

Annual report 2023



WEBSTEP

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Key figures

NOK million	2023	2022	2021	2020	2019
Operating revenues	1000.0	888.4	775.0	690.0	660.5
EBITDA	65.7	76.2	81.2	63.9	60.4
EBITDA margin	6.6%	8.6%	10.5%	9.3%	9.1%
EBIT	18.5	54.6	65.9	50.0	49.1
EBIT margin	1.8%	6.2%	8.5%	7.2%	7.4%
Net profit	4.4	38.4	48.5	36.7	36.1
Net cash flow	13.2	15.7	7.0	14.3	-8.0
Earnings per share (NOK)	0.16	1.40	1.80	1.38	1.36
Earnings per share, fully diluted (NOK)	0.16	1.39	1.77	1.38	1.36
Number of employees, average (FTE)	561	512	449	410	397
Number of employees, end of period	570	538	478	415	409
Operating revenue TNOK per employee (average)	1,784	1,736	1,725	1,681	1,663
EBIT TNOK per employee (average)	32.9	106.8	146.7	122.0	124.0



Founded in year

2000



Listed on Oslo Stock Exchange

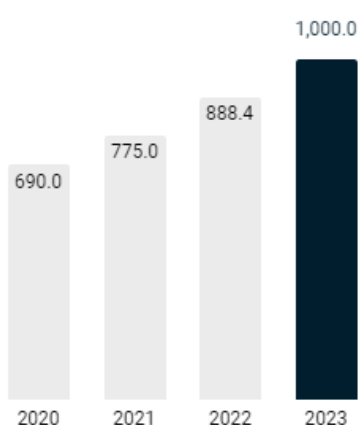
2017



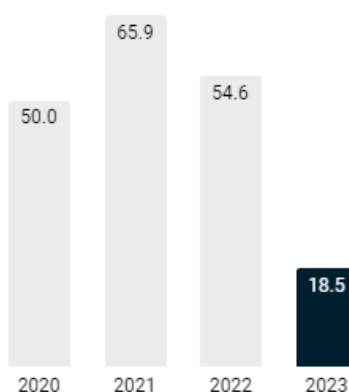
Regional offices

9

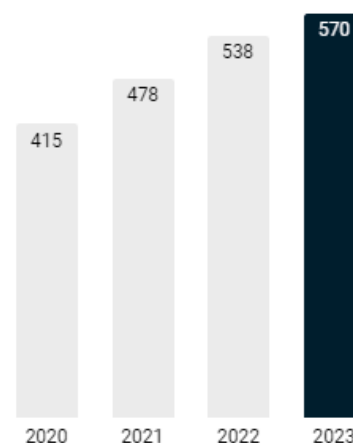
Operating revenues
NOKm



Operating profit (EBIT)
NOKm



Number of employees
End of Period



2023

Letter from the CEO

Revenue milestone, margin focus and business progress

2023 was a year of many contradictions. In Webstep we have both been breaking records and accelerated the development of our company, while also experiencing significant changes and downturns in the markets surrounding us.

This will be the major themes of this year's CEO letter, where we look back and summarize the events that characterized 2023 from various Webstep perspectives.



Challenging markets, substantial accomplishments

In the latter part of 2023, the IT sectors in Norway and Sweden encountered greater challenges than what have been experienced in recent years. Against a backdrop of decreased demand, prolonged sales cycles, and reduced utilisation, Webstep began to feel this shift in the second quarter. This occurred both in Norway and Sweden, but the Swedish market was affected more than the Norwegian. In the third and fourth quarter, we took decisive actions to strengthen our company for 2024.

Although a challenging year, Webstep reached a significant revenue milestone. For the full year we reported revenues of NOK 1,000.0 million (NOK 888.4 million). I am extremely proud of this accomplishment, it's true teamwork and it inspires us leaving 2023 behind. EBIT ended at NOK 18.5 million (NOK 54.6 million), affected by one off costs in regards to severance package for downsizing of non-billable personnel and impairment of goodwill of Webstep Sweden. Excluding the one-off costs, EBIT amounted to NOK 53.5 million, representing an adjusted EBIT margin of 5.3 per cent.

Margin improvement

Towards the end of 2023, our main focus was to strengthen future margins. We prioritised organisational adjustments, sales initiatives, and business development. We streamlined Webstep, optimising our Oslo division by refining our sales team, improving scalability, and cutting overheads. Additionally, we reduced the number of consultants in areas with reduced market demand. All these actions resulted in a substantial enhancement in Webstep's cost base going forward.

Looking back on 2023, we have also demonstrated our ability to create and leverage new opportunities, based on Webstep's capabilities and strengths.

Top tier professionals

Webstep attributes are built upon an exceptional workforce, considering employees its greatest asset. The company prioritises cultivating a workplace that attracts and retains top-tier professionals. Consultants benefit from meaningful assignments, networking opportunities, and support for continuous learning in a fair and transparent environment. The Webstep culture is driven by our key values; skill, innovation, generosity, and simplicity.

Mixed and loyal customer base

Webstep covers both public and private sectors, characterised by a track record of successful consultants and project deliveries. This has led to a stable customer base, reducing our exposure to economic fluctuations and enhancing our resilience in scenarios marked by prolonged sales cycles and fierce competition.

Our valued expert consultants and reputation for dependability are highly regarded by our customers, often securing us key roles within customer operations, even during challenging periods, as the ones recently experienced.

Skilled professionals - boosted teams

Webstep's approach is to deliver skilled professionals who consistently create value to customers and build lasting relationships. In 2023, our team delivery model has linked us closer to the customers and strengthened the long term delivery model.

We have expanded within our major clients and have won significant framework agreements in both public and private sectors, independently and in partnerships. Enhanced cross-selling between Webstep offices, along with robust key account management, is driving revenue growth. Consequently, 40% of Webstep revenue came from 10 largest Norwegian customers.

Convinced in the year of AI breakthroughs

Curiosity, and the ability to create new opportunities with emerging technologies, are key traits of skilled technologists, and our experts have been a significant asset to Webstep in the year generative AI fully emerged.

Webstep teams have opened entirely new avenues for our clients with AI, from revolutionising compliance work, enhancing security in the automotive industry, to dramatically streamlining the mapping between our services and our clients' knowledge needs.

A stronger Webstep facing 2024

My extensive Webstep experience, being a long time Webstep CEO, board member and chair, has given me a deep understanding of the company. This insight has been invaluable, especially as we have been working hard to strengthen Webstep for the future.

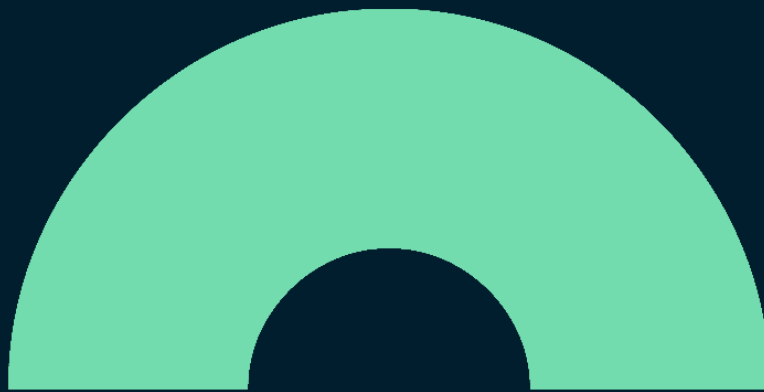
We exit 2023 confident that we've taken the right and necessary steps to proceed further. I also have a clear sense that Webstep's consultants and leaders have what it takes to continuously strengthen and further develop the company, also knowing that our new CEO, Anne Kristine Lund, has been appointed and will take over May 1st. 2024.

It has been a privilege to lead the company during this interim period, and I feel very confident to hand over to Kristine when she arrives. I also want to express my gratitude to everyone we've had the privilege of working for - and alongside - in 2023. As we kick off 2024, much has unfolded, and we eagerly look forward to what lies ahead.

Kjetil Bakke Eriksen
Webstep ASA Interim CEO

(Sign)

Board of director's report



Board of Directors' report

Highlights

Webstep recorded consolidated revenues in 2023 of NOK 1,000.0 million from NOK 888.4 million in 2022. At the end of the year the Group had 570 employees, representing a growth of 32 employees year over year. Consolidated EBIT for 2023 amounted to NOK 18.5 million from NOK 54.6 million in 2022, affected by extraordinary costs at NOK 35.0 million. The Board of Directors propose a dividend of NOK 1.00 per share for the General Meeting in May 2024.

Although we noted a decrease in demand for IT consulting services in 2023, the long-term trend towards increased digitalization remains unchanged. Webstep has a robust, proven and further developed business model, and the relative share of Webstep's revenue from large customers is rising, atop a mixed and loyal customer base.

Structural actions have been taken to prepare Webstep for 2024. The organisation has been streamlined, including a restructuring of our Oslo division. Concurrently, we've optimised our sales team, improved scalability, and reduced overhead costs. In response to ongoing challenging market conditions in specific regions, we have also reduced the number of consultants where necessary.

As Webstep enters 2024, we have a solid order book and a strong position in the market. Our top-tier professionals and cultivated workplace are considered our greatest assets, and we serve as a premier hub of consultants fulfilling our customers' project and solution requirements.

Operations

The board of directors' report for the Webstep group comprises the parent company Webstep ASA and its subsidiaries (Group). Webstep ASA is a Norwegian public limited liability company headquartered in Oslo, Norway. The Group has offices in Norway and Sweden and had 570 employees as of 31 December 2023, 32 more than 31 December 2022.

The Company's shares are listed and traded on Oslo Børs under the ticker WSTEP. Webstep's business is conducted through the Group's two subsidiaries, Webstep AS in Norway and Webstep AB in Sweden. The Group has offices in Oslo, Bergen, Stavanger, Trondheim, Kristiansand and Haugesund (Norway), as well as in Stockholm, Malmö and Uppsala (Sweden). Webstep believes in the flexibility and responsiveness of a decentralised model based on strong local presence. One part of our sales and delivery model is that regional offices serve local clients with considerable autonomy. The second part is the sale and delivery of teams independent of geographical location. In this way, we

leverage the full expertise and capacity of Webstep.

An important part of the Webstep strategy is to employ and offer highly qualified senior IT consultants with significant experience. The Group employed 570 employees at the end of December, of which approximately 500 were IT consultants. The Group's consultants have on average more than 10 years of 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 is a provider of IT consultancy services and offers expertise to solve demanding digitalization and IT projects across the private and public sectors. Webstep delivers stand alone consultants as well as project teams, projects and solutions. Webstep's revenue from major client accounts has been increasing throughout 2023 and is now above 40%.

We prioritise simplicity, transparency, and fairness in all aspects of our organisation. Our flat hierarchy, transparent processes and incentivised compensation structure attract top-tier professionals. Both the industry and Webstep require more women, and Webstep supports initiatives aimed at improving this situation, including internal, strategic projects intended to contribute to this goal. The 2024 appointment of Anne Kristine Lund as Webstep CEO further enhances our credibility in this area. We also recognize the importance of corporate responsibility and sustainability as described below.

Top technology experts

Webstep is a company tailored for top tech experts. We deliver value through collaboration among our employees and aim to create the best workplace for and together with them. In Webstep all employees shall experience professional environments that deliver quality at every level. Together, we cultivate the Webstep culture, professional development, and long-term Webstep careers.

At Webstep, we are committed to providing our employees with the best total package possible, ensuring long-term career growth and satisfaction, covering competence activities, knowledge sharing, professional challenges and continuous development. The company maintains a healthy work life balance and a beneficial compensation model, maintaining clear and transparent communication about compensation policies and decisions.

In a highly competitive market, Webstep strives to be the best place to work. Our models have been emulated by our competitors, and we continue to focus on improving the design and implementation of our workplace.

Webstep provides a unique opportunity for our consultants to continue their professional development, learning and growth to ensure that our employees thrive in a supportive and challenging environment. Our approach to development is both local and centralised, and involves providing our consultants with meaningful assignments, professional networking opportunities, support for learning and a fair and transparent employment environment.

Through Webstep our consultants are exposed to clients from a wide range of public and private sectors. This exposure, coupled with our investment in ongoing training and development, allows consultants to expand their knowledge and skills. Additionally, the collaborative nature of consultancy work fosters a culture of learning, where consultants can share best practices, learn from each other's experiences, and continually improve their capabilities.

Employees' capabilities - our strongest asset

System development represents the core of the Webstep organisation and deliveries. With approximately 500 service-minded senior consultants specialising in Java, .NET, Open source, Android, IOS and more, we are one of the market's strongest professional environments. In our client relationships, this opens up for complementary lines of business and services too, collectively representing a proven offering to our customers.

Compared to less experienced and skilled ones, great software developers can be extremely valuable to a customer in terms of both time-to-market and total cost of ownership. It takes great skills to produce great work. By taking a holistic approach to software development great software developers not only produce functional code but also code that is well-designed, maintainable and extensible. "Software craftsmanship", like any craft, requires skill, experience, and dedication.

