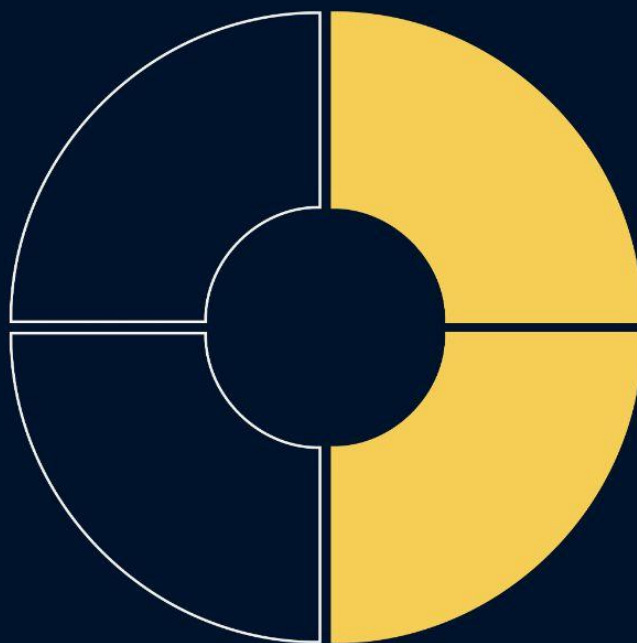


Q2 2023

Interim report



Highlights of the second quarter 2023

Solid development despite changing market conditions

Revenues

○ Group Q2	NOK 249.5 (215.1) million	(+16.0%)
▪ Norway	NOK 211.7 (183.5) million	(+15.4%)
▪ Sweden	NOK 37.9 (31.6) million	(+19.8%)
○ Group YTD	NOK 526.7 (448.1) million	(+17.5%)
▪ Norway	NOK 449.3 (385.7) million	(+16.5%)
▪ Sweden	NOK 77.4 (62.4) million	(+24.0%)

EBIT

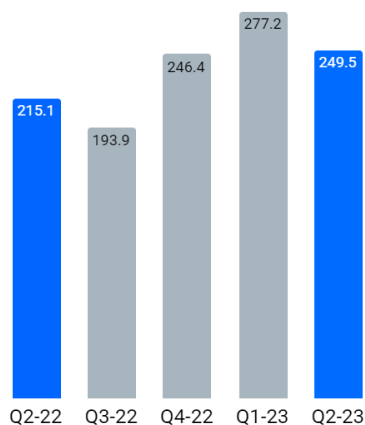
○ Group Q2	NOK 17.6 (13.5) million	(+30.8%)
▪ Norway	NOK 16.5 (12.6) million	(+31.2%)
▪ Sweden	NOK 1.1 (0.9) million	(+25.0%)
○ Group YTD	NOK 42.8 (37.4) million	(+14.7%)
▪ Norway	NOK 38.9 (33.5) million	(+16.2%)
▪ Sweden	NOK 3.9 (3.9) million	(+1.1%)

Number of employees end of Q2:

○ Group	561 (507) employees	(+10.5%)
▪ Norway	459 (422) employees	(+8.8%)
▪ Sweden	102 (86) employees	(+18.7%)

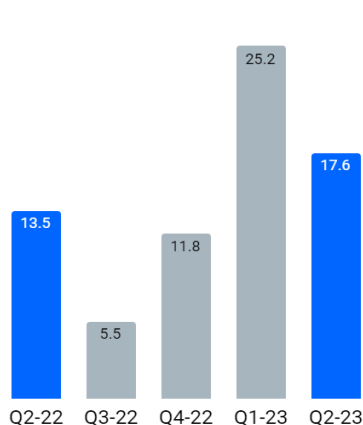
Operating revenues

NOKm



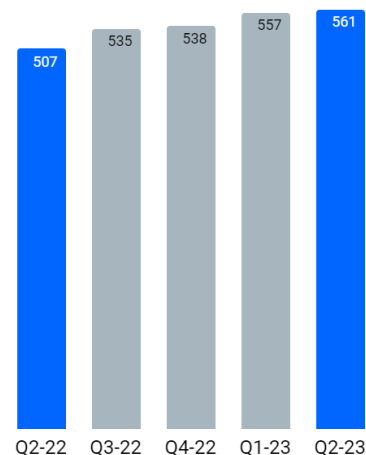
Operating profit (EBIT)

NOKm



Number of employees

End of Period



Q2 2023

Letter from the CEO



Significant revenue growth and market ambitions

Webstep closed the second quarter with a revenue of NOK 249.5 million (+16%) for the quarter, and NOK 526.7 million (+17.5%) for the first half-year. Despite tougher markets, Webstep continued to grow.

Demanding market conditions have resulted in lower utilisation than we expected, but the period confirms the robustness of Webstep's business model, a key asset in times like these.

The EBIT margin for the second quarter increased to 7.1 (6.3) percent and amounted for the first half-year to 8.1 (8.3) percent. The net increase of 54 employees since last year reflects our strong talent attraction.

The strengths of the Webstep model

Webstep is built around experienced consultants and customers with bespoke core systems. We deliver effective diversification on both a geographical and industry level, and our customer blend comprises a harmonious mix of both prominent enterprises and smaller clients.

Our predominant emphasis lies in system development, constituting a substantial portion of our project portfolio. Simultaneously, we house experts specialising in UX, project management, security, and AI. Our comprehensive solutions offerings encompass both dedicated teams and individual consultants.

Our strategic position as a company with highly experienced consultants and a clear focus on system development, makes us a very important partner for our customers. Frequently, we find ourselves as the final consultants to conclude projects and systems, and we're often the initial point of consultation for new ventures or when challenges necessitate resolution.

Slowdowns, agility and opportunities

In our experience, expert system developers are the most sought-after resource, especially in tough times. Therefore, this makes up the core of the Webstep strategic platform. Rooted in our expert-centric model, we cultivate robustness and agility to navigate shifts, make sure we have the capacity to embrace emerging technologies and effectively manage market volatility. We possess flexibility in expertise, capacity and market presence, and have more than 20 years of experience in taking advantage of this robust agility.

As a mature player our main focus is to optimise how we utilise our flexibility, how we extract utilisation and how we maintain an efficient operation. Facing general market challenges, Webstep can shift attention and capacity to the parts of the market that are less affected.

