



Q1

2024

Make a difference

Agenda

1. Highlights of the quarter
2. Business review
3. Financial review
4. Outlook
5. Q&A

Arne Mjøs
CHIEF EXECUTIVE OFFICER



Bent Hammer
CHIEF FINANCIAL OFFICER



1 Highlights Q1 2024



Q1 in brief

–1%

**Organic revenue
growth**

8.4%

EBIT margin

Market

The pace of spending and the overall business landscape have changed, but the fundamental importance of digital technology has not.

Cloud, data and AI

Strong demand in the green transition and areas like cloud migration and modernization, data and AI.

New product

Launching of Itera's AI platform, named Sapience to provide people with Generative AI in a safe, secure and efficient way.

Order intake

Seasonal variations in order intake with book-to-bill of 1.0 in Q1 and 1.0 last 12 months.

Swedish expansion on track.

Performance

Growth and profitability impacted by 3% fewer working days due to Easter and lower utilization rate.

Business optimization program on track for stronger resilience.

Cashflow

Cashflow from operations NOK -7 million in Q1, impacted by receivables falling due during Easter

NOK 70 million last 12 months, with EBITDA-to-Cash conversion of 80%

Dividend

Proposed ordinary dividend for 2023 of NOK 0.40 per share with authorization to pay a supplementary dividend later

People

Temporarily slower pace of intake of new employees.

Number of employees increased by 5 employees (1%) during the last 12 months.

Key figures

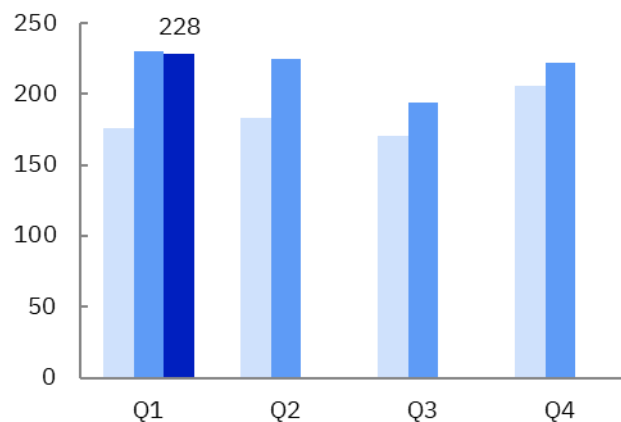
Q1
-1%

**Organic revenue
growth**

Revenues

NOK million

2022 2023 2024



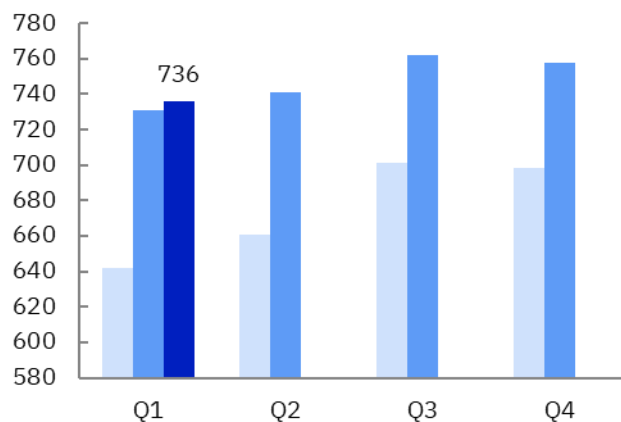
Q1
1%

**Growth in number of
employees last 12 months**

Employees

End of period

2022 2023 2024



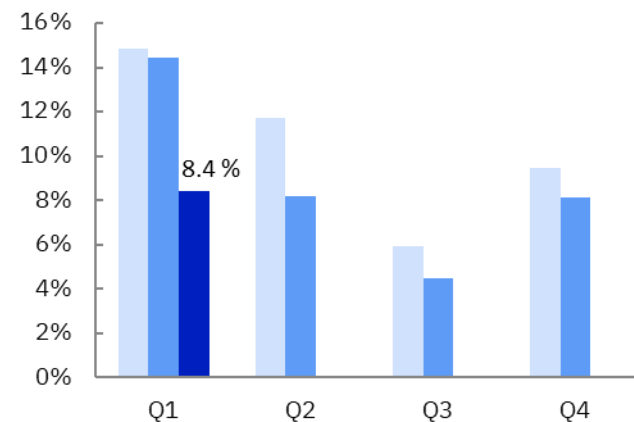
Q1
8.4%

EBIT margin

EBIT margin

%

2022 2023 2024



2 Business review





2023

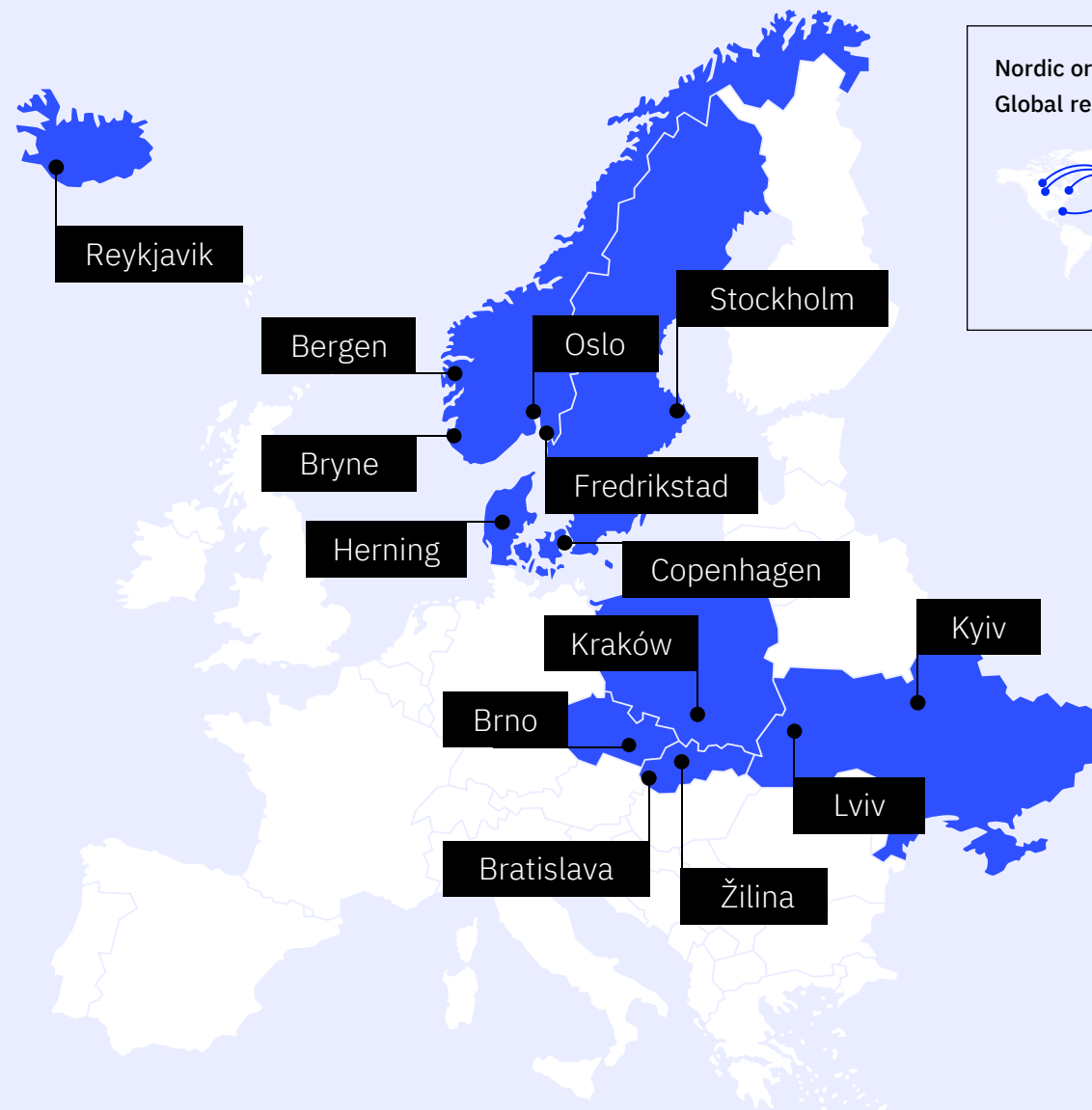
Positioned to accelerate the digital transformation