To achieve this goal, software craftsmen and -women encompass everything from the architecture and design to the way the code is written and tested. They use best practices such as test-driven development, continuous integration, and code reviews to ensure that their code is of the highest quality. Software craftsmanship also emphasises communication and collaboration within development teams, as well as working closely with stakeholders to understand requirements and feedback. Collaborating to share knowledge, improve processes, and provide feedback is crucial for success.

Furthermore, the Webstep approach is, on top of software development, to offer complementary services and expertise areas.

Working with architecture is a natural part of developing any digital solution and systems, and our employees often assume the role of architects in client projects. Methodical work with architecture provides scalable, robust, and future-oriented solutions that enhance a business's ability to adapt over time.

Technology management encompasses a wide range of areas. We work with project and program management, technical project management, as product owners, with process, and change management, agile coaching testing and more. These areas of expertise are all possible ingredients in the deliveries of teams or projects.

Excellent user experiences are crucial for the success of digital solutions. Webstep works with insight, concept development, interaction design, visual design, measurement and metrics, and adoption of solutions. As with technology management, working with user experiences is a natural extension and ingredient in our deliveries.

Through Business Intelligence (BI) sound decision support is provided and secured. Webstep develops solutions that extract new insights and valuable information based on a company's data, and compile data for better decision-making. Our employees are often responsible for and/or involved in the data-engineering side, meaning the more complex tasks on the back-end, such as integration, data collection, and data organisation.

The sudden rise of generative AI calls for early movers, and Webstep has already shown the necessary skills and ability to gain insight into and identify opportunities and limitations. Through 2023, various Webstep teams have been achieving significant AI-driven advantages and efficiency gains for our clients across different industries. Our blend of tech experts, innovative clients, and hard work is yielding results.

Webstep market approach



Webstep offers expert services across three tiers, with the latter two showcasing a recent emphasis on team-based deliveries, project staffing, and comprehensive customer solutions. Developing our market approach has been a pivotal aspect of Webstep's evolution for two purposes.

- From a customer perspective, it grants access to expertise and execution capabilities in sub-projects or tasks, or in entire projects or solutions.
- From a consultant perspective, our approach aims to provide Webstep employees with attractive internal career opportunities, offering them a variety of possibilities.

These tiers include:

Expert Hiring: The traditional method of providing consultancy services, one by one, and one after another.

Team-as-a-Service (TaaS): This offering enables Webstep to assemble cross-disciplinary teams to tackle customer challenges.

Projects and Solutions Deliveries: This encompasses development projects and comprehensive solutions, often incorporating a mix of third-party software and system development.

Offering handpicked technology experts who efficiently assist in solving customer challenges is the traditional Webstep market approach. Projects are typically driven and managed by the clients themselves. These services will continue to grow based on customer needs, opportunities within framework agreements, and sales initiatives that open

new accounts.

Through the offering of entire teams we have opened up new scenarios for our customers where we can more easily assist them in optimising resource utilisation and availability. Our main takeaway in 2023, has been that general trust has been swiftly built up between the parties. The same applies to the fact that common goals have led to shared success.

TaaS is the fastest-growing segment within the company, largely driven by further developments within major clients. Our TaaS deliveries to Equinor, as a part of Equinor's digital transformation, is a great example. All six Webstep office locations in Norway are involved in delivering our services.

In parallel, throughout 2023, Webstep has sharpened its focus on major framework agreements, either as a lead or as a supplier alongside other framework agreement partners. Several of these agreements were secured during the latter half of 2023, including agreements with the Posten Bring Group, the Norwegian Directorate of Immigration, the Police IT Service, and the Norwegian Health Network.

Enova and the Norwegian Environment Agency are typical examples of customers requesting complete solution deliveries, showcasing the third delivery method, project deliveries and solution deliveries.

Our gradual development of our go-to-market model has yielded clear results. By the end of 2023, our major customer accounts comprised more than 40% of Webstep's revenue.

Financial review

The following financial review is based on the consolidated financial statements of Webstep ASA and its subsidiaries. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as the Norwegian accounting legislation.

In the view of the board, the income statement, the statements of comprehensive income, changes in equity and cash flow, the balance sheet and the accompanying notes, provide satisfactory information about the operations, financial results and position of the Group and the parent company 31 December 2023.

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

Consolidated statement of income and comprehensive income

Total operating revenues amounted to NOK 1,000.0 million, up 12.6 per cent from NOK 888.4 million in 2022. The revenue growth was driven by an increased number of consultants and hourly rates, although negatively affected by lower utilisation and two less working days compared to last year. Revenues from subcontractors amounted to NOK 83.8 million (NOK 64.5 million), due to an increase in projects in collaboration with partners. Revenue from subcontractors can vary over time depending on whether Webstep goes prime in larger projects in collaboration with partners.

Webstep's revenue model is primarily based on hourly fees, with revenue capacity depending on the number of consultants and number of working days available. Calendar effects may therefore cause differences in revenue capacity between years. The average number of employees in 2023 was 561 (512) and the number of working days was 251 (253) in both Norway and Sweden.

Cost of services and goods sold, primarily from use of subcontractors, amounted to NOK 93.7 million (NOK 74.7 million) for the year.

Personnel expenses include salaries and benefits, pension, social security tax, vacation pay and other items. A high proportion of salary is variable. Webstep's salary model is a merit-based model where the consultants have a base salary in addition to a variable pay as a fixed share of the billable rate. Consultants in an onboarding phase after employment or in-between projects receive a guaranteed base salary, which is the main driver for higher personnel expenses in periods with high onboarding activity or reduced utilisation.

Salaries and personnel costs amounted to NOK 783.7 million (NOK 686.7 million) for the full year. The increase is explained by increased number of employees, and higher variable pay as a result of increased revenue. In addition, the

increased Norwegian employer's contributions that were implemented in 2023, caused NOK 9.0 million higher costs than 2022.

The increase is also affected by severance packages related to downsizing of non-billable employees, downsizing of consultants in areas with reduced market demand and CEO transition. These costs of total NOK 12.3 million relate to salary commitments for 2024, and are provisioned for in the 2023 accounts.

Other operating expenses amounted to NOK 56.9 million (NOK 50.8 million) for the full year. The increase is mainly explained by higher costs related to external services and office locations in addition to software and equipment, while positively impacted by reduced conference and course attendance.

Depreciation and impairment costs were NOK 47.2 million (NOK 21.6 million). The increase is primarily explained by the NOK 25.0 million impairment of acquisition-related goodwill for Webstep Sweden. The anticipated value of future results in a declining Swedish market necessitated the impairment. Note that depreciation and impairment for 2022 included a write-down of lease that amounted to NOK 1.8 million.

Total consolidated EBITDA amounted to NOK 65.7 million (NOK 76.2 million), and EBIT amounted to NOK 18.5 million (NOK 54.6 million). EBIT is affected by the extraordinary costs related to impairment of goodwill for Webstep Sweden, downsizing the number of non-billable employees and CEO transition. EBIT adjusted for these one-off costs is NOK 53.5 million. In addition comes increased costs related to the increased Norwegian employer's contributions that were implemented in 2023.

Net financial costs were NOK 5.4 million (NOK 4.4 million) and income tax expense amounted to NOK 8.6 million (NOK 11.8 million). Net profit for the year was NOK 4.4 million (NOK 38.4 million). Net profit adjusted for one-off costs is NOK 39.4 million. A correction of tax expense has been executed between the publication of the interim fourth quarter report and the annual report, affecting the net profit result positively with NOK 0.7 million, ending at NOK 4.4 million.

Consolidated financial position

Total assets on 31 December 2023 amounted to NOK 708.2 million (NOK 679.0 million). A correction of lease liabilities against prepayments has been executed between the publication of the interim fourth quarter report and the annual report, resulting in total assets NOK 0.6 million lower than first reported.

Non-current assets were NOK 471.3 million (NOK 461.8 million) and consisted mainly of intangible assets. Intangible assets amounted to NOK 358.2 million (NOK 380.1 million),

and comprised primarily of acquisition-related goodwill. The reduction is due to a NOK 25.0 million impairment of acquisition-related goodwill for Webstep Sweden. There are no indications that impairment is required for the Norwegian unit. Right-of-use assets related to office rentals and car leases have been recognized in the balance sheet at the total amount of NOK 98.0 million (NOK 65.1 million). Total current assets of NOK 236.9 million (NOK 217.2 million) is adjusted by NOK 0.6 million from what was reported in the fourth quarter report, due to a reduction of lease liabilities against prepayments. Total current assets consisted of trade receivables, other current receivables and cash and short-term deposits. Trade receivables amounted to NOK 156.0 million (NOK 145.7 million). Revenues are invoiced on a monthly basis. Other current receivables were NOK 5.3 million (NOK 9.1 million). Cash and short-term deposits amounted to NOK 75.5 million (NOK 62.3 million).

Total equity on 31 December 2023 was NOK 359.2 million (NOK 393.4 million). The change is mainly due to the dividend paid in 2023 and change in earnings for the year.

Non-current liabilities amounted to NOK 81.6 million (NOK 54.4 million), NOK 0.6 million lower than what was reported in the unaudited interim fourth quarter report. The adjustment is due to a reduction of lease liabilities against prepayments. Non-current liabilities consisted mainly of non-current leasing liabilities of NOK 80.3 million (NOK 52.9 million). Current liabilities of NOK 267.4 million (NOK 231.2 million) consisted of current leasing liabilities, trade payables, tax payables, social taxes and VAT and other short-term liabilities.

Cash flow

Total net cash flow amounted to NOK 13.2 million (NOK 15.7 million) in 2023. Net cash flow from operating activities amounted to NOK 76.5 million (NOK 74.0 million) in 2023. The change in cash flow from operations compared to 2022 can primarily be explained by change in receivables and liabilities.

Net cash flow from investing activities was negative NOK 5.5 million (negative NOK 10.7 million). The investments are mainly related to equipment for new employees and office upgrades, and the level of investments were reduced from 2022 to 2023. The nature of the Company's operations requires relatively low levels of investments, and the Company has a sufficient ability to finance any investment required as part of its regular operations through its net cash flow from operating activities.

Net cash flow from financing activities was negative NOK 57.8 million (negative NOK 47.6 million). The financing activities in 2023 mainly consist of payment of dividends and payment of lease liabilities.

The Group had an unutilized Revolving Credit Facility (RCF) with SpareBank1 SR-Bank of NOK 110 million and SEK 5 million with SEB. The Group has not been in breach with the covenants of the RCF during 2023. See notes 17 and 21 for further details.

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 86 per cent of the consolidated operating revenues in 2023.

Norway

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

Total operating revenues for 2023 came to NOK 857.7 million (NOK 761.6 million), up 12.6 per cent compared to 2022. The change in revenue is mainly driven by a higher number of employees and increased hourly rates, although negatively affected by lower utilisation. Revenues from subcontractors and resale of licences amounted to NOK 70.2 million (NOK 45.7 million).

EBIT for the full year came to NOK 17.0 million (NOK 47.7 million). The change in EBIT is primarily explained by one-off costs at NOK 35.0 million related to impairment of acquisition-related goodwill of Webstep Sweden and overhead cost-reduction. EBIT adjusted for these one-off costs is NOK 52.0 million. In addition, EBIT was affected by increased costs due to the Norwegian employer's contributions that were implemented in 2023 amounting to NOK 9.0 million.

Webstep Norway had 471 employees on 31 December 2023 (444 employees). The average number of employees in 2023 was 459 (425).

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 full year came to NOK 142.3 million (NOK 126.9 million), an increase of 12.2 per cent.

Revenues from own consultants were primarily impacted by increased number of consultants, but offset by lower utilisation due to the reduced market demand. Revenue from sub-contractors amounted to NOK 29.9 million (NOK 24.1 million).

Adjusted for fluctuation in exchange rates, revenue grew by 6.6 per cent compared to 2022.

EBIT for 2023 came to NOK 1.4 million (NOK 6.9 million). The year has been characterised by a decline in the Swedish market, with prolonged sales cycles and reduced market demand. Following strong organic growth, Webstep Sweden is particularly exposed to market changes as the strong growth in number of employees amplifies the negative impact of lower utilisation. EBIT is affected by measures initiated following the market slowdown and salary commitments in a year of decreased utilisation. The financial statement of Webstep Sweden is not affected by the impairment of goodwill.

Webstep Sweden had 99 employees 31 December 2023 (95 employees). The average number of employees in 2023 was 101 (86).

Research and development

The nature of the business of Webstep, is to contribute to the digital R&D processes of the Group's customers, and to explore the opportunities created by new technologies.

The Group did not have any defined R&D initiative in 2023 which met the criteria of an intangible asset. The recognition as an asset is based on the management's assessment of future economic benefits from the projects and that the criteria in IAS 38.57 is met.

The Group had no R&D initiative that qualified for the government R&D tax incentive scheme (SkatteFUNN) in 2023.