Profitability is key

Profitability is important to Webstep. Operational excellence, top utilisation in changing markets and scaling effect from continuous growth are the key drivers in our effort to further

build value for our employees, customers and owners in the years to come.

In our pursuit of enhanced utilization at reduced costs, we remain dedicated to refining our operational expenses. We intend to revisit this matter in the upcoming quarter. We are also improving our delivery model, our smart collaboration and our efficiency measures to become even more effective. This is key to utilising the last available capacity into the market.

In times of change, it can be challenging to maintain maximum utilisation, but we know the right tools and are using them actively. We are steady and patient in building better operational excellence and we are improving step by step. We are also hunting scaling effects on the EBIT from continued organic growth across our regions.

Our most important asset

Webstep's reputation as a high-end player and a premium workplace attracts talent. First class ratings on this year's annual employee survey, confirms that we are delivering on the promise of a great workplace year after year. This gives Webstep an edge in attracting talents.

Our ability to deliver experts, custom made teams and project deliveries, have built a unique workplace. In Webstep peers meet peers, experts meet experts. Competence levels are high, and Webstep aims for further, comprehensive competence activities. This is the key strategy to keep our talented and experienced employees for a long time.

Some second quarter project highlights

Webstep has further strengthened our position as a significant Team-as-a-Service- (TaaS) player during previous

quarters. In the second quarter we got another TaaS-team up and running, growing our Energy industry footprint. Webstep also extended our involvement within the smart battery charging business during the second-quarter and we are delivering an AI driven app-solution that represents significant savings and improves safety in the hands of a global auto industry vendor. This engagement was also extended in this period.

In the public sector there are a substantial number of new framework agreement requests this year. So far Webstep has signed a health sector key agreement. We have also recently signed a frame agreement where Webstep is heading a large consortium. More information on this deal will follow in due course.

Half way through, going forward

Webstep has ambitions. Our way of being a high value brand goes through constantly developing the premium workplace and being the premium partner to our customers. We create values through single experts in wide ranges of tech areas, and through TaaS-teams and project- and solutions deliveries.

Webstep stands firm, we adapt, we have a solid customer base, a robust business model and a strong market position.

To our valuable employees and customers: We express gratitude for your essential contributions in the second quarter and look forward to our continued journey ahead.



Save Asmervik
Webstep ASA CEO

Key figures

Group	Q2	Q2		YTD	YTD		FY
NOK million	2023	2022	Change	2023	2022	Change	2022
Sales revenues	249.5	215.1	16.0%	526.7	448.1	17.5%	888.4
EBITDA	23.0	18.4	25.3%	53.5	47.1	13.6%	76.2
EBITDA margin	9.2%	8.5%	0.7 pts	10.2%	10.5%	(0.3 pts)	8.6%
EBIT	17.6	13.5	30.8%	42.8	37.4	14.7%	54.6
EBIT margin	7.1%	6.3%	0.8 pts	8.1%	8.3%	(0.2 pts)	6.2%
Net profit	12.8	9.8	30.0%	31.5	27.6	14.0%	38.4
Net free cash flow	6.3	6.9	(9.7%)	22.5	27.5	(18.0%)	63.3
Equity ratio	54.9%	58.9%	(4 pts)	54.9%	58.9%	(4 pts)	57.9%
Earnings per share (NOK)	0.46	0.36	28.7%	1.14	1.01	12.8%	1.40
Earnings per share, fully diluted (NOK)	0.46	0.35	28.8%	1.13	1.00	13.2%	1.39
Number of employees, average (FTE)	559	503	11.1%	557	492	13.2%	512
Number of employees, end of period	561	507	10.5%	561	507	10.5%	538
Operating revenue per employee	447	428	4.4%	946	911	3.9%	1,736
EBIT per employee	31.5	26.8	17.7%	76.9	75.9	1.3%	106.8

Segments

Norway	Q2	Q2		YTD	YTD		FY
NOK million	2023	2022	Change	2023	2022	Change	2022
Revenues	211.7	183.5	15.4%	449.3	385.7	16.5%	761.6
EBIT	16.5	12.6	31.2%	38.9	33.5	16.2%	47.7
EBIT margin	7.8%	6.9%	0.9 pts	8.7%	8.7%	(0 pts)	6.3%
Number of employees, average (FTE)	457	419	9.1%	427	410	4.2%	425
Number of employees, end of period	459	422	8.8%	459	422	8.8%	444
Operating revenue per employee (NOKt)	463	438	5.8%	1,052	941	11.8%	1,792

Sweden	Q2	Q2		YTD	YTD		FY
NOK million	2023	2022	Change	2023	2022	Change	2022
Revenues	37.9	31.6	19.8%	77.4	62.4	24.0%	126.9
EBIT	1.1	0.9	25.0%	3.9	3.9	1.1%	6.9
EBIT margin	3.0%	2.8%	0.1 pts	5.1%	6.2%	(1.2 pts)	5.5%
Number of employees, average (FTE)	102	84	21.6%	102	82	24.7%	86
Number of employees, end of period	102	86	18.7%	102	86	18.7%	95
Operating revenue per employee (NOKt)	372	377	(1.5%)	759	764	(0.6%)	1,468

Financial review

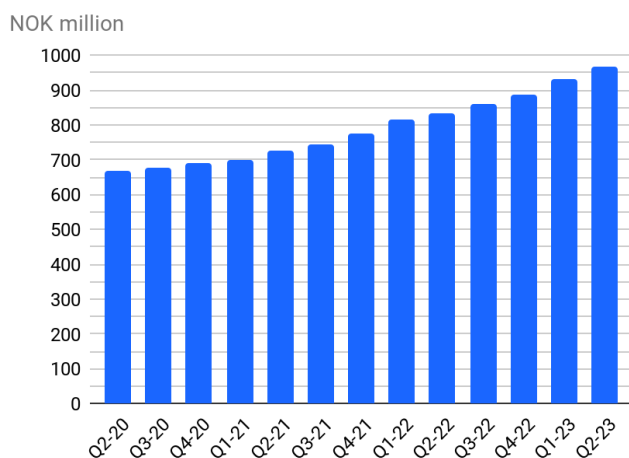
(All amounts in brackets are comparative figures for 2022 unless otherwise specifically stated.)

