
Total non-current liabilities	16,351	18,937	(2,586)	(14 %)	21,980
Current liabilities					-
Accounts payable	22,045	21,416	630	3 %	18,846
Tax payable	11,435	9,365	2,070	22 %	7,278
Public duties payable	42,516	36,867	5,649	15 %	37,136
Contract liabilities	16,773	20,243	(3,470)	(17 %)	18,318
Lease liabilities - short term	10,271	17,804	(7,534)	(42 %)	15,163
Other current liabilities	55,366	56,398	(1,031)	(2 %)	62,736
Total current liabilities	158,406	162,092	(3,686)	(2 %)	159,477
Total liabilities	174,757	181,029	(6,272)	(3 %)	181,457
TOTAL EQUITY AND LIABILITIES	239,774	218,735	21,039	10 %	221,130
Equity ratio	27.1 %	17.2 %		9.9 pts	17.9 %

Consolidated statement of cash flow

Amounts in NOK thousand	2022 7-9	2021 7-9	change	2022 1-9	2021 1-9	change	2021 1-12
Profit before taxes	10,915	9,905	1,010	45,351	44,386	964	57,424
Income taxes paid	4,513	(2,614)	7,127	(6,739)	(12,747)	6,008	(13,223)
(Profit)/loss from sale of assets	-	-	-	815	-	815	-
Depreciation and amortisation	8,507	7,172	1,335	23,752	21,349	2,403	28,467
Share option costs	48	-	48	615	404	212	763
Change in contract assets	(74)	1,222	(1,296)	1,339	(307)	1,646	75
Change in accounts receivable	(335)	5,196	(5,531)	(23,339)	(14,189)	(9,150)	(8,817)
Change in accounts payable	2,838	(6,680)	9,518	3,199	(1,753)	4,952	(4,323)
Change in other accruals	(5,594)	(636)	(4,958)	(11,205)	2,282	(13,487)	11,414
Effect of changes in exchange rates	1,206	(1,037)	2,243	829	(2,521)	3,351	(2,040)
Net cash flow from operating activities	22,025	12,528	9,497	34,618	36,904	(2,287)	69,740
Payment from sale of fixed assets	-	-	-	1,055	-	1,055	-
Investment in fixed assets	(1,584)	(2,731)	1,147	(5,338)	(4,971)	(366)	(7,492)
Investment in intangible assets	(2,067)	(3,647)	1,580	(7,350)	(20,067)	12,717	(25,297)
Net cash flow from investing activities	(3,651)	(6,378)	2,727	(11,632)	(25,038)	13,406	(32,789)
Purchase of own shares	-	-	-	(621)	(23,522)	22,901	(23,522)
Sales of own shares	-	-	-	6,559	8,427	(1,868)	8,427
Cash settlement of options contract	-	(978)	978	-	(978)	978	(978)
Equity settlement of options contract	-	3,951	(3,951)	-	3,951	(3,951)	3,951
Principal elements of lease payments	(3,953)	(2,850)	(1,103)	(11,686)	(14,481)	2,795	(17,533)
Instalment of sublease receivable	-	907	(907)	1,750	2,705	(955)	3,616
Dividends paid to equity holders of Itera ASA	-	-	-	(16,099)	(19,798)	3,699	(27,853)
Net cash flow from financing activities	(3,953)	1,030	(4,983)	(20,097)	(43,696)	23,599	(53,892)
Effects of exchange rate changes on cash	(506)	-	(506)	654	(1)	655	(2)
Net change in cash and cash equivalents	13,915	7,181	6,735	3,542	(31,831)	35,373	(16,945)
Cash and cash equivalents at the beginning of the period	27,083	15,388	11,695	37,456	54,399	(16,943)	54,399
Cash and cash equivalents at the end of the period	40,999	22,569	18,430	40,999	22,568	18,431	37,457

