ANNUAL REPORT

ITERA

2023

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CEO Comment 2023

Building the digital core

As a leader of a people-centric international technology company, I want to thank our talented people for their extraordinary work and commitment to helping our customers accelerate their sustainable digital transformations. Once again, we delivered solid financial performance compared to our peers, demonstrating the company's resilience in a softer market environment. While macroeconomic uncertainties persist, we remain optimistic about our ability to create 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 with digitally transforming their businesses. While the pace of spending and the overall business landscape have 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.

Some highlights from 2023

Our focus on building our customers' digital cores is reflected in our overall strong performance for the year compared to our peers. We achieved organic revenue growth of 18% and an adjusted EBIT margin of 9.3% for 2023.

We expanded our most prominent and longest customer relationships while building new ones. The number of customers who spend over NOK 50 million with Itera is increasing year by year, demonstrating the depth and breadth of our capabilities and the trust our customers have in us. As we enter 2024, this trust is also reflected in a strong order intake equivalent to a book-to-bill ratio of 1.7 for the fourth quarter and of 1.0 for 2023 as a whole.

Our two most important industries, financial services and energy, are well established as the main segments for our international growth, with the Nordic region having solid global attractiveness in these areas. In 2023, Itera's revenue from financial services grew by 4%, while energy grew 82%.

We continued to invest in developing our people, our international expansion outside Norway and our strategic growth areas such


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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. As we enter 2024, we are optimistic about the opportunities ahead for our investment case in cloud and application services.

We also leverage automation and managed services through our Digital Factory at Scale, allowing us to do more for less and optimize operations. This approach enables us to manage our growth without a proportional increase in headcount. Our headcount increased by a net 60 employees to 758 employees at year end, with 65% of this growth in the Nordics.

Indeed, after opening four new offices over the last 12-15 months, our long-term ambition is to be able to grow our headcount organically by a net of 200-350 FTEs annually from our 14 offices once a high rate of growth returns to the market.

Itera's presence in Ukraine is a strategic and long-term choice, as it represents our social responsibility and commitment to Ukraine. The directly identifiable costs of the invasion contributed to a 1.0-point drop in Itera's margin. Itera is showing leadership in relation to the twin transition of the energy system in Ukraine, and we envision a significant expansion in the country once the rebuilding work starts after the war.

Itera was awarded a gold rating by EcoVadis, the world's largest and most trusted sustainability rating company, in its latest report. This places us among the top 2% of companies in our industry globally.

To further optimize our business in the softer market, we implemented a business optimization program during the year that will deliver margin improvements and so create greater resilience. These actions demonstrate both our long-term growth commitment and how we are 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 9.3% for 2023. We generated an operating cash flow of NOK 96 million in 2023, an increase of 26% from 2022. Our cash conversion rate for 2023 was 86% (cash flow from operations / EBITDA), compared to 70% in the previous year.

Returning cash to shareholders is an ongoing objective, and our track record of dividend payouts twice a year reflects our company's commitment to providing value to shareholders. The total dividend payout in 2023 increased by 40% to NOK 0.70 per share, and the first dividend payout in 2024 is proposed by the Board to be NOK 0.40 per share.

Overall, we are very pleased with our consistent, strong and profitable growth trajectory compared to our peers, with our annual growth rate standing at 21.2% and our average EBIT margin at 9.9% over the last 24 months.

The heart of digital transformation

As we enter 2024, it is evident that the need for cloud transformation journeys is far from over. At the heart of a company's digital transformation is building its digital core. Indeed, building a strong digital core and leveraging it to drive business and digital transformation is a key driver of our customers' growth and of our own. As a company, Itera stands out by providing valuable guidance, helping to shape strategies and delivering end-to-end transformations.

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 and exploit additional opportunities. As we enter 2024, we are optimistic about the opportunities ahead for our cloud and application services.

Estimates indicate that worldwide 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. These capabilities are also a critical part of the digital transformations we deliver with our focus on modernizing through data and AI and on the opportunities of generative AI.

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, and this includes customers such as BAHR, Laki Power and DNB Eiendom. Other customers are inspired by what it has unlocked and are seeking ways to adopt it into their existing projects with Itera.

According to Gartner analysts, generative AI tools will be used to enhance 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 generative 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.

Our great people are aspired to grow

Our strategy defines the areas where we will drive growth, build differentiation and enable our business to create high value every day. The core of our strategy is Grow People, Grow Customers and Grow Company. There is a direct link between this strategy, our innovative mind-set and entrepreneurial culture, the trust of our customers and partners and our ability to develop and attract great people.

As a company, we aspire to grow organically and be a leader in our industry. Our focus on cultivating an entrepreneurial culture and on fostering empowerment, trust and a growth mindset lay a strong foundation in the company.

Our strategy reflects a holistic approach that recognizes the importance of focusing on what matters for our people to grow every day. By prioritizing the growth and development of our employees, we create a positive ripple effect that extends to our customers and the overall success of our company.

We operate as one unified company, a concept we call 'ONE Itera', regardless of business units and borders - from sales, delivery and people

to our general operating model with its balance between alignment and autonomy. This approach leverages the collective expertise and resources of our organization, enabling efficient operations and the ability to deliver high-quality solutions to our customers in any location.

Attracting, retaining, and inspiring outstanding talent is vital to our success. By valuing diversity and seeking individuals from diverse backgrounds and people who have different perspectives and lived experiences, we create an environment that fosters innovation and creativity. Diverse perspectives bring fresh ideas and insights to the table, and this in turn results in a more comprehensive approach to problem-solving and tailored solutions that address the unique requirements of each customer.

By fostering a culture that celebrates diversity and provides growth opportunities, we create an environment where individuals can reach their full potential. This not only benefits our employees but also contributes to the collective success of our company.

Diversity and inclusion

At Itera, we believe our unwavering commitment to diversity and inclusion is the right thing to do and an essential element of our business strategy and robust performance. Over the last few years, our Diversity and Inclusion Group has guided the management team on what to focus on. Our driving force is to use our expertise to solve real problems - for real people. Our vision to "Make a Difference" requires new ways of thinking, new technologies and new working methods. And, in order to do this in the best possible way so that we actually create value for our customers, we need to succeed with our diversity and inclusion efforts. We need to reflect our customers and partners.

Sustainability is an integral driver of our strategy, and we have prioritized the following UN Sustainable Development Goals (UN SDGs) as those to which our core business can make a positive contribution: 9. Industry, Innovation, and Infrastructure, 11. Sustainable cities and communities, and 12: Responsible Consumption and Production.

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Because we believe different perspectives are essential to solving the complex problems and challenges of the future, we work every day to ensure we have an inclusive and diverse environment and culture for our people. To amplify our efforts in this area from 2022, we have chosen to add a fourth UN SDG to our prioritized goals: Gender Equality (UN SDG no. 5)

Learning and Development

The company strongly emphasizes continuous learning, growth and development. By valuing learning over knowing, we create an environment that fosters innovation, embraces challenges and encourages employees to learn from failure and to improve over time.

In 2023, we continued our commitment to our people, their development and their well-being. We have implemented various initiatives and programs across our offices to foster a positive and supportive work environment. From competence development and performance management to mental health and community engagement, Itera has demonstrated its dedication to investing in its employees and driving the business forward.

We offer a wide range of learning and development opportunities, providing our employees with the tools and resources they need to thrive and advance in their careers. We recognize that learning can extend beyond formal instruction, and our learning philosophy focuses on providing the right learning at the right time and in the right way. In 2023, our Level Up program arranged over 130 educational events that are provided by employees for employees.

We continue to offer an employee value proposition that includes providing vibrant career paths and opportunities for our people. Approximately one-third of our employees are promoted each year. Monitoring pay equality and career progression across multiple dimensions further highlights our dedication to fairness and equal opportunities.

Unwavering support for Ukraine

Our people's engagement and support for Ukraine during these challenging times are admirable. It is important to recognize the resilience and determination of the Ukrainian people and their fight for freedom and their 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.

In collaboration with the EU, Ukraine has created an ambition for it to become the new green energy and digital hub for Europe with a total of 360GW of renewables by 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 to create a new, modern, free and green Ukraine that is completely disconnected from the corrupt system that is the legacy of the Soviet Union.

Looking forward

Going into 2024, we will remain focused on creating short-term value for our customers and accelerating their sustainable digital transformations. Our ability to advise, shape and deliver sustainable digital transformation, addressing digital strategy and consulting to customer experience, technology and cloud operations, sets Itera apart from the competition. 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.

As we move forward, we will continue to focus on capturing new opportunities, creating value, optimizing our business and delivering on the promise of technology to create a more sustainable world.

I want to close by expressing my gratitude to our employees, Board of Directors, customers, partners and shareholders for their continued trust and support. Their trust and support set a positive tone for the future and reinforces us to drive continued growth and impact.

Arne Mjøs

FOUNDER & CHIEF EXECUTIVE OFFICER

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Board of directors' report

The board of directors' summary of 2023

Itera demonstrated a high degree of resilience and scalability in 2023, and also delivered solid growth and profitability compared to its peers while also investing in its people and several new growth initiatives. These included international expansion in the form of new offices in Stockholm (Sweden) and Herning (Denmark) and ramping up our offices in Krakow (Poland), Brno (Czech Republic) and Žilina (Slovakia). The latter offices were set up after the invasion of Ukraine and will support our strategic growth areas such as cloud and application services that will provide more long-term managed services and subscription revenue.

Itera and our customers had to navigate a tougher macroeconomic environment than we anticipated at the beginning of the year. 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, optimise operations and drive growth. The current instability being caused by the wars and conflicts in both Ukraine and Gaza has also made digital security a more critical component.

In 2023, the most important thing for us was to stay connected to our customers and to truly understand their needs. Our customers required short-term solutions to add value, as well as support with digitally transforming their businesses. In addition, we implemented several business optimisation actions to lower our costs and increase our revenue, and we integrated even higher levels of embedded security into our solutions. These actions demonstrated our long-term commitment to growth as well as to adapting to market conditions to ensure profitable growth and sustainable cash flow.

Although the overall macro environment remained somewhat uncertain, our company's performance demonstrates our high level of resilience.

Itera is regarded as an innovative company which continually strengthens its expertise and digital capabilities, ensures reliable delivery processes and is capable of delivering end-to-end services across national borders.

We believe helping our customers to accelerate the digital transformation of their businesses will continue to be the driver of our growth. Our ability to advise, shape and deliver sustainable digital transformation, using our expertise in strategy, consulting and technology in combination with our manged services and privileged partnerships with the tech giants and other international companies, is what makes us unique.

As a company, we are deeply engaged in supporting Ukraine, which is fighting not just for its sovereignty but also for us, for our freedom and our values. Our business in Ukraine continued to operate as normal, and we are actively seeking business opportunities that will contribute to a cleaner, greener, and more modern future for Ukraine after the war.

As we enter 2024, we will remain focused on creating value for our customers. We will continue to deliver innovative and high-value digital services to our existing customers, as well as to expand our business by means of new customers and geographies - inspired by what AI promises and committed to helping customers extract value from the cloud. In recent years, the foundation for our growth has been built on scalable delivery models and end-to-end capabilities, and this differentiates Itera from many other consulting companies in our industry. Itera has a strong foundation for developing close relationships with an increasing number of customers in the years ahead.

In addition, we will relentlessly explore ways to optimise our own business processes, utilizing both AI and advanced analytics. The Board of Directors believes that Itera is well-positioned for continued growth in a world undergoing major changes and is committed to continuing investment in the company's people and capabilities in 2024.

The company

Itera is a leading international technology company that helps businesses and organisations accelerate their sustainable digital transformations. Itera has a unique ability to take digital to the core of their activities because of our full range of services in digital strategy and consulting, customer experience, technology and cloud operations. Our integrated services and multi-disciplinary teams meet customer needs rapidly and at scale thanks to our world-class distributed delivery model and our Digital Factory at Scale, which enables more for less. Itera has a strong customer portfolio in business-to-customer (B2C) markets, as well as in business-to-business (B2B) markets. The Group also owns two niche SaaS companies which mostly have recurring subscription-based revenues: Cicero Consulting, which provides advisory services and solutions to the banking and finance sector, and Compendia, which specialises in products and services for the HR, quality and management disciplines.

Building on our strong Nordic heritage, we combine local presence with geographically distributed capabilities. The Group is headquartered in Oslo, Norway, and has offices in Bergen, Bryne and Fredrikstad (Norway), Stockholm (Sweden), Copenhagen and Herning (Denmark), Reykjavik (Iceland), Kyiv and Lviv (Ukraine), Bratislava and Žilina (Slovakia), Brno (Czech Republic) and Krakow (Poland).

Through strategic partnerships with customers, Itera delivers services to multiple locations in Europe and the USA. As Itera continues its profitable growth, we will consider opening new offices, either to be in closer proximity to customers or to attract particular expertise and capacity.

Our distributed delivery capabilities are scalable and provide access to a much larger workforce than is available in local markets, and they are located only a couple of hours away by plane from the Nordic region. Our distributed delivery model was recognised as providing the world's best customer experience by the Global Sourcing Association (GSA) in 2018 and for having the best Project Management Office in Europe by the PMO Global Alliance in 2020.

The strategy

The core of our organic growth strategy is: Grow People, Grow Customers and Grow Company. We are energised by the opportunity to guide and support our customers with their digital transformations into sustainable businesses and to contribute to the advancement of the societies we live in. Our strategy defines the areas in which we will drive growth, build differentiation and enable our business to create high value every day.

Key enablers of our growth strategy include:
People – Itera is a talent-led organisation. Attracting, developing and inspiring the very best talent in our industry is critical to meeting the evolving needs of our customers and growing our business. Our people have highly specialised skills that drive our differentiation and competitiveness. We care deeply for our people and are committed to a robust entrepreneurial culture of empowerment and shared consciousness. We invest in our people to provide them with opportunities to learn and grow in their careers through their work and continued development, training and reskilling. We help them achieve their aspirations both professionally and personally and have a strong commitment to diversity and inclusion.

Capabilities – As ONE Itera, we share the same values, and we are continuously developing our cross-border methodology, practices and collaboration. We are committed to finding human solutions to complex challenges through digital transformation by constantly innovating and developing leading-edge ideas and leveraging emerging technologies to anticipate our customers' needs. Using our Digital Factory at Scale and our managed services, we help companies do more with less in order to increase speed, improve productivity and reduce costs. Our Digital Factory at Scale is infusing AI into the whole value-chain, and we are creating proprietary AI-tools to strengthen both delivery and operations.

Foundation – Our growth model, which leverages our strong customer-centric approach in combination with a mix of local and cross-border sales and customer experience capabilities, enables us to be close to our customers, people and partners and thus to scale efficiently. We leverage our scale and international footprint, innovation mindset, and strong partnerships in order to consistently deliver tangible value for our customers, wherever they are located. Our culture is underpinned by our core values and Business Framework, which are key drivers of the trust our customers and partners have in us.

Market conditions

As customers are assessing the impact of the current macroeconomic uncertainty on their businesses, the increase in demand for IT services has been slightly softer in the short term. However, as digital transformation is critical to realising cost savings and new business opportunities, we expect continued strong demand in the medium to long term.

The pace of spending has changed, but the fundamentals have not. According to IDC, the compound annual growth rate (CAGR) for spending on digital transformation between 2023-2027 is expected to be 20% in the Nordics and 16% in Europe as a whole1.

Estimates indicate that currently only 40% of workloads worldwide have been migrated to the cloud. Furthermore, of those workloads in the cloud, only around 20% have been modernised. This leaves a substantial 80% opportunity remaining. In addition, fewer than 10% of companies have mature data and AI capabilities. These capabilities are also a critical part of the digital transformations we deliver with our focus on modernising through data and AI and on the opportunities of generative AI.

We are witnessing the trends that Gartner predicted play out, namely that software and IT services would be the two segments where CIOs in Europe would increase their spending the most in 2024. Cloud spending in Europe, including infrastructure as a service (IaaS), is projected to increase by 27% in 20242.

According to Gartner analysts, generative AI tools will be used to enhance legacy business applications and create appropriate replacements, reducing modernisation costs by 70% by 2027. Therefore, we are embracing generative AI across our services, developing new cutting-edge tools and solutions, and embedding generative AI into the way we work.

Customers who have made significant progress migrating to the cloud are now investing in modernising and innovating across the cloud continuum, extending the cloud to the edge and using data and AI to unlock greater value and exploit additional forthcoming opportunities. As we enter 2024, we are optimistic about the opportunities that lie ahead for our cloud and application services.

This trend touches the core of Itera's existence. All our customers are on a journey to becoming digital businesses and thus more agile and resilient, and digital transformation underpinned by cloud and digital technologies continues to drive strong double-digit growth across our core business.

Looking behind Gartner's forecast for IT spending in 2024, which estimates total IT spending in Europe will grow 9%, we are seeing similar trends in the Nordic IT markets. IT services are forecast to grow almost 12% in 2024, mostly due to a shortage of relevant IT capacity and expertise.

Customers and projects

Itera has a strong customer portfolio in both business-to-customer (B2C) markets and business-to-business (B2B) markets. We have extensive experience in many sectors, from banking and insurance, the green transition, power and utilities, the public sector and retail, to oil and gas, fishery and other heavy asset industries.

We help customers digitalize their businesses in order to become more efficient and achieve improved customer satisfaction through new and personalised products and services, greater customer loyalty, a stronger brand, a better reputation, and stronger barriers against competitors, all of which contribute to additional sales and increased profitability.

A key part of Itera's strategy is maintaining and developing its largest, strategic customers. In 2023, Itera developed several new and exciting relationships with customers such as Å Energi and its subsidiary Entelios, as well as Eviny, TESS and CatalystOne. These add to the strong brands that have continued their long-lasting relationships with Itera, including Santander Consumer Bank, Gjensidige, DNV, Mastercard, Kredinor, Storebrand and Össur.

The share of revenue from Itera's top 30 customers was 84% in 2023, up from 81% in 2022. New customers, defined as customers won in the last 12

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months, accounted for 8% of revenue in 2023, compared to 10% in 2022.

Hybrid working environment

We successfully met the strong demand from our customers in 2023, adding a net total of 60 talented individuals to our team. However, our growth was lower than initially anticipated due to a significant softening of market demand starting in the spring and continuing throughout the year. Nonetheless, we continued to develop our newest locations in Poland, Czechia and Sweden.

Over the past few years, Itera has made substantial investment in its employer branding and recruitment efforts in order to support our growth ambitions. We offer appealing career opportunities and engaging projects with leading customers, and we foster a flexible, transparent and diverse culture rooted in core Nordic values.

In the aftermath of the pandemic, we have witnessed the emergence of new and diverse working habits. Some employees prefer working exclusively from home, while others have fully returned to our offices or those of our customers. Most individuals have found a blended approach that combines remote and office working to be the most suitable for their preferences and work-life balance. To remain an attractive employer, Itera recognises the importance of offering flexible working options while ensuring adequate in-person collaboration and fostering a shared company culture. This is what we refer to as hybrid working.

The purpose of our company offices is evolving from serving as traditional sites of production to hubs for collaboration and socialising. Our new head office in Oslo was specifically designed for this purpose. Similarly, we are adapting our existing offices to facilitate this transformation, and a complete makeover for our Bryne office was also undertaken in 2023. We have also expanded and improved our offices in Bergen and Fredrikstad. As physical presence in the office each day is no longer a requirement, it is crucial that our offices provide an appealing environment where our employees feel a sense of belonging. This is essential for upholding and nurturing a strong corporate culture and ensuring high employee satisfaction.