Operating revenues

Second quarter consolidated revenues were NOK 249.5 million (NOK 215.1 million), up 16.0 percent from the same quarter last year. Webstep's revenue model is primarily based on hourly fees, with revenue capacity dependent on the number of consultants, number of workdays and hourly rates. The average number of employees in the quarter was 559 (503), and the quarter had one less working day compared to the same quarter previous year. Revenue from own consultants is for the second quarter primarily driven by increased headcount in addition to hourly rates.

Total consolidated revenues for the first half-year were NOK 526.7 million (NOK 448.1 million), up 17.5 percent compared to 2022. The revenue growth is driven by an increased number of consultants and hourly rate, and negatively impacted by lower utilisation.

Rolling 12 month operating revenues



Operating costs

Cost of services and goods sold, primarily related to use of subcontractors, amounted to NOK 22.9 million (NOK 18.3 million) for the second quarter 2023 and NOK 47.4 million (NOK 34.8 million) for the first half-year.

Salaries and personnel costs include salaries and benefits, pension, tax, vacation pay and other items. A high proportion of salary is variable and correlates with revenues. Salaries and personnel costs amounted to NOK 189.9 million (NOK

165.9 million) for the quarter. The change is explained by increased revenues and higher number of employees.

Salaries and personnel costs year to date amounted to NOK 396.6 million (NOK 342.8 million).

Other operating expenses amounted to NOK 13.8 million (NOK 12.6 million) for the quarter. The change is mainly due to office locations and external services, and positively impacted by a periodic shift for course attendance compared to the corresponding quarter last year.

Other operating expenses amounted to NOK 29.2 million (NOK 23.4 million) for the first half-year. The increase is explained by a provision for loss on account receivable, office locations, external services and travel expenses.

Depreciation and impairment for the quarter amounted to NOK 5.4 million (NOK 4.9 million) and NOK 10.6 million (NOK 9.7 million) for the first half-year.

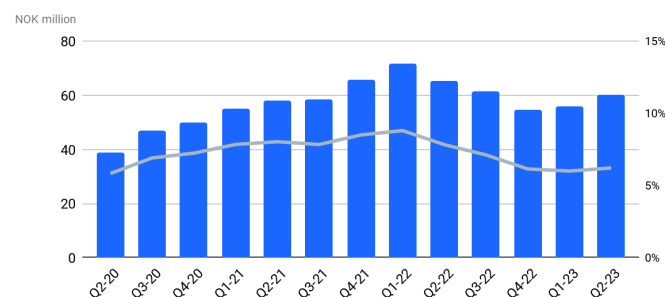
Operating profit

Total consolidated EBITDA for the quarter amounted to NOK 23.0 million (NOK 18.4 million) and NOK 53.5 million (NOK 47.1 million) for the first half-year.

Total consolidated EBIT for the quarter amounted to NOK 17.6 million (NOK 13.5 million). For the first half-year, EBIT amounted to NOK 42.8 million (37.4 million).

EBIT margin for the quarter was 7.1 % (6.3 %) and 8.1% (8.3%) for the first half-year.

Rolling 12 month operating profit (EBIT) and EBIT margin



Net financial costs were NOK 1.3 million (NOK 0.9 million) and income tax amounted to NOK 3.6 million (NOK 2.8 million) for the quarter. Net profit for the quarter was NOK 12.8 million (NOK 9.8 million).

Net financial costs were NOK 2.5 million (NOK 2.0 million) and income tax amounted to NOK 8.8 million for the first half-year (NOK 7.7 million). Net profit for the first half-year was NOK 31.5 million (NOK 27.6 million).

Financial position

Total assets at the end of the second quarter amounted to NOK 699.9 million (NOK 643.6 million). Non-current assets were NOK 482.8 million (NOK 455.4 million) and consisted mainly of intangible assets. Intangible assets amounted to NOK 382.5 million (NOK 382.1 million), and comprise primarily of acquisition-related goodwill of NOK 381.7 million. Currently, there are no indications that impairment is required for any of the reporting units. Right-of-use assets related to office rentals and car leases have been recognized in the balance sheet at the total amount of NOK 84.2 million (NOK 58.1 million).

Total current assets of NOK 217.1 million (NOK 188.2 million) consisted of trade receivables, other current receivables and cash and short-term deposits. Trade receivables amounted to NOK 170.8 million (NOK 147.0 million). Other current receivables were NOK 12.9 million (NOK 14.4 million). Cash and short-term deposits amounted to NOK 33.4 million (NOK 26.8 million).

Total equity on 30 June was NOK 383.9 million (NOK 378.8 million). The change is mainly related to earnings generated, offset by dividends paid. Non-current liabilities amounted to NOK 70.4 million (NOK 45.2 million) and consisted mainly of non-current leasing liabilities of NOK 68.9 million (NOK 43.9 million). Current liabilities of NOK 245.5 million (NOK 219.7 million) consisted of current leasing liabilities, trade payables, tax payables, social taxes and VAT and other short-term liabilities.

Cash flow from operations amounted to NOK 7.8 million (NOK 10.2 million) for the quarter, and NOK 25.7 million (NOK 33.8 million) for the first half year. The change is primarily explained by a positive impact from the quarter's increased profit and reduction of trade and other receivables, while negatively impacted by a reduction in trade and other payables and social taxes.

Cash flow from investing activities is for the quarter negative by NOK 1.5 million (NOK - 3.3 million), and negative by NOK 3.2 million (NOK - 6.3 million) for the first half-year. The change is mainly due to reduction in costs related to office equipment and inventory.

Cash flow from financing activities is negative by NOK 49.7 million (NOK - 44.5 million) for the quarter, and negative by NOK 51.5 million (NOK - 47.4 million) for the first half-year. In the second quarter a payment of dividends of NOK 47.0 million was paid out to shareholders.

The Webstep Group has a credit facility with SpareBank1 SR-Bank of NOK 110 million and SEK 5 million with SEB. The Group has not been in breach with the covenants during the quarter.

Segment information

The Group's activities are organised in two geographical segments, Norway and Sweden. Revenues and results are recorded in the entity where they occur and hence reported in the segment, in which the legal entity belongs. Segment performance is evaluated on the basis of revenue and EBIT performance. Assets and liabilities are not allocated between the segments.