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 2021	24,655	(381)	(21,563)	563	31,066	34,341
Net income for the period	-	-	-	-	44,148	44,148
Other comprehensive income for the period	-	-	-	258	-	258
Share option costs	-	-	763	-	-	763
Cash settlement of options contract	-	-	(978)	-	-	(978)
Equity settlement of options contract	-	185	3,766	-	-	3,951
Purchase of own shares	-	(518)	(23,005)	-	-	(23,522)
Sale of own shares	-	223	8,205	-	-	8,427
Dividends	-	-	-	-	(27,853)	(27,853)
Equity as of 31 Dec 2021	24,655	(492)	(32,811)	820	47,362	39,536
Net income for the period	-	-	-	-	34,151	34,151
Other comprehensive income for the period	-	-	-	875	-	875
Share option costs	-	-	615	-	-	615
Cash settlement of options contract	-	-	-	-	-	-
Equity settlement of options contract	-	-	-	-	-	-
Purchase of own shares	-	(17)	(605)	-	-	(621)
Sale of own shares	-	204	6,355	-	-	6,559
Dividends	-	-	-	-	(16,099)	(16,099)
Equity as of 30 Sep 2022	24,655	(304)	(26,445)	1,695	65,414	65,017

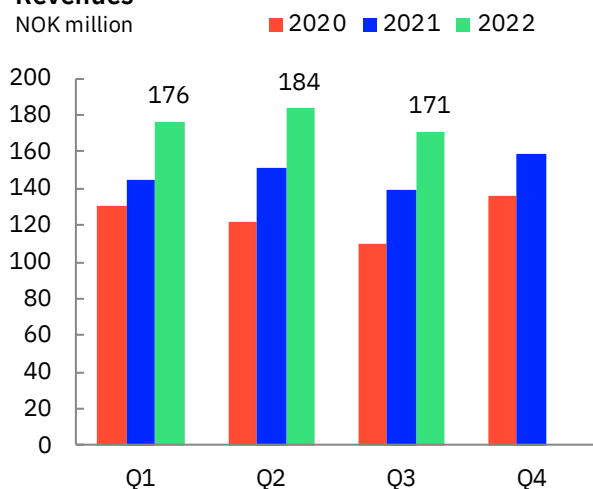
Key figures

Amounts in NOK thousand	2022 7-9	2021 7-9	change %	2022 1-9	2021 1-9	change %	2021 1-12
Profit & Loss continuing operations							
Operating revenue	170,863	138,943	23%	530,386	434,218	22%	592,956
Gross profit	160,569	128,980	24%	492,221	399,949	23%	547,257
EBITDA	18,662	20,567	-9%	80,791	77,252	5%	101,626
<i>EBITDA margin</i>	<i>10.9%</i>	<i>14.8 %</i>	<i>-3.9 pts</i>	<i>15.2%</i>	<i>17.8 %</i>	<i>-2.6 pts</i>	<i>17.1 %</i>
Operating profit (EBIT)	10,155	14,350	-29%	57,796	58,924	-2%	77,044
<i>EBIT margin</i>	<i>5.9%</i>	<i>10.3 %</i>	<i>-4.4 pts</i>	<i>10.9%</i>	<i>13.6 %</i>	<i>-2.7 pts</i>	<i>13.0 %</i>
Profit before taxes	10,915	14,302	-24%	58,733	58,350	1%	75,866
Net income	8,049	11,041	-27%	44,590	45,533	-2%	58,533
Net income incl. discount. operations	8,049	7,612	6%	34,151	34,641	-1%	44,148
Balance sheet							
Non-current assets	75,935	86,630	-12%	75,935	86,630	-12%	86,262
Bank deposits	40,999	22,568	82 %	40,999	22,568	82 %	37,456
Other current assets	163,838	109,536	50 %	163,838	109,536	50 %	97,412
Total assets	239,773	218,735	10 %	239,773	218,735	10 %	221,130
Equity	65,017	37,705	72 %	65,017	37,705	72 %	39,673
Total non-current liabilities	16,351	18,937	(14 %)	16,351	18,937	(14 %)	21,980
Total current liabilities	158,406	162,092	(2 %)	158,406	162,092	(2 %)	159,477
<i>Equity ratio</i>	<i>27.1%</i>	<i>17.2 %</i>	<i>9.9 pts</i>	<i>27.1%</i>	<i>17.2 %</i>	<i>9.9 pts</i>	<i>17.9 %</i>
Current ratio	1.29	0.81	59 %	1.29	0.81	59 %	0.85
Cash flow							
Net cash flow from operating activities	22,025	12,528	76 %	34,618	36,905	(6%)	69,546
Net cash flow	13,915	10,030	39 %	3,542	2,449	45 %	28,249
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	81,175,022	80,549,618	1 %	80,843,987	80,733,553	0 %	80,687,569
Weighted average diluted shares outstanding	81,270,120	80,850,544	1 %	81,090,178	81,254,074	(0%)	81,077,670
Earnings per share continuing business	0.10	0.14	(28%)	0.55	0.56	(2%)	0.73
Diluted Earnings per share contin. operations	0.10	0.14	(27%)	0.55	0.56	(2%)	0.72
EBITDA per share continuing operations	0.23	0.26	(10%)	1.00	0.96	4 %	1.26
Equity per share	0.80	0.47	71 %	0.80	0.47	72 %	0.49
Dividend per share	0.00	0.00	0 %	0.20	0.25	(20%)	0.35
Employees continuing business							
Number of employees at the end of the period	701	589	19 %	701	589	19 %	617
Average number of employees	681	564	21 %	670	540	24 %	556
Operating revenue per employee	251	246	2 %	792	804	(1%)	1,067
Gross profit per employee	236	229	3 %	735	740	(1%)	985
Personnel expenses per employee	183	172	6 %	552	544	2 %	726
Other operating expenses per employee	25	20	25 %	62	54	16 %	75
EBITDA per employee	27	36	(25%)	121	143	(16%)	183
EBIT per employee	15	25	(41%)	86	109	(21%)	139