Our approach to sustainability

Itera's ambition is to be a specialist in creating sustainable digital businesses. By developing and delivering digitalization projects, we contribute to a sustainable future. Our deliveries can help companies in other industries with their sustainable transition. The World Economic Forum states that 70% of the UN's 17 Sustainable Development Goals can be solved using technology. This is why we say that digitalization and technology are our main contributions to sustainability.

Itera's sustainability efforts have been assessed annually by EcoVadis since 2021. The rating agency EcoVadis is one of the world's largest and most trusted providers of third-party business sustainability ratings. In 2023, Itera received a gold medal rating with a total score of 76 out of 100, which is a huge achievement after two years of silver medal ratings. The gold medal rating means that Itera is in the top 2% of all companies in the IT and consultancy industry globally.

Sustainability is an integral driver of our strategies, and we have prioritised the following UN Sustainable Development Goals (UN SDG) as those to which our core business can make a positive contribution:

- 5: Gender equality.
- 9. Industry, Innovation and Infrastructure
- 11. Sustainable Cities and Communities
- 12: Responsible Consumption and Production

Itera aims to operate its business and report in accordance with the ESG system, meaning our ambition is to measure our sustainability in three specific categories: environmental, social and governance. As a member of the UN Global Compact, Itera follows the ten principals of corporate sustainability. Itera's headquarters are certified as an ECO Lighthouse ("Miljøfyrtårn").

In autumn 2023, Itera started working on alignment its reporting with the Corporate Sustainability Reporting Directive (CSRD), which will be the new standard for reporting on sustainability for large and listed companies. As a first step, Itera conducted a double materiality analysis, which is to say it engaged with its stakeholders to identify and map the most relevant sustainability topics for it on an impact, risk, and opportunity basis. From the European Sustainability Reporting Standards (ESRS), we have identified E1 - Climate Change, S1 - Own Workers and G1 - Business Conduct as the most relevant topics for Itera.

In 2024, we will work on full alignment with CSRD to fulfil the reporting requirements in the ESRS that are relevant to Itera.

More information on our approach and efforts in the area of sustainability can be found in our 2023 Sustainability Report (www.itera.com/en/investor-relations).

Financial results

Itera experienced a high rate of organic growth of 18% in 2023 despite the continued impact of the invasion of Ukraine and a general slow-down in the market due to macroeconomic factors such as rising interest rates and high inflation. Its total revenue in 2023 amounted to NOK 872 million as compared to NOK 736 million in 2022. Its operating margin fell from 10.5% to 9.3% after adjusting for NOK 3 million in non-recurring costs in the fourth quarter related to business optimisation efforts.

The biggest negative impact on margins in 2023 was Itera's investment in its Digital Factory at Scale, which has required a substantial build-up of capacity for it to be able to meet future large and parallel cloud migration and operations engagements. Revenue from these engagements was responsible for 13% of Itera's growth in 2023 but impacted the EBIT margin by -3.9 points (-4.8 points).

In late 2022, Itera opened a new office in Stockholm, Sweden, and in 2023 Itera invested in building a foundation for future growth in this market. In 2023, this investment had an impact on the EBIT margin of -0.4 points (-0.1 points).

Itera continues to financially support those of its Ukrainian employees that have been drafted into military service. The cost of this impacted the EBIT margin by -0.3 points as compared to -0.5 points in 2022, with the impact for 2022 also including costs associated with support for relocation.

The remaining underlying business experienced a margin deterioration of 2.0 points in what proved to be a slower market with lower utilisation rates.

Itera has for well over a decade had a seamless delivery model involving a shared culture and operating model across countries, enabling it to combine customer proximity with highly scalable and high-quality deliveries from the Group's centres in Central and Eastern Europe. This has enabled the Group to run agile and innovative digitalization projects for Nordic customers with as many as 70-100% of the consultants working remotely.

The operating revenue from Itera's Norwegian entities was NOK 744 million as compared to NOK 630 million in 2022, representing an increase of 18%. This includes revenue from customers outside of Norway that are served by the Norwegian entities. Itera's operating revenue in Denmark increased by 12% to NOK 75 million from NOK 67 million in 2022.

In addition, Itera had operating revenue of NOK 51 million in Iceland in 2023, which was an increase of 30% from 2022.

The Group's operating result before depreciation and amortisation (EBITDA) from its continuing operations was a profit of NOK 110.7 million as compared to a profit of NOK 109.0 million in 2022. This represents an operating profit margin before depreciation and amortisation of 12.7%, as compared to 14.8% in 2022. Payroll and personnel expenses were NOK 634.4 million in 2023, which represents an increase of 23% from 2022. The increase was mainly due to Itera having a higher average number of employees compared to 2022 but also a slightly lower proportion of nearshore employees as well as overall high salary inflation. Other operating expenses amounted to NOK 68.7 million in 2023 as compared to NOK 60.1 million in 2022. Total depreciation, amortisation and write-downs were NOK 32.3 million, an increase of 2% from 2022.

The Group's operating result was a profit of NOK 78.4 million in 2023 as compared to a profit of NOK 77.2 million in 2022. This included non-recurring costs of NOK 3.0 million.

Net financial items were NOK -2.9 million as compared to NOK +1.0 million in 2022. The Group's result before tax was a profit of NOK 75.4 million as compared to a profit of NOK 78.2 million in 2022.

Tax expense totalled NOK 18.7 million in 2023 as compared to NOK 16.8 million in 2022. NOK 2.0 million that was previously classified as temporary tax differences related to international branch offices were reclassified as permanent differences.

The result for the year from continuing operations was a profit of NOK 56.7 million as compared to a profit of NOK 61.4 million in 2022. Net income from discontinued operations was NOK 0 million as compared to NOK -10.4 million in 2022. Total net income

was NOK 56.7 million as compared to NOK 51.0 million in 2022.

The Board of Directors is impressed by the company's ability to achieve organic growth well beyond that of its market peers during a year that continued to be heavily impacted by the invasion of Ukraine. It recognises that the company's efforts to safeguard and support its Ukrainian employees as well as to secure ongoing customer deliveries had a negative impact on profitability in 2023 as well. The Board also recognises that the general demand for IT services slowed considerably during the year and will continue to be soft in the first half of 2024 at the minimum.

It is the opinion of the Board of Directors that the annual accounts provide a true and fair view of the Group's activities in 2023 and its financial position at the end of the year.

Research and development

Itera capitalised NOK 8.9 million in research and development costs. This compares to NOK 9.8 million in 2022. Itera's expenditure on research and development in 2023 was capitalised as it was incurred since it was considered that the requirements for capitalisation were met. The solutions principally relate to contracts entered into that have fixed future revenue associated with them or for which there is demonstrated commercial interest.

Cash flow and financial position

Itera generated cash flow from operating activities of NOK 95.7 million in 2023 as compared to NOK 76.0 million in 2022. The figure for 2022 includes cash flow from operating activities of NOK -13.3 million from discontinued operations. The Group paid shareholders dividends totalling NOK 56.9 million (NOK 40.5 million) in 2023. At 31 December 2023, Itera had a cash balance of NOK 49.2 million as compared to NOK 41.9 million at 31 December 2022.

In addition to the investment made in research and development, NOK 10.9 million was invested in 2023 in office machinery and equipment and fixtures and fittings, compared to NOK 6.5 million in 2022. Itera generally finances its investments through its generation of cash flow from operations. However, in 2023 Itera financed some of the fixtures and fittings for its new headquarters in Oslo through a five-year serial loan of NOK 5 million to preserve its dividend payout capacity.

Total assets at 31 December 2023 amounted to NOK 298.2 million (NOK 233.8 million). Non-current assets were NOK 124.6 million (NOK 78.6 million). The large increase was due to the capitalisation of the seven-year lease agreement for its new headquarters in Oslo. Accounts receivable were NOK 107.8 million (NOK 99.0 million), reflecting the revenue growth seen at the end of 2023.

The Group's equity at 31 December 2023 was NOK 47.9 million as compared to NOK 49.4 million at the same point in 2022. This represents an equity ratio of 16.1% as compared to 21.1% at the same point in 2022. The equity ratio without the right-of-use assets included under IFRS 16 was 21.5% (24.1%). Long-term lease liabilities totalled NOK 63.6 million (NOK 20.4 million). Accounts payable at 31 December 2023 were NOK 1.5 million higher than at 31 December 2022. Public duties payable were NOK 10.7 million higher than at the end of the fourth quarter of 2022. Tax payable was NOK 0.7 million higher 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. Other current liabilities were NOK 64.0 million (NOK 61.9 million).

Itera held 1,654,281 of its own shares with a market value of NOK 19.9 million at the end of 2023, while at the end of 2022 it held 1,611,602 own shares.

Financial risk

The Group is exposed to currency risk, liquidity risk and credit risk. The Group's executive management team and the Board of Directors monitor these risk factors continually and take action as required.

The revenue and expenses associated with Itera's activities in the Nordic region are denominated in Norwegian kroner (NOK), Danish kroner (DKK), Icelandic krona (ISK) and Swedish kronor (SEK). In addition, Itera has delivery centres in Ukraine, Slovakia, Czech Republic, and Poland. The prevailing currencies in which Itera's costs are denominated at these centres are USD, EUR, CZK and PLN respectively. The currency risk associated with this is limited by the fact that the prices Nordic customers are charged for these services are largely adjusted on a monthly basis in accordance with changes to the exchange rates.

The Board of Directors considers the Group's liquidity situation to be satisfactory and does not regard it as

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necessary to take further measures to reduce the Group's liquidity risk.

The Group has historically incurred very low losses on receivables. This trend continued in 2023.

Business risk and quality leadership

The Group provides deliveries worldwide and has offices in eight countries and fourteen locations in Europe and assesses and manages risk at the delivery, country and corporate level.

Itera closely monitors and manages country risks and local financial and social regulations and developments, and has a zero-tolerance policy on corruption. The company does not carry out any domestic activities in countries where the problem of corruption is more present. Best practice data security procedures and checks have been implemented at the Group together with a legal framework that safeguards data security and intellectual property across national borders.

2023 was a year characterised by high inflation and interest rates, with inflation significantly declining towards the end of the year and interest rates having (hopefully) reached their peak. These factors had a noticeable impact on the economy in all markets, and the IT services industry was hit by reduced growth in demand and longer sales cycles. This has continued into 2024, and most IT service companies in the Nordics have either slowed their pace of hiring or even reduced their headcount. Simultaneously, IT service companies have implemented cost-reduction programs in an effort to uphold margins in a period of lower billability for their staff. Itera has met the challenges in the same way, although it has taken a conscious decision to trade off short-term profit optimisation with longer-term growth potential by largely upholding its net number of employees. It has done this based on the strong belief that the underlying demand for digitalization is strong and that the market will return with strength in the not-so-distant future.

Talent attraction and retention are a continual risk that requires ongoing efforts to remediate. The availability of the skills we need is constantly evolving, and we need to adapt to the changes. To mitigate this risk, we expanded our geographical footprint, which has helped us gain access to new talent. We have also maintained our investment in employer branding and improved our HR practices to enhance employee satisfaction and retention. The way the market has developed in general has also had a positive impact in that it has eased the pressure in the people market.

Cyber security, data loss and privacy breaches represent ever-present risks that require constant vigilance. In 2023, no major security event was recorded at our company. Nevertheless, we continue to work on improving our security and privacy controls. As detailed above in our retrospective look at security and privacy, we have implemented several measures to enhance our security and privacy capabilities, including risk-based access control, extended endpoint detection and response, and a privacy information management system.

In late February 2022, Russia started a military invasion of Ukraine, which is still ongoing at full force. Itera's first and foremost concern was and is to facilitate the safeguarding of its employees and their families (the Itera People First perspective). Itera supported its employees' relocation to the western region of Ukraine into its Lviv office as well as to other countries. Once they were safe, Itera's employees immediately focused on customer deliveries. Bar the initial few days of the invasion, Itera's Ukrainian consultants have been able to maintain their services to customers without any disruption or loss of quality. Itera has robust business continuity plans that enable it to act quickly in a state of emergency like this and to minimise business disruption and this was successfully proven to be the case. As a further measure to reduce business risk, Itera has opened new offices in the Czech Republic and Poland as alternative delivery centres to Ukraine. These actions enabled us to continue serving our customers while mitigating the risks associated with the war. Itera is nonetheless fully committed to continuing and eventually expanding its operations in Ukraine.

The Norwegian krone traded at historically quite low levels against the US dollar and the euro during 2023. This had a negative impact on the differential between the rates associated with Nordic and distributed deliveries. However, the general shortage of IT consultants in the Nordics and the fact more and more customers are gaining first-hand experience of working with distributed teams and are seeing how effective this approach can be, led to a continued increase in the demand for Itera's acclaimed distributed delivery model.

Our quality management framework and associated policies, processes and methods help Itera to achieve high levels of customer satisfaction, employee engagement and profitable growth. Itera applies a quality management framework that combines world-class standards with its business models. Certifications and authorisations such as ISO 27001 and BCR-P (Binding Corporate Rules for Processors) are examples of this. Itera's quality management team conducts internal audits of compliance with and the value of framework practices to continuously develop the Group's capabilities. Managing non-conformities and quality improvement processes are part of Itera's approach to quality.

Organisation

The Group's headcount at 31 December 2023 was 758 as compared to 698 at the end of 2022 for its continuing operations. The average number of full-time equivalent positions at the Group in 2023 was 741 as compared to 669 in 2022.

The proportion of Itera's capacity that is located in Central and Eastern Europe was 51% at the end of 2023 as compared to 52% at the end of 2022. The Group's delivery centres in Ukraine, Slovakia, Czechia, and Poland provide significant scalability of high-quality employees in the still solid market for digital business services.

Health, Safety and Environment (HSE)

Itera's working environment is considered to be of the highest standard across all its locations. Employee engagement is measured regularly. The results and feedback from these surveys are very good and fully support our strategic direction to Grow People and be a people-first company. Absence due to sickness in 2023 was 2.8%, which the Board considers very satisfactory. No accidents or injuries occurred during the year. Nine Ukrainian employees are currently drafted into the armed forces. The Board considers the working environment to be good. The Board wishes to warmly thank everyone at Itera for their continued hard work, passion and dedication to our customers and our business in 2023, in what was a another trying year for our fantastic Ukrainian employees.

Social responsibility

Itera recognises that it has a responsibility to the society of which it is part and seeks to contribute to the positive development of those areas of society that are most related to its activities.

The Group's ethical guidelines describe the standards that apply to the Group's relationships with customers, suppliers, the public authorities and its own employees.

Further information on Itera's ethical guidelines – its Code of Conduct – is available at www.itera.com/en/investor-relations.

Corruption
Itera does not tolerate any form of corruption.

The Group is exposed through its nearshore activities in Ukraine to a certain level of corruption risk as the country has a low score on the Transparency International Corruption Index. Itera has therefore decided to protect the Group from this risk by not delivering services to the public or private sectors in Ukraine where the problem of corruption is principally found, and by only exporting its services to countries where western business standards are the norm.

The Group has guidelines for all employees concerning the acceptance of gifts and other benefits or advantages. The Group's ethical guidelines can be consulted for further information.

Security and privacy
Underpinning the Itera Business Strategy and policies, the Group has implemented a security and privacy framework that applies to all business units and subsidiaries. Security and privacy as subject matters include privacy, data protection, information security and cybersecurity. Itera's security and privacy framework forms the foundation for both its deliveries to customers and its own operations. This applies to all processes, practices, technology and organisational units, and the objective is to ensure compliance with laws and regulations, policies and guidelines. As part of our efforts to achieve compliance, Binding Corporate Rules for Processors (BCR/P) and Standard Contractual Clauses (SCCs) as mandated respectively by Articles 47 of GDPR and Article 46(1) and Article 46 (2)(c) of Regulation (EU) 2016/679 have been developed and approved by the local Supervisory Authority. The BCR/P enable the transfer of customers' personal data, while SCCs enable the transfer of internal personal data for processing outside of the EU/EEA, which in Itera's case is to Ukraine.

2023 was a milestone for companies all over the world as there was a collective focus on enhancing security and privacy measures. Our company was no exception. In this report, we will highlight the significant achievements we made in security and

privacy, supported and sponsored by the Board of Directors.

Privacy has always been a top concern for Itera given the sensitive data we handle. We updated our Binding Corporate Rules for Processors and our EU Standard Contractual Clauses to comply with the new provisions mandated by the Court of Justice of the European Union following the Schrems II ruling. This was a critical step towards ensuring continued data flows between our entities based in the EU/EEA and our subsidiary in Ukraine. In addition, we kicked off a company-wide implementation of a Privacy Information Management System to help us manage and protect the personal data we control and process.

Security is also a top priority for our company. The Russian invasion of Ukraine made it crucial for us to enhance our security capabilities in resilience and recovery. To this end, we migrated and decommissioned all local servers in Ukraine, implemented remote asset wipe capabilities, and segregated our networks. We also extended our endpoint detection and response capabilities, implemented risk-based access control, and created a Security Operations Centre (SOC) to enable us to monitor and respond to security threats proactively.

In addition, we deployed a company-wide risk management process and support tool, which will enable us to identify and manage potential risks more efficiently. Employee training is also essential to ensuring compliance with security and privacy governance. To this end, we provided theoretical training in security and privacy best practices coupled with practical simulations for all our employees. This helped to increase our security awareness and maturity level.

It is important to note that the measures and achievements mentioned above are sponsored and supported by the Board of Directors. We recognise the importance of maintaining strong security and privacy measures in order to protect our own as well as our customers' data and maintain their trust in our organisation. Our unwavering commitment to our goals has enabled the successful implementation of these measures.

Itera's nearshore activities are fully integrated with its Nordic activities, and the entire Group therefore follows the same procedures and ethical standards. The Group operates a cloud-based infrastructure with the CCoE (Cloud Centre of Excellence) as its core infrastructure, enabling it to manage internal as well as customer resources either within the CCoE or in customer tenants. All cloud-based services and resources are located within the EU/EEA in line with laws, regulations and customer requirements.

Financial processes are carried out by a central function with teams located in Norway and Ukraine.

All employees that are part of the Group's nearshore activities have signed confidentiality agreements that include undertakings in respect of data processing and other security arrangements. There are also DPAs and BCR/Ps among all Itera companies and locations.

Integrity and general legislation
Itera complies with the national legislation and regulations of all the countries in which it operates. All its employees are encouraged to disclose internally any cases in which they have concerns with regard to the Group's integrity or where they are aware that laws or regulations are being breached. Employees can make such disclosures confidentially if they so wish, and the Group will not take adverse action against whistle-blowers, regardless of whether the content of the disclosure is found to be true or false.

Human resources

Details of Itera's approach to equality and diversity, human rights and social responsibility can be found in the 2023 Sustainability Report and the 2023 Human Rights Due Diligence Summary Report (Transparency Act) on the company's website www.itera.com/en/investor-relations.

Equality
Itera regards gender equality as important. We believe that women and men should be given the same remuneration and the same personal and professional development opportunities. The Group seeks to ensure employees of both genders are able to combine their work and private lives, and therefore offers maternity and paternity leave arrangements, home office solutions and part-time positions to support this.

32% of the Group's employees in 2023 were women as compared to 30% in 2022. The Group's executive management team consisted of three men and two women in 2023. The shareholder-elected Board members are two women and two men, while the employee-elected representatives and observers are two women and two men.