Norway is the largest segment, accounting for 85 percent of the consolidated operating revenues in the quarter.

Norway

Webstep Norway is headquartered in Oslo and has offices in Bergen, Stavanger, Trondheim, Kristiansand and Haugesund. The Group provides high-end IT consultancy services to around 250 public and private clients across the country.

Total operating revenues for the quarter came to NOK 211.7 million (NOK 183.5 million), up 15.4 percent from the same period in 2022. The revenue growth is driven by an increased number of consultants and higher hourly rates. Compared to the second quarter last year, utilisation is stable, with a positive effect from less absence due to less illness and leave, although limited by to some extent lower market demand.

For the first half-year, operating revenues amounted to NOK 449.3 million (NOK 385.7 million), up 16.5 percent from the same period in 2022. Revenue growth is mainly driven by a higher number of employees and higher hourly rates, offset by lower utilisation.

EBIT for the quarter came to NOK 16.5 million (NOK 12.6 million). EBIT for the first half-year came to NOK 38.9 million (NOK 33.5 million). EBIT margin for the quarter amounted to 7.8% (6.9%) and 8.7% (8.7%) for the first half-year.

Revenues from subcontractors for the quarter came to NOK 15.9 million (11.3 million). For the first half-year revenues from subcontractors came to NOK 34.3 million (NOK 23.1 million). The change is mainly related to change in internal accounting of license resale. The isolated change in revenue of subcontractors is NOK 1.4 million for the quarter and NOK 6.4 million for the first-half year.

Revenue breakdown

NOK million	Q2 2023	Q2 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Oslo	90.7	76.1	19.2%	190.9	161.0	18.6%	324.7
Regional offices	105.9	96.9	9.3%	225.8	202.8	11.4%	393.7
Subcontractors/resale of licenses	15.9	11.3	41.3%	34.3	23.1	48.7%	45.7

Webstep Norway had 459 employees on 30 June 2023 (422 employees). The average number of employees in the second quarter was 457 (419) and 427 (410) for the first-half year.

Sweden

Webstep Sweden has offices in Stockholm, Malmö, and Uppsala. Webstep Sweden serves clients in different industries, mainly in the private sector, and delivers the same high-end IT consultancy services as Webstep Norway, primarily within the Group's core digitalization offering.

Operating revenues for the quarter came to NOK 37.9 million (NOK 31.6 million), an increase of 19.8 percent. The revenue growth is mainly driven by an increased number of consultants, while weakened market demand affected utilisation negatively.

Revenues from subcontractors for the quarter came to NOK 7.9 million (5.5 million), up 43.3 percent. The change is explained by services outside of Webstep's own consultants core competencies.

Operating revenues for the first half-year came to NOK 77.4 million (NOK 62.4 million), an increase of 24.0 percent. Adjusted for fluctuation in exchange rates, revenue grew by 17.4 percent compared to the corresponding period in 2022.

Revenue breakdown

NOK million	Q2 2023	Q2 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change	FY 2022
Regional offices	30.0	26.1	14.8%	62.0	52.3	18.5%	103.0
Subcontractors	7.9	5.5	43.3%	15.4	10.1	52.4%	23.9

Adjusted for fluctuation in exchange rates, revenue increased by 12.2 percent compared to the same quarter last year.

EBIT came to NOK 1.1 million (NOK 0.9 million) for the quarter. The marginal change in EBIT despite strong growth in the number of employees is related to low utilisation in the second quarter. The market conditions are especially challenging in the Swedish market due to the macroeconomic situation, and low market demand affects utilisation negatively.

EBIT came to NOK 3.9 million (NOK 3.9 million) for the first half-year. Adjusted for fluctuation in exchange rates, EBIT decreased with 7.1% compared to the corresponding period in 2022. EBIT margin for the quarter amounted to 3.0% (2.8%) and 5.1% (6.2%) for the first half-year.

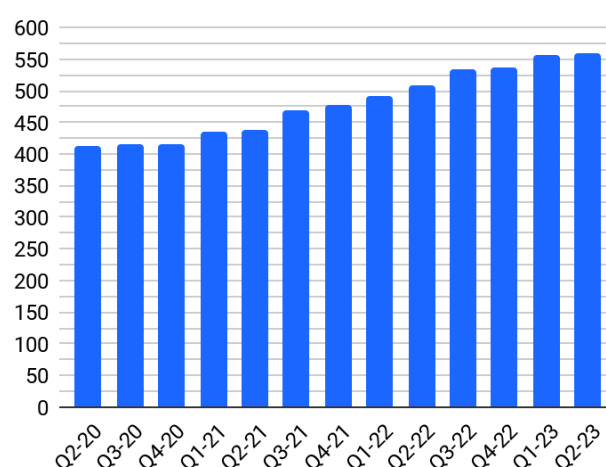
For the first half year of 2022 revenues from subcontractors came to NOK 15.4 million (NOK 10.1 million). The change is explained by services outside of Webstep's own consultants core competencies.

Webstep Sweden had 102 employees on 30 June 2023 (86 employees). The average number of employees in the quarter was 102 (84) and 102 (82) for the first half-year.

Employees

Webstep had 561 employees at the end of the quarter, an increase of 4 employees the last quarter and an increase of 54 employees the last twelve months. The employees are distributed across the regional offices in major cities in Norway and Sweden. Webstep believes in the power of local business and the decentralised model is based on strong local presence. The regional offices provide expertise and capacity to local clients, while leveraging the full organisational capacity.

Number of employees (end of quarter)



Webstep's consultants have on average more than 10 years of relevant experience. This creates a solid foundation for a strong professional environment and high-quality deliveries. The Webstep work culture is driven by the values of being skilled, innovative, generous and uncomplicated.

Webstep endeavours to assign its consultants interesting and challenging projects that ensure personal development and contentment. By constantly developing the consultants' skill sets, Webstep services as such are also improved. The incentive model for consultants is designed to attract and motivate highly experienced experts. The salary model for consultants has been a pillar in Webstep ever since inception in 2000.

The employees are Webstep's most important asset, and the Group therefore put a lot of emphasis and effort into building a strong company culture and a healthy work environment across the Company's segments and locations. Annual survey conducted in the first quarter of 2023 confirms a strong and proud culture, with results higher than the supplier Netigate's benchmark for all question areas.