We are specialists in sustainable digital transformation

The Nordics is often positioned as digital and sustainable front-runner that show the way globally.

We are growing together with international customers and partners based on our ONE Itera model across borders.

Our Digital Factory with cross-functional teams across border was recognised as best in the world by Global Sourcing Association in 2018.

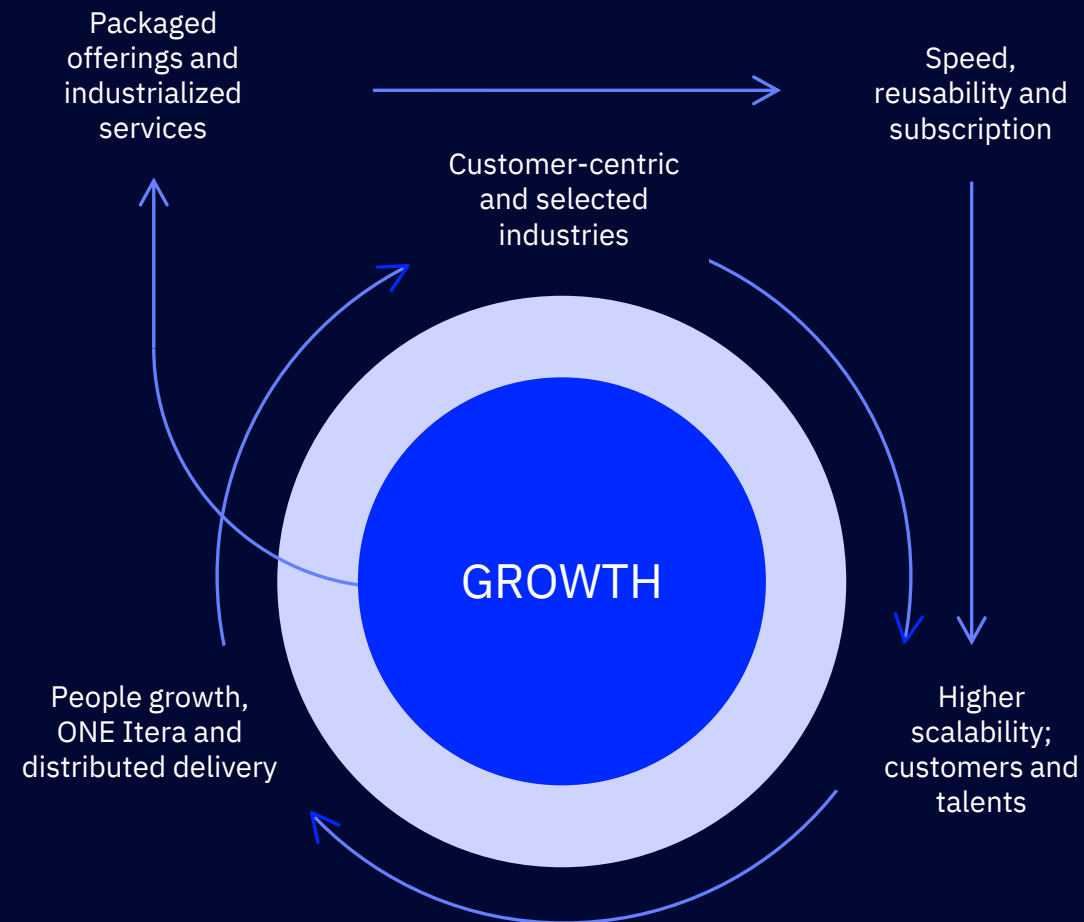


Nordic origin.
Global reach.



Our steady growth organic model

We have built a strong international ONE Itera operating model and will see more of divergence in the linearity between headcount and revenue growth.



Our priorities in 2024

1

Strengthen demand generation through customer squads

2

Leverage Digital Factory and cloud journeys

3

Explore and capitalize on growth opportunities in data, Low-Code and AI

4

Build on our strong position to grow outside Norway

Being smart in cost discipline

Community of practices and people development

Operational excellence

Hello Sapience!

Itera has launched its own Generative AI platform, “Sapience” which provides every employee with Generative AI in a safe, secure and efficient way.

As a platform, the bounds of what value we can create is only limited by our collective imagination.

Sapience is the result of a collaborative effort. We are immensely proud of the team and everyone involved in making this possible.

This release marks only the beginning of our collective exploration into creating value with AI.

Sapience was released April 11th.



Hello Sapience!