There are large differences in the proportion of women employed in the Group's various areas of expertise. The proportion of women is lower in technology-focused areas in development and operations, while the proportion of women is higher in areas that are more specialised in consultancy, communication, content and testing. 74% of the parent company's employees are women. There is an uneven distribution of men and women in management positions. The proportion of women in tech-focused roles in Norway improved to 25% in 2023 from 18% in 2022. The Group has a goal of improving the gender balance in its management groups.

Diversity
Itera regards diversity at the Group as important and seeks to recruit, develop and retain the best employees regardless of gender, age, ethnicity or disability. Itera strongly believes diversity and inclusion make a difference for Itera, our customers and society. The Group believes in all our individual unique characteristics as the driving force for our winning team that grows our customers and our people. We believe a diverse culture is a sustainable culture.

Itera's diversity framework address diversity and inclusion. Itera focuses on three high-level areas of diversity and inclusion: ensuring representation of diverse talents, enabling equality of opportunity through fairness and transparency, and tackling microaggressions and promoting multivariate diversity. The Group's ethical guidelines also serve to promote diversity and prevent discrimination.

Human rights
Itera is committed to ensuring internationally recognised human rights, such as those defined in the United Nation's Universal Declaration of Human Rights and other UN conventions, are respected. No one shall in any way contribute to an individual's human rights being breached or circumvented. The Group places special emphasis on ensuring that employees' fundamental rights are respected. Itera has operations in countries outside Nordic and considers that the establishment of these workplaces has contributed to increasing the living standards of its employees in these countries.

Employee engagement
Itera does not measure employee satisfaction but employee engagement, as we are of the view that this is a strong indicator of employee wellbeing. Itera regards understanding its employees as important as this enables us to help them perform at their best and drive positive business outcomes. The engagement score is an overall indicator of how engaged our employees are. Employee engagement is measured monthly through a digital survey consisting of around ten questions. Each employee gives his/her score and feedback on a wide range of relevant topics, such as his/her work-life balance, professional development, workload and adherence to Itera's values. Employees are given the opportunity to share their opinion on which areas and measures should be prioritised in order to improve the results. Based on the input from our employees, different levels of analysis are carried out and different actions to improve engagement activated. Measures that are assumed to have an effect on several parts of the organisation are implemented under the guidance of the Group's HR function. Measures that are more locally targeted are carried out by the department in question under the direction of the relevant manager.

The overall average engagement score of 8.5 from the 2023 surveys shows that employees find Itera a good place to work. The score was at the same level as in 2022.

The engagement score is an overall indicator of how engaged Itera's employees are. It is an average of scores given on a scale of 0 to 10 in response to the questions below:

Engagement - How likely is it you would recommend Itera as a place to work?
Loyalty - If you were offered the same job at another organisation, how likely is it you would stay at Itera?
Satisfaction - Overall, how satisfied are you working at Itera?

In 2023, Itera included a well-being index because Itera believes that well-being at work starts with prevention and understanding. By getting a holistic view of the well-being of its employees, Itera can take action to create a positive environment. The overall health and well-being score of 8.6 means that Itera is in the top 25% of technology industry companies in relation to health and well-being.

Skills and expertise development
A world in constant evolution means that companies need to constantly develop the education, knowledge and skills of their employees to keep up. A high level of skills and expertise is crucial to the Group's competitiveness. Itera works in a targeted way to develop the skills and expertise of all its employees as well as regards to our practice areas and capabilities as well as our business framework, entrepreneurial culture, sales and management. Our different training activities support the process of continuous improvement throughout our employees' careers at Itera.

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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 our employees' development. In 2023 Itera organised 130 events through Level Up. Everyone was welcome at these events to learn something new, share their knowledge and be part of interesting discussions.

The Level Up framework was launched in Q1 2023 and will continue to develop with the company in the coming years.

Environment

The Group has assessed the climate risk of its operations to be low. Itera's activities only pollute the external environment to a limited extent. The Group nonetheless acknowledges the importance of minimising the negative impact of its operations on the environment. Its environmental impact is principally a result of its use of energy, business travel, IT equipment and the waste created by its office activities. Itera has a pronounced environmental policy that is reflected across the entire organisation. The Group is committed to operating its business activities in a way that limits damage to the external environment. The Group reports its climate impact in accordance with the GHG Protocol in the direct and indirect emissions categories. Its headquarters in Oslo are environmentally certified (Eco-Lighthouse certification). Climate initiatives includes hardware recycling schemes for obsolete IT equipment, using and promoting video meetings to reduce business travel to necessary trips, and responsible waste management.

All employees have a duty to consider the environmental impact of work-related activities and to favour solutions, products and methods that impact the environment as little as possible. Details of this can be found in the Group's Code of Conduct (https://www.itera.com/en/ investor-relations).

Shares and shareholder relations

The share capital of Itera ASA is NOK 24,655,987.20 divided into 82,186,624 shares each with a face value of NOK 0.30 per share.

Itera held 1,654,281 own shares at the end of 2023. The Group has five ongoing share options programs, the last of which was issued in 2023. The exercise prices for these programs range from NOK 11.46 per share to NOK 13.91 per share. This compares to a share price of NOK 12.05 at 31 December 2023.

Since 2017 Itera has run an annual Employee Share Purchase Program for its Nordic employees which gives them the right to buy shares in the company at a discount. Following changes to Norwegian tax legislation in 2022, the program was restructured to introduce a three-year restriction on selling the shares. This restriction created a fair market value discount calculated at NOK 2.96 per share (23.5%) for the 2023 program, which was offered to employees. Under the program, employees could invest up to a pre-discount level of NOK 30,000. The key objectives of these programs are to align employee and shareholder interests and to give employees an opportunity to take part in the value creation and long-term development of the Group. In total, 85 employees purchased a total of 177,941 shares through the offering in 2023. In addition, an extended share purchase program was offered to some key employees with the same terms and conditions as the general program though with the Company having an option to repurchase some of the shares at market value less the original discount should the employee terminate his or her employment during the lock-in period. 31 employees acquired a total of 469,768 shares under this program in 2023.

Itera had 2,063 shareholders at the close of 2023. The 20 largest shareholders owned a combined total of 74 % of the share capital.

An ordinary dividend of NOK 24.7 million was paid in 2023 based on the Group's 2022 results, which is equivalent to NOK 0.30 per share. In addition, a supplementary dividend of NOK 32.2 million (NOK 0.40 per share) was paid in November 2023. The Board of Directors proposes the payment of an ordinary dividend of NOK 0.40 per share based on the basis of the Group's 2023 results and will also request from the General Meeting authorisation to pay an additional dividend later in the year.

Corporate governance

Itera applies corporate governance that is based on the requirements of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate

Governance. The separate section on corporate governance provides more information on how Itera complies with Section 3-3(b) paragraph 2 of the Norwegian Accounting Act and the provisions of the Norwegian Code of Practice for Corporate Governance. The Board of Directors of Itera ASA held seven board meetings in 2023.

The Board of Directors has two subcommittees, namely the Audit Committee and the Compensation Committee. The Audit Committee consists of two board members and held five meetings in 2023. The Compensation Committee consists of two board members and held three meetings in 2023. The Compensation Committee prepares matters and makes recommendations to the Board regarding the CEO's remuneration. The Compensation Committee acts as an advisory body for the CEO on compensation-related issues and other significant personnel questions related to the executive management.

Further information on this area is provided in the corporate governance report at the end of this report.

Directors' and officers' liability insurance

Itera has signed a directors' and officers' liability insurance agreement with Gjensidige covering the Board of Directors and executive management. The insurance will cover damages amounting to NOK 50 million for each incident and accumulated over the insurance period (one year).

PARENT COMPANY

Financial results

Internal support processes and shared solutions are structured as Group Functions in the parent company Itera ASA in areas where this facilitates significant economies of scale and synergies. The scope of the Group Functions is managed in line with the Group's requirements, and they cover areas such as accounting/finance, HR, communication, marketing, security, quality management, and internal IT. The parent company's operating revenue of NOK 61.5 million (NOK 54.2 million) was related to sales of these services to other Group companies.

The parent company's operating result was a loss of NOK 6.8 million (NOK 6.8 million). Its operating loss reflects the costs of owning the subsidiary companies and being listed on the Oslo Stock Exchange.

As the owner, the parent company receives group contributions and dividends from the subsidiary companies. In 2023, the parent company received group contributions and dividends totalling NOK 72.5 million (NOK 53.8 million). The parent company's profit before tax was NOK 63.7 million (NOK 45.8 million) and the profit after tax was NOK 63.5 million (NOK 45.9 million).

Profit allocation

The Board of Directors proposes that the profit of NOK 63,526k recorded by the parent company Itera ASA is allocated as follows:

– NOK 32,875k to ordinary dividend
– NOK 32,875k to supplementary dividend paid in – 2023
– NOK (2,223k) from other equity

The book value of the parent company's investments in the subsidiary companies is NOK 116.0 million. The parent company administers the Group bank account system. The Group's positive cash flow also appears as an increase in the liquid assets held by the parent company as this shows the combined bank deposits held in the Group bank account system. The parent company reports the bank deposits held by the subsidiary companies in the Group bank account system as liabilities to Group companies. The Norwegian companies are also jointly VAT registered, and the parent company is responsible for paying VAT on behalf of all these companies. The total VAT liability is reported as a liability on the parent company balance sheet but is offset by intragroup receivables due from subsidiaries.

The parent company's headcount at the end of 2023 was 22 as compared to 23 at the end of 2022. 16 of the 22 employees are women. Absence due to sickness in 2023 was 3.5% as compared to 2.8% in 2022. No accidents or injuries occurred during the year. The Board considers the working environment to be good as supported by the company's employee satisfaction score.

It is the opinion of the Board of Directors that the annual accounts provide a true and fair view of the parent company's activities in 2023 and its financial position at the end of the year.

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Going concern assumption

In accordance with Section 3-3a of the Norwegian Accounting Act, it is confirmed that the going concern assumption is applicable and that the annual accounts have been prepared on this basis. The forecast for 2024 and the Group's equity situation and liquidity situation provide the basis for the going concern assumption.

Outlook

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties.

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 utilising 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 as part of the rebuilding of Ukraine after the invasion is over. There are several potential projects under discussion.

The marketplace is still somewhat weaker than we have experienced in recent years. However, as a result of focused effort on more marketing activities and Itera's strong positioning in terms of its services and capabilities, it now has a growing pipeline of opportunities.

The business optimisation 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 utilisation rates 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 digitise and experience cost pressures, strategic managed services are increasingly a top management priority. Leveraging the substantial investment that it has carried out in cloud and application services, Itera expects to see a gradual improvement in its profitability once the volume of migration and modernisation engagements reaches critical mass.

Oslo, 27 April, 2023
The Board of Directors of Itera ASA

Morten Thorkildsen
Chairman of the board

Marianne Killengreen
Board member

Jan-Erik Karlsson
Board member

Gyrid Skalleberg Ingerø
Board member

Siren Tønnesen
Board member
(Employee elected)

Hans Joachim Trøbråten
Board member
(Employee elected)

Arne Mjøs
Chief Executive Officer

Corporate governance

The Board of Directors and executive management of Itera ASA carry out an annual review of the principles for corporate governance and how they function within the Group. Itera provides here an account of its principles and practice for corporate governance pursuant to Section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance (NUES) as issued on 14 October 2021.

The Norwegian Code of Practice for Corporate Governance is available on www.nues.no/english

A description of how Itera complies with the 15 recommendations set out in the Code of Practice for Corporate Governance is provided below.

1. Implementation and reporting on corporate governance

Itera ASA's principles for corporate governance ensure an appropriate division of roles and good collaboration between the company's owners, its Board of Directors and its executive management as well as satisfactory control of its activities. This helps to ensure the greatest possible value creation over time in the best interests of owners and other stakeholders.

The company's ethical guidelines address conflicts of interest, relationships with customers, suppliers and the media, inside information issues and other relevant financial interests of a personal nature. The ethical guidelines apply to all employees of the Itera Group.

Itera's employees increasingly regard non-financial incentives as important. Itera's management principles therefore contain a clear set of values for employees to identify with. Itera also focuses on making social and moral considerations part of its business processes. This means that customers or projects may be rejected on account of their being in conflict with the Group's set of values and vision, which is: "Make a difference". This applies to all the contexts in which Itera is present; the aspiration is for Itera's employees to view working at Itera as more than just a job, for its customers to find real value in collaborating with Itera, for its owners to receive a greater return from their investment than would be the case with other comparable investments, and for the company to make a positive contribution to economic and social development the local environments in which it operates.

The executive management and the board conduct an annual review of the corporate governance as part of the preparation of the annual report. Itera complies with the Norwegian Code of Practice for Corporate Governance with no material deviations from the Code's recommendations, with the exception of the deviations set out in sections 6 and 14.

2. Business (No deviation from the Code)

Itera is a specialist in creating digital business, with communication, technology and innovation as the core competency tools. Itera delivers projects and services in cross-functional teams to Nordic organisations that see the instrumental contribution that innovation, efficient communication and smart utilisation of technology can make to achieving their goals. Itera's core sectors are banking and insurance, energy and utility, public, healthcare, and the service industry. The company's Articles of Association are available on its website.

The Board monitors the progress of the company's ESG strategy and its associated processes and reporting. The Board includes these issues in its discussions relating to strategy, risk and performance.

The annual report contains details of the company's goals and strategies, and the financial markets are provided with continual updates by the company's quarterly presentations.

3. Equity and dividends (No deviation from the Code)

The company's capital situation is kept under constant review in relation to its objectives, strategy and desired risk profile.

The company's objective is to generate a competitive return for its shareholders through dividends and increases in the share price that is in line with comparable investments. Itera's dividend policy is intended to strike a balance between capital adequacy and providing shareholders with a reasonable return. The company's current dividend policy is to distribute at least 50% of the Group's adjusted annual profit after tax. Payment of the annual dividend is dependent on the company's financial situation, its working capital requirements and investment/acquisition opportunities. The Annual General Meeting approves the annual dividend based on a proposal from the Board of Directors. For 2023, the Board of Directors proposes the payment of an ordinary dividend of NOK 0.40 per share. The Board of Directors has also resolved to ask the Annual General Meeting to renew its authorisation to pay a supplementary dividend for 2023 if the Group's financial situation makes this possible.

At the Annual General Meeting in 2023, the Board of Directors was granted authorisation to increase the company's share capital by up to NOK 1,232,799 by issuing for subscription up to 4,109,331 new shares with a nominal value of NOK 0.30. The authorisation is effective until 30 June 2024 and replaced the authorisation approved by the Annual General Meeting held on 24 May 2022. The Board is authorised to waive the preferential rights of shareholders pursuant to Section 10-4 of the Norwegian Public Limited Companies Act. The authorisation also covers capital increases for non-cash payment or other special subscription terms pursuant to Section 10-2 of the Norwegian Public Limited Companies Act. The authorisation also covers resolutions in connection with mergers pursuant to Section 13-5 of the Norwegian Public Limited Companies Act.

At the same Annual General Meeting, the Board of Directors was granted authorisation to buy back own shares up to a nominal value of NOK 1,232,799, equivalent to 4,109,331 shares each of a face value of NOK 0.30. The authorisation is effective until 30 June 2024 and replaced the authorisation granted at the Annual General Meeting held on 24 May 2022. The authorisation was used to buy back 958,722 shares in December 2023 for the purpose of employee option and share purchase programs.

The Board of Directors as part of its preparations for the Annual General Meeting carries out an annual review of whether it should ask for authorisation from the Annual General Meeting to increase the company's share capital and/or to be allowed to buy back own shares. Any authorisation is normally granted for one year, and the basis for such authorisation must be clearly communicated at the Annual General Meeting.

4. Equal treatment of shareholders and transactions with close associates (No deviation from the Code)

The company is committed to treating all shareholders equally. There is only one class of shares. The Articles of Association do not impose any restrictions on voting rights. Treating all shareholders equally is regarded as important. All information liable to influence the company's share price is published through the Oslo Stock Exchange's information system and on the company's website.

The company's transactions in its own shares (share buy-backs) are carried out through the stock exchange at market rates, except in cases of exercising buy-back options in discontinued employee share incentive programs. The Board will normally obtain independent valuations for any material transactions involving the company and its shareholders, members of the Board, executive personnel or close associates of such parties.

5. Shares and negotiability (No deviation from the Code)

Itera shares are listed on the Oslo Stock Exchange and are freely negotiable. Itera has one class of shares, and each share equals one vote at the General Meeting. The shares have no trading restrictions in the form of Board consent or ownership limitations. The Articles of Association of Itera ASA contain no restrictions on negotiability or voting rights and all shares have equal rights.

According to the conditions in Share Purchase Program offered to selected managers and key personnel in 2021, 2022 and 2023, a three-year lock-in period applies to ownership of the shares purchased under this program. Itera has a buy-back option of the shares in cases where the employee terminates his or her employment with Itera within the lock-in period. Itera considers that such trading limitation does not cause disturbances in the market due to limited scope and thus is not in violation of the NUES recommendation.

6. Annual General Meeting

All shareholders are entitled to participate in the Annual General Meeting. Arrangements have been made that allow shareholders to vote in accordance with their ownership through a legal representative or proxy. All shares in the company carry equal voting rights. There are no ownership restrictions, and the company is not aware of any shareholder agreements.

Minutes from the Annual General Meeting are made available using the Oslo Stock Exchange's information system and on the company's website (www.itera.com).

NUES recommends that the Annual General Meeting should vote separately on each individual candidate for any corporate bodies to which members are elected. Itera's practice is for the entire Board to be elected. The reason for this is that the Nomination Committee wishes to ensure that the composition of the Board is based on complimentary experience and skills and therefore regard its recommendation for Board electives to be a unity.

7. Nomination Committee (No deviation from the Code)

The Annual General Meeting has established a Nomination Committee in accordance with Itera's Articles of Association. The Annual General Meeting issues the mandate for the work of the Nomination Committee. The Nomination Committee nominates candidates for appointment to the Board of Directors for consideration by the Annual General Meeting. The nominations are required to provide relevant information about the candidates' background and independence. The Nomination Committee also makes proposals regarding the remuneration paid to members of the Board. The remuneration paid to the Nomination Committee is determined by the Annual General Meeting.

The members of the Nomination Committee are Eli Giske, Bjørn Wicklund and Kim-Kjetil Grøsland. No Board members or Itera management employees are members of the Nomination Committee.

The Nomination Committee publishes an invitation to submit proposals for candidates for election to the Board on the company's website.

8. Board of Directors: Composition and Independence (No deviation from the Code)

Itera does not have a corporate assembly. Itera's Articles of Association state that the company is to have a Board of between five and seven members. The Board currently has seven members, five of whom are elected by shareholders at the Annual General Meeting. Itera's employees are represented by two employee electives and two observers. Forty percent of the shareholder-elected board members and fifty percent of the employee-elected board members and observers are women. In total, 43% of the board members are women.

It is regarded as important for the Board to be balanced in terms of its members' expertise, experience and backgrounds in relation to areas that are of relevance to the company's activities. It is also desirable for the composition of the Board to reflect both the company's ownership structure and the need for independent representatives. The current Board includes five members elected by shareholders at the company's Annual General Meeting, and its composition satisfies the independence requirements set out in the Norwegian Code of Practice for Corporate Governance. No member of the executive management is a member of the Board.

An overview of the board members' shareholding in Itera is provided in the Remuneration Report available on itera.com. It's also regularly updated in the Investor Relations section on itera.com.