Market update

Markets and customers are still facing a changing macroeconomic environment. Geopolitical instability, high interest rates and supply disruptions, can affect buying behaviour in certain segments, but the underlying, long term trend of digitalisation does not seem to have changed.

In this situation we still see that Webstep have a strong position and Webstep consultants are considered key in delivering services supporting customers' digital journeys. Webstep's high competence levels throughout the organisation, the spread of services and the presence and spread between public and private sectors, is also considered risk mitigating in more uncertain markets. The same applies to the fact that Webstep serves both big and medium sized organisations.

IT expertise, combined with industry knowledge, is more than ever important to change business models and provide value-producing opportunities for our customers. Time to market is closely connected to organisations ability to spot, understand and take action on trends and tech achievements. This, of course, applies for instance to AI as it has applied to cloud computing, data science and machine learning.

The ability to understand strengths and weaknesses is a crucial part of all learning and tech transitions. Competence building is a vital part of the Webstep DNA, and builds step-by-step, on the "shoulders" of previous learning.

There is still fierce competition in the recruitment market, but Webstep has succeeded in attracting highly skilled senior IT consultants. The growth in number of employees has ensured increased capacity fueling several of our team deliveries.

The previous years, Webstep's go to market model has been substantially developed and refined. Today we offer a broad span of deliveries, tailored for different customers, service areas and business needs. Stand alone consultants enter customer's teams or pinpointed expert areas bringing whatever is needed, whether it is .Net and Java programming, project management, cloud migration, advanced data analytics, machine learning or AI.

In the extension of this, Webstep deliver full scale developer teams ("team-as-a-service") or projects and end-to-end solutions that are managed and executed by their IT service vendors. The two combined delivery models, Team-as-a-service and Project and solutions, provide the consultants with security and predictability, and are making Webstep more attractive as an employer. These two delivery

concepts also give ambitious IT experts the opportunity to work closely with other colleagues on technically challenging and interesting projects.

Outlook

Long term trend of digitalisation continues in a changing macroeconomic environment. The market recognizes that a digitised world depends on further digitalisation as an ever more important engine of innovation, competitiveness and economic growth. Webstep is a strong player in this game and holds a strong position in the market.

In a weakened market, the need for reliable, experienced support and deep IT competence is still key to deliver on the promise of digitalisation. We know that digitalisation is helping our customers to become more resilient businesses and that competitiveness often requires a broad understanding of both business and technology. Webstep's greatest strength lies in the extension of this; the competence and capacity to transfer ideas and composed knowledge to durable and viable practical solutions through a robust business model.

The ongoing projects and renewed trust from existing clients, is a solid foundation in uncertain times. Successful recruitment in the last quarters, and an expected 564 employees by the end of third quarter 2023, is promising. Further headcount growth will be balanced against profitability.

The Webstep go-to-market-model is an important part of the company's growth strategy. Over the last two years Webstep has proven its capacity and expertise to deliver teams and comprehensive projects. Several team accomplishments and recent endeavours within the enterprise markets are currently bearing fruit, affirming Webstep's status as a reliable partner and highlighting the company's adaptive capabilities.

Profitability is key for Webstep and several initiatives will be carried out to secure this. Webstep has a strong local presence and collaboration between regions is good. We strongly believe that Webstep's advantage as a proven, strong player in demanding projects, together with simultaneous, firm focus on optimising sales, ensuring utilisation and cost management, will pay off going forward.

Statement by the Board of directors and the CEO

We confirm to the best of our knowledge that: the consolidated financial statements for the period ended 30 June 2023 have been prepared in accordance with IAS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the board of directors' report gives a true and fair view of the development, performance and financial position of the Group, and includes a description of the material risks that the board of directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

The Board of directors and CEO
WEBSTEP ASA

Oslo, 22 August 2023

Kjetil Bakke Eriksen

Chair of the board

Siw Ødegaard

Board member

Kari Mette Toverud

Board member

Anna Söderblom

Board member

David Bjerkeli

Board member

Bendik Nicolai Blindheim

Board member

Kjell Magne Leirgulen

Board member

Save Asmervik

Chief Executive Officer

Financial statements

Consolidated statement of comprehensive income

NOK'000	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Sales revenues	249,548	215,103	526,726	448,107	888,439
Total revenues	249,548	215,103	526,726	448,107	888,439
Cost of services and goods	(22,868)	(18,265)	(47,403)	(34,820)	(74,713)
Salaries and personnel cost	(189,888)	(165,855)	(396,637)	(342,801)	(686,728)
Depreciation and impairment	(5,416)	(4,904)	(10,634)	(9,699)	(21,580)
Other operating expenses	(13,761)	(12,609)	(29,213)	(23,427)	(50,769)
Total operating expenses	(231,932)	(201,632)	(483,887)	(410,747)	(833,790)
Operating profit(loss)	17,616	13,471	42,839	37,360	54,649
Net financial items	(1,277)	(903)	(2,512)	(1,982)	(4,374)
Profit before tax	16,339	12,567	40,327	35,378	50,274
Income tax expenses	(3,588)	(2,755)	(8,806)	(7,734)	(11,838)
Profit for the period	12,751	9,812	31,521	27,644	38,436
Earnings per share (NOK)	0.46	0.36	1.14	1.01	1.40
Earnings per share, fully diluted (NOK)	0.46	0.35	1.13	1.00	1.39
Other comprehensive income:					
Currency translation differences	(1,848)	2,251	4,233	(850)	(2,589)
Other comprehensive income for the period, net of tax	(1,848)	2,251	4,233	(850)	(2,589)
Total comprehensive income for the period, net of tax	10,903	12,064	35,753	26,795	35,848
Attributable to:					
Shareholders in parent company	10,903	12,064	35,753	26,795	35,848