Risk and risk management

The Group is exposed to various risks and uncertainties of operational, market, financial and regulatory character. Webstep identifies and manages risks on an ongoing basis as part of our established structure for internal control. The risk assessment gives input to both the annual strategy process as well as the annual revision of the established control structure and control activities, to verify that these have a good coverage and work efficiently according to the identified risks.

The risk factors described below have been identified as key risks by the management. The list is not exhaustive.

Business Risk

The Group is exposed to business risk especially related to the following areas.

Market development The Group's results are affected by macroeconomic development and demand for its services. The Group's large diversity of customers combined with various projects in different sectors and geographic areas, have a somewhat mitigating effect on the market risk exposure. Long-term contracts and consistent deliveries over time have secured a low-volatility price structure. The variable salary model for the consultants also reduces market risk exposure as the salary expenses to a large extent correlate with revenues.

Webstep has a strong local presence. The proximity to our customers and local market insight is making it easier to actively use the collaboration between regions to mitigate the risk of local market changes.

Access to employees The employees are the most important asset of Webstep. In order to ensure stable growth, the Group is dependent on being an attractive employer to retain and attract new employees. Webstep's strategy is to continuously invest in new technological trends and services, provide interesting and challenging assignments, and to offer attractive remuneration and benefits to its employees. The compensation model is based on a high proportion of variable salary, which is closely linked to the consultants' individual performance.

Project risk and potential legal liability Consultancy businesses are exposed to the risk of disagreements and legal disputes related to client projects. A majority of the Group's assignments are based on standardised agreements with "Time & Material" pricing and monthly invoicing, which implies limited risk per contract.

If the consultant can be held responsible for gross negligence or willful misconduct, the Group may be liable to damages. In order to reduce these risks, according to market practice, the Group has insurance coverage for professional liability, occupational injury, general liability and employee dishonesty.

The Group has in the past been, and may in the future be, subject to legal claims, including those arising in the normal course of business. Contracts may contain penalty clauses for the Group's failure to timely deliver or failure to meet agreed service levels and the Group may face claims as a result of breach of contract.

An unfavourable outcome on any litigation or arbitration matter could require that the Group pays substantial damages, could prevent the Group from selling certain of its products or services, or in connection with any intellectual property infringement claims, it could require that the Group pays ongoing royalty payments. A settlement or an unfavourable outcome on any litigation or arbitration matter could have an adverse effect on the Group's operating revenue and profitability.

Changes in laws and regulations in the markets where Webstep operates could hinder or delay the Group's operations, increase the Group's operating costs and reduce demand for its services. Changes in laws and regulations applicable to the Group could increase compliance costs, mandate significant and costly changes to the way the Group implements its services and solutions, and threaten the Group's ability to continue to serve certain markets.

Another risk in projects may pertain to the Company's reputation, if the work delivered in a project does not have sufficient or expected quality it could harm the Company's reputation.

Financial Risk

The Group's executive management team and the board of directors monitor the following financial risk factors on an ongoing basis and take the necessary actions when required.

Credit risk exposure for the Group is influenced mainly by the individual characteristics of each customer. Webstep engages with large and regular customers and has had low historical losses on receivables. Webstep has a diversified portfolio of customers in various industries.

Price risk Changes in the market can lead to a decline in hourly rates for IT services, which will impact the Company's revenue. Changes in customer demand, increased competition, technological changes, or similar factors can influence the market development. The variable salary model of the consultants reduces the risk exposure as the salary expenses to a large extent correlate with revenues.

Currency risk refers to the exposure through operations across different countries, in regard to unpredictable gains or losses due to changes in the value of one currency in relation to another currency. Webstep operates in Norway and Sweden and fluctuations in exchange rates between NOK and SEK could affect the Group's business, results of operations, cash flows, financial condition and/or prospects. Currently, the Group does not have any hedging positions in place to limit the exposure to exchange rate fluctuations. The Group has assessed the currency risk to be limited, since the Group entities endeavour to match income and expenses as well as assets and liabilities in the same currency.

Interest rate risk exposure is primarily in relation to the Group's revolving credit facility, issued at floating interest rates based on NIBOR (Norwegian Interbank Offer Rate). As such, movements in interest rates could affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group does not currently have any hedging positions in place to limit the exposure to interest rate fluctuations, but are monitoring the development. The Group evaluates the interest rate risk to be low due to the low net debt and strong financial position for the Group.

Liquidity risk arising from the Group not being able to meet its financial obligations as they fall due, is considered low. The Group's approach to manage liquidity risk is through proper liquidity planning to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Executive management has monitoring controls in place to ensure that the Group has sufficient liquidity.

Going concern

The annual accounts have been prepared on a going concern assumption. The board has confirmed that this assumption can be made on the basis of the Group's budgets and long-term forecasts.

Parent company results and allocation of net profit

Webstep ASA is the parent company of the Group. The Company facilitates and supports internal processes throughout the Group, especially in areas such as finance, business development, communication and marketing. The annual financial statements for Webstep ASA are prepared in accordance with the Norwegian Accounting Act and the regulations on simplified application of international accounting standards (IFRS).

The Company had an operating loss of NOK 23.8 million in 2023 (NOK 25.6 million). The Company's net financial revenue for 2023 was NOK 20.1 million (NOK 54.4 million) and mainly consists of Group contributions from its subsidiary, Webstep AS. The net financial revenue was negatively affected by other finance expenses related to the impairment of cost price of shares in Webstep AB at NOK 25.0 million. Profit before tax amounted to negative NOK 3.8 million (positive NOK 28.8 million). Net profit was negative NOK 8.4 million (NOK 22.4 million). The overall decrease in profit before taxes, relates to the finance expenses related to the write down of purchase prices shares for Webstep AB, and decrease in Group contribution NOK 53.7 million (NOK 59.1 million).

The book value of the Company's investments in the subsidiary companies 31 December 2023 is NOK 407.1 million (NOK 432.1 million). The change is explained by the impairment of Webstep Sveden.

The Company is the administrator and owner of the Group's bank accounts in Norway, and hence the positive cash flow generated by the Group increases the cash position of the Company. Any deposits generated by the Norwegian subsidiary are classified as liabilities to Group companies. At year-end the cash and short-term deposits amounted to NOK 63.1 million (NOK 42.1 million), and the liabilities to Group companies amounted to NOK 252.7 million (NOK 205.2 million). Total receivables from Group companies amounted to NOK 61.6 million (NOK 65.2 million). Equity amounted to NOK 239.4 million (NOK 273.5 million), which corresponds to an equity ratio of 44.9 per cent (50.6 per cent). Changes in equity is mainly explained by profit for the period offset by the proposed dividend for 2023.

The Board of Directors considers that Webstep ASA had adequate equity and liquidity at the end of 2023. The Board of Directors will propose an ordinary dividend of NOK 1.00 per share for approval by the Annual General Meeting 16 May 2024. The proposed dividend amounts to a total NOK 27.6 million.





Corporate Responsibility Statement

Webstep has a strong vision of making positive contributions to society. The Group aims to create value in the interaction between people and technology, in everyday life, in businesses and in society. By acknowledging the Company's responsibility, Webstep strives to generate profitability through its operations without compromising ethical values, and with respect for individuals, the environment, and society. Webstep can create value through digitalization and the development delivered for the Company's customers, in addition to having proper guidelines for the Company's operations with a focus on environment and climate, social responsibility, and corporate governance. Of these, the last two factors, social responsibility and corporate governance, are the most prominent for an IT consultancy firm like Webstep.

Webstep is a provider of IT consultancy services and offers expertise to solve demanding digitalization and IT projects in the private and public sector, in a number of different industries including banking, finance and insurance, public administration, agriculture and food production, IT and telecommunication, commerce and transportation. Webstep aims to be at the forefront of technological development.

The Group has guidelines for corporate responsibility and ethical behaviour which are part of the employees' work agreements. Webstep's guidelines for corporate responsibility are based on the UN Global Compact's ten principles on human rights, labour, environment and anti-corruption. Webstep's guidelines emphasise among others ethical behaviour, strong data security, and encourage best practice with regard to financial and practical business processes. All employees are required to comply with the Company's established guidelines which are essential to build strong relationships with clients, suppliers and partners.

The nature of Webstep's operations, delivering IT services, implies relatively low inherent risk within areas for corporate responsibility such as environment, social conditions, work environment, discrimination, human rights, corruption, bribery and equal opportunities. In addition to due diligence assessments regarding the Transparency Act, Webstep performs an annual risk assessment of business and financial matters as well as Corporate Responsibility. The risk assessments are carried out annually and the results are reported to the board of directors. The risk assessment procedure provides input both to the annual strategy process and the annual revision of the established control structure and controls. The aim is to verify that these secure proper control coverage and work efficiently according to the identified risks.

Employees

Webstep is a people company and our employees are our most important asset. Our business model thrives when our consultants stay with the company over a long time. At a strategic level, in order to secure both low churn and a steady inflow of new employees, we are continuously building the best workplace for Webstep employees in terms of health, safety and environment management. Webstep is committed to providing fair and favourable working conditions, skills development, exciting tasks, and a positive social environment. The Company has a zero-tolerance policy against harassment, bullying and discrimination, and is equally supporting the employees' personal and professional development.

Work environment, company culture and employees rights, terms and benefit

In line with being a people company, Webstep emphasises the work environment and the employees' rights, terms and benefits, as well as their opportunities for personal development on and off work. This is based on the idea that employees thrive in an environment built on trust, with the opportunity to make a difference, and freedom to take responsibility and make mature decisions in the best interest of oneself, the customers and the organisation. This focus supports Webstep's ability to deliver as an IT consultancy, with the employees being the greatest asset.

Webstep whistleblowing guidelines are designed to reassure the employees that any matters reported will be taken seriously, heard and assessed, followed up and answered. Webstep has an established working environment committee (AMU) with selected representatives from the employees and the administration of Webstep. Further, there are three selected employees serving as board members in Webstep AS and observers to the board of directors in Webstep ASA.

The Group puts great emphasis on building a strong company culture and a healthy work environment in and across all its geographical locations. The Webstep work culture is driven by the values of being skilled, innovative, generous and uncomplicated. The board of directors considers the work environment to be good and the collaborative relationship with employee observers to the board is perceived as positive.

Webstep runs annual employee surveys. The 2024 report, with a response rate of 78%, run in February 2024, covers the 2023 employee experiences.

Willingness to recommend an employee to others is indicated as the Employee Net Promoter Score, which is a commonly used measure of employee loyalty. Generally, an eNPS score above 0 is considered a strong result, with +20 being very strong and -20 being very weak. Webstep's eNPS for 2024 is 44.

The areas of measures are working environment, personal development and culture and leadership. Webstep has considerably higher results than Netigate's benchmark for all question areas (Netigate being a recognized survey supplier). For further information, see the [Equality and anti discrimination statement](#).

The illustration below shows key indexes from the Employee Survey for 2024.



Employee Satisfaction index (0 to 100)

Women

82

Men

84



Employee loyalty index (-100 to 100)

Women

39

Men

42



Employee Satisfaction (1 to 5)

(I'm proud to work at webstep)

Women

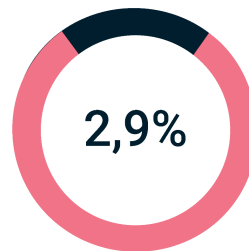
4,31

Men

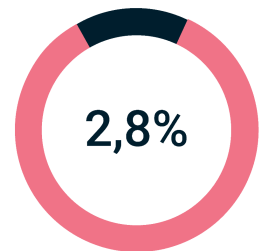
4,33

Sickness and injuries

Webstep works systematically with health, safety and environment management and makes efforts to mitigate health risks and prevent injuries. No accidents or injuries were registered neither in 2023 nor 2022. The employees on long-term sick leave are closely followed up by their respective managers, and the reasons for the sick leave are not considered to be work environment related. The sickness rate in the Company was for 2023 2.8 per cent, while for 2022 the rate was 2.9 per cent.



Year - 2023



Year - 2022

Environment and society

Webstep aims to create profitability without compromising ethical values, and with respect for individuals, the environment and the society at large. Webstep recognizes its responsibility as an organisation and employer to contribute to the achievement of UN's Sustainable Development Goals (SDGs). Among the listed SDGs, Webstep believes the Company can have a significant impact on - hence a strong internal focus on **the following five of the UN Sustainable Development Goals:**



4. Quality education

Focusing competency building through involvement and cooperation with institutions for higher education and competence network organisations.



5. Gender equality

Focusing on equal pay, career possibilities, life phase policies and work-life balance.



8. Decent work and economic growth

Addressing the combination of great working conditions and focus on profitable growth.



9. Industry, innovation and infrastructure

Combining technology and knowledge in order to create innovative, inclusive and sustainable customer solutions in the fields of environmental - and climate challenges.



12. Responsible consumption and production

Promoting sustainable consumption - and production practices through low energy solutions and increased operational efficiency.