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9. The Work of the Board of Directors (No deviation from the Code)

Board Responsibilities
The board holds ultimate responsibility for formulating and implementing the group's strategy and activities, encompassing organizational structure, remuneration policy, and risk management. Addi-

tionally, the board is accountable for overall control and supervision. The duties and obligations of the board are determined by relevant legislation, the articles of association of the parent company, and mandates and instructions established by the general meeting. These responsibilities can be categorized into two primary areas:

1. Group Management: In accordance with Section 6, Sub-section 12 of the Public Limited Companies Act, the board is responsible for managing the group's operations.

2. Supervision: As per Section 6, Sub-section 13 of the Public Limited Companies Act, the board is entrusted with the task of supervision.

The board has approved an annual plan that outlines its focus areas, which include developing the group's strategy and monitoring its implementation. Furthermore, the board exercises supervision to ensure the group's achievement of business objectives and effective risk management.

Significant or exceptional matters related to the group's activities are discussed during board meetings. In 2023, a total of seven board meetings were held with an attendance of 94%.

Board Instructions
In compliance with the Public Limited Companies Act, the division of roles and responsibilities within the board is formalized through a mandate that provides specific rules and guidelines for the board's decision-making process.

The chairperson is responsible for ensuring the board's efficient and proper functioning in accordance with applicable legislation. Additionally, an independent chairperson is appointed to lead discussions on matters where the chairperson is disqualified or unable to attend.

Related Party Agreements
In accordance with the Public Limited Companies Act, the board bears the responsibility of examining all agreements between the group and related parties. Thorough consideration of such agreements aims to identify and address potential conflicts of interest, preventing any transfer of value from the group to related parties.

Conflicts of Interest and Disqualification
The board is accountable for maintaining awareness of significant interests within the group to ensure impartial and reliable decision-making. Directors and the chief executive must abstain from participating in matters where they have a substantial personal interest. Please refer to the disqualification rules outlined in the Public Limited Companies Act.

Chief Executive Instructions
The board is responsible for appointing the chief executive and establishing instructions, authorities, and terms of reference for the role.

Financial Reporting
The board receives periodic reports that provide commentary on the group's financial status. Interim reporting adheres to the deadlines set by the Oslo Stock Exchange.

Chairperson's Role
The chairperson is responsible for organizing board work effectively and ensuring the board fulfills its duties. The chief executive collaborates with the chairperson in preparing matters for board consideration. The chairperson also has responsibilities related to the conduct of general meetings.

Board sub-committees
Audit Committee
The Board has established an Audit Committee in accordance with Itera's Articles of Association. The Committee has two members. Its mandate is to supervise the company's reporting procedures and to assess the effectiveness of internal control and risk management activities. The Audit Committee is in regular contact with the auditor and ensures the auditor is independent. The Audit Committee reports to the Board. Members of the Board have access to all relevant documentation as well as to the minutes of all Audit Committee meetings.

The members of the Audit Committee are Gyrid Skalleberg Ingerø (chair) and Helge Leiro Baastad.

Remuneration Committee
The Board has established a Remuneration Committee to develop and coordinate the Group's remuneration systems. The Remuneration Committee has two members – Jan-Erik Karlsson (chair) and Morten Thorkildsen.

10. Risk management and internal control (No deviation from the Code)

Risk management and internal control are carried out by the Group using a range of processes, both at Board level and by the Group's executive management. The Audit Committee monitors risk management and internal control on behalf of the Board in ways that are additional to the reports and discussions on the issue at Board meetings.

Risk management
The Board is regularly updated on risk management at its meetings, by routine financial reports and by the reports produced by the executive management on the Group's business activities. The Board also assesses the need for measures to be taken in response to risk factors.

The basis of risk management at Itera is that the CEOs of the companies that form the Group are responsible for risk within their individual companies and must therefore have necessary knowledge and understanding of their companies' risk profiles, so that these companies can be managed in a financially and administratively responsible way.

The CEO and CFO continually assess the financial results of the various business areas, the extent to which they are meeting the objectives that have been set, critical situations and events that might influence the future performance of the company, and whether optimal use is being made of resources. The CEO and CFO carry out this work in close cooperation with the management of the individual units.

Internal control
The Board assesses the internal control systems and considers the most important risk factors facing the company as part of the budget planning and budget approval process. The Group has in recent years pursued a growth strategy and the Board is committed to ensuring that all the Group's activities are covered at all times by internal control systems.

The senior management of the subsidiary companies are responsible for ensuring there are appropriate and effective internal controls that meet all applicable requirements and are responsible for ensuring compliance with the internal control requirements.

Accounting & Finance, HR, IT and Communications are organised as common Group Functions across the Group. This ensures there is internal control across the companies and across national borders. The CFO and the Finance Manager are responsible for continually assessing whether the accounting routines are functioning as required, including controlling reconciliations and analysing and monitoring a range of KPIs. The reports produced by the subsidiary companies are consolidated on a monthly basis, and analyses are carried out as part of the reporting process, with action taken as required. Reporting is carried out using the Group's standard reporting template, with consolidation being carried out using spreadsheets.

The CEO and CFO continually assess the financial results of the various business areas, the extent to which they are meeting the objectives that have been set, critical situations and events that might influence the future performance of the company, and whether optimal use is being made of resources. Meetings are held with the subsidiary companies every quarter to review these topics and others, and also to consider the risks related to financial reporting, over both the short and long term. The CEO, CFO, COO, the management of the subsidiary companies and relevant experts participate in these meetings, which are led by the CEO. The COO proposes any risk-reduction measures that are required on the basis of the companies' financial reports and any follow-up meetings that are held.

11. Remuneration of the Board of Directors (No deviation from the Code)

The Nomination Committee makes recommendations to the Annual General Meeting regarding the remuneration paid to the Board of Directors. The remuneration paid to the members of the Board is determined by the Annual General Meeting once it has considered the proposals of the Nomination Committee. The remuneration paid to the Nomination Committee is determined by the Annual General Meeting once it has considered the proposals of the Board. Information on the remuneration paid to the members of the Board and their shareholdings can be found in Executive Remuneration Report which forms a part of the annual report.

NUES recommends that members of Board of Directors should not participate in any incentive or share option program. Employee-elected Board members in Itera may be part of incentive and/or share option programs in their capacity as employees. Inclusion in such program may occur prior to or after the employee's election to the Board. Itera considers such inclusion to be independent of and unrelated to the employee's Board position and thus not in violation of the NUES recommendation.

12. Remuneration of executive personnel (No deviation from the Code)

The Board has produced guidelines on the remuneration of executive personnel in accordance with the rules set out in Section 6-16a of the Public Limited Liability Companies Act. The Company's Remuneration Committee is involved in the process of determining the remuneration paid to executive personnel. Details of the Board's guidelines on the remuneration of executive personnel are set out in a separate Executive Remuneration Report.

13. Information and communications (No deviation from the Code)

The company strives to provide accurate and sufficiently comprehensive information every quarter and to publish it with no undue delay. The company normally publishes quarterly figures within seven weeks of the end of a quarter. The company's provisional annual accounts are published in February. Presentations for each quarter are streamed online in both English and Norwegian and can be watched live or at a later time.

The notice calling the Annual General Meeting and the annual report are made available on the company's website three weeks prior to the date of the Annual General Meeting as well as through the messaging system of the Oslo Stock Exchange.

The company strives to publish information in a non-discriminatory and simultaneous manner. The company maintains regular dialogue with shareholders, analysts and other parties. The company takes a cautious approach in its contacts with these parties. The company limits its communication with investors and analysts in the thirty days prior to the publication of an interim report. In addition, the company does not issue comments to the media or any other parties about the Group's results during this period. This is to ensure all market participants concerned are treated equally.

14. Take-overs

The Board of Directors is committed to equal treatment of shareholders and will ensure openness with respect to any potential takeover of the company. In the event of a takeover bid for Itera, the Board of Directors and executive management will seek to ensure all shareholders have access to sufficient information for them to be able to form a position on the bid. The Board has not issued separate guidelines on how it would operate in the event of a formal takeover bid, but it would conduct itself in accordance with the relevant provisions and recommendations set out by legislation and the Norwegian Code of Practice for Corporate Governance. The Board regards this as sufficient to ensure that shareholders' interests are safeguarded in an equal and proper manner.

The Board will inform shareholders of its opinion of any bid, and the Board will in connection with this inform shareholders about whether they themselves wish to accept the offer should they have taken a position on it.

15. Auditor (No deviation from the Code)

The company has elected PwC as its external auditor. PwC audits all the companies in the Group that are subject to statutory audit.

The auditor participates in all meetings of the Audit and Sustainability Committee.

The auditor prepares reports for the Audit and Sustainability Committee and the Board. These reports include an audit plan, an assessment of internal control at the company and a review of significant accounting principles and estimates. The auditor participates in the Board meeting at which the annual accounts are considered. The auditor participates in the Annual General Meeting. Information about the fees paid to the auditor can be found in the annual report.

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Itera Group

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Consolidated statement of comprehensive income

Itera Group 1 January – 31 December

NOK 1 000, except earnings per share

Continuing operations	**Note**	**2023**	**2022**
Revenues	2	**871 581**	**735 840**
Cost of hired consultants and hardware		57 902	51 687
Salaries and personnel expenses	3,4,5,6	634 359	515 118
Depreciation and amortistion	11,12	32 299	31 753
Other operating and administrative expenses	7,5	68 667	60 063
Total operating expenses		**793 228**	**658 622**
Operating profit		**78 353**	**77 218**
Financial income	8	2 266	2 016
Financial expense	8	3 918	(1 254)
Agio (disagio)	8	(1 288)	225
Net financial income (expenses)		**(2 941)**	**987**
Profit before taxes		**75 412**	**78 206**
Income taxes	9	18 722	16 777
Net income from continuing operations		**56 690**	**61 429**
Net income from discontinued operations	24	**-**	**(10 438)**
Net income		**56 690**	**50 990**
Total income attributable to:			
Shareholders in parent company		56 690	50 990
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Other comprehensive income			
Translation differences on net investment in foreign operations		(346)	440
Total comprehensive income		**56 344**	**51 430**
Total comprehensive income attributable to:			
Shareholders in parent company		56 344	51 430
Earnings per share	10	0.70	0.63
Diluted earnings per share	10	0.70	0.63
Earnings per share (continuing operations)	10	0.70	0.76
Diluted earnings per share (continuing operations)	10	0.70	0.76

Consolidated statement of financial position

Itera Group 31 December

NOK 1 000	Note	2023	2022
ASSETS			
Deferred tax assets	9	2 630	4 388
Intangible assets	11,12	31 127	33 185
Right of use assets	12	74 582	28 271
Property, plant and equipment	11	16 213	12 790
Total non-current assets		**124 552**	**78 634**
Current assets			
Contract costs	13	-	1 345
Contract assets	13	3 452	225
Accounts receivable	14,15	107 770	98 971
Other current assets	16	13 193	12 661
Cash and cash equivalents	15,17	49 209	41 934
Total current assets		**173 623**	**155 136**
Total assets		**298 175**	**233 771**
EQUITY AND LIABILITIES			

Consolidated statement of financial position

Itera Group 31 December

NOK 1 000	Note	2023	2022
Equity			
Share capital	18	24 656	24 656
Other equity		23 231	24 786
Total equity		**47 887**	**49 442**
Other provisions and liabilities		759	1 304
Long-term interest bearing debt	19	3 750	-
Lease liabilities - non-current	12,15	63 613	20 420
Total non-current liabilities		**68 122**	**21 724**
Accounts payable	15	18 288	16 760
Tax payable	9	12 183	12 112
Public fees payable		58 503	47 828
Lease liabilities - current	12,15	13 874	9 175
Contract liabilities	13	14 292	14 840
Current portion of long term debt	19	1 000	-
Other current liabilities	12, 20	64 026	61 891
Total current liabilities		**182 165**	**162 606**
Total liabilities		**250 288**	**184 330**
Total equity and liabilities		**298 175**	**233 771**

Oslo, 24 April, 2024
The Board of Directors of Itera ASA

Åshild Hanne Larsen
Board member

Helge Leiro Baastad
Board member

Jan-Erik Karlsson
Board member

Gyrid Skalleberg Ingerø
Board member

Siren Tønnesen
Board member
(Employee elected)

Hans Joachim Trøbråten
Board member
(Employee elected)

Morten Thorkildsen
Chairman of the board

Arne Mjøs
Chief Executive Officer

Consolidated statement of cash flows

Itera Group 1 January – 31 December

NOK 1 000

Continuing operations	Note	2023	2022
Profit before taxes		**75 412**	**78 206**
Income taxes paid	9	(11 848)	(7 980)
(Profit)/loss from sale of assets		(313)	-
Depreciation and amortisation	11	32 299	31 753
Share option costs		1 655	1 454
Change in contract assets		(3 227)	895
Change in accounts receivable	14	(8 799)	(23 348)
Change in accounts payable		1 529	(816)
Change in other accruals		7 025	7 742
Effect of changes in exchange rates		(345)	1 382
Net cash flow from operating activities		**93 387**	**89 288**
- Net cash flow from operating activities incl. discontinued operations	24	-	76 028
Sale of fixed assets	11	357	-
Investment in fixed assets	11	(10 908)	(6 503)
Investment in intangible assets	11	(8 870)	(9 773)
Net cash flow from investing activities		**(19 421)**	**(16 277)**
- Net cash flow from investing activities incl. discontinued operations	24	-	(15 222)
Purchase of own shares		(11 873)	(9 086)
Sale of own shares		6 237	6 559
Cash settlement of options contract		2 943	-
Equity settlement of options contract		-	-
Principal repayments of lease payments and interest	12	(12 885)	(14 556)
Instalment of sublease receivable		-	1 750
Long term borrowings	19	4 750	-
Dividends paid to equity holders of Itera ASA		(56 860)	(40 451)
Net cash flow from financing activities		**(67 688)**	**(55 784)**
- Net cash flow from financing activities incl. discontinued operations	24	-	(56 766)
Effects of exchange rate changes on cash and cash equivalents		997	437
Net change in cash and cash equivalents from continuing operations		**7 276**	**17 664**
Net change in cash and cash equivalents incuding discontinued operations		**-**	**4 478**
Cash and cash equivalents as of 1 January		41 934	37 457
Cash and cash equivalents as of 31 December		**49 209**	**41 934**

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Consolidated statement of changes in equity

Itera Group 31 December

NOK 1 000	Note	Total paid in capital	Own shares	Other paid in equity	Cumulative translation differences	Other equity	Total equity
Equity as of 1 January 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
Cash settlement of options contract		-	-	-	-	-	-
Equity settlement of options contract		-	-	-	-	-	-
Purchase of own shares	18	-	(197)	(8 890)	-	-	(9 086)
Sale of own shares	4	-	204	6 355	-	-	6 559
Dividends		-	-	-	-	(40 451)	(40 451)
Equity as of 31 December 2022		**24 655**	**(484)**	**(33 892)**	**1 260**	**57 900**	**49 442**
Net income for the period		-	-	-	-	56 690	56 690
Other comprehensive income for the period		-	-	-	(346)	-	(346)
Share option costs		-	-	1 655	-	-	1 655
Cash settlement of options contract		-	-	-	-	-	-
Equity settlement of options contract		-	85	2 858	-	-	2 943
Purchase of own shares	18	-	(292)	(11 581)	-	-	(11 873)
Sale of own shares	4	-	194	6 043	-	-	6 237
Dividends		-	-	-	-	(56 860)	(56 860)
Equity as of 31 December 2023		**24 655**	**(497)**	**(34 918)**	**914**	**57 729**	**47 887**

Corporate information and basis of preparation

Corporate information
Itera ASA (the Company) including its subsidiaries (the Group) is a leading international tech company that helps businesses and organisations to accelerate their sustainable digital transformation. We have a unique ability to bring digital to the core of their business because of our full range of services in digital strategy and consulting, customer experience, technology and cloud operations. Itera provides solutions and services to customers in industries such as insurance, banking and finance, energy, and public sector. Itera has offices in Norway, Sweden, Denmark, Iceland, Ukraine, Slovakia, Poland and the Czech Republic.

Itera ASA is a public limited company registered and domiciled in Norway. The office address is Stortingsgata 6, 0161 Oslo, Norway. Itera ASA is listed on Oslo Stock Exchange (ticker ITERA). Itera ASA is the ultimate parent company of the Group.

The consolidated financial statements for Itera ASA were approved by the Board of Directors on 24 April 2024 and are subject to approval by the Annual General Meeting on 22 May 2024.

Basis of preparation
The consolidated financial statements have been prepared in accordance with the IFRS® Accounting Standards and related interpretations as approved by the EU as in effect at 31 December 2023, and with all additional disclosure requirements pursuant to the Norwegian Accounting Act as in effect at 31 December 2023. The consolidated financial statements have been prepared on the historical cost principle.

The consolidated financial statements are presented in Norwegian Kroner (NOK). Amounts are rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Summary of significant accounting policies

The most important accounting principles applied by the Group in the preparation of the consolidated financial statements are described below. These principles have been applied identically to all the periods that are presented, unless otherwise stated.

Consolidation principles
Subsidiaries are companies where the Group has a controlling interest. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A controlling interest is normally achieved when the Group owns, directly or indirectly, more than 50% of the voting shares in the target company. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until the date when control ceases. All intercompany transactions, outstanding balances and unrealised group internal profits or losses are eliminated.

Foreign currency translation
The consolidated financial statements are presented in NOK, which is Itera ASA's functional currency. Transactions in foreign currencies are initially recognised in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognised in the income statement with the exception of exchange differences on a net investment in a foreign entity. These exchange differences are recognised as a separate component of other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Summary of significant accounting policies, cont.

Non-monetary items measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions. The date of initial transaction for non-monetary assets on which the Group has paid an advance consideration is the date of the payment of the advanced consideration. The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Key sources of estimation uncertainty – critical accounting estimates
A critical accounting estimate is one which is both important to the presentation of the Group's financial position and results and requires management's most difficult, subjective or complex judgements, often as a result of the need to make important estimates based on assumptions about the outcome of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, based upon historical results and experience, consultations with experts, trends and other methods which management considers reasonable under the circumstances, as well as forecasts as to how these might change in the future. Areas of significant estimation uncertainty include:

Revenue recognition
Itera delivers most of its non-subscription services on Time & Material agreements. However, it may occasionally enter into fixed or target price agreements for development work. In such cases, the revenue is recognised proportionately to its estimated completion rate and contract value. Completion is measured as incurred hours relative to the estimate to complete the project. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. As of the end of 2023, there were no fixed or target price projects outstanding which may have represented any significant estimation uncertainty. Refer to note 2 for further information.

Capitalised development costs
Itera has capitalised development costs related to its Intellectual Property Rights (IPR). The IPR generate monthly subscription revenues over the length of the customer contracts, and the capitalised development costs are amortised over their estimated useful life. Significant technological changes or loss of major customer contracts may impact the remaining useful life or the fair value of the asset, respectively. The Group conducts impairment tests on the assets to assess whether there is a need to write down or accelerate the amortisation of the assets when such triggering factors occur. The current carrying value of the assets are low compared to the associated revenue generated from this. The Group thus considers the risk of impairment to be limited. Refer to note 11 for further information on Capitalised development costs.

Leases
Itera ASA agreements consists of buildings, cars, equipment used in the operating activities and office machines. Cars usually have a lease period of 5 years, while several of the buildings have a longer time frame. The office machines are leased in a 3-5 year period. Some of the building leases have extension options and this has been taken into account.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments fixed payments, less any lease incentives receivable

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement

Summary of significant accounting policies, cont.

date, plus any initial direct costs incurred. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Groups incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group has elected not to recognise the right-of-use assets and liabilities for short-term leases of equipment and low value assets. Short-term leases are defined as 12 months or less, and low value assets at NOK 50 000 or lower.

Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. The Itera Group receives government grants related to SkatteFUNN. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Revenue recognition
Revenue arising from subscriptions is recognised over the course of the contract period. The Group has various types of subscription services. SaaS (Software-as-a-Service) contracts are based on fixed monthly service fees. These are invoiced for one to twelve months in advance. Cloud operations subscription fees are typically a combination of fixed monthly services plus consumption-based services and may thus vary from month to month depending on the latter. These are invoiced in advance for the non-consumption based services and in arrears for the consumption.

Revenue from the sale of goods is measured based on the consideration specified in a contract with a customer. Where the consideration covers multiple sub-deliveries, it is broken down and recognised when the various components are delivered.

IFRS 15 Revenue from Contracts with Customers is based on the principle of recognising revenue when control of goods or services transfers to a customer. Itera mostly derives its revenue from the transfer of services over time as opposed to point in time.

Revenue from consulting services rendered that relate to subscription contracts will in some cases be recognised over the contract period for the subscription contract and not at point in time when the services are delivered. The costs of fulfilling a contract, such as costs related to delivering the services mentioned are capitalised as contract costs if the amortisation period is more than 12 months. The amortisation period is the expected contract period, including renewals. Payments from customers for delivering these services are under IFRS considered prepayments and classified as contract liabilities under current liabilities.

Revenue from a transition project that is an integral part of a subsequent operating services contract is recognised on a linear basis over the period of the latter contract. Revenue from services is recognised when the hours are delivered and usually invoiced monthly with exception of projects with some milestone invoicing. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. Revenue is measured based on the consideration specified in a contract with a customer.

Contract assets, contract costs and contract liabilities
Contract assets comprises earned and recognised revenue that has not yet been invoiced. Contract assets is transferred to receivables when the rights to payment become unconditional, which usually occurs when invoices are issued to the customers.

Summary of significant accounting policies, cont.

Contract costs comprise expenses related to fulfilling a contract, typically implementation costs in the initial stage of a contract, capitalised and expensed over the expected contract periods.

Contract liabilities comprise prepayments from customers for delivering services.

Tax expense
Deferred tax assets are capitalised on the balance sheet when it is probable that the individual company will have sufficient taxable profits in subsequent periods to be able to use the tax asset. The individual companies recognise previously non-capitalised tax assets to the extent that it has become probable that they will make use of them. Likewise, the individual companies reduce the value of their deferred tax assets to the extent that they no longer regard it as probable that they will be able to make use of their deferred tax assets. All deferred tax balances are evaluated as probable and all probable deferred tax balances have been included.

New standards and interpretations not yet adopted
Certain new accounting standards, amendments to standards and interpretations may be published that are not mandatory for the year ended 31 December 2023 and have not been applied in preparing these consolidated financial statements. The standards that may be relevant to the Group are set out below. These will be adopted in the period that they become mandatory unless otherwise indicated. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

For the year ended 31 December 2023 there are no standards relevant to Itera that have not yet been implemented.

Statement of cash flows
The statement of cash flow is prepared using the indirect method. Cash and cash equivalents comprise cash and bank deposits. Interest paid and interest income are presented as part of financing activities.

1 Overview of subsidiaries

NOK 1000	Country	Share holding	Result 2023	Equity 31.12.2023
Itera Norge AS[1]	Norway	100%	34 478	30 588
Itera Offshoring Services AS[1]	Norway	100%	6 381	10 685
Cicero Consulting AS[1]	Norway	100%	4 520	10 234
Compendia AS[1]	Norway	100%	5 524	7 249
Itera Sverige AB[1)3)]	Sweden	100%	(2 991)	(2 060)
Itera ApS[1]	Denmark	100%	11 447	4 689
Itera ehf[2]	Iceland	100%	5 730	3 421
Itera Consulting Group Ukraine, LLC[1]	Ukraine	100%	(297)	6 792
Total			**64 792**	**71 597**

1) Consolidated pre 2016
2) Consolidated from 2021
3) Itera Sverige AB is indirectly owned through Itera Norge AS with 100%

2 Segments and geographical information

The business activities of the Group are carried out by 9 operational companies and three branch offices in 8 countries. Each company has its own management team and a CEO who is responsible for the company's financial results. Each company also has its own internal structure for management, budgeting and financial reporting, including reporting to the Group CEO. The Chief Operating Decision-Maker (CODM), who is responsible for allocating resources and assessing performance of operating units, has been identified as the steering committee consisting of the Group CEO and CFO. The activities carried out by all the subsidiaries are for all practical purposes related to delivering IT and communication solutions to customers. In particular, the Group utilises its distributed delivery capabilities seamlessly across its various operating units and locations. The reported revenue in 7 geographical reporting segments outside Norway, from both external customers and intragroup sales, is less than 18% of the combined revenue.

Transactions and transfers between the companies are carried out on normal commercial terms.

Revenues from transactions with the two largest external customers in Norway amount to NOK 98.2 and 93.1 million respectively in 2023.

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2 Segments and geographical information, cont.

Geographical information:
NOK 1 000

2023	**Norway**	**Sweden**	**Denmark**	**Ukraine**	**Slovakia**	**Czech Republic**	**Iceland**	**Poland**	**Group**
Sales revenue	1 050 416	1 228	91 734	10 507	58 976	11 482	51 397	2 900	1 278 641
Intragroup eliminations	(306 771)	-	(16 438)	(10 507)	(58 963)	(11 482)	-	(2 900)	(407 060)
Net sales revenue	**743 645**	**1 228**	**75 296**	**-**	**14**	**-**	**51 397**	**-**	**871 581**
Services	629 247	1 228	53 294	-	14	-	51 362	-	735 145
Services 3rd Party	17 090	-	14 636	-	-	-	-	-	31 726
Subscriptions	68 734	-	7 498	-	-	-	-	-	76 232
Other revenue	28 574	-	(132)	-	-	-	35	-	28 478
Net sales revenue	**743 645**	**1 228**	**75 296**	**-**	**14**	**-**	**51 397**	**-**	**871 581**
Operating profit	**60 214**	**(3 841)**	**14 404**	**-**	**14**	**-**	**7 561**	**-**	**78 353**
Investments in fixed assets	17 185	53	104	579	1 608	46	-	204	19 778
Total assets	253 577	1 404	10 821	6 279	8 008	765	15 198	1 124	297 177
Total liabilities	227 725	1 238	9 461	222	5 535	888	3 851	370	249 290

2022	**Norway**	**Sweden**	**Denmark**	**Ukraine**	**Slovakia**	**Czech Republic**	**Iceland**	**Group**
Sales revenue	898 938	-	66 531	12 829	44 010	2 237	39 622	1 064 168
Intragroup eliminations	(269 264)	-	-	(12 829)	(43 998)	(2 237)	-	(328 328)
Net sales revenue	**629 674**	**-**	**66 531**	**-**	**12**	**-**	**39 622**	**735 840**
Services	516 708	-	50 477	-	12	-	39 608	606 805
Services 3rd Party	25 753	-	8 776	-	-	-	-	34 529
Subscriptions	72 782	-	4 398	-	-	-	-	77 179
Other revenue	14 432	-	2 880	-	-	-	14	17 327
Net sales revenue	**629 674**	**-**	**66 531**	**-**	**12**	**-**	**39 622**	**735 840**
Operating profit	**60 052**	**(691)**	**12 054**	**-**	**12**	**-**	**5 792**	**77 219**
Investments in fixed assets	14 512	-	180	1 327	258	-	-	16 277
Total assets	196 253	1 255	15 587	6 627	5 982	-	8 066	233 771
Total liabilities	163 224	326	9 890	86	5 405	-	5 398	184 330

Services revenue is generated from rendering of services to customers by Itera's own consultants. The service contracts are with a few exceptions Time & Material agreements where the invoicing is based on hours performed at agreed rates.

Services 3d party revenue is generated from rendering of services to customers performed by subcontractors.

Subscriptions revenue is generated from services provided on regular basis with fees based on fixed amounts or volumes.

3 Salaries and personnel costs

NOK 1000	2023	2022
Salaries	553 298	440 109
Share option costs	1 432	1 479
Social security taxes	48 614	38 213
Pension costs	18 191	14 151
Other benefits	17 828	26 944
Salaries and personnel expenses capitalised *)	(5 003)	(5 777)
Total payroll and personnel expenses	**634 359**	**515 118**
Average number of employees	741	677

*See note 11

4 Share-based remuneration

Share option programmes
Employee share options at the Group give employees the right to subscribe for shares in Itera ASA at a future point at a predetermined price (exercise right). This right as a rule is dependent on the employee still being employed at the time of exercise. The Group had six share option programmes running in 2023. All schemes to be settled in shares.

Share option programs were issued late 2019, twice during 2020 and once in 2021, 2022 and 2023. These programs have no financial targets attached, and up to one-third of the options are exercisable after three years and otherwise rolled forward. All remaining options must be exercised after four years or otherwise forfeited.

The fair value of the options was calculated on the date they were granted, and the options granted are being expensed over the accrual periods of four years in accordance with the graded vesting principle. Fair value is calculated using the Black-Scholes-Merton option pricing model. The calculation of fair value assumes that historical volatility is an indication of future volatility. Expected volatility is therefore set equal to historical volatility. The interest rate is based on rates obtained from Norges Bank for the same period as the life of the options. For the option programs, an annual participant attrition rate of 10-20% were assumed. For calculation purposes, an annual dividend of NOK 0.45 to NOK 0.90 were assumed for the various programs.

Employee share options are valued at fair value on the grant date. Their calculated value is recognised as a personnel expense, with a counter entry to other paid-in equity. The cost of share options is divided over the period until the employee becomes unconditionally entitled to exercise the options.

The social security tax costs associated with employees' taxable benefits are expensed as incurred over the accrual periods on the basis of the accrual rates and values at the balance sheet date. Share option costs (including employer's social security contributions) of NOK 1,655k were expensed in 2023 (NOK 1,454k in 2022).

4 Share-based remuneration, cont.

Programme	Out-standing 31.12.2022	Issued in 2023	Expired in 2023	Exer-cised in 2023	Out-standing 31.12.2023	Fair value when issued	Exercise price 1)	Share price when issued 2)	Date of issue	Exercise period
2019	260 000	-	-	260 000	-	NOK 1.66	NOK 10.29	NOK 10.29	17.12.2019	2023
2020 (1)	635 000	-	-	23 334	611 666	NOK 2.07	NOK 11.32	NOK 11.46	02.07.2020	2024
2020 (2)	375 000	-	-	-	375 000	NOK 2.45	NOK 13.91	NOK 13.91	23.12.2020	2024
2021	585 000	-	60 000	-	525 000	NOK 2.36	NOK 13.50	NOK 13.50	22.06.2021	2025
2022	940 000	-	20 000	-	920 000	NOK 2.34	NOK 12.50	NOK 12.50	22.06.2022	2026
2023	-	305 000	-	-	305 000	NOK 2.43	NOK 12.59	NOK 12.59	30.03.2023	2027
Total	**2 795 000**	**305 000**	**80 000**	**283 334**	**2 736 666**					

1) The exercise price is the average share price over the 10 days prior to the date the option is granted.
2) The exercise price is set at fair value on the date the option is granted. The company works on the basis that the exercise price is the same as the share price on the date the option is granted.

Programme	No. of options	Interest rate	Volatility	Lifetime
2019	-	0.99%	37.8%	4 years
2020 (programme 1)	611 666	0.28%	43.2%	4 years
2020 (programme 2)	375 000	0.54%	42.3%	4 years
2021	525 000	1.06%	41.7%	4 years
2022	920 000	3.20%	44.2%	4 years
2023	305 000	3.00%	45.7%	4 years
Total	**2 736 666**			

Employee share purchase programme
In 2017, Itera introduced an annual Employee Share Purchase Programme, where employees could purchase shares up to a market value of NOK 20,000 at a 20% discount. The programme has been repeated each year since 2017 until 2021.

After changes in Norwegian legislation in 2022 the programme was changed so that employees could purchase shares at a valuation discount. In 2023, this discount was calculated to be 23.5% related to a three-year lock-in period of the shares. 85 employees purchased a total of 177,941 shares in 2023. The discount is recognised against the equity.

Share purchase programme for managers and key personnel
In 2023, a Share Purchase Programme was offered to the Group's managers and key personnel in order to foster alignment of interests between executives and shareholders, as well as contribute to retention of key people.

Under the programme, the invitees were offered to purchase up to a defined number of shares at a valuation discount of 23.5%. The discount was related to a three-year lock-in period of the shares. The Company has an option to re-purchase all or some of the shares with the same discount in the event the shareholder terminates his or her employment in the Group within the lock-in period. 31 key employees and executives showed their long-term commitment by purchasing a total of 469,768 shares for a total investment of NOK 4.5 million under this programme. The discount is recognised against the equity.

5 Executive remuneration

This information is available in the separate Executive Remuneration Report for 2023 available on www.itera.com.

6 Pension

All of the Group's pension schemes are defined contribution schemes. The Group's pension expense is represented by the premiums paid and is included in payroll and personnel expenses in the Statement of Comprehensive Income. The Group's pension schemes in Norway comply with the Norwegian Mandatory Occupational Pension Act (OTP).

Pension cost

NOK 1 000	2023	2022
Norway	14 783	11 942
Sweden	328	-
Denmark	3 054	2 335
Iceland	133	133
Slovakia	12 402	8 750
Other locations	4 019	2 332
Total	**34 718**	**25 492**

7 Other operating expenses

NOK 1 000	2023	2022
Facilities	20 748	12 264
Office supplies	19 895	18 874
Professional fees	10 115	13 426
Courses	5 401	4 277
Travel and entertainment	6 525	4 670
Sales and marketing	4 675	3 837
Other operating expenses	1 308	2 715
Total	**68 666**	**60 063**

Fees to the auditors

NOK 1000, excluding VAT	2023	2022
Statutory audit of Itera ASA	458	506
Statutory audit of subsidiaries in Norway	447	333
Statutory audit of international subsidiaries	100	195
Audit fees	**1 005**	**1 034**
Tax advisory services	-	-
Fees for other certification services	-	-
Other services provided to subsidiaries in Norway	18	29
Other services provided to international subsidiaries	-	-

8 Financial income and expenses

NOK 1000	2023	2022
Interest income bank deposits	1 387	263
Foreign currency gains	-	225
Other financial income	879	1 437
Net financial income	**2 266**	**1 925**
Interest expense bank deposits	515	529
Interest expense long term liabilites	51	-
Foreign currency losses	1 288	-
Other financial expense	3 352	408
Total financial expenses	**5 206**	**938**

9 Taxes

NOK 1 000	2023	2022
Tax expense		
Tax payable	16 131	14 017
Change in deferred tax	2 506	20
Correction of previous years	278	(9)
Tax credit	(193)	(194)
Tax on discontinued operations	-	2 944
Total tax expense	**18 722**	**16 777**
Tax payable in the balance sheet:		
Profit before tax	75 412	64 823
Permanent tax differences	(2 092)	1 287
Changes in temporary differences	(4 154)	(6 623)
Tax losses carried forward	-	(308)
Total basis for tax payable	**69 165**	**59 179**
Tax payable Dec. 31	**16 267**	**13 035**
Tax paid in advance	226	79
Correction of previous years	-	-
SkatteFUNN	(4 116)	(808)
Deduction of tax paid in branch offices	(193)	(194)
Net tax payable Dec. 31	**12 183**	**12 112**

Taxes paid in advance is included in other current receivables.

Specification of the basis for deferred tax	2023	2022
Fixed assets	(7 956)	(11 565)
Current assets	-	1
Other temporary differences	947	756
Gain- and loss account	76	94
Other accruals	(36)	(411)
Tax losses carried forward	(3 835)	-
Remaining tax credit	-	(8 749)
IFRS 16	(234)	-
Total	**(11 041)**	**(19 875)**
Deferred tax	(2 630)	(4 388)
Deferred tax recognised in the balance sheet	(2 630)	(4 388)

9
Taxes, cont.

NOK 1 000	2023	2022
Reconciliation of tax rate		
Profit before tax	75 412	78 206
Tax calculated at the nominal corporation tax rate of 22%	16 591	17 205
Effect of change in the tax rate	-	-
Effect of differing tax rates for foreign subsidiaries	(145)	238
Effect of permanent differences	(461)	283
Effect of change in tax calculation previous years	1 925	-
Effect of other differences	866	(948)
Tax expense in profit and loss	18 722	16 777
Effective tax rate	**(24.8%)**	**(21.5%)**

10
Earnings and diluted earnings per share

NOK 1000, except earnings per share	2023	2022
Profit for the year	56 689	50 990
Average number of outstanding shares	81 062	80 852
Outstanding employee share options	2 737	2 895
Dilution effect of outstanding share options	14	107
Average number of shares including dilution	81 168	80 959
Earnings per share	0.70	0.76
Diluted earnings per share	0.70	0.76
Earnings per share cont. operations	0.70	0.63
Diluted earnings per share contin. operations	0.70	0.63

The average share price for 2023 calculated on the basis of the market closing price for the Itera share on each trading day (except for days when no shares were traded when the bid price has been used) was NOK 13.07.

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period, while diluted earnings per share calculations are performed using the average number of common shares and dilutive common shares equivalents outstanding during each period.

The share option exercise prices are NOK 12.59, NOK 12.50, NOK 13.50, NOK 13.91, NOK 11.46 and NOK 10.29 for 2023, 2022, 2021, 2020 (programme 2), 2020 (programme 1) and 2019 programmes, respectively.

11
Non-current assets

Tangible fixed assets are recognised at acquisition cost, less accumulated depreciation and accumulated impairment losses. Acquisition cost includes expenses directly attributable to purchasing the asset. Acquisition cost for assets developed in-house includes direct salary costs, other costs directly attributable to ensuring that the assets function as intended, and the costs of dismantling and removing the assets. Gains and losses on disposals of tangible fixed assets are presented as part of the operating profit/loss and calculated as the difference between the consideration received and the carrying value of the asset.

11
Non-current assets, cont.

Intangible assets
Intangible assets (capitalised development costs) are primarily related to the development of new concepts. These concepts are primarily related to contracts with fixed future income.

Research and development activities relate to significant new concepts or solutions. Costs are capitalised only to the extent that they can be measured reliably, the product or process is technically or commercially viable, the future economic benefits are likely, and the Group intends and has sufficient resources to complete its development as well as to sell or make use of it. Capitalised expenses include costs for materials, direct salary costs, and directly attributable overhead costs. Other development costs are expensed as incurred. Capitalised development expenditure is carried at cost minus amortisation and impairment.

Intangible assets not yet in use are tested for impairment annually or more often if indicators of impairment exist, whereas other assets are tested for impairment when circumstances indicate there may be a potential impairment.

For Itera's intangible assets, factors that could indicate impairment are the following:
1. significant underperformance relative to historical or projected future operating results.
2. significant changes in the use of the assets or the strategy for the overall business.
3. including assets that are decided to be phased out or replaced.
4. significant loss of market share and significant cost overruns in the development of assets.

No indications of intangible asset impairment have been identified during the current reporting period based on management's evaluation of abovementioned conditions. The company's intangible assets remain economically viable, and their value has not significantly declined.

In 2023, costs of NOK 8.8 million (NOK 9.7 million) incurred in connection with the development of products were capitalised. Expenditure incurred in connection with development work relates principally to the salaries and personnel costs of the employees involved in developing the concepts.