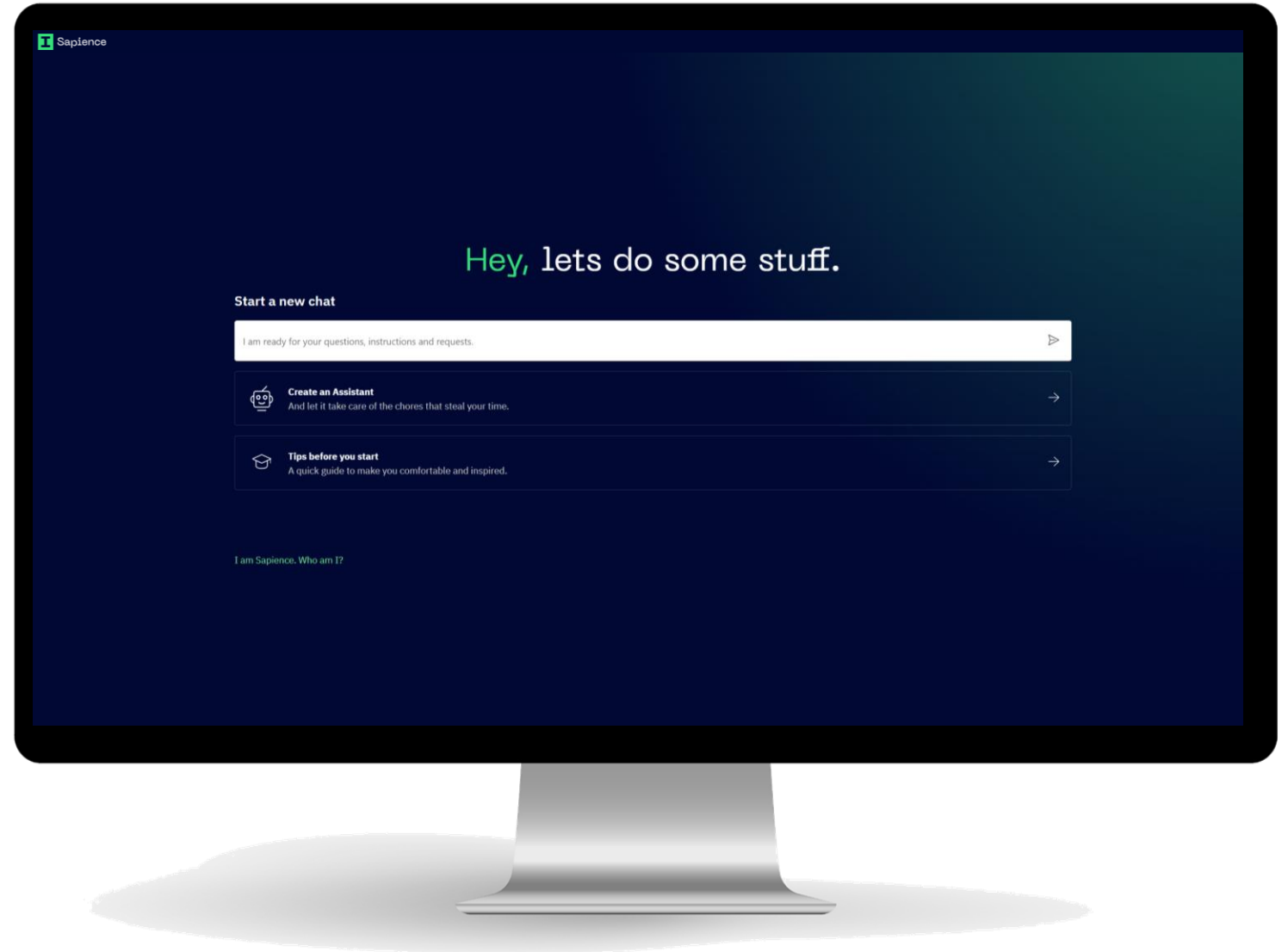
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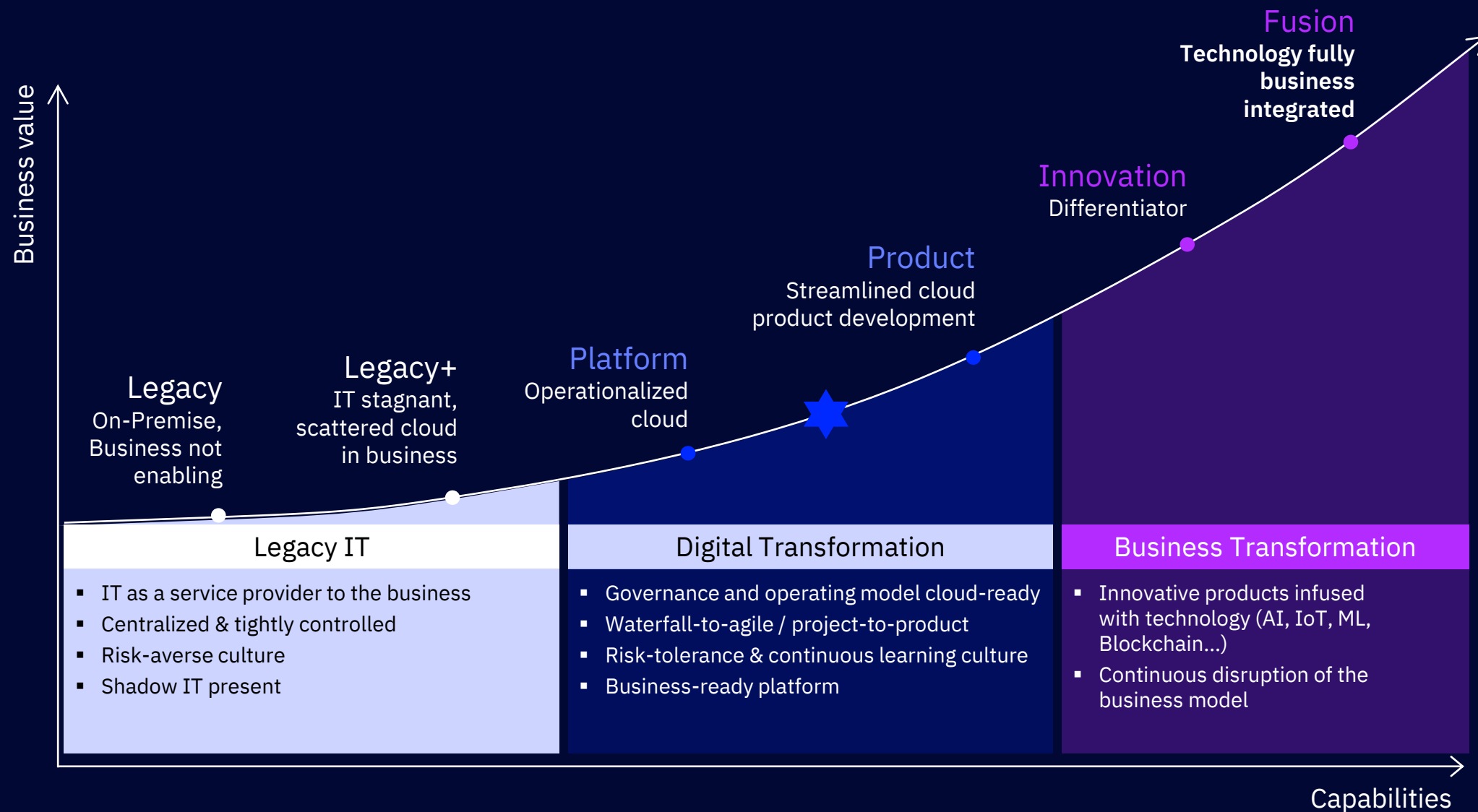
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Digital and Business Transformation