Although Webstep's operations have a limited negative effect on the environment, the Group makes systematic efforts to reduce the environmental impact of its business. The Norwegian subsidiary of Webstep has received an [Eco-Lighthouse certification](#) (Miljøfyrtårn), and has reviewed its routines and processes in order to be able to contribute to the green shift in the best possible way. This includes

sustainable procedures and processes in areas including business travel, procurement and waste management.

The Group has conducted an analysis of its business in accordance with the [EU taxonomy](#) and conducted a [double materiality analysis in accordance with CRSD](#).

Ethics, fundamental human rights and proper working conditions

Webstep's ethical guidelines shall ensure a high ethical standard for personal behaviour and good business practice, outlining the expectations and obligations that each employee has in order to develop a healthy corporate culture. All employees acknowledge the ethical guidelines upon commencement in the company. This is done to ensure the correct understanding of the ethical standards the company operates under. Breach of the Group's ethical guidelines shall be reported in accordance with the procedures for reporting of unacceptable conditions.

Webstep's commitments to human rights and decent working conditions are anchored in the Group's internal policies and procedures that all employees must acknowledge. This includes, among other things, the Group's Code of Conduct, ethical guidelines, corporate social responsibility guidelines, and guidelines for health, safety, and environment.

Webstep has conducted due diligence assessments in accordance with The Transparency Act. The Transparency Act aims to reduce the risk of human rights violations and ensure decent working conditions within the company, in the supply chain and among partners.

In the evaluation process, suppliers of significant size have been assessed, as well as according to the industry in which the supplier operates and the type of service or delivery they provide to the Group, their geographical affiliation, and Webstep's real influence on the supplier. Based on the results of the assessments and nature of Webstep's business as a provider of IT consulting services, the Group assesses the risk of human rights violations in the value chain and business in general to be relatively low, but will monitor by performing annual due diligence assessments. For a comprehensive overview of Webstep's work in conducting due diligence assessments and fulfilling the requirements of the Transparency Act, a separate report is provided on webstep.no.

Work against corruption and bribery

Webstep has a zero-tolerance policy for corruption. All employees are expected to promote a strong anti-corruption culture. The Group actively works to prevent undesirable behaviour and empowers its employees to handle challenging situations, demands, and expectations in order

to comply with ethical guidelines. The group has established processes for whistleblowing and procedures for handling incoming alerts.

Equality and non-discrimination, diversity and inclusion

Webstep's commitment to ensure diversity, promote equality, and prevent discrimination is integrated into the Company's policies and values. This includes discrimination based on beliefs, ethnicity, gender, gender identity, gender expression, sexual orientation, age, disability, pregnancy and caregiving tasks, or skills and experience amongst others.

The IT consulting industry is characterised by a high share of male employees. Webstep recognises its responsibility to always strive for a better gender balance, and increasing the proportion of female employees is an explicit strategic initiative for Webstep. Webstep also acknowledges that the share of women in the Company's management is low. The appointment of the first woman as CEO of the company in March 2024, following a process initiated towards the end of 2023, confirms Webstep's willingness and ability to act on this strategic initiative.

As of 31 December 2023, the Group had a total of 570 employees (538). The proportion of women increased from 16 per cent at the end of 2022 to 18 per cent at 31 December 2023.

In Webstep's work on equality, a four-step model has been emphasised, through assessing possible risks of discrimination and potential obstacles, putting in place initiatives and measures to further promote diversity and evaluating this work to make further progress.

With regard to the IT industry at large, Webstep works hard to promote IT to future generations of women in order to contribute to the closing of this gender gap. The activities include actively participating in public debates as well as supporting events focused on women in technology. In 2023 Webstep invested time and resources to support 50 most prominent women in tech by Abelia/Oda Network, TENK Tech Camp for girls aged 13-18 as well as Jenter og teknologi organised by Abelia, Girl Tech fest and the initiative SheCodes.

Internal control framework

Webstep has an overall internal control structure based on the COSO (Committee of Sponsoring organisations) Internal Control Integrated Framework, securing strong and sustainable corporate governance.

The COSO Framework is a system used to establish internal controls to be integrated into the business processes. Collectively, these controls provide reasonable assurance that the organisation is operating ethically, transparently and in accordance with established industry standards. The main elements of the framework are control structure, risk assessment, controls (mitigation of risks), communication and review.

The Control Structure of Webstep guides the daily operations and decisions in the Company. The prominent laws and external guidelines within Corporate responsibility are well covered (The Equality and Anti-Discrimination Act, The Working Environment Act, The Transparency Act, in addition to Webstep's commitment to the UN Sustainable Development Goals). The key documents of the Webstep Control Structure are the Group's Corporate Governance Policy, the Company's dedicated values, corporate guidelines, quality policy and due diligence policy.

The Equality and Anti-Discrimination Act

The Equality and Anti-Discrimination Act can be found at this [section](#) in the Annual report.

Corporate governance

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees and other stakeholders. The board of directors of Webstep has established a set of governance principles in order to ensure a clear division of roles between the board of directors, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Webstep is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the continuing obligations for issuers of shares pursuant to Oslo Rule Book II – Issuer Rules. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021, may be found at www.nues.no.

The annual statement on corporate governance for 2023 has been approved by the board and can be found at this [section](#) in the Annual Report.

Share and shareholder matters

The Company's shares have been listed on Oslo Stock Exchange since 11 October 2017. Webstep has only one share class, where all shares have equal rights in the Company.

The shares are traded under the ticker WSTEP and had a closing price 31 December 2023 of NOK 21.50.

The total number of outstanding shares 31 December 2023 was 27.6 million (excl. treasury shares). The shares are registered in the Norwegian Central Securities Depository (VPS). The Company's registrar is SR-Bank ASA. The shares carry the securities number ISIN NO 0010609662.

Dividend policy

Webstep has an ambition to create long term shareholder value in the form of dividend payments and share price appreciation over time. Dividend payments will be considered in light of the Company's financial situation and investment plans. The Company's objective is to pay annual dividends representing minimum 75 per cent of the Group's net profit.

In deciding whether to propose a dividend and in determining the dividend amount, the board of directors will take into account legal restrictions, the Company's capital requirements, including capital expenditure requirements, its

financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend resolution may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividend paid may not exceed the amount recommended by the board of directors.

The board of directors intends to propose a dividend of NOK 1.00 per share to the Annual General Meeting that will be held in May 2024.

Long-term incentive program

The annual general meeting in 2019 approved a three year long long-term incentive program (the "Long-term Incentive Program" or "LTIP") for the Company's executive management and other key personnel as decided by the board of directors. The LTIP has an initial term of three years. The number of options granted in each respective year cannot exceed 2.5 per cent of the Company's share capital. The total number of issued options under the program cannot constitute more than 8 per cent of the Company's share capital at any time. The LTIP is structured so that 25 per cent of the options may be exercised following the first anniversary of the grant date, an additional 25 per cent of the options may be exercised following the second anniversary of the grant date and the outstanding 50 per cent of the options may be exercised following the third anniversary of the grant date. The options expire following the fifth anniversary of the grant date. The exercise of options is conditional on continued employment in the group at the exercise date.

The exercise price of the share options is equal to the volume-weighted average market price for the Company's shares on the Oslo Stock Exchange the six trading days prior to the grant date of the relevant option. The share options vest if the senior executive remains employed during the vesting period. The total number of outstanding options in the Company is 1,165,170 on 31 December 2023. The outstanding options may be settled in cash. The potential dilution through the LTIP accounts for 228,026 shares for the year 2023. During the year a total of 42,461 vested shares were exercised. See note 22 and the Remuneration Report available at the Webstep's website for further details.

Changes to the executive management and board of directors

Executive Management Save Asmervik stepped down from his position as CEO in November 2023 and Kjetil Bakke Eriksen was appointed interim CEO with immediate effect until a permanent CEO takes over. As a result of this, Kjetil Bakke Eriksen resigned from his position as Chair of the

board. Bakke Eriksen served as CEO of Webstep from 2006 to 2019 and has a solid knowledge of Webstep's business and culture. In March 2024 the Board of Directors announced that Anne Kristine Lund was appointed new CEO. Lund will assume the position on 1 May 2024.

Ida Amalie Oma has been CFO from 1 January 2023.

Erlend Nævdal, Director Business Development, stepped down from the executive management at the end of 2023.

Board of Directors At the annual general meeting 4 May 2023 the board members Trond K. Johannessen, Trygve C. Moe and Toril Nag resigned from the board. The general meeting elected Anna Söderblom, Bendik N. Blindheim, David Bjerkeli, Kari Mette Toverud and Kjell Magne Leirgulen as new board members.

The Board called for an Extraordinary General Meeting 5 January 2024. The general assembly elected Kjell Magne Leirgulen as Chair of the Board and Kari Mette Toverud resigned from the board.

Directors' and Officers' Liability Insurance

Webstep has signed a directors' and officers' liability insurance agreement with QBE Europe SA/NV covering the board of directors and executive management.

Events after the balance date

After the balance date, the Board announced in March 2024 that Anne Kristine Lund was appointed new CEO. Lund will assume the position on 1 May 2024.

No events have taken place after the balance sheet date that would have had a material effect on the financial statements or any assessments carried out. No material acquisitions or disposals of companies were carried out after the balance sheet date.



Outlook

These forward-looking statements convey current viewpoints regarding future events and inherently involve substantial risks and uncertainties.

Profitable growth is key to Webstep going forward. As we step into 2024, we have optimised our organisation to enhance profitability, yielding annual cost savings of around NOK 21 - 25 million, with a minimum of NOK 21 million expected to take full effect in 2024. We have downsized with 11 non-billable positions, undergone necessary restructuring and geared towards providing enhanced customer value.

Facing 2024, tougher markets seem not to have hindered the enduring and long lasting trends of digitalisation across public institutions and private sector industries. Digitalisation is crucial for innovation and competitiveness, with the rapid emergence of generative AI further driving this momentum. Webstep not only maintains a robust presence among our clients and in the market, but also demonstrates capability in navigating the challenges posed by a digitised world.

Effective resource utilisation and strong sales efforts are Webstep key focus areas moving forward. Additionally, prioritising profitability is essential for us. Webstep is well positioned to maintain and develop strong deliveries and customer relations..

In recent years, Webstep's business model has evolved from selling individual consultants for specific assignments to

also providing expert teams. This expansion accelerated throughout 2023, impacting how we collaborate across offices and approach large clients facing significant digitalisation challenges and tasks.

In 2023 the ten largest clients accounted for approximately 40% of the Company's revenue. Webstep has significantly strengthened its deliveries to large clients, both through targeted sales efforts in general and successful management of large framework agreements in the public sector.

Webstep is built to attract top-tier professionals capable of delivering high-value solutions. Our expertise lies in solving complex challenges for our clients. This is reflected in the experience of working at Webstep, our focus on competency development and our ability to conduct targeted sales efforts.

In our efforts to achieve digital customer success, deep business understanding, profound technological expertise, and a solid grasp of success prerequisites through technology, are essential. Webstep has a long tradition of delivering on these strengths, and we believe we are well-positioned for success in 2024.

The Board of Directors intends to propose a dividend of NOK 1.00 per share. The proposed dividend distribution will be on the agenda for the Company's annual general meeting to be held on 16 May 2024.

The Board of Directors and CEO
Webstep ASA
Oslo, 24 April 2024

Sign.
Kjell Magne Leirgulen
Chair of the Board

Sign.
Siw Ødegaard
Board member

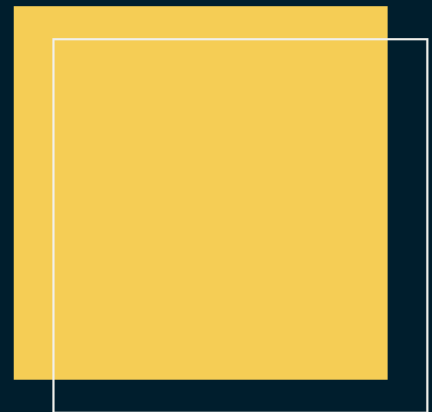
Sign.
Bendik Nicolai Blindheim
Board member

Sign.
Anna Söderblom
Board member

Sign.
David Bjerkeli
Board member

Sign.
Kjetil Bakke Eriksen
Interim Chief Executive Officer

Sustainability



Equality and anti-discrimination statement

Introduction

The purpose of Norway's Equality and Anti-Discrimination Act is to promote equal opportunities and rights, and to prohibit discrimination on the grounds of ethnicity, skin colour, language, religion and beliefs.

As a leading IT consultancy firm, our employees are our most valuable assets. It is essential for Webstep to be a top choice for IT professionals. This means tapping into a diverse talent pool and providing equal opportunities for all. Diversity goes beyond just ethnicity, beliefs, and gender – it includes a range of skills, experiences, and perspectives. This variety enhances our understanding of both our employees and customers, leading to better solutions for everyone.

Websteps aims to be a workplace with equal opportunities and rights for all. Awareness and guidelines on equal opportunities are emphasised throughout the organisation in processes such as recruitment, appointment, pay and customization of working conditions, and in work on developing attitudes.