Quarterly development 2020-2022

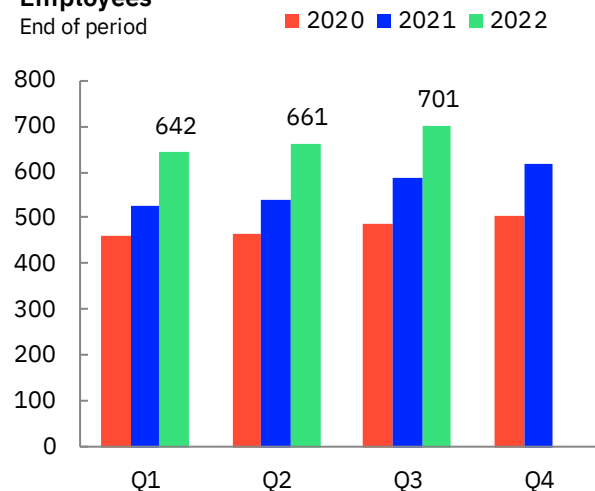
Revenues

NOK million



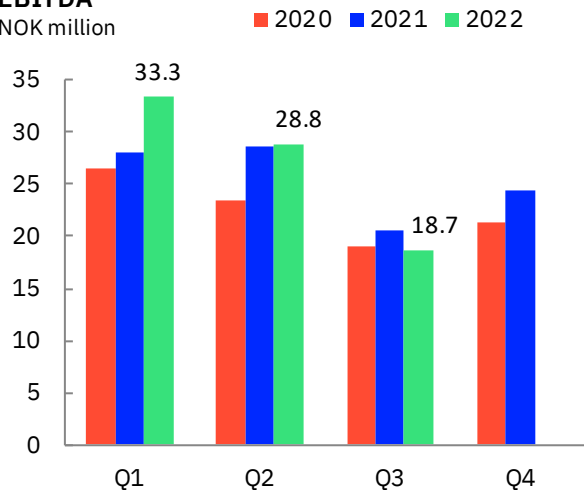
Employees

End of period



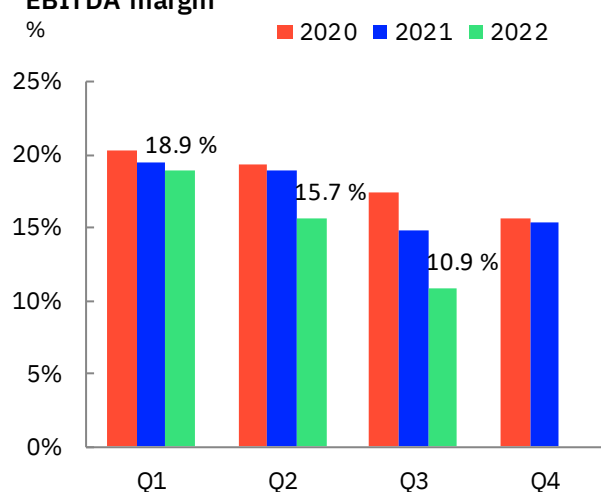
EBITDA

NOK million



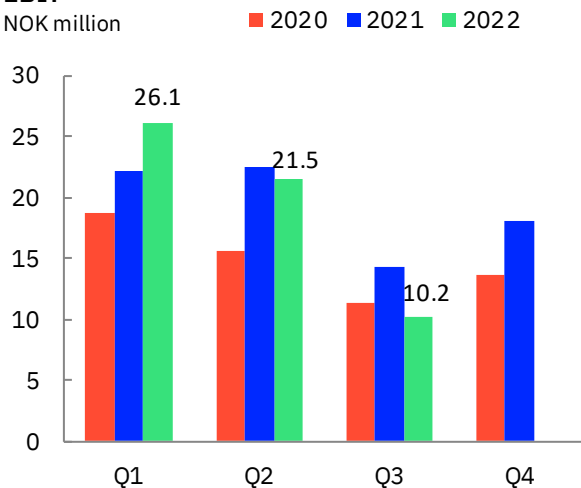
EBITDA margin

%



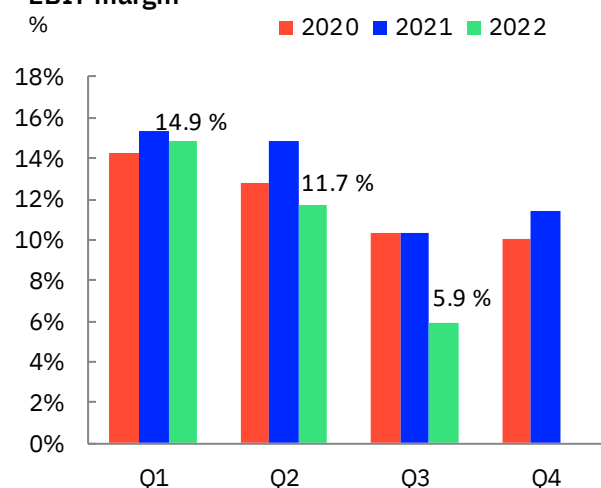
EBIT

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 2022 to 30 September 2022.

Note 2: Events after the balance sheet date

There have been no events after 30 September 2022 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 amortisation. It is calculated as profit for the period before (i) tax expense, (ii) financial income and expenses and (iii) depreciation and amortisation.

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 first quarter. This business segment is now reported as discontinued operations on a net income basis (IFRS 5).

Below are figures from the discontinued operations presented on a gross basis in order to provide further insight into the figures.