Consolidated statement of financial position

NOK'000	30-Jun 2023	30-Jun 2022	31-Dec 2022
ASSETS			
Intangible assets	382,465	382,124	380,054
Fixed assets	13,985	13,592	14,447
Right-of-use assets	84,174	58,059	65,060
Non-current financial assets	2	-	2
Deferred tax assets	2,193	1,619	2,193
Total non-current assets	482,819	455,394	461,756
Trade receivables	170,810	147,028	145,742
Other current receivables	12,871	14,429	9,129
Cash and short-term deposits	33,378	26,788	62,340
Total current assets	217,059	188,245	217,211
Total assets	699,878	643,639	678,967
EQUITY			
Share capital	27,671	27,462	27,628
Treasury shares	(30)	(54)	(30)
Share premium	179,938	175,358	179,192
Retained earnings	176,375	176,034	186,610
Total equity	383,954	378,800	393,400
LIABILITIES			
Non-current leasing liabilities	68,955	43,912	52,933
Deferred tax	1,480	1,273	1,451
Total non-current liabilities	70,434	45,185	54,384
Current leasing liabilities	15,619	13,402	13,153
Trade and other payables	16,734	15,756	15,215
Tax payable	6,475	12,103	11,879
Social taxes and VAT	75,327	67,331	81,524
Other short-term debt	131,335	111,061	109,411
Total current liabilities	245,490	219,653	231,182
Total liabilities	315,924	264,838	285,566
Total liabilities and equity	699,878	643,639	678,967

Consolidated statement of change in equity

NOK'000	Issued capital	Treasury shares	Share premium	Foreign currency translation reserve	Retained earnings	Total earned equity	Non-controlling interest	Total equity
1 January 2022	27,323	(54)	172,775	10,284	183,365	393,693	-	393,693
Profit for the period					38,436	38,436		38,436
Sales of treasury shares		24	432			456		456
Other comprehensive income/(loss)				(2,589)		(2,589)		(2,589)
Share incentive program					3,606	3,606		3,606
Dividends					(46,489)	(46,489)		(46,489)
Share issue	306		5,982			6,288		6,288
31 December 2022	27,628	(29)	179,190	7,695	178,919	393,400		393,400
Profit for the period					31,521	31,521		31,521
Sales of treasury shares	-	-	-			-		-
Other comprehensive income/(loss)				4,233		4,233		4,233
Share incentive program			-		980	980		980
Dividends					(46,968)	(46,968)		(46,968)
Share issue	42		746			789		789
30 June 2023	27,671	(29)	179,938	11,928	164,451	383,954		383,954

Consolidated statement of cash flows

NOK'000	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Operating activities					
Profit/(loss) before tax	16,339	12,567	40,327	35,379	50,274
Adjustments for:					
Depreciation of property, plant and equipment	5,416	4,904	10,634	9,699	21,580
Net change in trade and other receivables	17,333	11,168	(28,810)	(17,258)	(10,673)
Net change in other liabilities	(30,497)	(18,723)	16,731	16,475	28,477
Net foreign exchange differences	(520)	583	1,036	(111)	(456)
Income tax expenses	(271)	(295)	(14,179)	(10,409)	(15,209)
Net cash flow from operating activities	7,800	10,204	25,739	33,775	73,993
Investing activities					
Payments for R&D initiative					
Purchase of property and equipment	(1,525)	(3,258)	(3,228)	(6,323)	(10,724)
Net cash flow from investing activities	(1,525)	(3,258)	(3,228)	(6,323)	(10,724)
Financing activities					
Repayments of lease liabilities	(3,301)	(2,875)	(6,272)	(5,668)	(11,480)
Sale of treasury shares	555	831	980	2,083	4,062
Change in bank overdraft	-	-	0	0	0
Net proceeds from equity		1,136	789	2,719	6,288
Payment of dividends	(46,968)	(46,489)	(46,968)	(46,489)	(46,489)
Net cash flows from financing activities	(49,714)	(47,397)	(51,472)	(47,354)	(47,619)
Net increase/(decrease) in cash and cash equivalents	(43,440)	(40,451)	(28,961)	(19,902)	15,650
Cash and cash equivalents at the beginning of the period	76,818	67,239	67,239	46,690	46,690
Cash and cash equivalents at the end of the period	33,378	26,788	38,278	26,788	62,340

Notes to the consolidated financial statements

Note 1 Significant accounting principles

Basis for preparation

The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

Statements

These condensed consolidated interim financial statements for the first quarter have been prepared in accordance with IAS 34 as approved by the EU (IAS 34). They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should consequently be read in conjunction with the consolidated financial statements for 2022. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2022, which are available on www.webstep.com and upon request from the Company's registered office at Universitetsgata 2, 0164 Oslo, Norway.

These condensed consolidated interim financial statements for the second quarter 2023 were approved by the Board of Directors and the CEO 22 August 2023.

Accounting policies

The Group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS) and the Norwegian Accounting Act. References to IFRS in these accounts refer to IFRS as approved by the EU. The date of transition was 1 January 2016. The accounting policies adopted are consistent with those of the previous financial year. Changes to IFRSs which have been effective from 1 January 2021 have had no material impact on the Group's financial statements.

Note 2 Estimates, judgments and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2022 and as described in note 3 to the 2022 statements.

Note 3 Seasonality or cyclicity of interim operations

The Group's net operating revenues are affected by the number of workdays within each reporting period while employee expenses are recognized for full calendar days. The number of workdays in a month is affected by public holidays and vacations. The timing of public holidays during quarters and whether they fall on weekdays or not impact revenues. In both Norway and Sweden, the second quarter of 2023 had one workday less than the second quarter of 2022.

Note 4 Earnings per share

NOK'000 (except number of shares in thousand)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Profit for the period	12,751	9,812	31,521	27,644	38,436
Average number of shares (excl. treasury shares)	27,641	27,367	27,627	27,331	27,391
Average number of shares, fully diluted (excl. treasury shares)	27,933	27,689	27,872	27,662	27,663
Earnings per share (NOK)	0.46	0.36	1.14	1.01	1.40
Earnings per share, fully diluted (NOK)	0.46	0.35	1.13	1.00	1.39

Based on the number of share options outstanding, the strike price of the options, the average share price during the second quarter and YTD 2023, and the remaining vesting period of the options, the dilution effect of the long-term incentive program accounts for 291,620 shares and 245,107 shares respectively.

Note 5 Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.

Note 6 Alternative performance measures

Webstep discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Webstep believes that the alternative performance measures provide useful supplemental information to management, investors, equity analysts and other stakeholders. These measures are commonly used and are meant to provide an enhanced insight into the financial development of Webstep's business operations and to improve comparability between periods.