To the best knowledge of the board and the executive management, Webstep does not discriminate on the grounds of gender, disability, ethnicity, religion or the like.

Webstep's procedures, guidelines and values

Webstep competes to be a preferred employer in the IT services industry and for the Group's position as a great place to work. Part of this employee offering is the individual experience of equal opportunity, inclusion and involvement.

The Group's work on equality emphasises a four-step model, assessing possible risks of discrimination and potential obstacles, putting in place initiatives and measures to further promote diversity and evaluating this work to make further progress. Specific areas include recruitment, pay and working conditions, promotions, training & development, employer assisted provisions and work-life balance.

In order to achieve equality and avoid discrimination, the efforts are aligned with Webstep guidelines, values and procedures.

The Group's governance structure defines that the management shall report regularly on specific relevant governance areas. The board holds the management accountable for risks in all governance areas, including equality and anti-discrimination.

The working environment committee (AMU) at Webstep, which includes employee representatives, meets quarterly with equality and anti-discrimination as a regular item on the agenda

Current guidelines promote equality, respect and prohibit discrimination. It is clearly stated in the employee guidelines that discrimination is not tolerated, and should be reported immediately. Guidelines and routines are revised on a yearly basis by AMU and top management.

As part of the Group's internal guidelines, whistleblowing routines are established with clear channels of communication. The whistleblowing routines are based on the principles of confidentiality, impartiality and contradiction.

Webstep values of being skilled, innovative, generous and uncomplicated serve as a foundation for the Company's choices and behaviour to the point where all employees, regardless of their background, should experience the width of the Group's offerings and benefits.

An important mitigating factor to the risk of gender pay gap in Webstep, is the consultant's salary model. The salary model is based on the revenue they generate, with reference to the hourly prices defined by the project. For sales- and department management personnel the bonus pay criteria are equal for women and men, and the model as such does not give room for discrimination.

Webstep work on equality and anti-discrimination in practice

As part of Webstep's effort to promote equality and prevent discrimination, measures are adopted to mitigate potential risks and evaluate in order to make further progress. Health, safety and environment is also entrenched in the board and an important item in board and executive management meetings.

The recruitment process is standardised through Webstep's internal control system, and serves to ensure candidates equal and fair treatment. For key recruitments and promotions at the managerial level, it is required that underrepresented groups, such as women, to be represented as candidates in all processes. This is done in order to acquire highly qualified diverse talent, and avoid systematic discrimination.

Annually employee surveys are conducted for the Group, and serve as a basis of mapping further efforts, initiatives and improvements.

The survey assesses employee satisfaction within Webstep overall, on assignments at client sites, and in relation to their line managers. The experience of inclusion and psychological safety are key considerations when compiling the questionnaire. Each year, Webstep's joint working environment committee reviews the question set before the survey is finalised and distributed.

Webstep devotes time and resources to initiatives that promote the position of both current and future women in the tech industry. The Company's equality and anti-discrimination efforts include the following:

Webstep has a strategic initiative to increase the number of women in the Company, and in the tech industry as a whole. This is highly prioritised and the Company continually works to raise awareness about this goal. Among the initiatives are:

- The internal network "Women of Webstep", is an important arena for ensuring gender inclusion.
- The "CEO commitment" by Oda, a network for women in technology, expresses the Company's commitment to promote equality and anti-discrimination.
- Webstep sponsors and actively contribute to multiple initiatives that promote the position of women in tech. Webstep has contributed to initiatives that encourage future generations of female technologists such as SheCodes, TENK tech camp, Girl Tech fest and Jenter og Teknologi (Girls and tech).
- In addition Webstep has nominated candidates to the annual rating of "The 50 most prominent Norwegian Tech Women" by Abelia/ Oda Network. where Webstep employees have been nominated. Webstep has had employees on this list every year since 2020.

Employee follow-ups are conducted several times a year between each employee and their manager. This shall facilitate an open dialogue and opportunity for each individual employee to express their Webstep experience, needs and development.

Results

In the annual employee surveys, no systematic deficiencies were identified that could lead to discriminatory treatment. No discrimination cases were reported to the AMU or through the whistleblowing routines in 2023.

Most important takeaways from the 2023-survey is:

- Insignificant - or no - differences between women and men, and generally very positive feedback on employee experiences
- An average score for women (82) is slightly lower than men (84) on the employee satisfaction index (ESI 0-100 index). The score is slightly lower than 2022, but significantly higher than the benchmark.
- Average scores for women (+39) are slightly lower than men (+42) on the Employee Loyalty Index (eNPS -100 to +100 index) - where +20 is considered very strong, whilst -20 is considered very weak).
- Mapping the Webstep experience both women (4.56) and men (4.54) highly agree they can act according to who they are at Webstep (on a 1-5 scale).
- Webstep women and men both strongly agree or agree that their work-life balance at Webstep is good.

Risk assessment

The IT consulting industry is characterised by a high share of male employees. Webstep works actively to attract female employees and recognises its responsibility to always strive for a better gender balance. The Group also recognises that there is an inherent risk that discrimination could occur in different processes within the Company, such as recruitment and promotions. Webstep will mitigate the risk through processes and policies, in addition to giving the risk focus internally and contribute to reducing this risk in the industry by openness and awareness.

Opportunities for training and development are available for all employees. Being a consultancy company in a knowledge intensive industry, it is in the best interest of the Company and employees to offer such opportunities to maintain competitive advantages. Thus, the risk within this area is minimal.

Webstep has in addition assessed other areas as required by Norway's Equality and Anti-Discrimination Act. Work-life balance, employer assisted provisions, pay and working conditions are all areas where the annual employee surveys strongly confirm that the probability of risks is minimal.

For the year 2023 Webstep have continued the focus on increasing the share of women employees in all positions within the Company, work-life balance and flexible parental leave opportunities. Increasing the proportion of female employees is an explicit strategic initiative for Webstep. During 2023, the proportion of women increased from 16 per cent (84) to 18 per cent (105).

Webstep's permanent jobs are full-time. For this reason, the Company has no involuntary part-time working. Employees who reduce from full-time to part-time do so for welfare reasons. On 31 December 2023 the Group had no temporary employees.

Webstep promotes equal opportunity for both genders to take full parental leave, and the Company shall offer flexible parental leave opportunities. Webstep partially covers the gap between regular pay and national insurance rate. On average, women choose to take longer parental leave than men in the Group.

Share of female and male employees

Norway



	2023	2022	2023	2022
Total	18%	16%	82%	84%
Consultants	14%	13%	86%	87%
Advisors	38%	37%	62%	63%
Administration	57%	60%	43%	40%
Department managers	17%	N/A	83%	N/A

Sweden



	2023	2022	2023	2022
Total	18%	19%	82%	81%
Consultants	15%	12%	85%	88%
Advisors	50%	40%	50%	60%
Administration	67%	83%	33%	17%
Department managers	22%	29%	78%	71%

Executive Management*



2023	2022	2023	2022
11%	9%	89%	91%

* Executive Management consist of both department managers and group management from Webstep Norway and Webstep Sweden

Board of Directors



2023	2022	2023	2022
40%	40%	60%	60%

Pay differential - female proportion of male pay in %

Norway

	2023	2022
Total	98%	97%
Consultants	94%	91%
Advisors	96%	105%
Administration	N/A	121%
Department managers	N/A	N/A

Sweden

	2023	2022
Total	87%	74%
Consultants	85%	70%
Advisors	N/A	101%
Administration	N/A	157%
Department managers	N/A	61%

Executive Management*

* Executive Management consist of both department managers and group management from Webstep Norway and Webstep Sweden

2023	2022
83%	N/A

Statement of EU-taxonomy for sustainable activities

The EU's framework for sustainable investments aims to classify what is environmentally sustainable and channel capital in a more sustainable direction. The taxonomy is a first step in the EU Commission's action plan for sustainable growth, with the aim of fulfilling the Paris Agreement and achieving climate neutrality by 2050. As a "non-financial undertaking", Webstep reports on turnover, capital expenditure (capEx) and operating expenses (opEx) related to taxonomy-eligible and taxonomy-aligned economic activities, in accordance with EU regulation (2020/852). The purpose is to make it easier for investors to identify companies that meet the requirements according to the taxonomy, and thus contribute to the achievement of at least one of the taxonomy's six environmental goals.

For the fiscal year 2023, Webstep is obliged to inform about its activities related to environmental goals 1 and 2, which deal with climate change mitigation and climate change adaptation. In addition to reporting what proportion of the Company's turnover, operating expenses and investment expenses are associated with the defined activities (eligible), it will be assessed whether the economic activities meet the technical criteria in the taxonomy for the economic activity to be considered "aligned".

Identification of "Eligible Activities"

To identify the areas of the business covered by the taxonomy, the starting point has been NACE codes and the description of the economic activities defined by the taxonomy. Consequently, during the fiscal year 2023, a review of Webstep's projects has been conducted to map out which projects are covered. This work has been carried out in collaboration between project managers and the administration.

Following the mapping of its activities, Webstep has identified 2 taxonomy-eligible activities.

Computer Programming, Consultancy and Related Activities (CCA 8.2)

Most of Webstep's revenue-generating activities are related to the provision of consultancy services aimed at ICT. The services primarily relate to systems development through software craftsmanship, architecture, technology management, user experiences, business intelligence, and machine learning. Webstep offers expert services in digitalisation and IT projects across various industries.

The group's assessment is that the majority of Webstep's business can be linked to the activity "Computer

Programming, Consultancy and Related Activities" as defined in Annex II to the Climate Delegated Act (2021/2139). This activity has the potential to contribute to climate change adaptation.

To qualify for taxonomy alignment under this activity, the Group needs to perform a robust climate risk and vulnerability assessment and implement adaptation solutions to reduce the most significant physical climate risks that are material for this activity.

As a result of this activity being defined as an adapted-activity in the Climate Delegated Act (2021/2139), Webstep will not be able to present "aligned" turnover from revenues generated through this activity.

Data-Driven Solutions for GHG Emissions Reductions (CCM 8.2)

Part of the services that Webstep provides are specifically related to assisting their clients in establishing ICT solutions to reduce greenhouse gas emissions. These IT services coincide with the definition of the activity "Data-Driven Solutions for GHG Emissions Reductions". In connection with the mapping of this activity, all department leaders at Webstep have mapped the projects they have delivered during 2023 that are related to the development of ICT solutions that enable the reduction of GHG emissions. Each individual project has been assessed against the description of the activity in the "Climate Delegated Act (2021/2139)".

To make a significant contribution to the environmental objective of Climate Change Mitigation, the ICT solution must primarily be used to deliver data and analyses that enable reductions in greenhouse gases. In addition, where alternative solutions exist in the market, the delivered solution must provide significant reductions in greenhouse gases compared to the alternative solution/technology with the best result.

Evaluation of whether "eligible activities" are "aligned" with technical screening criteria

Webstep has reviewed and assessed the technical screening criteria for both the activity "Data driven solutions for GHG emissions reductions" and the activity "Computer programming, consultancy and related activities". The results of the assessments indicate that the technical screening criteria for these activities have not been met for the year 2023.

Measurement

The Company's taxonomy KPIs are directly linked to the accounting policies that underpin the preparation of the group's consolidated financial statements. For additional information regarding the group's accounting policies, please refer to note 2 in the financial statements.

Turnover

Turnover represents the group's total revenue from contracts with customers, as further detailed in notes 5 and 6 of the annual financial statements.

Revenue included in taxonomy-eligible (not taxonomy-aligned) includes income from projects that meet the criteria to be "eligible" under the activities "Data-driven solutions for GHG emissions reductions" and "Computer programming, consultancy and related activities". Revenue from the resale of licenses and other is not eligible, and is therefore included as non-eligible activities in the table.

CapEx

Capex includes acquisitions of tangible and intangible assets throughout the fiscal year 2023, before depreciation and any adjustments of balance values. For further information see note 11 and 12 to the financial statements. CapEx includes:

- Expenses related to acquisitions of property, plant and equipment and to intangible assets
- Expenses related to lease costs that are capitalized in accordance with IFRS 16 Leases.

The group mainly has CapEx that are attributable across the Company's taxonomy eligible activities. To allocate CapEx to the taxonomy-covered activities, Webstep first extracted CapEx that are not directly attributable to the taxonomy-covered activities and then distributed it to the two activities based on the proportion of turnover. A distribution key based on revenue is considered the most appropriate way to allocate CapEx to the different activities.

Webstep has not defined and adopted a CapEx plan and therefore has no eligible CapEx related to this (category b). Webstep also has no activated assets related to output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (category c).

OpEx

OpEx consists of operating expenses considered necessary for Webstep to provide consulting services. This includes direct, non-capitalized costs related to:

- Research and development
- Building renovation measures
- Short-term lease
- Other direct expenses related to the ongoing maintenance of property, plant and equipment, necessary for these assets to function effectively at all times.