Digital/AI transformation + Energy = The new power couple

Climate-neutral
economy is
possible by green
technologies

Green
digitalization
as a driver for
sustainability

AI technologies
can help reduce
CO2 emissions

Coordinated efforts
are needed to
create a green
digital economy

DIGITAL AND BUSINESS TRANSFORMATION
Processes, People and Culture

DIGITAL FACTORY
Doing more with less

Digital Factory at Scale: Doing more with less

Organizations with Developer Velocity in the top quartile achieve¹:

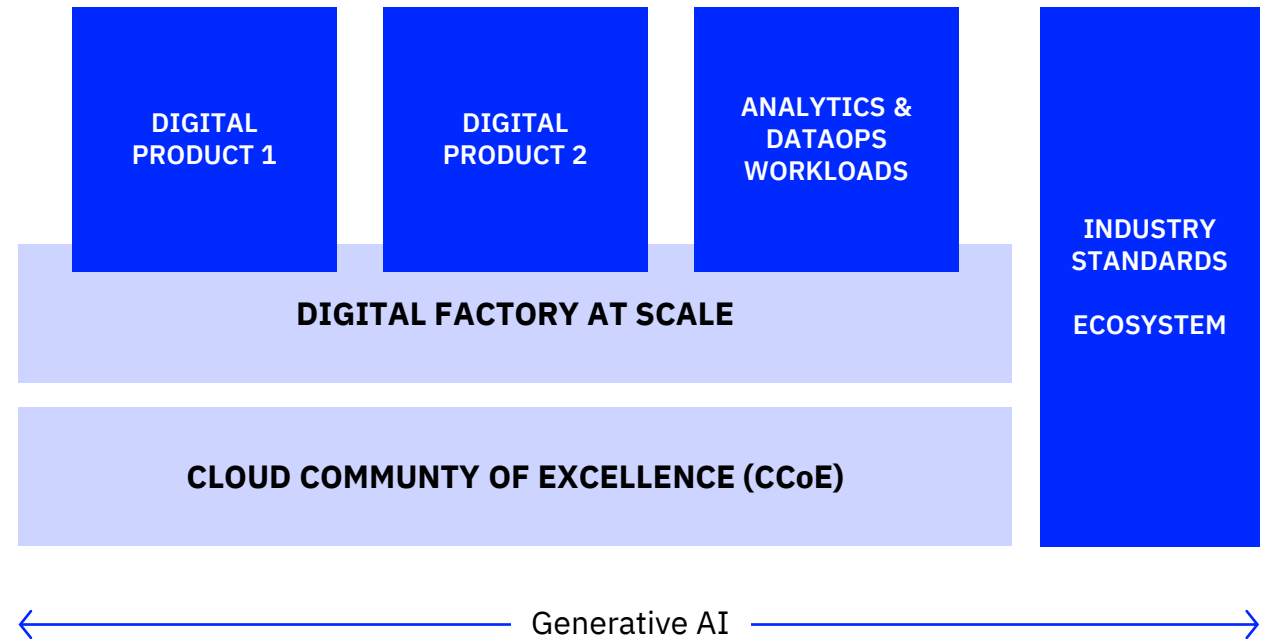
4-5

times faster
revenue growth

55%

higher
innovation

ENERGY BUSINESS & DIGITAL STRATEGY



¹McKinsey & Company: Driving business outcomes through Developer Velocity 2020 and McKinsey Developer Velocity Survey, Expert Interview

Accelerating Digital Transformation in the Energy industry

Capitalizing on the energy transition, Itera leverages digital solutions through cloud, data and AI.

80%

Growth 2022-2023

Eviny

Enduring partnership with **Eviny**, supporting their transformative phase and securing significant engagements in Q1.

Å Entelios

Awarded the next phase of development for a new customer solution for **Å Entelios**, enabling easier and better access to energy data.

Vattenfall

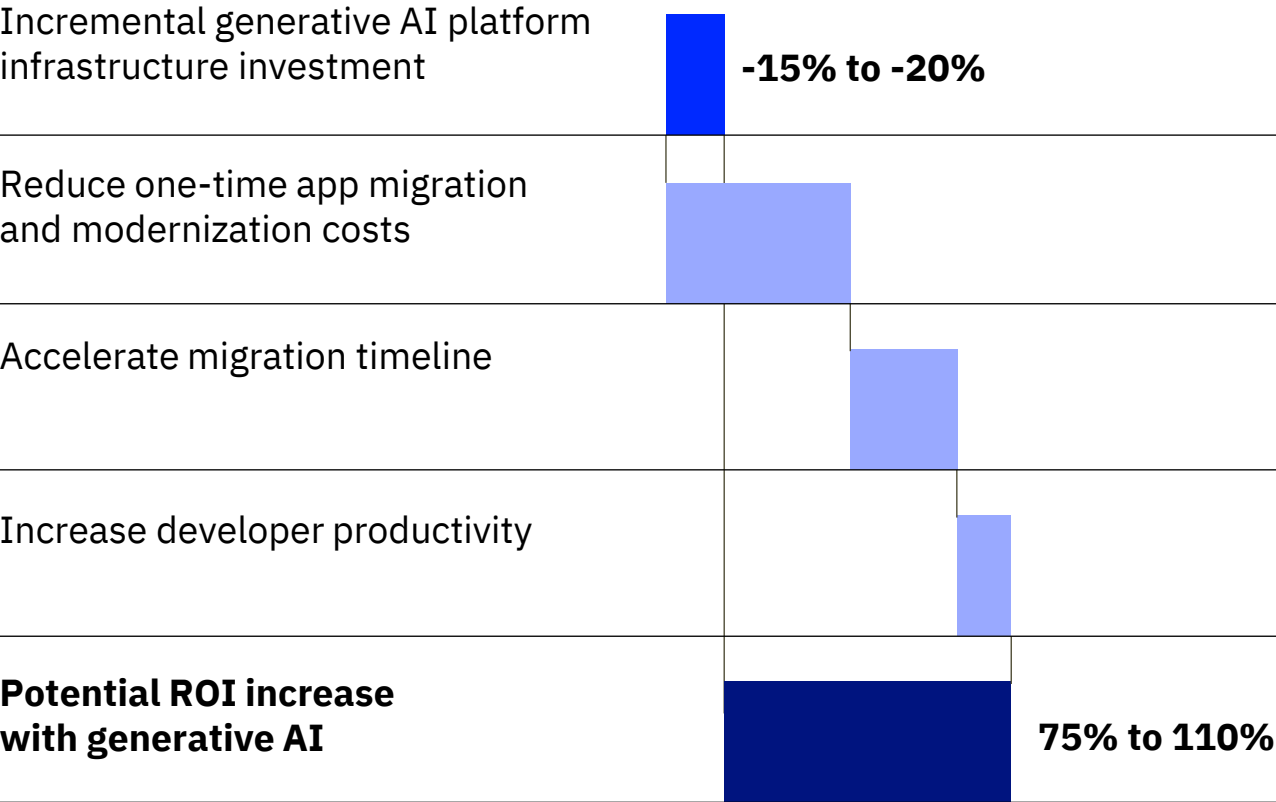
Fruitful partnership with **Vattenfall**, collaborating on projects and business development initiatives across Sweden, Denmark, and Finland.