Intangible assets are assigned a useful life of 5 years, representing the anticipated period of economic benefit to the company.

11 Non-current assets, cont.

NOK 1 000	Development costs 2023	Software 2023	Sum 2023
Acquisition cost			
Accumulated at 1 January	69 752	3 489	73 241
Additions	8 812	57	8 870
Disposals	-	-	-
Translation differences	-	-	-
Accumulated at 31 December	**78 564**	**3 546**	**82 111**
Amortisation			
Accumulated at 1 January	37 082	2 974	40 056
Amortisation for the year	10 630	299	10 928
Amortisation on disposals in the year	-	-	-
Other changes	-	-	-
Accumulated at 31 December	**47 712**	**3 272**	**50 984**
Book value			
Book value at 1 January	32 670	515	33 185
Book value at 31 December	**30 852**	**274**	**31 127**
Estimated useful life	3-5 years	3-5 years	
Amortisation plan	linear	linear	

NOK 1 000	Development costs 2022	Software 2022	Sum 2022
Acquisition cost			
Accumulated at 1 January	60 095	4 698	64 793
Additions	9 657	117	9 773
Disposals	-	(1 325)	(1 325)
Translation differences	-	-	-
Accumulated at 31 December	**69 752**	**3 489**	**73 241**
Amortisation			
Accumulated at 1 January	26 418	3 545	29 963
Amortisation for the year	10 664	314	10 978
Amortisation for the year related to disc.op.	-	116	116
Amortisation on disposals in the year	-	(1 002)	(1 002)
Other changes	-	-	-
Accumulated at 31 December	**37 082**	**2 974**	**40 056**
Book value			
Book value at 1 January	33 675	1 154	34 826
Book value at 31 December	**32 670**	**515**	**33 185**
Estimated useful life	3-5 years	3-5 years	
Amortisation plan	linear	linear	

11 Non-current assets, cont.

Property, plant and equipment

NOK 1 000	Office machinery & equipment 2023	Fixtures and fittings 2023	Sum 2023
Acquisition cost			
Accumulated at 1 January	34 384	7 676	42 061
Additions	8 442	2 467	11 908
Disposals	(5 068)	(2 884)	(7 952)
Translation differences	273	63	335
Accumulated at 31 December	**38 030**	**7 322**	**45 353**
Depreciation			
Accumulated at 1 January	24 348	4 922	29 269
Depreciation	6 059	1 364	7 423
Depreciation on disposals	(4 811)	(2 833)	(7 644)
Translation differences	91	-	91
Accumulated at 31 December	**25 687**	**3 453**	**29 139**
Book value			
Book value at 1 January	10 036	2 755	12 790
Book value at 31 December	**12 344**	**3 869**	**16 213**
Estimated useful life	3–5 years	5–7 years	
Depreciation plan	linear	linear	

NOK 1 000	Office machinery & equipment 2022	Fixtures and fittings 2022	Sum 2022
Acquisition cost			
Accumulated at 1 January	34 775	7 715	42 490
Additions	5 682	822	6 503
Disposals	(5 217)	(567)	(5 785)
Translation differences	(855)	(293)	(1 148)
Accumulated at 31 December	**34 384**	**7 676**	**42 061**
Depreciation			
Accumulated at 1 January	22 719	4 041	26 760
Depreciation	6 169	1 503	7 672
Depreciation on disposals	(4 049)	(445)	(4 493)
Translation differences	(492)	(177)	(669)
Accumulated at 31 December	**24 348**	**4 922**	**29 270**
Book value			
Book value at 1 January	12 056	3 674	15 729
Book value at 31 December	**10 036**	**2 755**	**12 790**
Estimated useful life	3–5 years	5–7 years	
Depreciation plan	linear	linear	

12
Right-of-use assets and lease liabilities

The Group has leasing contracts in connection with its office premises and company cars.

The Group had a liability for rent of premises and company cars totalling NOK 77.5 million at 31 December 2023.

Rental agreements	**Lease expiration**
Office premises	
Head office Oslo, Norway	30.05.2030
Bergen, Norway	30.04.2028
Bryne, Norway	30.06.2028
Fredrikstad, Norway	31.07.2027
Copenhagen, Denmark	30.06.2031
Kyiv, Ukraine	07.11.2025
Bratislava, Slovakia	16.03.2028
Company car, Oslo, Norway	20.05.2025

Incremental borrowing rate	**Date**	**Rate**
Leased office premises, Bratislava	01.10.2021	0.95%
Leased office premises, Fredrikstad, Norway	01.05.2022	3.74%
Leased office premises, Kyiv	07.12.2022	6.22%
Leased company cars, Norway	01.05.2022	2.77%
Leased office premises, Oslo, Norway	15.06.2023	5.29%
Leased office premises, Bryne, Norway	01.07.2023	5.87%
Leased office premises, Bergen, Norway	01.10.2023	6.22%

To determine the present value of future lease payments, the Group discounts the lease payments using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate reflects the rate at which the

Group could borrow an amount similar to the value of the right-of-use asset in a similar economic environment.

Right-of-use assets

	2023		
	Leased IT equipment	**Leased office premises and other**	**Sum**
Net value at 1 January	-	28 271	28 271
Additions	-	58 708	58 708
Disposals	-	-	-
Depreciation	-	(13 948)	(13 948)
Depreciation related to discontinued operations	-	-	-
Translation differences	-	1 552	1 552
Net value at 31 December	**-**	**74 582**	**74 582**

12
Right-of-use assets and lease liabilities, cont.

	2022		
	Leased IT equipment	**Leased office premises and other**	**Sum**
Net value at 1 January	1 258	29 659	30 917
Additions	-	10 789	10 789
Disposals	(616)	-	(616)
Depreciation	-	(13 102)	(13 102)
Depreciation related to discontinued operations	(641)	-	(641)
Translation differences	-	926	926
Net value at 31 December	**-**	**28 271**	**28 271**

Lease liabilities

	2023	
Future minimum lease payments are as follows	**Leased office premises and other**	**Sum**
Up to 1 year	17 166	17 166
1 to 5 years	65 882	65 882
Over 5 years	4 729	4 729
Future minimum lease payments	**87 777**	**87 777**
Future interest up to 1 year	3 292	3 292
Future interest 1 to 5 years	6 614	6 614
Future interest over 5 years	383	383
Discounted present value of future minimum lease payments	**77 487**	**77 487**
Of which		
- current liabilities	13 874	13 874
- non-current liabilities	63 613	63 613

	2022	
Future minimum lease payments are as follows	**Leased office premises and other**	**Sum**
Up to 1 year	9 912	9 912
1 to 5 years	18 138	18 138
Over 5 years	3 403	3 403
Future minimum lease payments	**31 542**	**31 542**
Future interest up to 1 year	737	737
Future interest 1 to 5 years	1 054	1 054
Future interest over 5 years	66	66
Discounted present value of future minimum lease payments	**29 595**	**29 595**
Of which		
- current liabilities	9 175	9 175
- non-current liabilities	20 420	20 420

The total cash outflow relating to leases was NOK 15.2 million in 2023. The Group does not have significant residual value guarantees related to its leases.

12
Right-of-use assets and lease liabilities, cont.

Short-term or low-value lease agreements
The Group has other lease contracts with low value or short contract terms where the Group has decided to not recognise lease liabilities or right-of-use assets. These leases are instead expensed when they incur. Short-term leases expensed in 2023 amounted to NOK 4.3 million.

Extension options and future agreements
Several of the Group's lease agreements for rent of office premises include a right of renewal which may be exercised during the last period of the lease term. The Group's potential future lease payments not included in the lease liabilities related to extension options is MNOK 30.8 (gross) at 31 December 2023.

Variable lease payments
The Group has no variable lease payments.

Interest expense
The interest expense was MNOK 2.3 in 2023 compared to MNOK 0.6 in 2022.

13
Contract assets, contract costs and contract liabilities

Significant changes in contract assets

NOK 1 000	2023	2022
Balance, beginning of period	**225**	**1 120**
Net additions arising from operations in the period	3 452	225
Amounts billed in period and thus reclassified to accounts receivables	(226)	(1 121)
Changes in impairment allowances	-	-
Balance, end of period	**3 452**	**225**

Significant changes in contract costs

NOK 1 000	2023	2022
Balance, beginning of period	**1 345**	**4 035**
Costs capitalised in the period	-	-
Amortisation	(1 345)	(2 690)
Impairment losses	-	-
Balance, end of period	**(0)**	**1 345**

Significant changes in contract liabilities

NOK 1 000	2023	2022
Balance, beginning of period	**14 840**	**18 318**
Increases due to cash received, excluding amounts recognised as revenue during the period	14 292	13 762
Revenue recognised that was included in the contract liability balance at the beginning of the period	(14 840)	(17 240)
Balance, end of period	**14 292**	**14 840**

14
Accounts receivable

NOK 1 000	2023	2022
Gross accounts receivable at 31 Dec	107 770	98 971
Provision for bad debts	-	-
Net accounts receivable at 31 Dec	**107 770**	**98 971**

Aging of receivables	Total	Not due	< 30 days	30–60 days	60–90 days	> 90 days
Accounts receivable 2023	**107 770**	**72 591**	**28 767**	**1 660**	**1 415**	**3 337**
Accounts receivable 2022	98 971	78 513	15 935	1 606	252	2 665

Accounts receivable by currency	2023	%	2022	%
NOK	84 024	78%	78 809	79%
SEK	136	0%	-	0%
DKK	8 367	8%	15 349	16%
UAH	205	0%	435	0%
EUR	-	0%	36	0%
ISK	15 037	14%	4 342	4%
Sum	**107 770**	**100%**	**98 971**	**100%**

Change in provisions for bad debts

NOK 1 000	2023	2022
Provision for bad debts at 1 Jan	-	(150)
Additional provisions	-	150
Used provisions	(29)	-
Provision for bad debts at 31 Dec	**(29)**	**-**

Losses on accounts receivable are classified as operating expenses in the Consolidated Income Statement. A loss of NOK 28.9k was recognised in 2023, NOK 0.7k in 2022. Maximum credit risk is equivalent to the figure for net accounts receivable shown in the table above.

15
Financial assets and financial liabilities

NOK 1 000

Financial assets	2023	2022
Trade receivables	107 770	98 971
Cash and cash equivalents	49 209	41 934
Total	**156 979**	**140 905**

Financial liabilities	2023	2022
Long term leasing liabilities	63 613	20 420
Trade payables	18 288	16 760
Short term leasing liabilities	13 874	9 175
Total	**95 776**	**46 535**

There are no material differences between the recognised and fair value of financial assets and liabilities.

16 Other current assets

NOK 1 000	2023	2022
Prepaid expenses	8 192	7 249
Other current receivables	3 980	5 412
Total	**12 172**	**12 661**

17 Cash and cash equivalents

NOK 1 000	2023	2022
Cash and bank deposits	49 209	41 934
Restricted cash	(14 122)	(11 974)
Unrestricted cash and cash equivalents	**35 087**	**29 960**
Undrawn credit facilities	35 000	35 000
Cash reserve	**70 087**	**64 960**

Cash and cash equivalents per currency:

NOK 1 000	2023	2022
NOK	19 810	21 798
DKK	2 710	3 562
EUR	15 718	3 634
USD	10 657	10 251
Other	313	2 690
Cash and cash equivalents	**49 209**	**41 934**

Restricted cash include the employees' tax withholdings.

The Group has a multi-currency cash-pool agreement with Danske Bank.

The overdraft facility agreement with Danske Bank has the following financial covenant:
* NIBD / EBITDA (net interest-bearing debt ratio) shall not be more than 2.25.

This key ratio is assessed as at December 31st each year and at the latest 120 days after year-end.

The Group had borrowings of NOK 4.75 million from Danske Bank as at 31 December 2023.

As collateral for the line of credit, the bank has a pledge on the customer receivables of the Norwegian subsidiaries.

Refer to note 26 for Alternative Performance Measures

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18 Shareholders

Share capital
Itera ASA's share capital on 31 December 2023 was NOK 24,655,987 made up of 82,186,624 fully paid shares each with nominal value of NOK 0.30. All shares in Itera have the same dividend and voting rights.

Ownership structure
At the close of 2023, Itera ASA had 2,063 (2,042) shareholders. Of these 7% (6%) were foreign shareholders. The company's 20 largest shareholders owned 74 % (73%) of the company's shares at year-end.

Holdings of own shares
The Itera Group held 1,611,602 own shares at the start of 2023. The Group purchased 973,722 own shares in 2023. 931,043 own shares were used in connection with share option programme and employee share purchase programme. The Itera Group held 1,654,281 own shares at the end of 2023.

Payments for the purchase of own shares are recognised as a reduction in equity and proceeds from any sales as an increase. Transaction costs directly related to equity transactions less taxes are recognised against equity as a reduction in the proceeds.

Dividend
An ordinary dividend of NOK 0.30 per share NOK 24.7 million based on the 2022 result was paid in June 2023. A supplementary dividend of NOK 0.40 per share NOK 32.9 million was paid in November 2023. An ordinary dividend of NOK 0.40 per share (NOK 32.9 million) is proposed based on the 2023 result. The Board will also ask for an authorisation to pay a supplementary dividend later in the year.

20 largest shareholders in Itera ASA at 31 December 2023	Shares	%
Arne Mjøs Invest AS*	27 363 031	33.3%
OP Capital AS	4 625 242	5.6%
GIP AS	4 285 000	5.2%
Septim Consulting AS	3 235 343	3.9%
Boinvestering AS	2 947 862	3.6%
Gamst Invest AS	2 590 070	3.2%
DZ Privatbank S.A.	2 200 000	2.7%
Jøsyra Invest AS	2 200 000	2.7%
Eikestad AS	2 130 000	2.6%
Itera ASA	1 654 281	2.0%
Jon Erik Høgberg	1 197 356	1.5%
Aanestad Pangari AS	950 000	1.2%
Framar Invest AS	802 800	1.0%
Kim-Kjetil Grøsland	741 445	0.9%
Jetmund Gunnar Nyvang	714 600	0.9%
Altea AS	700 000	0.9%
Lars Peter Jensen	639 350	0.8%
Morten Johnsen Holding AS	600 000	0.7%
Sober Kapital AS	575 786	0.7%
Bent Hammer	566 695	0.7%
Total 20 largest	**60 718 861**	**73.9%**
Other shareholders	21 467 763	26.1%
Total all issued	**82 186 624**	**100.0%**

19 Long-term interest-bearing debt

During the year, the company entered into a new long-term interest-bearing debt agreement, with the following terms and conditions:

1. **Lender:** Danske Bank
2. **Loan Amount:** 5 million NOK
3. **Interest Rate:** NIBOR 3 months + 1.95% p.a.
4. **Loan Term:** 5 years
5. **Repayment:** The loan is repayable in equal quarterly instalments over the term of the loan.

NOK 1 000	2023
Opening balance at 1 Jan	-
New loan agreement	5 000
Repayment of debt	(250)
Closing balance at 31 Dec	**4 750**

The bank loan is classified and measured at amortised cost in accordance with IFRS 9 Financial Instruments. Under the amortised cost method, the loan was initially recognised at its fair value plus any directly attributable transaction costs.

The bank loan is presented as a non-current liability in the balance sheet, with the portion due within one year classified as a current liability. At 31 December 2023 the remaining liability was 4.75 million, of which 1.0 million classified as a current liability.

This note should be read in conjunction with Note 22 – Financial Risk Management.

20 Other current liabilities

NOK 1 000	2023	2022
Holiday pay	32 194	25 972
Accrued wages and bonuses	16 419	24 484
Accrued other expenses	15 413	11 435
Total	**64 026**	**61 891**

21 Exchange rates

Information on the exchange rates applied by the Itera Group in 2023.

	Jan 1	Average	Dec 31
SEK	0.95	1.00	1.01
DKK	1.41	1.53	1.51
EUR	10.51	11.42	11.24
UAH	3.69	3.47	3.75
USD	9.86	10.56	10.17
ISK	0.07	0.08	0.07
CZK	0.44	0.48	0.45
PLN	2.25	2.52	2.59

22 Financial risk management

The Itera Group is exposed to financial risks such as: credit risk, liquidity risk, currency risk and interest rate risk. The Group's exposure to these risks is considered to be low. The Group has established guidelines to manage its exposure to these risks. The main principle is to minimise exposure to financial risks, and the Group accordingly holds no financial assets or liabilities for speculative purposes.

The Group's nearshore operations in Ukraine, Slovakia, the Czech Republic and Poland expose it to risk, such as country risk, IT security risks and the risk of corruption. Itera has a zero-tolerance policy on corruption.

Credit risk

Credit risk is the risk of financial loss to the Group's receivables due from customers and other short-term receivables. In order to manage this risk, the Group has established credit approval procedures to evaluate the creditworthiness of all material counterparties The Group's exposure to credit risk is not dependent on individual customers but customers as a group. The amount is examined as of every closing date. The provision is supported by historical credit loss experience of trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Information on the Group's risk exposure in respect of accounts receivable is provided in note 14. The Group's customers are private and public companies. The Group assesses the credit worthiness of all new customers and periodically for existing customers.

During the year, the company entered into a new loan agreement with Danske Bank. The purpose of this loan was to finance some of the fixtures and fittings for the new headquarter to preserve its dividend payout capacity.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity in such a way as to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due without incurring unacceptable losses or risking damage to the Group's reputation. The Group has established an overdraft facility with its banking partner. See note 17 for further information.

The amounts disclosed in the table below are the contractual undiscounted cash flows.

NOK 1 000	Less than 6 months	6–12 months	1–5 years	Over 5 years	Total
Balance at 31st Dec 2023					
Accounts payable	18 288	-	-	-	18 288
Leasing liabilities	6 937	6 937	59 268	4 346	77 488
Balance at 31st Dec 2022					
Accounts payable	16 760	-	-	-	16 760
Leasing liabilities	4 587	4 587	17 083	3 337	29 594

Currency risk

The Group is exposed to currency risk through its businesses in Sweden, Denmark, Iceland, Ukraine, Slovakia, the Czech Republic and Poland. The exposure to currency risk is limited by the fact that businesses in Sweden, Denmark and Iceland have revenue and costs in their local currency, and in addition most borrowing is arranged within the Group. Of the Group's total revenue, 11% is in Danish kroner (DKK). A 10% change in the NOK exchange rate against DKK would have a 0.7% effect on the Group's revenue. The effect of currency deviation on financial assets and liabilities denominated in non-functional currency is not material.

22 Financial risk management, cont.

The Group's Central and Eastern European companies operate in five different currencies: USD, Euro, Czech koruna, Polish zloty and Ukrainian Hryvna. The main exposure is in USD, which is the primary currency used in the Ukrainian operation. The Group has to a large extent currency adjustment mechanisms in its agreements with customers to counteract its exposure to USD and Euros, where service fees for distributed services are denominated in USD or EUR and converted to Nordic currencies at the start of the monthly delivery period.

Interest rate risk
The Group is exposed to interest rate risk in relation to its bank deposits. The Group is also exposed in connection with its bank loan and when drawing against the overdraft facility. The Group does not hold any financial securities or other assets that have an inherent interest rate risk. The effect on profit and loss of change in interest rate is insignificant.

Fair value
Itera does not have significant differences between fair value and book value in respect of financial instruments, which mainly comprise accounts receivable and accounts payable, other current receivables and other current liabilities and lease liabilities.

Capital management
The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The company's risk management committee reviews the capital structure of the company on a semi-annual basis.