In research and development and building renovation measures, costs that do not meet the capitalisation requirements according to IAS 16 and 38, are included. In 2023, Webstep had not incurred any costs related to these categories.

Short-term lease refers to short-term rental agreements that do not meet the capitalization requirements according to IFRS 16.

Costs that are considered eligible are mainly related to maintenance of the group's assets, as well as the purchase of assets that are not capitalised. Webstep primarily has OpEx that is attributable across the Company's taxonomy eligible activities. To allocate OpEx to the taxonomy-covered activities, Webstep first extracts OpEx that is not directly attributable to the taxonomy-covered activities and then distributes it to the two activities based on the proportion of turnover. A distribution key based on turnover is, as mentioned under CapEx, considered the most appropriate way to allocate OpEx to the various activities.

Taxonomy tables

Proportion of taxonomy-aligned economic activities - Turnover

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria				DNSH criteria			
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Circular Economy (15)	Minimum Safeguards (17)
A. TAXONOMY-ELIGIBLE ACTIVITIES				98 %							
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)											
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Computer programming, consultancy and related activities	CCA 8.2	960 530	95 %								
Data-driven solutions for GHG emissions reductions	CCM 8.2	27 730	3 %								
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				988 260	98 %						
Total (A.1+A.2)				988 260	98 %						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Turnover of Taxonomy-non-eligible activities				17 818	2 %						
Total (A+B)				1 006 078	100 %						

Proportion of taxonomy-aligned economic activities - CapEX

				Substantial Contribution Criteria					DNSH criteria																				
	Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)									
A. TAXONOMY-ELIGIBLE ACTIVITIES				88 %																									
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																													
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																													
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																													
Computer programming, consultancy and related activities	CCA 8.2	43 461	86 %																										
Data-driven solutions for GHG emissions reductions	CCM 8.2	1 255	2 %																										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			44 716	88 %																									
Total (A.1+A.2)			44 716	88 %																									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																													
Capex of Taxonomy-non-eligible activities			5 864	12 %																									
Total (A+B)			50 580	100 %																									

Proportion of taxonomy-aligned economic activities - OpEx

				Substantial Contribution Criteria										DNSH criteria																																																																																																																																																					
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Corporate Reporting Sustainability Directive (CSRD)

Webstep has started the process of preparing to report according to CSRD, which the Company is required to from the fiscal year 2024 onwards. A working committee is established, where the committee members covers a wide range of different expertise, roles and perspectives to address key areas throughout Webstep's operations. The CSRD committee reports to the Audit Committee of the Group, and it is the Board of Directors responsibility that the reporting is in accordance with required standards.

The CSRD-process follows four steps, where step 1 is completed.

The results of the interviews indicate that these particular ESG-areas are of interest to Webstep's stakeholders:

Environmental:

- Webstep is committed to being a relevant partner in the field of energy efficiency and digitalisation through development in projects for our customers. Going forward, AI technology will play a pertinent role in these deliveries.
- Circular economy as part of a green IT strategy, where Webstep will set focus on material recycling due to the necessity of equipment for the Company's operations.



Double materiality analysis

As part of the CSRD reporting framework, Webstep has conducted a double materiality analysis. The purpose of the analysis is to identify which sustainability matters that are most material to Webstep and the Company's stakeholders. The materiality is determined by evaluating Webstep's impact on people and society, while also considering the financial impact ESG-matters have on Webstep. This creates the scope for Webstep's CSRD reporting, and also forms the basis for Webstep's sustainability strategy and day-to-day operations going forward.

Stakeholder analysis

Understanding the Group's stakeholders has been a crucial part of the work related to the double materiality analysis. To achieve this, Webstep's key stakeholders have been identified. Interviews have then been conducted with a variety of our stakeholders to understand their different expectations and ambitions for Webstep.

Social:

- Contribute in increasing the proportion of individuals pursuing IT and technological education, with an enhanced focus on increasing the percentage of women in the IT industry.
- High employee satisfaction. Key areas highlighted include career development and competence building activities, meaningful projects and work-life balance.
- Making sure that the right expertise is applied to projects, so that customers and end-users can trust the systems and technologies that are being delivered.

Governance:

- Appropriate and clear guidelines to prevent human right violations and ensure decent working conditions, both within Webstep and throughout the supply chain.
- Internal policies that support Webstep's culture.
- Internal controls that capture deviations, along with good procedures for handling these.



Impact- and financial materiality analysis

In the analysis, a mapping of all relevant ESG-topics has been conducted, based on the stakeholder-interviews and the working committee's evaluations. It has been assessed whether the impacts of the identified topics are actual or potential, negative or positive and where in the value chain they occur. The assessment has set the base for evaluating how material the various impacts are, and whether they also represent a financial opportunity or risk.

Findings from the analysis show that Webstep in several areas has material positive impact through the Group's projects deliveries. These projects cover areas such as climate and environment, people, society and social conditions. Other areas with material positive impact include employment conditions and treatment of own employees, customers and end-users, protection of data and privacy, good business practice and corporate governance.

The analysis also found that there are areas of improvement that are relevant for Webstep. This includes environmental impact through travel emissions and current IT-strategy, with regard to reuse, recycle and durability. Additional relevant areas are preservation of working conditions and rights for workers in the value chain.

Some of the material impacts also represent a material financial opportunity or risk to Webstep. The most material opportunity is related to project deliveries that contribute to a digital transformation of society, but also working conditions and treatment of own employees represent an important opportunity. Webstep's greatest asset is the employees, and it is crucial that the Company continue to invest in competence-and culture building activities. This to ensure employee satisfaction and that we stay attractive to future employees, but also to make sure that relevant expertise is applied to project deliveries.

Identified risks are associated with the lack of adequate and satisfactory climate management, as well as safeguarding of data and privacy.

	Material topic	Impact materiality	Financial materiality	Description
ENVIRONMENTAL	Climate change	● ●	●	Influence on and of climate change, as well as strategies to reduce negative environmental impacts
	Green IT	● ●		Implementation of environmentally friendly practices within IT, to increase efficiency and reduce electronic waste and energy consumption
	Climate adaptation		●	Adapting the business to manage and minimize climate impacts, particularly related to energy consumption and emissions
	Impact on climate and environment through project deliveries	● ●		The impact of the Group's project deliveries on climate and environment, including reduction of GHG-emissions, climate change adaptation and increased circular economy
SOCIAL	Working conditions and treatment of own employees	● ●	●	Focus on employee welfare, safety, and development to ensure a positive and productive work environment
	Working conditions and treatment of workers in the value chain	● ● ●		Preservation of working conditions and rights for workers in the value chain
	Impact on people, environment and social conditions through project deliveries	● ●		The impact of the Group's project deliveries on society, including social inclusion, environmental protection and improvement of living conditions
	Safeguarding of data and privacy	●	●	Implementation of security practices and guidelines to protect data and privacy rights of customers and stakeholders
GOVERNANCE	Good business practice and corporate governance	●		Ethical guidelines and practices to ensure responsible business operations and effective management of the Group
ESG	Project deliveries contributing to a digital transformation of society	● ●	● ●	Implementation of digital solutions and technologies to drive innovation, efficiency and social development

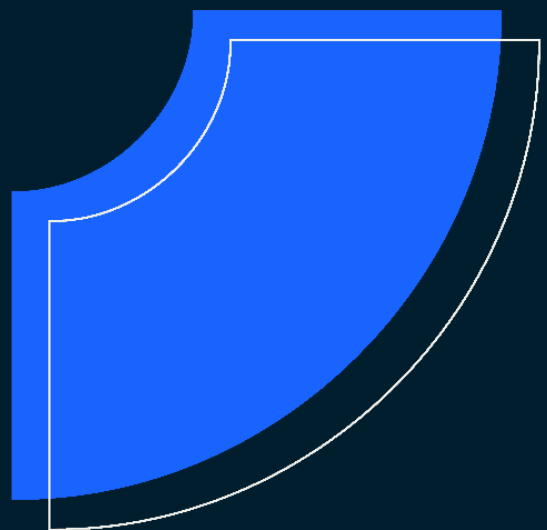


– I want to express my gratitude to everyone we have had the privilege of working for - and alongside - in 2023.

Kjetil Bakke Eriksen, Webstep interim CEO.



Financial statements - Group



Financial statements – Group

Consolidated statement of comprehensive income

NOK 000's	Note	2023	2022
Sales Revenues	5	1,000,006	888,439
Total revenues		1,000,006	888,439
Cost of goods and services (COGS)		(93,714)	(74,713)
Salaries and personnel expenses	7,8,22	(783,703)	(686,728)
Depreciation and impairment	11,12	(47,184)	(21,580)
Other operating expenses	7,24	(56,939)	(50,769)
Total operating expenses		(981,539)	(833,790)
Operating profit (loss)		18,467	54,649
Finance income	9	1,709	1,014
Finance expense	9,24	(7,147)	(5,389)
Profit before tax		13,029	50,274
Income tax expense	10	(8,585)	(11,838)
Profit for the year		4,444	38,436
Attributable to:			
Equity holders of the parent		4,444	38,436
Non-controlling interest		0	0
Other comprehensive income that will be reclassified to the income statement			
Foreign currency translation:			
Exchange differences on translation of foreign operations		6,280	(2,589)
Other comprehensive income for the year, net of tax		6,280	(2,589)
Total comprehensive income for the year, net of tax		10,724	35,848
Attributable to:			
Equity holders of the parent		10,724	35,848
Non-controlling interest		0	0
Earnings per share	23	0.16	1.40
Earnings per share, fully diluted	23	0.16	1.39

Consolidated statement of financial position

NOK 000's	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible assets	11	358,192	380,054
Fixed assets	12	12,309	14,447
Right-of-use assets	12,24	97,910	65,060
Non-current financial assets	13	2	2
Deferred tax asset	10	2,888	2,193
Total non-current assets		471,300	461,756
Trade receivables	14	156,015	145,742
Other receivables	14	5,348	9,129
Cash and short-term deposits	15	75,509	62,340
Total current assets		236,872	217,211
Total assets		708,172	678,967
Equity			
Share capital	16	27,671	27,628
Treasury shares	16	(30)	(30)
Share premium		179,938	179,192
Retained earnings		151,599	186,610
Shareholders equity	16, 22	359,178	393,400
Liabilities			
Deferred tax	10	1,271	1,451
Non-current leasing liabilities	24, 17	80,322	52,933
Total non-current liabilities		81,593	54,384
Current leasing liabilities	24, 17	17,693	13,153
Trade and other payables	18	19,813	15,215
Tax payables	10	8,854	11,879
Social Taxes and VAT	18	91,873	81,524
Other short-term debt	18,19	129,167	109,411
Total current liabilities		267,401	231,182
Total liabilities		348,994	285,566
Total equity and liabilities		708,172	678,967

The Board of Directors and CEO
Webstep ASA
Oslo, 24 April 2024

Sign.
Kjell Magne Leirgulen
Chair of the Board

Sign.
Siw Ødegaard
Board member

Sign.
Bendik Nicolai Blindheim
Board member

Sign.
Anna Söderblom
Board member

Sign.
David Bjerkeli
Board member

Sign.
Kjetil Bakke Eriksen
Chief Executive Officer

Consolidated statement of change in equity

NOK 000's	Note	Issued capital	Treasury shares	Share premium	Foreign currency translation reserve	Retained earnings	Total earned equity	Non-controlling interests	Total equity
1 January 2022		27,322	-53	172,775	10,284	183,365	393,692	-	393,692
Profit for the period						38,436	38,436		38,436
Other comprehensive income/(loss)					(2,589)		(2,589)		(2,589)
Sales of treasury shares	16		24	432			456		456
Share incentive program	22					3,606	3,606		3,606
Share issue	16	306		5,982			6,288		6,288
Dividends	26					(46,489)	(46,489)		(46,489)
31 December 2022		27,628	-30	179,192	7,695	178,914	393,400	-	393,400
Profit for the period						4,444	4,444		4,444
Other comprehensive income/(loss)					6,280		6,280		6,280
Sales of treasury shares	16						-		-
Share incentive program	22					1,234	1,234		1,234
Share issue	16	42		746			789		789
Dividends	26					(46,968)	(46,968)		(46,968)
31 December 2023		27,671	-30	179,938	13,975	137,624	359,178	-	359,178

Consolidated statement of cash flows

NOK 000's	Note	2023	2022
Operating activities			
Profit/ (loss) before tax		13,029	50,274
Adjustments for:			
Depreciation of property, plant and equipment	11,12,24	47,184	21,580
Interest income	9	(1,709)	1,014
Interest expense	9	7,147	(5,389)
Net change in trade and other receivables	14	(6,492)	(10,673)
Net change in trade and other liabilities	18,19	33,656	28,477
Net foreign exchange differences		1,657	(456)
Taxes paid	10	(12,549)	(15,209)
Interest received	9	1,709	(1,014)
Interest paid	9	(7,147)	5,389
Net cash flow from operating activities		76,485	73,993
Investing activities			
Investments in property and equipment	12	(5,482)	(10,724)
Net cash flow from investing activities		(5,482)	(10,724)
Financing activities			
Payment of principal portion of lease liabilities	17, 24	(12,887)	(11,480)
Net proceeds from equity		789	6,288
Sales of treasury shares/employment incentive plan		1,234	4,062
Payment of dividends		(46,968)	(46,489)
Net cash flow from financing activities		(57,832)	(47,619)
Net increase/(decrease) in cash and cash equivalents		13,171	15,650
Cash and cash equivalents at 1 January	15	62,340	46,690
Cash and cash equivalents at 31 December	15	75,509	62,340

Notes to the consolidated financial statement



Notes to the consolidated financial statements

Note 1 General information

The Company and the Group

Webstep ASA, the parent company ("the Company") of the Webstep Group ("the Group") is a limited liability company incorporated and domiciled in Norway, with its head office at Rebel, Universitetsgata 2, 0164 Oslo, Norway.