Capture Energy

Another startup company as new customer, **Capture Energy**, specializing in grid-scale battery energy storage systems.

Generative AI tools can increase cloud ROI by 75-110%

ENHANCED VALUE GENERATION



KEY TOPICS

- 30-40% increase in cloud foundations** (establishing foundational LLM models/adopting generative AI solutions, new recurring cloud platform spend)
- 30-40% lower cost of migration and modernization of workloads for cloud**, driven by generative AI-enabled discovery, spec engineering, code refactoring, QA/test
- 20-30% timeline acceleration in migrating/modernizing workloads** to cloud, mitigating stalled migration value leakage drivers
- 30-50% faster new application development**/feature release, driven by tools as GitHub, Copilot, Starcoder
- Increase in overall cloud program ROI**, driven by generative AI adoption across activities

New agreement to transform an Icelandic customer

Cloud & Application Services celebrated a key victory by signing an agreement with Wise, an Icelandic company specializing in comprehensive business software solutions.

Wise's offerings are meticulously crafted to empower organizations to make well-informed decisions based on reliable data extracted from their business systems.

- This partnership is set to revolutionize Wise's operations through strategic cloud migration and growth initiatives, drawing upon our expertise in collaboration with Experience.
- The contract with Wise highlights our ability to directly transfer valuable investment insights from Itera to our customers' strategies.



The power of AI in testing

Itera sent some of our top talented QA experts on tour. With a breakfast seminar titled “Quality matters: Improve time to market with testing”, they demonstrated the future of Quality Assurance!

One of the reason for our successful high quality software development process, is applying automation and AI in streamlining testing processes.

By strategically managing distributed teams, organisations can achieve efficiency, productivity, and quality in their QA efforts.



↑ Galyna Baranets, QA Lead in Itera, on stage in Iceland.

Rebuilding Ukraine, the digital transformation Tiger

IT is one of five strategic pillars in rebuilding Ukraine

Ukraine is ahead of Estonia in the digitalization of public services

Ukraine is becoming the new green energy and digital hub in Europe

The Ukrainian IT sector generates the 2nd largest export income after agriculture

KEEP THE ECONOMY RUNNING BEHIND THE BATTLEFIELD FRONTLINE

Buy Ukrainian IT services because Ukrainians are fighting not just for their sovereignty but also for us

Housing for Ukraine

A framework to efficiently support the rebuilding of the housing and infrastructure sector in Ukraine.

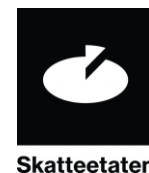
An initiative by Moelven Byggmodul AS and Itera ASA



Order intake

Order intake from selected new and existing customers.

Book-to-bill ratio*) of 1.0 in Q1 and 1.0 for the last 12 months.



*) The **book-to-bill ratio** is the ratio of orders received to the amount of revenue for a specific period for Itera units

Customer mix

Share existing customers

94.7% (87.0%)

of revenues in Q1 2024

New customers

12.2 (29.8)

NOK mill.

Revenue from new customers
won over the past year Q1 2024
(6.1% share)

* Existing customers defined as customers that were invoiced
in the corresponding quarter last year

** New customers defined as customers won since end of
corresponding quarter last year

High visibility

83% (84%)

Top 30 customers, share of revenue

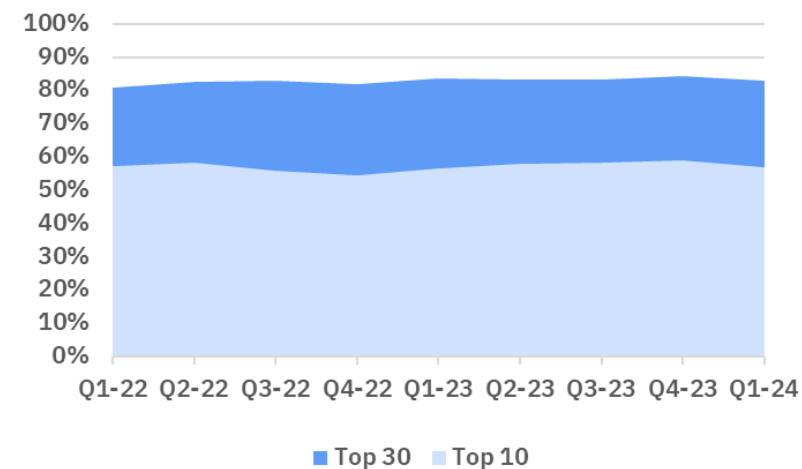
High customer concentration signifies

- Strategic relationships
- Full range of services
- Distributed delivery across borders

Revenue customers split (in MNOK)