- **EBITDA** is short for Earnings before Interest and other financial items, Taxes, Depreciation and Amortization and is a term commonly used by equity analysts and investors.
- **EBIT** is short for Earnings before Interest and other financial items and Taxes and is a term commonly used by equity analysts and investors.
- **Net free cash flow** is calculated as net cash flow from operating activities plus net cash flow from investing activities.
- **NIBD** is short for Net Interest Bearing Debt and is defined as interest bearing debt minus unrestricted cash and cash equivalents.
- **NIBD/EBITDA** is calculated as Net Interest Bearing Debt divided by Earnings before Interest and other financial items, Taxes, Depreciation and Amortization (EBITDA). The ratio is one of the debt covenants of the Company and it is based on the rolling twelve months EBITDA. If the Company has more cash than debt, the ratio can be negative. The covenant requires a Group NIBD/EBITDA ratio of maximum 3.
- **Equity ratio** is defined as the total consolidated equity of the Group divided by total assets. The covenant requires a Group equity ratio of minimum 0.3.

Profit measures - EBITDA

NOK'000	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
EBITDA (Earnings Before Interest Tax Depreciation and Amortization)					
Operating profit	17,616	13,471	42,839	37,360	54,649
Depreciation	5,416	4,904	10,634	9,699	21,580
EBITDA	23,032	18,375	53,473	47,059	76,229

Net interest bearing debt (NIBD)

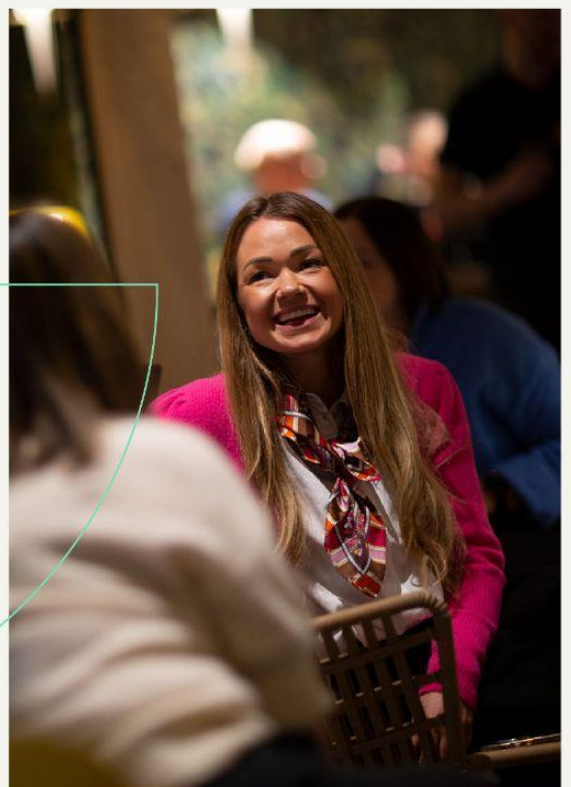
NOK'000	30 Jun 2023	30 Jun 2022	31 Dec 2022
NIBD (Net Interest Bearing Debt)			
Cash and cash equivalents (minus indicates positive amount)	(33,378)	(26,788)	(62,340)
Restricted cash	2,404	2,277	1,697
Debt to credit institutions	0	0	0
Leasing liabilities (non-current and current)	84,573	57,314	66,086
NIBD	53,600	32,803	5,444

Group equity ratio

NOK'000	30 Jun 2023	30 Jun 2022	31 Dec 2022
Total equity	383,954	378,800	393,400
Total assets	699,878	643,639	678,967
Group equity ratio	0.55	0.59	0.58

NIBD/EBITDA

NOK'000	30 Jun 2023	30 Jun 2022	31 Dec 2022
EBITDA rolling 12 months	82,643	83,178	76,229
NIBD	53,600	32,803	5,444
NIBD/EBITDA (rolling 12 months)	0.65	0.39	0.07
NIBD/EBITDA (rolling 12 months)*	(0.37)	(0.29)	(0.80)



Appendix

Key figures by quarter

Group	Q2	Q1	Q4	Q3	Q2
NOK million	2023	2023	2022	2022	2022
Sales revenues	249.5	277.2	246.4	193.9	215.1
EBITDA	23.0	30.4	18.5	10.7	18.4
EBITDA margin	9.2%	11.0%	7.5%	5.5%	8.5%
EBIT	17.6	25.2	11.8	5.5	13.5
EBIT margin	7.1%	9.1%	4.8%	2.8%	6.3%
Net profit	12.8	18.8	7.8	3.2	9.8
Net free cash flow	6.3	16.2	35.7	0.1	6.9
Equity ratio	54.9%	54.9%	58.0%	60.3%	58.9%
Earnings per share (NOK)	0.46	0.68	0.28	0.12	0.36
Earnings per share, fully diluted (NOK)	0.46	0.67	0.28	0.12	0.35
Number of employees, average (FTE)	559	555	539	524	503
Number of employees, end of period	561	557	538	535	507
Operating revenue employee (NOK thousand)	447	499	457	370	428
EBIT per employee (NOK thousand)	32	45	22	11	27

Segments

Norway	Q2	Q1	Q4	Q3	Q2
NOK million	2023	2023	2022	2022	2022
Sales revenues	211.7	237.6	210.2	165.7	183.5
EBIT	16.5	22.4	10.0	4.3	12.6
EBIT margin	7.8%	9.4%	4.8%	2.6%	6.9%
Number of employees, average (FTE)	457	453	445	436	419
Number of employees, end of period	459	455	444	445	422
Number of workdays, Norway	58	65	64	66	59

Sweden	Q2	Q1	Q4	Q3	Q2
NOK million	2023	2023	2022	2022	2022
Sales revenues	37.9	39.5	36.2	28.3	31.6
EBIT	1.1	2.8	1.8	1.2	0.9
EBIT margin	3.0%	7.1%	4.9%	4.4%	2.8%
Number of employees, average (FTE)	102	102	94	88	84
Number of employees, end of period	102	102	95	91	86
Number of workdays, Sweden	59	64	64	66	60