The Company and its subsidiaries (together "the Webstep Group"/"the Group") are leading providers of IT expert consultant services in Norway and Sweden. The Group aims to be at the forefront of technological development and to assist its customers in their digitalization through the offering of cutting-edge IT expertise. The Group's core offerings are digitalization, cloud migration and integration, in addition to its other focus areas Internet of Things (IoT), machine learning, IT security, robotics and analytics.

These consolidated financial statements have been approved for issuance by the Board of Directors on 24 April 2024 and are subject to approval by the Annual General Meeting on 16 May 2024.

Note 2 Accounting policies

Basis for preparation

The consolidated financial statements at 31 December 2023 for Webstep ASA have been prepared in accordance with the IFRS® Accounting Standards as adopted by the European Union.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 24 April 2024.

The consolidated financial statements are presented in Norwegian kroner (NOK) and all values are rounded to the nearest thousand (NOK 000's), except when otherwise indicated.

The format for presenting the income statement is based on the nature of the expenditure. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023. 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. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Basis for materiality assessment

The Group has performed a detailed analysis of the income statement and balance sheet, and present in the following sections is what is considered to be the material accounting policies relevant for the users of the financial statements.

Foreign currency translation

The Group's consolidated financial statements are presented in Norwegian kroner (NOK), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Differences in exchange rates arising from the translation of

foreign subsidiaries' equity at the beginning of the year at the exchange rates at the balance sheet date and from the translation of income statements from the monthly average exchange rates for the currency exchange rates at the balance sheet date are recognised directly in other comprehensive income.

Segment reporting

Operating segments are reported by country of operation, which currently is Norway and Sweden. The board of Webstep ASA has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer (CEO) and the chief financial officer (CFO).

Revenues from contracts with customers

The Group is in the business of selling IT-consultancy manhours to its customers. Revenue for IT- services are to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group, and the Group satisfies each of its performance obligations (that is, it fulfils its promises to the customer) over time by transferring control of the promised service underlying that performance obligation to the customer. The fact that another entity would not need to re-perform the services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the group's performance as it performs.

The input method is considered to be the best method when recognising revenue over time because there is a direct relationship between the group's effort (i.e., labour hours incurred) and the transfer of service to the customer. The contracts are normally based on service agreements with hourly fees. Fixed price contracts are recognised as revenue according to the stage of completion.

Estimated loss on contracts will be recognised in the income statement in its entirety in the period when it has been identified.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from billable hours delivered, not yet invoiced the customer. When the billable hours are invoiced, the invoiced amount is transferred to trade receivables. Contract assets are subject to impairment assessment.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due from the customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract and delivers or transfers the services to the customer.

Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and tax losses carried forward.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Norway and Sweden where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date, fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 11.

Leases

The Group, as a lessee, assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group, as a lessee, applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group, as a lessee, recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on an amortisation basis, so that depreciation equals instalments on the lease liabilities, over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Offices 1-10 years
- Company cars 1-3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the

estimated useful life of the asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group reasonably certain would be exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment. It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight line basis over the lease term.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and at hand and short-term highly liquid deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Treasury shares

Own equity instruments that are reacquired (treasury shares)

are recognised at cost and deducted from equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Dividends

Dividends are recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. Dividends to the Company's shareholders are classified as a liability when the dividends proposed have been approved by the Annual General Meeting.

Employee benefits

The Group has defined contribution pension plans. The pension premiums are charged to expenses as they are incurred and classified as salary.

Share-based payments

Employees, including senior executives of the Group, receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Group employees in the Norwegian entities have been granted shares at discounted prices, within the limit for such grants according to Norwegian tax legislation (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes model. The cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service and the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The discounts granted to employees in the Norwegian entities are recognised as a cost in salaries and personnel cost in the profit and loss statement.

Cash flow statement

The cash flow statement shows the Group's cash flow for the year divided into operating, investing and financing activities during the year, as well as the year's changes in cash and cash equivalents and the Group's cash and cash equivalents at the beginning and end of the year. Cash and cash equivalents

consist of cash and short-term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. The Group's restricted cash is related to taxes withheld and guarantees for leases and credits from suppliers.

Cash flow from operating activities

Cash flow from operating activities is presented using the indirect presentation form and is stated as the year's profit/loss before tax plus depreciation and impairment losses and with adjustments for changes in working capital and paid corporate tax.

Cash flow from investing activities

Cash flow from investing activities includes payments in connection with the purchase and sale of non-current assets.

Cash flow from financing activities

Cash flow from financing activities includes changes in volume after the pooling of the Company's share capital and related costs as well as raising of loans, repayments on interest-bearing debt, and payment of dividends to owners.

Changes in accounting policies and disclosures

There have been no changes in the Group's accounting policies and disclosures throughout the year.

New and amended standards and interpretations

The Group has assessed new standards, and concluded they do not have material impact on the Groups reporting. The Group has not early adopted any new amendments.

Note 3 Estimates, judgments and assumptions

Significant accounting judgement, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgements

In the process of applying the Group's accounting policies, management make judgements on which have the most significant effect on the amounts recognised in the consolidated financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Climate related matters

The estimates and assumptions used in the preparation of the Group Financial statement are not highly sensitive to climate-related matters. Even though climate-related risks do not currently have a significant impact on estimates and assumptions, the Group is closely monitoring relevant changes and developments, such as new-climate related legislation, and will consider this within estimates and assumptions when they become significant to the financial statements.

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 11.

Note 4 Financial risks and financial instruments

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk, and liquidity risk. The Group's Executive Directors oversee the management of these risks. A description of the different risks is given below.

Market risk

The Group has a good order backlog and list of sales prospects, with competencies that are highly attractive in the market. The Group acknowledges that there is a risk that macroeconomic factors can cause a downturn in the economy and reduced demand for the Group's services. Macro Political turmoil have not and are not expected to have a direct impact on Webstep's business activities. The consequences of the acts of the ongoing wars are uncertain and Webstep is following the developments closely to detect any direct or indirect consequences that may follow

In addition, market risk comprise interest rate risk, foreign currency risk and market price risk which are treated separately below.

Market risk - interest rate risk

The short-term revolving credit facility is exposed to interest rate risk because of floating interest rate conditions which makes the Group's financial cost exposed to changes in the market rate. The Group considers this risk to be moderate due to the relative stable financial situation in Norway, combined with low level of debt and strong financial position for the Group. The Group has no long-term debt exposed to floating interest-rate.

Current financing and capital structure has a limited interest rate risk, and variation in interest expenses due to changes in Nibor would have minor impact on financial expenses in the Group and presentation of "Analysis of sensitivity" is therefore left out. Look though on the sensitivity calculations in note 24, leasing, where the changes in listed interest rates may have a material impact on valuation of both right of use assets and corresponding liabilities.

Market risk - currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities in Sweden (when revenue or expense is denominated in a foreign currency) and the Group's net investment in the Swedish subsidiary.

The Group has not assessed it as necessary to enter into hedging of these risks due to materiality of the exposure.

The following tables demonstrate the sensitivity to a reasonably possible change in SEK exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in applied rate for translation of the profit in the Swedish subsidiary, while the change in pre-tax equity is due to change in the fair value of monetary assets, intangible assets, receivables and all liabilities including current and non-current leasing liabilities and all current payables, including net tax payables in the Swedish subsidiary. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency sensitivity	Change in SEK rate	Effect on profit before tax	Effect on pre-tax equity
		NOK 000's	NOK 000's
	2023	10 %	25
		(10 %)	(25)
	2022	10 %	616
		(10 %)	(616)

Market risk - market price risk

Consistent deliveries over time in the different market segments according to established group policies have secured a low-volatility price structure that has proven stable over time. The variable salary model for the majority of the consultants also reduces market risk exposure as the salary expenses to a large extent correlate with revenues.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The Group's exposure to credit risk is mainly related to its outstanding trade debtors (see Note 14). Other counterparty credit risk exposure to the Group is related to its cash deposits with financial institutions. The table below provides an overview of financial assets exposed to credit risk at year-end 2023 and 2022. Liquidity and credit risk management is performed on a monthly basis and is evaluated in board meetings.

NOK 000's	2023	2022
Trade and other receivables	161,992	154,871
Cash and cash equivalents	75,509	62,340
Total	237,500	217,211

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group engages with large and regular customers and has had low historical losses on receivables. In accordance with IFRS 9, receivables are recognised and carried at their anticipated realisable value, which implies that a provision for a loss allowance on lifetime expected credit losses of the receivable is recognised. A provision for loss allowance for expected credit losses is performed at each, statutory reporting date and is based on a multifactor and holistic analysis depending on several considerations.

Aging trade debtors

		Day past due			
NOK 000's	Not due	<30 days	30-60 days	>60 days	Total
As of December 31 2023					
Trade debtors (note 14)	104,166	50,667	913	1,764	157,510
Expected credit loss rate (per cent)					0.95%
Expected credit loss (NOK 000's)					1,495
As of December 31 2022					
Trade debtors (note 14)	99,957	42,202	1,174	3,395	146,730
Expected credit loss rate (per cent)					0.67%
Expected credit loss (NOK 000's)					988

Cash deposits

Credit risk from balances with financial institutions is managed by the Group's treasury function. The Group limits its counterparty credit risk by maintaining its cash deposits with financial institutions with high credit ratings as displayed below.

Financial institution	Country	Rater	Report date	Rating (LT)
Sparebank 1 SR-bank ASA	Norway	Moody's	25.10.2023	Aa3
SEB AB (publ)	Sweden	Fitch	08.12.2023	AA-

Liquidity risk

Liquidity risk arising from the Group not being able to meet its financial obligations as they fall due, is considered low. The Group's approach to manage liquidity risk is through proper liquidity planning to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Executive management has monitoring controls in place to ensure that the Group has sufficient liquidity.

Maturity profile of liabilities NOK'000	2023	Total	Contractual maturity		
	Carrying amount				
			< 1 year	1 - 5 years	> 5 years
Lease liabilities (note 24)	98,644	124,045	22,758	63,209	38,078
Trade and other payables	19,813	19,813	19,813	0	0
Tax payable (note 10)	8,854	8,854	8,854	0	0
Social Taxes and VAT	91,873	91,873	91,873	0	0
Other short-term debt	129,167	129,167	129,167	0	0
Total 31 December 2023	348,351	373,752	272,465	63,209	38,078

Maturity profile of liabilities NOK'000	2022	Total	Contractual maturity		
	Carrying amount				
			< 1 year	1 - 5 years	> 5 years
Debt to credit institutions	0	0	0	0	0
Lease liabilities (note 24)	66,086	75,819	15,697	49,370	10,752
Trade and other payables	15,215	15,215	15,215	0	0
Tax payable (note 10)	11,879	11,879	11,879	0	0
Social Taxes and VAT	81,524	81,524	81,524	0	0
Other short-term debt	109,411	109,411	109,411	0	0
Total 31 December 2022	284,115	293,848	233,726	49,370	10,752

Categories of financial instruments

NOK'000	2023	2022
Trade receivables	156,015	145,742
Other receivables	5,348	9,129
Cash and short-term deposits	75,509	62,340
Financial assets measured at amortised cost	236,872	217,211
Debt to credit institutions	0	0
Trade payables	19,813	15,215
Other payables	91,873	81,524
Received prepayments of revenues	486	757
Financial liabilities measured at amortised cost	112,172	97,496

The methods and assumptions used to estimate the fair value of debt instruments are described in note 2.

Carrying amount is based on amortised cost and is assessed as a reasonable approximation of fair value, and has been applied accordingly.

Note 5 Revenue from contracts with customers

In the following table, the major revenue lines are disaggregated by geographical areas as disclosed in our segment note (note 6). Figures are in local currencies and does not include eliminations except Group.