Largest customers' share of revenue



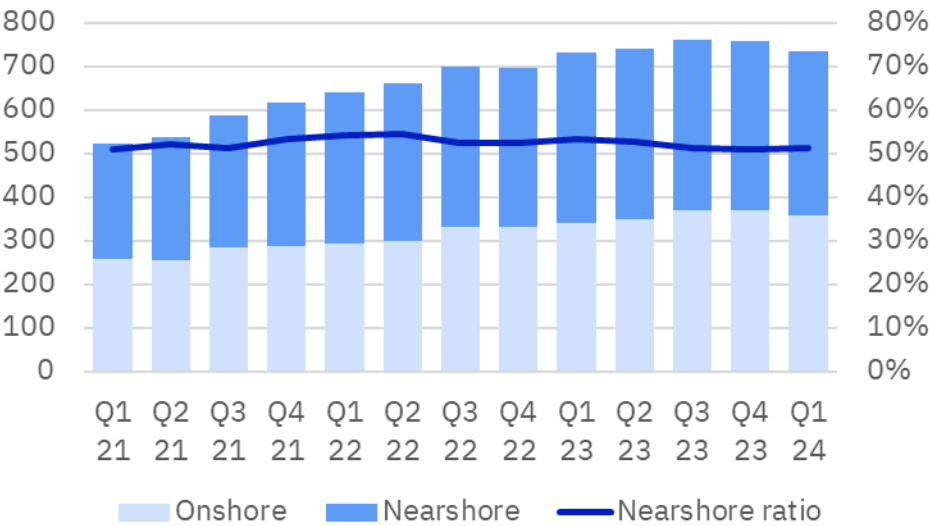
Skilled and innovative employees

736 employees at the end of the quarter
Up by 5 (58) last twelve months

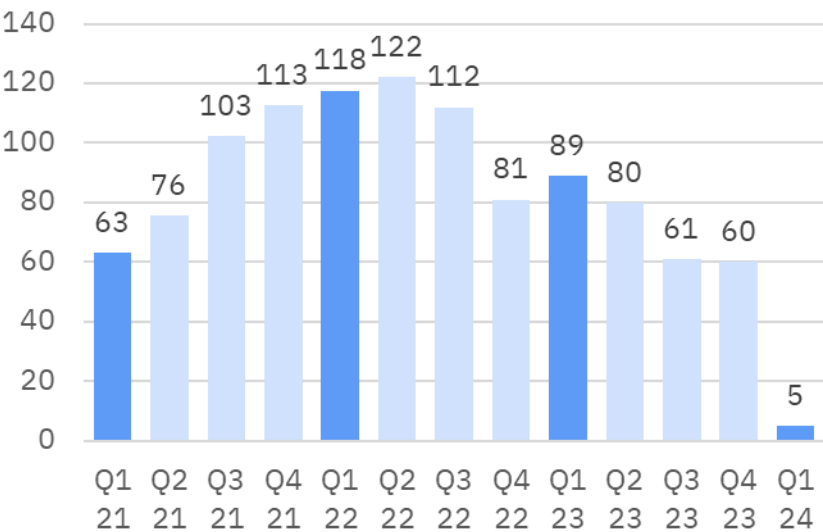
Nearshore ratio of 51% (53%)

Our distributed delivery model of onshore and nearshore consultants are increasing our price competitiveness as well as providing high scalability through access to a very large talent pool.

Number of employees end of quarter by shore



Rolling 12 months net FTE growth



3 Financial review



Key financials

- Flat organic revenue (-1%)
- Personnel expenses driven by FTE growth, NOK depreciation, salary growth and 1.5m one-off optimization costs
- Opex decrease following business optimization program
- EBIT of MNOK 19.2 (40.8)
- EBIT margin of 8.4% (14.4%)
- Cash flow from operations MNOK -7.4 (7.7)
- No. of FTEs 736 (+5)

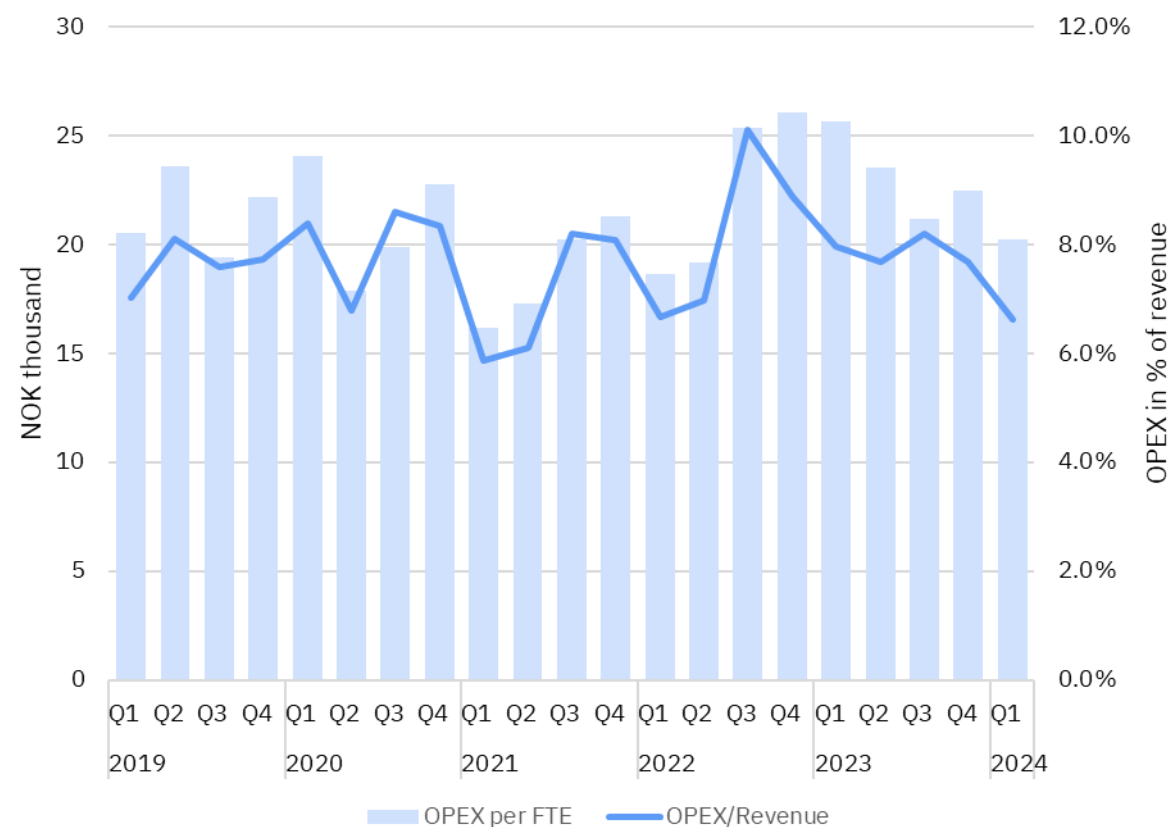
	2024	2023	Change	2023
NOK Million	1-3	1-3	%	FY
Operating revenue	228.5	230.3	-1%	871.6
Gross profit	212.1	217.1	-2%	813.7
Personnel expenses	169.3	158.0	7%	634.4
Depreciation	8.5	7.6	12%	32.3
Other opex	15.1	18.3	-18%	68.7
EBITDA	27.7	40.8	-32%	110.7
EBITDA margin	12.1%	17.7%	-5.6pts	12.7%
Depreciation	8.5	7.6	12%	32.3
EBIT	19.2	33.2	-42%	81.4
EBIT Margin	8.4 %	14.4 %	-6 pts	9.3 %
Net cash flow from operations	(7.4)	7.7	-197%	93.4
Cash and cash equivalents	36.1	49.7	-27%	49.2
Employees at end of period	736	731	1%	758
Employees in average	747	715	5%	741

Business optimization program

Itera has implemented a business optimization program with the target of improving EBIT margin by 1.2-1.6 points

- Strict cost control has brought spending on other Operating Expenses (OPEX) down in the last two quarters
- In Q1 of 2024, year-over-year reductions in other OPEX was accretive to the EBIT margin by 1.4 pts
- OPEX relative to revenue at the lowest since the pandemic, where travel and social activities were naturally restricted