23 Transactions with related parties

There were no other transactions between the Group and related parties in the period from 1 January to 31 December 2023 other than those described in note 2.

24 Discontinued operations

In accordance with previously communicated plans, Itera discontinued its data centre operations on 31 March 2022. The remaining business that had not already been migrated to the cloud was sold to Move AS on 31 March 2022 with effect from 1 April 2022. All remaining customer and supplier contracts related to Itera's data centre operations were transported to Move in the transaction. The segment is being reported as discontinued operations in the current period. The results of the discontinued operations are presented in the income statement as a single line item, separate from the continuing operations of the company. In 2023 there were no transactions related to discontinued operations.

24 Discontinued operations, cont.

The following table presents the results of the discontinued operation for the comparative period:

Financial performance and cash flow information	2022
Revenue	7 340
Operating expenses	20 723
Operating profit	**(13 383)**
Income taxes	(2 944)
Net income	**(10 438)**
Net cash flow from operating activities	(13 260)
Net cash flow from investing activities	1 055
Net cash flow from financing activities	(982)
Net increase in cash generated by the subsidiary	**(13 187)**

The carrying amount of the assets and liabilities of the discontinued operation as of the date of disposal was as follows:

	31 March 2022
Lease contracts	1 049
Other assets	815
Net assets sold	**1 863**

Details of the sale of the segment:

	2022
Cash received	1 055
Carrying amount of net assets sold	1 863
Net loss on sale before income tax	**(808)**

25 Subsequent events

After the reporting period ended on 31 December 2023 and up to the date these consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

26 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.

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.

Equity ratio is calculated as total equity as a proportion of total equity and liabilities.

NIBD/EBITDA ratio is calculated as the interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA.

Non-recurring costs relate to costs and provisions incurred to optimise the cost base. Adjusted EBITDA, Adjusted EBIT and corresponding margins are used to depict such figures excluding the non-recurring costs.

Contents

Itera ASA

Income statement

Itera ASA 1 January – 31 December

NOK 1 000	Note	2023	2022
Sales revenue	1	61 149	54 183
Other revenue		357	
Operating revenue		**61 506**	**54 183**
Salaries and personnel expenses	2,3,4	35 245	31 953
Depreciation and amortisation	5	1 269	1 194
Other operating expenses	2	31 835	27 837
Total operating expenses		**68 349**	**60 984**
Operating profit (loss)		**(6 843)**	**(6 801)**
Income from investments in subsidiaries	6	72 502	53 844
Interest income from companies in the same group		291	191
Other financial income		1 806	317
Interest expense to companies in the same group		3 733	1 152
Other financial expense		361	573
Agio (disagio)			
Net financial income		**70 505**	**52 627**
Profit before income tax		**63 663**	**45 826**
Income taxes	7	137	(47)
Net profit for the year		**63 526**	**45 873**
Allocation of profit/loss:			
To supplemental dividend	11	32 875	24 656
To ordinary dividend	11	32 875	24 656
To/from other equity	11	(2 223)	(3 439)
Total allocation		**63 527**	**45 873**

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Statement of financial position

Itera ASA 31 December

NOK 1 000	Note	2023	2022
ASSETS			
Deferred tax assets	7	238	375
Intangible assets	5	168	363
Property, plant and equipment	5	3 617	927
Investment in subsidiaries	8	116 041	116 041
Total non-current assets		**120 064**	**117 706**
Receivables from group companies	9	10 338	9 085
Other receivables		4 224	5 460
Cash and cash equivalents	9, 10	29 220	19 982
Total current assets		**43 781**	**34 527**
TOTAL ASSETS		**163 845**	**152 233**

Statement of financial position

Itera ASA 31 December

NOK 1 000	Note	2023	2022
EQUITY AND LIABILITIES			
Share capital	11	24 656	24 656
Other paid-in capital	11	19 632	13 229
Own shares	11	(496)	(483)
Total paid-in capital		**43 792**	**37 402**
Other equity	11	16 491	26 632
Total retained earnings		**16 491**	**26 632**
Total equity		**60 282**	**64 033**
Long term debt	12	4 750	-
Total long term liabilities		**4 750**	**-**
Accounts payable		3 613	3 727
Tax payable	7	-	-
Public fees payable	13	25 065	22 212
Liabilities to group companies	9	32 726	31 922
Proposed dividend	11	32 875	24 656
Other current liabilities		4 534	5 684
Total current liabilities		**98 813**	**88 201**
Total liabilities		**103 563**	**88 201**
TOTAL EQUITY AND LIABILITIES		**163 845**	**152 233**

Oslo, 24 April, 2024
The Board of Directors of Itera ASA

Åshild Hanne Larsen
Board member

Helge Leiro Baastad
Board member

Jan-Erik Karlsson
Board member

Gyrid Skalleberg Ingerø
Board member

Siren Tønnesen
Board member
(Employee elected)

Hans Joachim Trøbråten
Board member
(Employee elected)

Morten Thorkildsen
Chairman of the board

Arne Mjøs
Chief Executive Officer

Statement of cash flows

Itera ASA 1 January – 31 December

NOK 1 000	Note	2023	2022
Cash flow from operating activities			
Profit before tax		63 663	45 826
Dividend and group contribution recognised but not paid	6	(72 502)	(53 844)
Share option costs		495	333
Depreciation and amortisation	5	1 269	1 194
Change in accounts payable		(114)	302
Change in other accruals		(37)	(856)
Net cash flow from operating activities		**(7 226)**	**(7 045)**
Cash flow from investment activities			
Sale of fixed assets		357	-
Purchases of property, plant and equipment and intangible assets	5	(3 808)	(137)
Payments from group contributions and dividends from subsidiaries		54 130	46 937
Payments of liabilities to group companies		-	(1 114)
Payments of receivables from group companies		-	927
Net cash flow from investment activities		**50 679**	**46 613**
Cash flow from financing activities			
Net change in group cash pool		20 587	144
Cash settlement of options contract	11	-	-
Equity settlement of options contract	11	2 943	-
Payments for purchases of own shares	11	(11 873)	(9 086)
Proceeds from sales of own shares	11	6 237	6 559
Long term borrowings	12	4 750	-
Dividend paid		(56 860)	(40 451)
Net cash flow from financing activities		**(34 216)**	**(42 835)**
Net change in cash and cash equivalents		**9 236**	**(3 267)**
Cash and cash equivalents as at 1 January		19 982	23 249
Cash and cash equivalents as at 31 December		**29 219**	**19 982**

General information and significant accounting principles

General information
The accounts for Itera ASA have been prepared in accordance with the Accounting Act of 1998 and the generally accepted accounting principles in Norway (NGAAP). In cases where the notes for the parent company are significantly different from the notes for the Group, these are provided below. Reference is otherwise made to the information in the notes for the Group.

Estimates and judgment
Preparing accounts in accordance with Norwegian Generally Accepted Accounting Principles involves management making judgments, estimates and assumptions that influence the accounting principles that are applied and the amounts that are reported for assets, liabilities, revenue and costs. Actual amounts may vary from the estimated amounts. The estimates and underlying assumptions used are evaluated continuously. Changes in accounting estimates are recognised in the period in which the estimates are changed and in all future periods that are affected by the changes.

Subsidiaries
Investments in subsidiaries are valued at acquisition cost less any write downs. Investments are written down when impaired unless the impairment is regarded as temporary. Impairment losses are reversed if the basis for the impairment loss is no longer present. Dividends, group contributions and other distributions from subsidiaries are recognised in profit and loss on the same date as they are recognised in the accounts of subsidiaries. If the distributions paid by a subsidiary exceed the profit earned by the company during any given ownership period, these are regarded as repayments of the investment and the carrying value of the investment is reduced.

Currency
Transactions involving foreign currencies are translated into functional currency using the exchange rates that are in effect at the time of the transactions. Gains and losses that arise from the payment of such transactions and the translation of monetary items in foreign currencies at the rates in effect on the date of the balance sheet are recognised in the income statement. The Company uses the Norwegian kroner (NOK) as both its functional and presentation currency.

Share capital
Ordinary shares are classified as equity. Costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Purchase of own shares
Where the Company purchases its own shares, the consideration paid, including any directly attributable costs, is recognised as a change in equity. Own shares are presented as a reduction in equity, net of any tax effects. When the Company sells or reissues it own shares, the consideration received is recognised as an increase in equity, and gains or losses arising from such transactions are applied to retained earnings.

Intangible assets
Intangible assets are recognised on the balance sheet if it can be shown to be probable that there will be future economic benefits attributable to the assets and their cost price can be estimated reliably. Intangible assets are carried at cost price.

Tangible fixed assets
Tangible fixed assets are carried at acquisition cost less accumulated depreciation and accumulated impairment losses. If the fair value of a tangible fixed asset is lower than its carrying value and the impairment is not temporary, the asset is written down to fair value.

General information and significant accounting principles, cont.

Impairment
At each balance sheet date, the Company assesses whether there are objective indications that assets may be impaired. Assets that are individually significant are tested for impairment on an individual basis. The remaining assets are assessed collectively or in groups of assets that share similar credit risk characteristics. All impairment losses are charged to profit and loss. Impairment losses are reversed if the reversal can be objectively linked to an event that occurs after the loss was recognised.

Pension plan
The Company has a defined contribution pension plan. The contributions are recognised as salaries and personnel cost in the income statements as they incur.

Share-based remuneration
Employee share options at Itera give employees the right to subscribe to shares in Itera ASA at a future point at a predetermined price (exercise right). This right is dependent on the employee still being employed at the time of exercise. The value of share options is calculated at grant date and expensed as a personnel cost over the vesting period. Options are normally granted with a subscription price equal to the average share price over the ten days prior to the grant date. The social security tax costs associated with employees' taxable benefits are expensed as incurred over the accrual periods on the basis of the accrual rates and values at the balance sheet date.

Operating revenue
The parent company's operating revenue arises from the shared services it delivers through its Group Functions in the accounting/finance, HR, IT, QA, Security and communication areas. Its revenue is based on a cost-plus model and is recognised when the services are delivered. Revenue recognition follows the accrued revenue principle.

Financial income and expense
Financial income comprises interest income from financial investments and group contributions and dividends from subsidiaries. Group contributions and dividends are recognised in profit and loss on the same date that they are recognised by the company from which they are received. Financial expense comprises interest expense on borrowings.

Tax expense
Tax expense comprises both tax payable and changes in deferred tax. Tax expense is recognised in the profit and loss account. Deferred tax assets and liabilities are calculated using the liability method on a non-discounted basis and are calculated for all differences arising between accounting values and tax values of assets and liabilities as well as for losses carried forward. Deferred tax assets on net tax-reducing differences that have not been eliminated and tax losses that are to be carried forward are recognised on the basis of expected future earnings.

1 Transactions with related parties

Itera has structured internal support processes in the areas of accounting/finance, HR, internal IT, QA, Security and communication as Group Functions. These functions are part of Itera ASA and work with subsidiaries. The parent company invoices these subsidiaries on a cost-plus model. In 2023 Itera ASA invoiced NOK 61.1 million (NOK 54.2 million) in respect of these services. See note 1 in the consolidated financial statement for an overview of the ownership structure.

2 Salaries, personnel expenses and other remuneration

NOK 1000	2023	2022
Salaries	28 921	26 029
Share option costs	12	333
Social security tax	4 126	3 304
Pension costs	1 210	974
Other personnel costs	976	1 313
Total salaries and personnel expenses	**35 245**	**31 953**
Average number of employees	23	23

For information on salaries and other remuneration of the executive management refer to the Remuneration Report.

Auditor

Analysis of remuneration paid to the auditor:

	2023	2022
Statutory audit	458	506
Tax advice	-	-
Other services	18	29
Total fees paid to the auditor	**476**	**535**

3 Pensions

Itera ASA operates a defined contribution pension scheme. The Company's pension expense is represented by the premiums paid, and totalled NOK 1,210k in 2023 (NOK 974k). The Company's pension scheme complies with the Norwegian Mandatory Occupational Pension Act (OTP).

4 Share-based remuneraton

Share option costs (including employer's social security contributions) of NOK 479k were expensed in 2023 (NOK 326k in 2022). See note 4 in the consolidated financial statements for further information on share-based remuneration.

Pro-gramme	Out-standing 31.12. 2022	Issued 2023	Expired in 2023	Exercised in 2023	Out-standing 31.12. 2023	Fair value when issued	Exercise price [1]	Share price when issued [2]	Date of issue	Exercise period
2020	120 000	-	-	-	120 000	NOK 2.07	NOK 11.46	NOK 11.46	02.07.2020	2024
2021	130 000	-	-	-	130 000	NOK 2.36	NOK 13.50	NOK 13.50	22.06.2021	2025
2022	120 000	-	-	-	120 000	NOK 2.34	NOK 12.95	NOK 12.95	22.06.2022	2026

1) The exercise price is the average share price over the 10 days prior to the date the option is granted.
2) The exercise price is set at fair value on the date the option is granted. The company works on the basis that the exercise price is the same as the share price on the date the option is granted.

Programme	No. of share options	Interest rate	Volatility	Lifetime
2020	120 000	0.28%	43.2%	4 years
2021	130 000	1.06%	41.7%	4 years
2022	120 000	3.20%	44.2%	4 years
Total	**370 000**			

5 Non-current assets

NOK 1 000	Research and develop-ment	Soft-ware	Total intan-gible assets	Office machin-ery & equip-ment	Fixtures and fittings	Total property, plant and equip-ment	Total non-current assets
Acquisition cost							
Accumulated at 1 January	1 918	1 459	**3 377**	2 588	3 968	**6 555**	9 933
Additions	-	11	**11**	2 988	809	**3 797**	3 808
Disposals	-	-	**-**	(52)	(2 870)	**(2 922)**	(2 922)
Accumulated at 31 December	**1 918**	**1 470**	**3 388**	**5 524**	**1 906**	**7 430**	**10 818**
Depreciation and amortisation							
Accumulated at 1 January	1 918	1 096	**3 014**	2 021	3 607	**5 628**	8 642
Depreciation and amortisation	-	206	**206**	759	304	**1 063**	1 269
Depreciation and amortisa-tion on disposals	-	-	**-**	(52)	(2 827)	**(2 879)**	(2 879)
Accumulated at 31 December	**1 918**	**1 302**	**3 220**	**2 728**	**1 085**	**3 813**	**7 033**
Book value							
Book value at 1 January	-	363	**363**	567	360	**927**	1 290
Book value at 31 December	**-**	**168**	**168**	**2 796**	**822**	**3 617**	**3 785**
Estimated useful life	3-5 years	3-5 years		3-5 years	3-5 years		
Depreciation plan	linear	linear		linear	linear		

6 Income from investments in subsidiaries

Itera ASA has recognised the following income in its annual accounts from its investment in its subsidiaries:

NOK 1 000 Company name	Dividend	Group contribution	Total
Itera Norge AS	33 000	3 178	**36 178**
Itera Offshoring Services AS	9 000	-	**9 000**
Compendia AS	5 000	-	**5 000**
Itera Aps	12 066	-	**12 066**
Cicero Consulting AS	-	5 777	**5 777**
Itera ehf	4 482	-	**4 482**
Total income from investment in subsidiaries	**63 548**	**8 955**	**72 502**

7 Income taxes

NOK 1 000	2023	2022
Tax expense for the year		
Current tax on profit for the year	-	-
Change in deferred tax	137	(47)
Total tax expense for the year	**137**	**(47)**
Tax payable		
Profit before tax	63 663	45 826
Permanent differences	(63 039)	(46 039)
Change in temporary differences	(625)	-
Utilisation of losses carried forward	-	-
Basis for current tax, taxable revenue	**-**	**(213)**
Tax payable in the balance sheet	**-**	**-**
Specification of the basis for deferred tax		
Fixed assets	(1 071)	(1 680)
Other temporary differences	(9)	(24)
Total temporary differences	(1 080)	(1 705)
Losses carried forward	-	-
Basis for deferred tax	**(1 080)**	**(1 705)**
Deferred tax asset (-) / Deferred tax liability (+)	**(238)**	**(375)**
Reconciliation from nominal to effective tax rate		
Expected tax at nominal corporation tax rate of 22%	14 006	10 082
Effect of permanent differences (22%)	(13 868)	(10 129)
Effect of change in the tax rate on calculation of deferred tax asset	0	(0)
Tax charge in the income statement	**137**	**(47)**

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8 Shares in subsidiaries

NOK 1 000	Registered office	Share capital[1]	Share holding	Book value 1 Jan.	Change	Book value 31 Dec.	Profit/Loss in 2023	Equity in 2023
Itera Norge AS	Oslo	1 000	100%	51 713	-	51 713	34 478	30 588
Itera Offshoring Services AS	Oslo	200	100%	7 500	-	7 500	6 381	10 685
Cicero Consulting AS	Oslo	200	100%	16 474	-	16 474	4 520	10 234
Compendia AS	Bryne	182	100%	14 475	-	14 475	5 524	7 249
Itera ApS	Copenhagen	1 424	100%	16 717	-	16 717	11 447	4 689
Itera ehf	Reykjavik	34	100%	34	-	34	5 730	3 421
Itera Consulting Group Ukraine, LLC	Kyiv	7 125	100%	9 127	-	9 127	(297)	6 792
Total				**116 041**	**-**	**116 041**	**67 783**	**73 657**

1) Itera Sverige AB is owned by Itera Norge AS, with book value of NOK 1.3 million.

9 Balances between companies in the same group, including cash pool

Receivables from Group companies

NOK 1 000 Company name	2023	2022
Itera Norge AS	4 045	3 620
Itera ApS	192	893
Cicero Consulting AS	28	41
Compendia AS	227	182
Itera Offshoring Services AS	1 521	1 218
Itera Sverige AB	53	-
Itera ehf	4 271	3 131
Total	**10 338**	**9 085**

Receivables from group companies consist of group accounts receivables, receivables from group companies relating to the group's joint value added tax registration (see Note 12).

Liabilities to Group companies

NOK 1 000 Company name	2023	2022
Itera Norge AS	4 521	6 773
Compendia AS	4 267	5 019
Cicero Consulting AS	11 509	10 315
Itera ApS	3 757	-
Itera Offshoring Services AS	8 671	9 815
Itera ehf	-	-
Total	**32 726**	**31 922**

Liabilities to group companies consist of bank deposits held by subsidiaries in group cash pool, payables to group companies relating to the group's joint value added tax registration and net of receivables in relation to group contributions and dividends.

9 Balances between companies in the same group, including cash pool, cont.

Cash Pool
In the group's cash pool, Itera ASA is responsible both for its own deposits/drawings and for deposits/drawings made by the subsidiaries. The figures reported for bank deposits held by Itera ASA in the balance sheet include deposits paid into the cash pool by the subsidiaries, which are netted against the parent company's drawings. The bank deposits held by the subsidiaries in the cash pool are reported in the parent company accounts as liabilities to group companies.

10 Restricted deposits

Itera ASA holds NOK 29.2 million (20.0 million) in cash and bank deposits, of which NOK 1.1 million (NOK 1.0 million) is on restricted accounts for payment of payroll tax deductions.