CONSOLIDATED INCOME STATEMENT

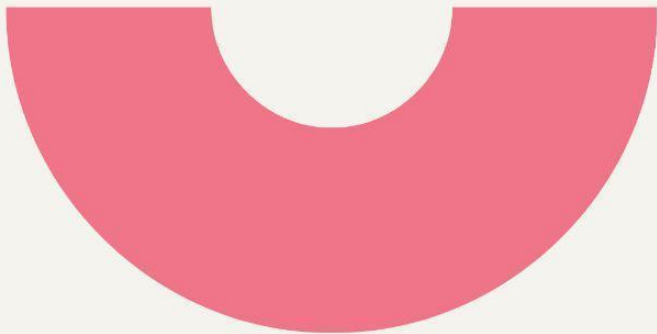
NOK'000	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Sales revenues	249,548	277,178	246,409	193,923	215,103
Total revenues	249,548	277,178	246,409	193,923	215,103
Cost of services and goods	(22,868)	(24,535)	(21,891)	(18,001)	(18,265)
Salaries and personnel cost	(189,888)	(206,750)	(191,019)	(152,908)	(165,855)
Depreciation and impairment	(5,416)	(5,218)	(6,695)	(5,186)	(4,904)
Other operating expenses	(13,761)	(15,452)	(15,030)	(12,313)	(12,609)
Total operating expenses	(231,932)	(251,955)	(234,635)	(188,408)	(201,632)
Operating profit(loss)	17,616	25,223	11,773	5,516	13,471
Net financial items	(1,277)	(1,235)	(1,016)	(1,377)	(903)
Profit before tax	16,339	23,988	10,757	4,139	12,567
Income tax expenses	(3,588)	(5,218)	(3,002)	(936)	(2,755)
Profit for the period	12,751	18,769	7,755	3,202	9,812

Consolidated statement of financial position

NOK'000	30-Jun 2023	31-Mar 2023	31-Dec 2022	30-Sep 2022	30-Jun 2022
Assets					
Intangible assets	382,465	384,129	380,054	382,206	382,124
Fixed assets	13,985	14,318	14,447	14,024	13,592
Right-of-use assets	84,174	86,023	65,060	56,112	58,059
Non-current financial assets	2	2	2	1.8	0
Deferred tax assets	2,193	2,193	2,193	1,619	1619
Total non-current assets	482,819	486,664	461,756	453,962	455,394
Trade receivables	170,810	186,367	145,742	149,296	147,028
Other current receivables	12,871	14,647	9,129	7,722	14,429
Cash and short-term deposits	33,378	76,818	62,340	24,853	26,788
Total current assets	217,059	277,832	217,211	181,872	188,245
Total assets	699,878	764,497	678,967	635,833	643,639
Equity					
Share capital	27,671	27,671	27,628	27,462	27,462
Treasury shares	-30	-30	-30	-30	-54
Share premium	179,938	179,938	179,192	175,790	175,358
Retained earnings	176,375	211,884	186,775	180,502	176,034
Total equity	383,954	419,464	393,566	383,724	378,800
Liabilities					
Non-current leasing liabilities	68,955	72,486	52,933	41,607	43,912
Deferred tax	1,480	1,529	1,410	1,282	1,273
Total non-current liabilities	70,434	74,015	54,343	42,889	45,185
Debt to credit institutions					
Current leasing liabilities	15,619	14,237	13,153	13,729	13,402
Trade and other payables	16,734	25,376	15,215	18,590	15,756
Tax payable	6,475	3,147	11,755	8,429	12,103
Dividend payable					
Social taxes and VAT	75,327	89,781	81,524	68,215	67,331
Other short-term debt	131,335	138,477	109,411	100,257	111,061
Total current liabilities	245,490	271,018	231,059	209,221	219,653
Total liabilities	315,924	345,033	285,401	252,110	264,838
Total equity and liabilities	699,878	764,497	678,967	635,833	643,639

Consolidated statement of cash flows

	Q2	Q1	Q4	Q3	Q2
NOK'000	2023	2023	2022	2022	2022
Operating activities					
Profit/(loss) before tax	16,339	23,988	10,757	4,139	12,567
Adjustments for:					
Depreciation of property, plant and equipment	5,416	5,218	6,695	5,186	4,904
Net change in trade and other receivables	17,333	(46,143)	2,147	4,437	11,168
Net change in other liabilities	(30,497)	47,228	19,088	(7,085)	(18,723)
Net foreign exchange differences	(520)	1,556	(499)	154	583
Income tax expenses	(271)	(13,908)	(209)	(4,591)	(295)
Net cash flow from operating activities	7,800	17,939	37,979	2,239	10,204
Investing activities					
Payments for R&D initiative	-	-	-	-	-
Purchase of property and equipment	(1,525)	(1,703)	(2,253)	(2,149)	(3,258)
Net cash flow from investing activities	(1,525)	(1,703)	(2,253)	(2,149)	(3,258)
Financing activities					
Repayments of lease liabilities	(3,301)	(2,971)	(2,693)	(3,119)	(2,875)
Change in bank overdraft	-	0	0	-	-
Net proceeds from equity	-	789	3,569	-	1,136
Sale of treasury shares and incentive program	555	424	885	1,094	831
Payment of dividends	(46,968)	-	-	-	(46,489)
Net cash flows from financing activities	(49,714)	(1,758)	1,760	(2,025)	(47,397)
Net increase/(decrease) in cash and cash equivalents	(43,439)	14,477	37,487	(1,935)	(40,451)
Cash and cash equivalents at the beginning of the period	76,818	62,340	24,853	26,788	67,239
Cash and cash equivalents at the end of the period	33,378	76,817	62,340	24,853	26,788



Group departments

Webstep has 9 regional offices in major cities in Norway and Sweden. Webstep believes in the power of local business and the decentralized model is based on strong local presence. The regional offices provide expertise and capacity to local clients, while leveraging the full organizational capacity.

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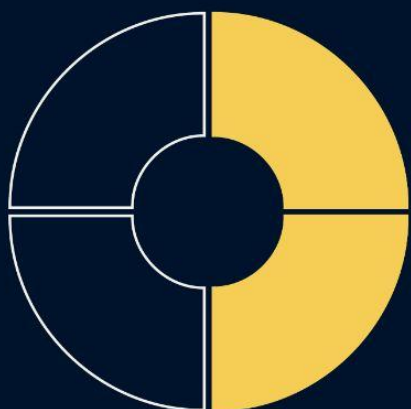
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