OPEX per FTE and in % of Revenue

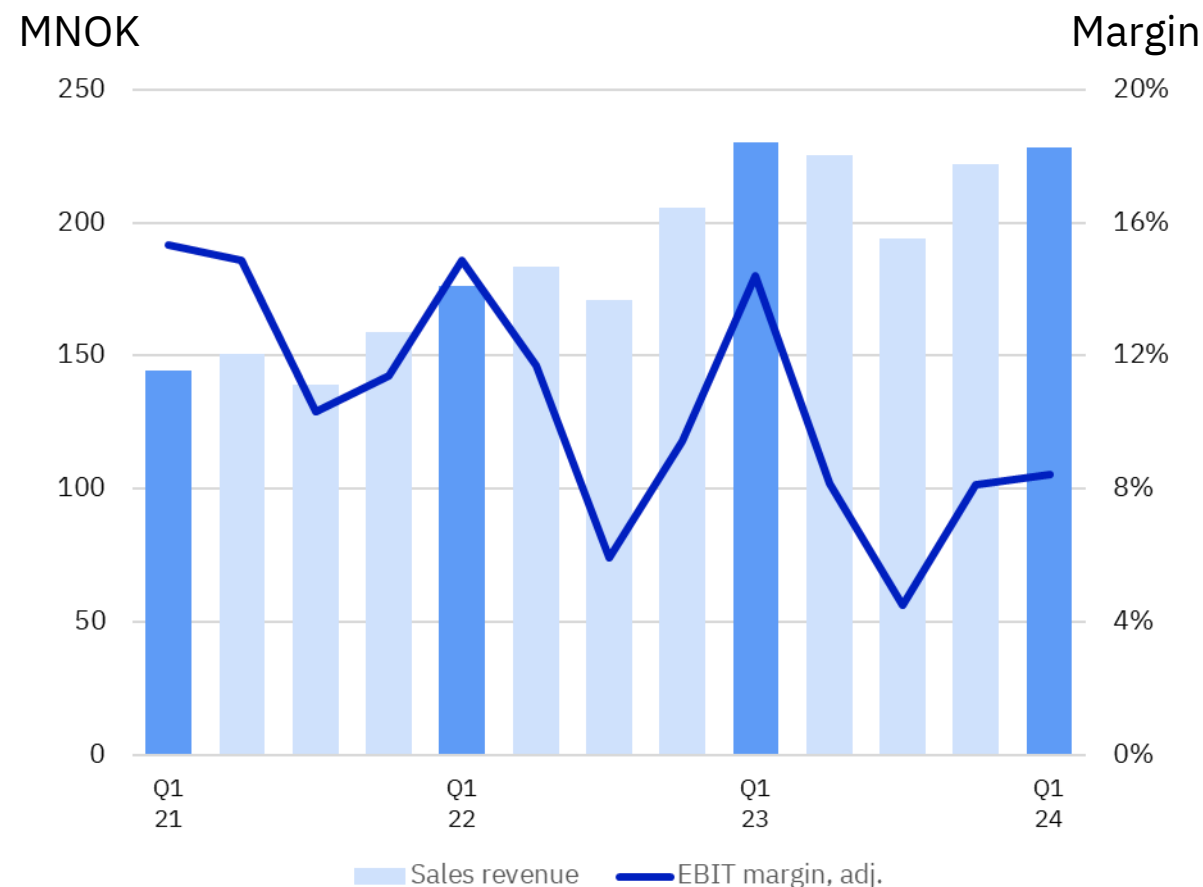


Revenue and earnings development

Strong sales growth year over year with 2-year CAGR of 19.4% and an average of 9.0% EBIT margin

Opportunities for margin expansion

- Normalization of utilization
- Reaching critical business volume Cloud & Application Services
- Conversion of promising pipeline
- Expansion in Sweden
 - Core team established and several new customers acquired
- Full impact of business optimization program
- Ukraine recovery

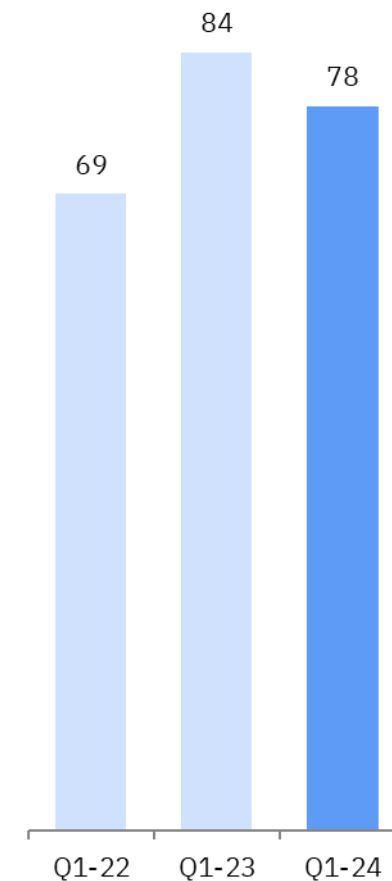


Statement of cash flow

NOK Million	2024 1-3	2023 1-3	2023 FY
EBITDA	29.2	40.8	110.7
Change in balance sheet items	(36.6)	(33.1)	(17.3)
Net cash flow from operating activities	(7.4)	7.7	93.4
Net cash flow from investment activities	(2.9)	(3.9)	(19.4)
Purchase of own shares	-	(0.1)	(11.9)
Sale of own shares	-	6.2	6.2
Equity settlement of options contract	-	-	2.9
Principal elements of lease payments	(3.4)	(3.1)	(12.9)
Instalment of sublease receivable	-	-	-
Long-term borrowings	(0.3)	-	4.8
External dividend paid	-	-	(56.9)
Net cash flow from financing activities	(3.6)	3.1	(67.7)
Net change in bank deposits and cash	(13.1)	7.8	7.3
Bank deposits at the end of the period	36.1	49.7	49.2

- Cash flow from operations NOK -7.4 (7.7) million in Q1
- 12-month rolling cash flow from operations was NOK 78.3 (84.1) million
- Cash conversion from EBITDA of 80% (72%) last 12 months

12 month rolling cash flow from operations (NOK Million)



Dividend and own shares

- An ordinary dividend of NOK 0.40 per share for 2023 proposed + authorization for supplementary dividend later
- Share price was NOK 11.90 at the end of March 2024, a change of 0% incl. dividends from NOK 12.60 at the end of Mar 2023
- Current holding of own shares is 1,654,281. Value at 31 Mar 2024 was MNOK 19.7
- Consistent high distribution of earnings.