	2022	2021	change	2022	2021	change	2021
NOK million	7-9	7-9		1-9	1-9		1-12
Operating revenue	0.0	8.5	-8.5	7.3	31.1	-23.7	40.1
Cost of sales	0.0	3.9	-3.9	4.7	13.4	-8.7	17.4
Gross profit	0.0	4.6	-4.6	2.6	17.7	-15.1	22.7
Gross margin	0.0%	54.1%	-54.1%	35.5%	56.8%	-21.3%	56.6%
Personnel expenses	0.0	6.7	-6.7	12.7	24.0	-11.2	31.0
Other operating expenses	0.0	1.4	-1.4	2.5	4.6	-2.1	6.2
Depreciation and amortisation	0.0	1.0	-1.0	0.8	3.0	-2.3	3.9
Total operating expenses	0.0	12.9	-12.9	20.7	45.1	-24.3	58.5
EBITDA	0.0	-3.4	3.4	-12.6	-10.9	-1.7	-14.6
EBITDA margin	0.0%	-40.3%	40.3%	-172.0%	-35.2%	-136.8%	-36.3%
EBIT	0.0	-4.4	4.4	-13.4	-14.0	0.6	-18.4
EBIT margin	0.0%	-51.4%	51.4%	-182.3%	-44.9%	-137.4%	-46.0%
Income taxes	0.0	-1.0	1.0	-2.9	-3.1	0.1	-4.1
Net income from discontinued operations	0.0	-3.4	3.4	-10.4	-10.9	0.5	-14.4

ITERA

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difference

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