11 Additional equity information

NOK 1 000	Share capital	Own shares	Other paid-in capital	Other equity	Total equity
Equity at 01 January 2022	**24 656**	**(491)**	**7 166**	**37 694**	**69 025**
Net income for the period	-	-	-	(7 478)	**45 873**
Share option costs	-	-	333	-	**333**
Employee share purchase programme	-	204	6 355	-	**6 559**
Purchase of own shares	-	(197)	(625)	(8 265)	**(9 086)**
Equity settlement of options contract	-	-	-	-	**-**
Ordinary dividend	-	-	-	(24 656)	**(24 656)**
Supplementary dividend	-	-	-	(24 656)	**(24 656)**
Dividend own shares	-	-	-	642	**642**
Equity at 31 December 2022	**24 656**	**(483)**	**13 229**	**26 632**	**64 033**
Net income for the period	-	-	-	63 526	**63 526**
Share option costs	-	-	495	-	**495**
Employee share purchase programme	-	194	6 043	-	**6 237**
Purchase of own shares	-	(292)	(2 993)	(8 589)	**(11 873)**
Equity settlement of options contract	-	85	2 858	-	**2 943**
Ordinary dividend	-	-	-	(32 875)	**(32 875)**
Supplementary dividend	-	-	-	(32 875)	**(32 875)**
Dividend own shares	-	-	-	671	**671**
Equity at 31 December 2023	**24 656**	**(496)**	**19 632**	**16 490**	**60 282**

See note 4 and 18 in the consolidated financial statements for further information on share-based remuneration and share capital.

12 Long term debt

During the year, the company entered into a new long-term interest-bearing debt agreement, with the following terms and conditions:

1. **Lender:** Danske Bank
2. **Loan Amount:** 5 million NOK
3. **Interest Rate:** NIBOR 3 months + 1.95% p.a.
4. **Loan Term:** 5 years
5. **Repayment:** The loan is repayable in equal quarterly instalments over the term of the loan.

The bank loan is presented as a non-current liability in the balance sheet. The remaining debt at 31.12.31 is 4,750k, and interest paid during 2023 was 51k.

13 Public taxes and duties payable

The Norwegian companies in the group are jointly registered for value added tax and other taxes and duties, and accordingly the figures reported for public taxes and duties payable include value added tax payable by the other Norwegian companies in the group. The total VAT liability is included in the parent company accounts but is offset by intragroup receivables due from subsidiaries.

14 Financial risk management

The Group is exposed to various financial risks, such as credit risk, liquidity risk, currency risk and interest rate risk. These risks are regarded as low. The Group has established procedures for managing these risks. The main principle is to minimise the level of financial risk, and the Group on this basis holds no assets or liabilities for speculative purposes. See note 22 to the group accounts for further information on financial risk management.

Statement by the Board of directors and the CEO

The Board of Directors and the CEO have today approved the annual report and annual accounts of the Itera ASA group and the parent company for the 2023 calendar year and as at 31 December 2023 (2023 Annual Report).

We confirm that, to the best of our knowledge:

- The consolidated accounts have been prepared in accordance with the IFRS and related interpretations as approved by the EU and with the additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as in effect at 31 December 2023.
- The annual accounts of the parent company have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles as in effect at 31 December 2023.
- The annual report of the group and the parent company, including the statements on corporate governance and on corporate social responsibility, has been prepared in accordance with the requirements of the Norwegian Accounting Act and Norwegian Accounting Standard No. 16 as in effect at 31 December 2023.
- The information contained in the accounts provides a true and fair view of the group's and the parent company's assets, liabilities, financial position and earnings taken as a whole at 31 December 2023.
- The annual report of the group and the parent company provides a true and fair view of:
  – the developments, earnings and financial position of the group and the parent company
  – the principal risk and uncertainty factors facing the group and the parent company

Oslo, 24 April 2024

The Board of Directors and the CEO of Itera ASA

Morten Thorkildsen
Chairman of the board

Helge Leiro Baastad
Board member

Jan-Erik Karlsson
Board member

Gyrid Skalleberg Ingerø
Board member

Åshild Hanne Larsen
Board member

Siren Tønnesen
Board member

Hans Joachim Trøbråten
Board member

Arne Mjøs
Chief Executive Officer

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To the General Meeting of Itera ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Itera ASA, which comprise:

- the financial statements of the parent company Itera ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Itera ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 22 May 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Group's business activities are largely unchanged compared to last year. *Recognition of Revenue* contains the same characteristics and risks as last year and continues to be an area of focus this year.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters	How our audit addressed the Key Audit Matter
Recognition of Revenue	
The Group's revenue for the year ended 31 December 2023 amounted to NOK 871 581 thousand. Most of the Group's revenue is derived from transfer of services over time, but some revenues are also derived from point-in-time contracts. Revenue from subscription contracts is recognised over the contract period, in accordance with IFRS 15. We considered recognition of revenue to be a key audit matter because revenue makes a material part of the financial statement. Additionally, there is an inherent risk of error due to the significant number of transactions and underlying data involved, and because recognition of revenue sometimes is complex. Refer to note 2 to the consolidated financial statements, and the summary of significant accounting policies for further details on the Group's revenue recognition.	We obtained an understanding of the revenue recognition process through interviews with management and reviews of the Group's process and policy documentation. We evaluated management's policies for revenue recognition and whether they were in accordance with IFRS 15. For a sample of contracts, we also tested the application of management's accounting policies. We identified, assessed, and tested the design and operating effectiveness of management's internal controls over revenue recognition. The internal controls included controls over change of data in the Group's billing system to ensure accuracy and validity of revenues. We traced a sample of sales transactions to supporting documentation to test the accuracy, validity, and cut-off of revenues. Based on our understanding of the standard flow of revenue transactions, we also performed analytical procedures to further test the accuracy and validity of the transactions. Our procedures included comparing booked revenues throughout the year to receipts of payments. We noted no significant deviations as a result of our audit procedures. We assessed and found the relevant disclosures about revenue recognition to be appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and other information accompanying the financial statements. The other information compromises information in the annual report, but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

pwc

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Itera ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXFZFK03-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 24 April 2024
PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant

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Shares and shareholders

The objective of Itera ASA (the Company) is to ensure its shareholders a competitive return in the form of dividends and higher share price in comparison with alternative investments.

Shareholder policy

Itera endeavours to ensure shareholders a competitive return on their investment in the form of a higher share price and dividends. The share price shall reflect the Company's earnings and underlying values. Open communication and equally treatment of the shareholders shall contribute to increased share-holder values and trust among investors.

Investor information

Itera ASA was listed on the Oslo Stock Exchange (OSE) on 27 January 1999 under the ticker code ITE, which in 2021 was changed to ITERA. The Company shall treat all shareholders equally con-cerning information which may affect the market value of the shares. All information of relevance for the share price is published via the notification system of the Oslo Stock Exchange as well as on the Company's website www.itera.com, to ensure such information is made available to all stakeholders simultaneously. The quarterly reports are also made available on Itera's website in the form of online webcasts. The shares have been assigned the ISIN NO 0010001118, and the Company's organization number at the Norwegian Brønnøysund Regis¬ter Centre is NO 980 250 547.

Share capital

Itera ASA's share capital at 31 December 2023 was NOK 24,655,987.20 made up of 82,186,624 fully paid shares each with nominal value of NOK 0.30.

All shares have the same voting rights at the General Meeting.

Shareholders

As of 31 December 2023, Itera had 2,063 (2,042) shareholders. At year-end, 7% (6%) of the Company's shares were owned by foreign investors. The Company's twenty largest investors owned 74% (73%) of the Company's shares.

Dividend

During 2023, dividends of NOK 0.70 (0.50) per share were paid, for a total of NOK 56.9 (41.1) million.

Share price

The Itera share price opened the year at NOK 13.20 and closed at NOK 12.05, corresponding to a change of -9%, or -3% including dividend payments in the period. The highest share price during the year was NOK 16.05 and the lowest price was NOK 10.60. Itera had a market value corresponding to MNOK 990 (1,085) million at 31 December 2023.

Share option schemes

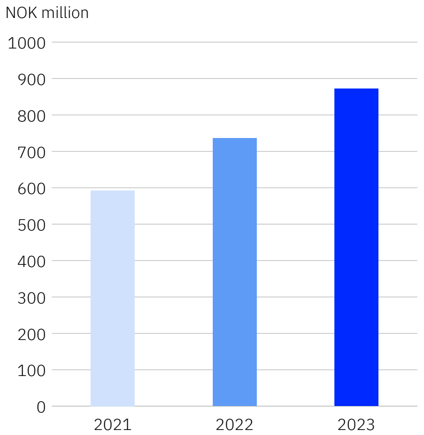
The Company has established option programmes for key personnel. Current share option programmes were implemented in 2020, 2021, 2022 and 2023. There were 2,736,666 outstanding share options at year-end. Reference is also made to Note 4 to the Consolidated Financial Statements.

Major shareholders

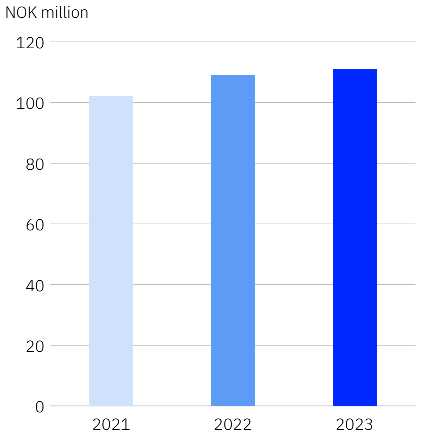
For major shareholders, see note 18 in the consolidated accounts.

Development 2021–2023
(continuing operations)

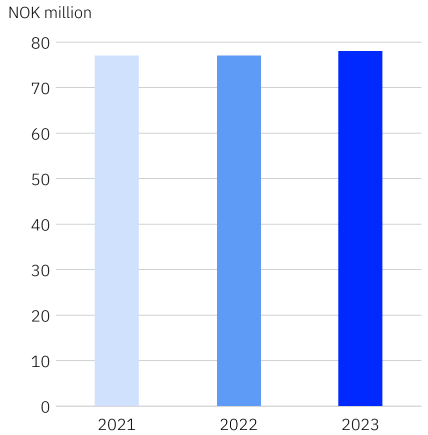
Revenue



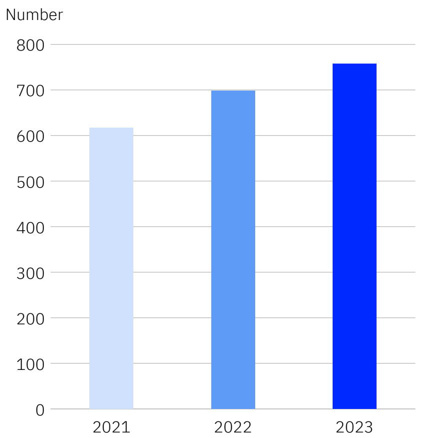
EBITDA



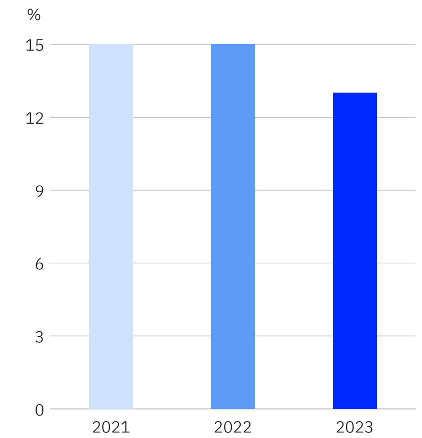
EBIT



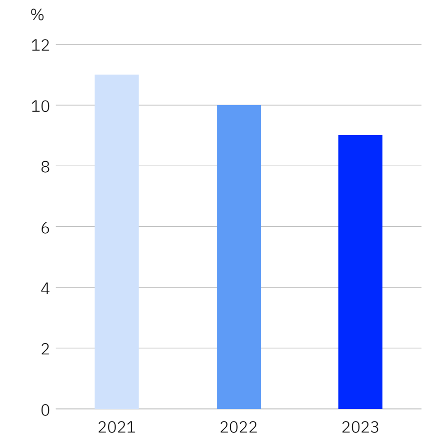
Employees



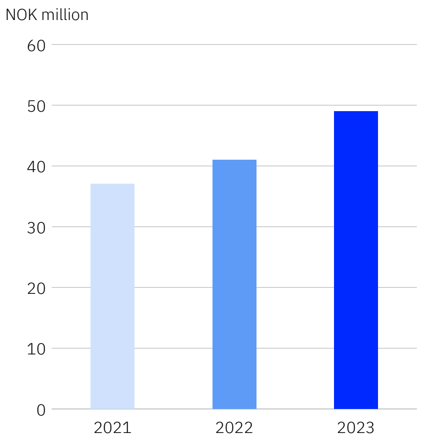
EBITDA margin



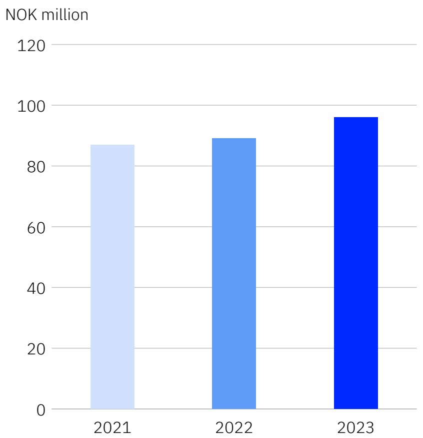
EBIT margin



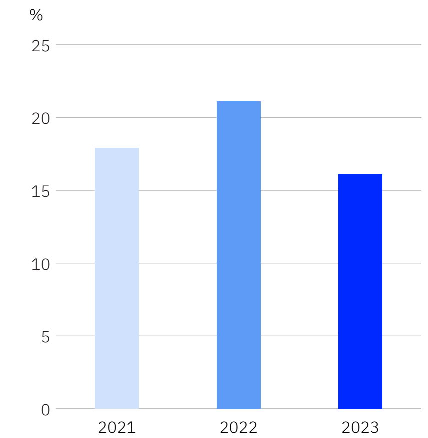
Bank deposits



Cash flow



Equity ratio



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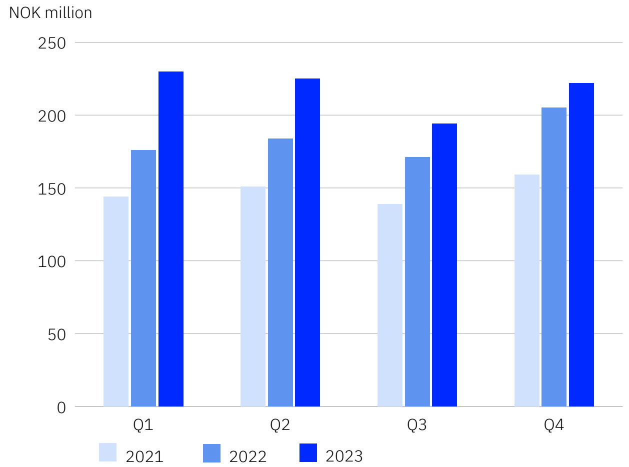
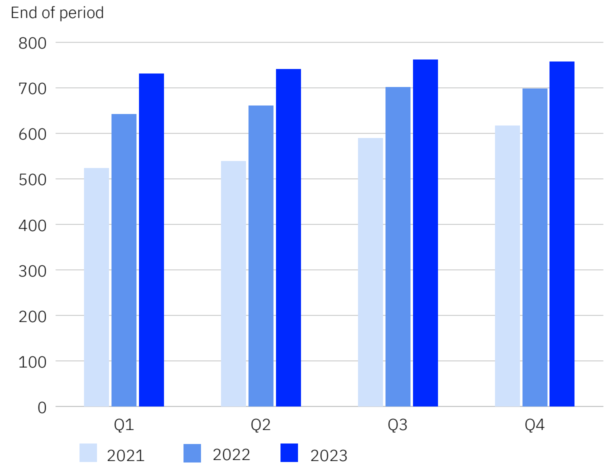
Quarterly development 2021–2023
(continuing operations)

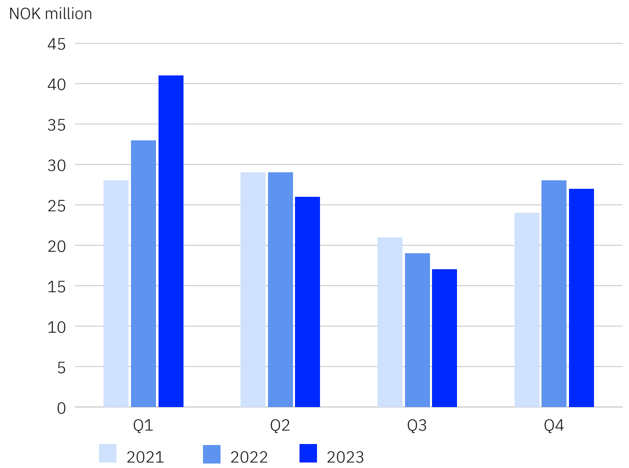
Revenue



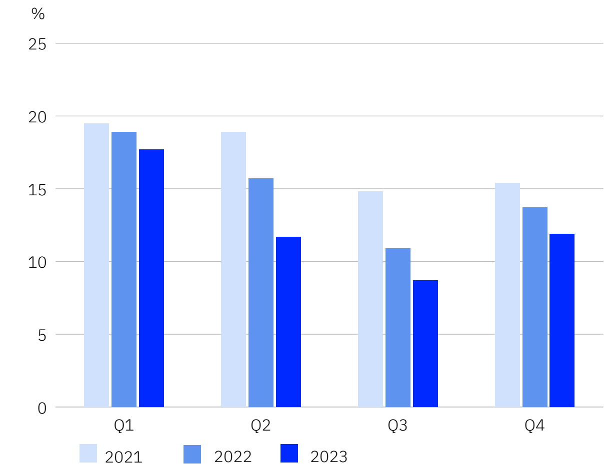
Employees



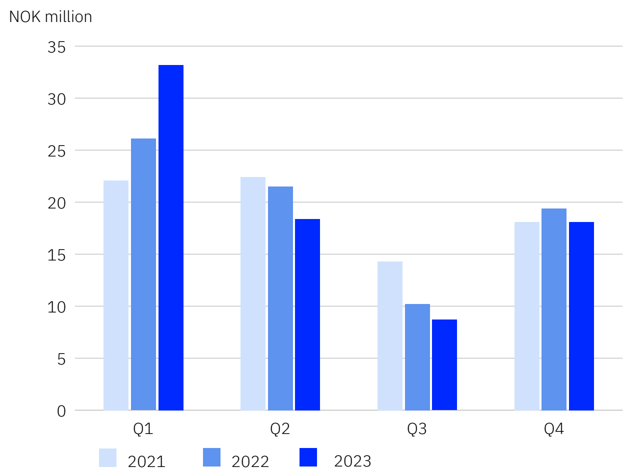
EBITDA



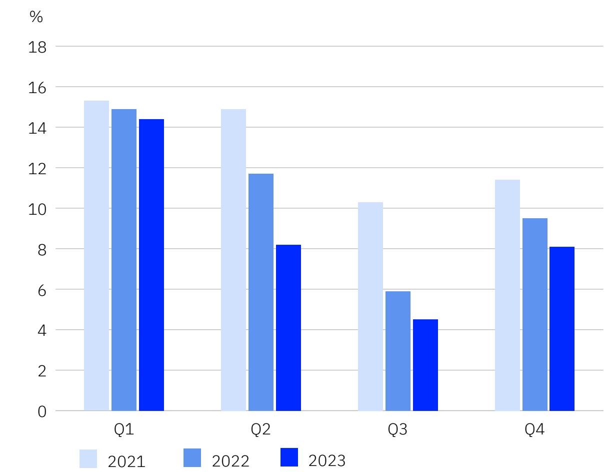
EBITDA margin



EBIT



EBIT margin



ITERA

Make a difference

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