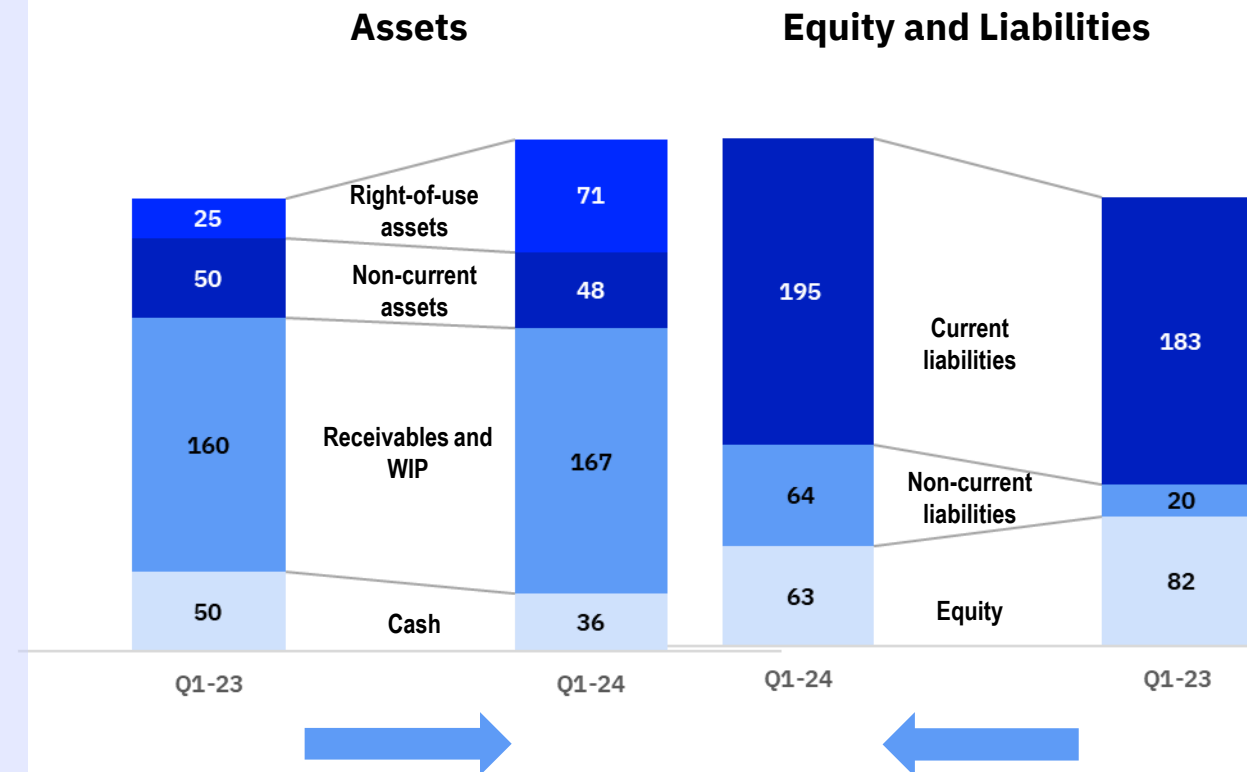
Allocations to shareholders



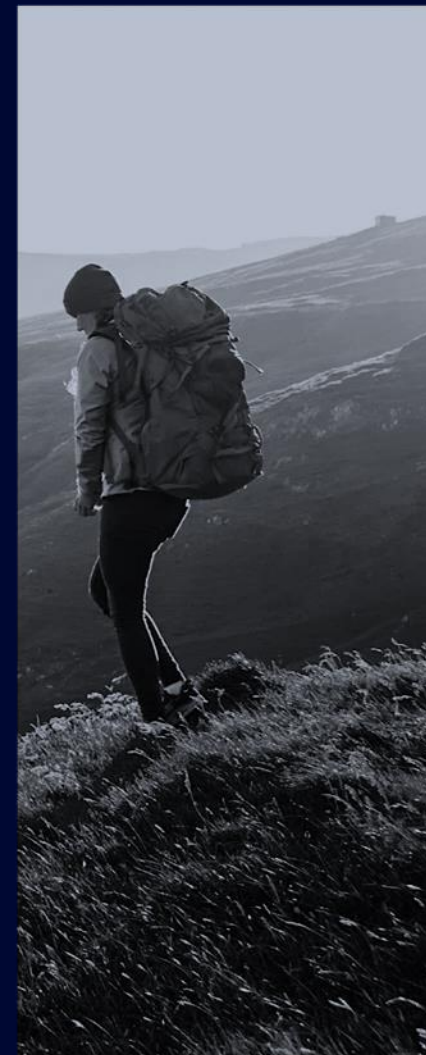
EBIT in 2021 and 2022 is excluding discontinued operations of -0.23 and -0.17 per share

Statement of financial position

- Equity ratio of 20% (29%) per 31 Dec 2023
 - 25% (32%) excl. IFRS 16 Leasing
- Right-of-use assets up MNOK 46 from new facility agreements
- Cash balance of MNOK 36 (MNOK 50)
- Total balance increased by MNOK 37 to MNOK 322



4 Outlook



Outlook

Underlying strong demand for digital transformation through existing and new customers but softer total market

Continued attention to **business optimization** to mitigate current market situation

Readiness to migrate and operate larger scale cloud transformations.

Connecting Ukraine and the Nordics to enable the green energy shift

Profitable growth and cash flow are key focus areas.

5 Q&A



Top 20 shareholders

No.	Name	%	Nat.	Shareholding
1	ARNE MJØS INVEST AS	33.29	NOR	27 363 031
2	OP CAPITAL AS	5.64	NOR	4 635 242
3	GIP AS	5.23	NOR	4 300 000
4	SEPTIM CONSULTING AS	4.83	NOR	3 970 874
5	BOINVESTERING AS	3.59	NOR	2 947 862
6	GAMST INVEST AS	3.15	NOR	2 590 070
7	DZ PRIVATBANK S.A.	2.68	LUX	2 200 000
8	JØSYRA INVEST AS	2.68	NOR	2 200 000
9	EIKESTAD AS	2.43	NOR	2 000 000
10	HØGBERG, JON ERIK	1.52	NOR	1 247 356
11	ITERA ASA	1.39	NOR	1 146 310
12	AANESTAD PANAGRI AS	1.16	NOR	950 000
13	FRAMAR INVEST AS	0.97	NOR	800 000
14	NYVANG, JETMUND GUNNAR	0.90	NOR	739 900
15	ALTEA AS	0.85	NOR	700 000
16	SOBER KAPITAL AS	0.84	NOR	690 786
17	JENSEN, LARS PETER	0.78	NOR	639 950
18	MORTEN JOHNSEN HOLDING AS	0.73	NOR	600 000
19	HAMMER, BENT	0.69	NOR	569 133
20	FRATERNITAS A/S	0.63	NOR	514 413
TOP 20		73.98		60 804 927



We stand with
Ukraine