2023 Segments (in 000')	Norway (NOK)	Sweden (NOK)	Eliminations
Type of goods or service			
IT-related consulting services	787,335	112,008	
Subcontractors	57,562	29,971	-3,757
Resale of licenses	16,362	0	
Other	353	323	-150
Total revenue from contracts with customers	861,611	142,302	-3,907

Timing of revenue recognition			
Goods and services transferred at a point in time	861,259	141,979	-3,757
Services transferred over time	150	-	-150
Total revenue from contracts with customers	861,409	141,979	-3,907

2022 Segments (in 000')	Norway (NOK)	Sweden (NOK)	Eliminations
Type of goods or service			
IT-related consulting services	721,050	102,234	
Subcontractors	42,984	24,140	-2,634
Other	173	642	-150
Total revenue from contracts with customers	764,207	127,016	-2,784

Timing of revenue recognition			
Goods and services transferred at a point in time	764,034	126,374	-2,634
Services transferred over time	150	-	-150
Total revenue from contracts with customers	764,184	126,374	-2,784

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 6):

Revenue (in 000' NOK)	2023		2022	
	Norway	Sweden	Norway	Sweden
External customer	845,458	131,126	764,034	123,740
Inter-segment	150	3,759	150	2,634
Inter-segment adjustments and eliminations	(150)	(3,759)	(150)	(2,634)
Total revenue from contracts with customers	845,458	131,126	764,034	123,740

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

NOK 000'	12/31/2023	12/31/2022
Receivables which are included in Trade receivables	155,381	143,550
Contract assets	634	2,192
Contract liabilities	486	757

The contract assets primarily relate to revenues accrued, but not invoiced. The contract assets are transferred to Trade receivables when the rights to receive payment become unconditional.

The contract liabilities primarily consist of advance considerations received from customers, before revenue is earned. Revenue is recognised as (or when) the Group fulfils its performance obligation(s) under the contracts, and accrued expenses related to supply of goods and services, not yet recorded in Accounts Payable.

Changes in the contract assets and the contract liabilities balances during the period are as follows:

Contract assets (NOK 000')	2023	2022
At January 1	2,192	3,446
Additions	634	2,192
Transfers from contract assets recognised at the beginning of the period to receivables	(2,192)	(3,446)
Impairment losses and allowances recognised in the period	0	0
At December 31	634	2,192

Contract liabilities (NOK 000')	2023	2022
At January 1	757	0
Invoiced in advance for the period	486	757
Revenues recognised that was included in the contract liability balance at the beginning of the period	(757)	0
Current contract liabilities at December 31	486	757

Note 6 Segment information**NOK 000's**

The Group provides IT related high-end consulting services. Operating segments are reported by country of operation. The CEO and CFO are responsible for allocating resources and assessing performance of the operating segments. The Group's performance is examined by country of operation. Segment performance is evaluated based on the profit or loss measure "Earnings before interest and tax" (EBIT) and is measured consistently with profit or loss in the consolidated financial statements. Assets and liabilities are not allocated to segments.

The Group has currently two reportable segments: Norway and Sweden, and revenue breakdown for Oslo (Norway), Regional Offices (Norway) and Subcontractors (Norway and Sweden).

2023	Norway	Sweden	Elimination*	Total
Revenues Oslo	372,695			372,695
Revenues Regional Offices	414,640			414,640
Revenues Sweden		112,008		112,008
Revenues Subcontractors	57,562	29,971	(3,757)	83,776
Other				0
Total revenue (IT-related consulting services)	844,897	141,979	(3,757)	983,119

Other income	16,714	323	(150)	16,887
Total operating expenses less depreciation and impairment	844,563	140,560	(3,898)	981,225
EBIT	17,048	1,419		18,467
EBIT margin (% of total revenue)	2.0 %	1.0 %		1.9 %

2022	Norway	Sweden	Elimination*	Total
Revenues Oslo	324,651			324,651
Revenues Regional Offices	396,399			396,399
Sweden		102,234		102,234
Subcontractors	42,984	24,140	(2,634)	64,490
Other				0
Total revenue (IT-related consulting services)	764,034	126,374	(2,634)	887,774

Other income	173	642	(150)	665
Total operating expenses less depreciation and impairment	716,480	120,094	(2,784)	833,790
EBIT	47,727	6,922		54,649
EBIT margin (% of total revenue)	6.2 %	5.5 %		6.2 %

*Elimination consists of hiring of consultants from Sweden to Norway and management fee from Sweden to Norway.

Geographical analysis of assets

Analysis of non-current assets by geographical location

2023	Norway	Sweden	Elimination*	Total
Right-of-use assets	83.1	14.8		97.9
Research and development				0.0
Fixed assets	11.9	0.4		12.3
Total non-current assets operating assets 2023	95.1	15.2	0.0	110.2

2022	Norway	Sweden	Elimination*	Total
Right-of-use assets	49.2	15.9		65.1
Research and development	1.5			1.5
Fixed assets	13.9	0.5		14.4
Total non-current assets operating assets 2022	64.6	16.4	0.0	81.0

Asset location	2023	2022
Norway	95,060	64,612
Sweden	15,159	16,395
Non-current segment assets	110,219	81,007
Other intangible assets	358,192	378,554
Non-current financial assets	2	2
Deferred tax asset	2,888	2,193
Trade receivables	156,015	145,742
Other receivables	5,348	9,129
Cash and short-term deposits	75,509	62,340
Consolidated total assets	708,172	678,967

Note 7 Salaries, remuneration and audit fees

NOK 000's

Salaries and personnel expenses (NOK'000)	2023	2022
Salaries	616,262	540,411
Social security costs	110,637	86,457
Pensions	24,200	24,117
Share-based compensation	1,234	3,606
Other benefits and refunds	31,370	32,137
Total salaries and personnel expenses	783,703	686,728
Number of employees, average FTEs	561	512

Remuneration to executive management NOK'000	Base salary	Variable pay	Other ⁽¹⁾	Total remuneration	Pension
Remuneration to executive management 2023	13,581	2,811	642	17,034	579
Remuneration to executive management 2022	14,642	3,713	1,910	20,265	626

(1) Other consists of e.g. health insurance plans, car allowance, telephone/mobile communication, share-options (NOK 1.2 million in 2022) and housing allowance.

(2) The Company had severance pay related to reduction of executive management (financial year 2022 and 2023) and change of CEO (financial year 2023), in total TNOK 3.600 for 2022 and TNOK 4.030 for 2023. The table above is exclusive severance pay.

(3) The hiring of the Interim CEO is facilitated through an agreement with the company Suelo AS, the costs are excluded from the table above

Remuneration to board members and nomination committee		2023	2022
Chair of the Board	Kjetil Bakke Eriksen (Chair until 19 November 2023)	418	373
Board member	Siw Ødegaard	288	276
Board members and nomination committee from 4 May 2023			
Board member	Kjell Magne Leirgulen (Chair from 5 January 2024)	206	
Board member	Anna Söderblom	173	
Board member	David Bjerkeli	189	
Board member	Bendik N. Blindheim	189	
Board member	Kari Mette Toverud	194	
Nomination committee	Pål Kvernaas	27	
Nomination committee	Oscar Bakkevig	13	
Nomination committee	Toril Nag	13	
Board members and nomination committee until 4 May 2023			
Board member	Trond Klethagen Johannessen	95	327
Board member	Trygve Christian Moe	97	287
Board member	Toril Nag	87	258
Nomination committee	Bjørn Ivar Danielsen	10	30
Nomination committee	Petter Tusvik	6	18
Total remuneration to board members and nomination committee		2,006	1,569

Board remuneration

Compensation to board members is not performance-related. Compensation to the Board is determined by the Annual General Meeting, and the accrued cost for 2023 and 2022 is based on the decision made by the Annual General Meeting. The compensation is paid in arrears.

Determination of remuneration to executive management

The Company's executive management comprises the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), Director Business Development, Regional Managers and the Director Communication and marketing. Remuneration to executive management is mainly fixed salary as well as performance based bonus. CEOs bonus is decided by the Remuneration Committee, CFOs bonus is based on the handling of finance and external financial communication matters, and regional managers bonus is calculated by pre-determined KPIs, in line with the Remuneration Policy. The accrued bonuses are included in the table above.

The executive management is entitled to participate in the Long-term incentive programme as described in note 22.

For details see the Remuneration Report available on www.webstep.no

Audit fees *	2023	2022
Statutory audit fees	1,178	909
Audit-related assistance	194	213
Total fee	1,372	1,122

* VAT is not included

Note 8 Pension costs

NOK 000's

All companies within the Group have defined contribution plans for all of its employees, governed by the local employment laws. The Group pays a contribution to the plan based on a fixed percentage of the salary, limited to 12 times the base amount (G). The total pension premium charge in 2023 is NOK 24,2 million (2022: NOK 24,1 million).

The Norwegian companies within the Group are bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Group's pension scheme meets the requirements of this Act.

Note 9 Financial items

Finance income

NOK'000	2023	2022
Interest income	1,709	595
Other finance income (including foreign exchange effects)	0	419
Total finance income	1,709	1,014

Interest income primarily comprises interest received on bank deposits and effects of foreign exchange.

Finance expense

NOK'000	2023	2022
Interest expense	(6,312)	(4,512)
Other finance expense (including foreign exchange effects)	(835)	(877)
Total finance expense	(7,147)	(5,389)

Interest expense primarily comprises interest and expenses paid on revolving credit facility (Note 21) and estimated interest on leasing liabilities (Note 24).

Note 10 Taxes

NOK 000's

Consolidated statement of profit or loss	2023	2022
Current income tax	9,603	12,404
Unprovided income tax charge from previous year	0	0
Deferred tax	(1,019)	(566)
Income tax expense reported in the statement of profit or loss	8,585	11,838

Reconciliation of tax expense and the accounting profit multiplied by the Group's tax rate for 2023 and 2022:

Reconciliation of tax base	2023	2022
Accounting profit before tax	13,029	50,274
Permanent differences*	26,629	3,985
Change in temporary differences	4,189	2,577
Tax base for the year	43,847	56,836
Tax payable (22%)	9,646	12,504
Prepaid tax	(748)	(525)
Differences in tax rates on foreign subsidiary	(44)	(101)
Tax payable in the balance sheet	8,854	11,878

*Permanent differences of MNOK 25 related to impairment of goodwill, as described in note 11, which is non tax deductible

Deferred tax	2023	2022
Fixed assets	4,083	2,003
Receivables	1,495	988
Provisions, not yet tax deductible	9,496	8,529
Statutory tax provisions in Sweden	(8,013)	(8,593)
Total	7,061	2,927
Net deferred tax asset/(liability) (22%)	1,553	644
Effect of difference in tax rates Sweden (20,6%/22%)	64	99
Total adjusted for differences in tax rates	1,617	742

Reflected in the statement of financial position as follows:

Deferred tax assets	2,888	2,193
Deferred tax liabilities	(1,271)	(1,451)
Deferred tax liabilities, net	1,617	742

Effective tax rate:

Expected income tax	2,866	11,060
Permanent differences	5,858	877
Effect of change in tax rate and other	(141)	(99)
Income tax expense*	8,584	11,838

* Income tax expense in relation to income before tax	65.9 %	23.5 %
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Note 11 Intangible assets and goodwill

Cash generating unit

NOK'000	2023	2022
Norway	313,575	313,575
Sweden	44,617	64,964
	358,192	378,539

Cost, NOK 000's	Goodwill Norway	Goodwill Sweden	R&D	Total
At 1 January 2022	313,575	66,971	7,573	388,119
Additions	0	0	0	0
Disposals	0	0	0	0
Exchange adjustment	0	(2,007)	0	(2,007)
At 31 December 2022	313,575	64,964	7,573	386,112
Additions	0	0	0	0
Disposals	0	0	0	0
Exchange adjustment	0	4,653	0	4,653
At 31 December 2023	313,575	69,617	7,573	390,765

Depreciation and impairment

At January 1 2022	0	0	(4,543)	(4,543)
Impairment	0	0	0	0
Depreciation charge for the year	0	0	(1,515)	(1,515)
At 31 December 2022	0	0	(6,058)	(6,058)
Impairment		(25,000)	0	0
Depreciation charge for the year	0	0	(1,515)	(1,515)
At 31 December 2023	0	(25,000)	(7,573)	(32,573)

Net book value

At 31 December 2022	313,575	64,964	1,515	380,054
At 31 December 2023	313,575	44,617	(0)	358,192

Useful life	Infinite	Infinite	5 years
Depreciation method	NA	NA	Straight line

Goodwill includes the value from acquisition of Webstep AS in 2011 and Webstep AB in 2012, where NOK 313.5 million and NOK 58.6 million was added to goodwill respectively. Goodwill is not amortised, but tested yearly for impairment or when there are indications of impairment.

The impairment test is conducted for each cash generating unit, by evaluating the present value of future cash flows, based on cash flow projections. The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax, using a discount rate reflecting the timing of the cash flow and the expected risk.

The calculation of value in use for goodwill related to the acquisition of Webstep AS and Webstep AB is most sensitive to the following key assumptions:

- Discount rates
- EBITDA-margin
- Growth rates used to extrapolate cash flows beyond the forecast period.

The calculated weighted average cost of capital (WACC) after tax (before tax) for Norway was 10.5 % (13.4 %) and 9.3% (11.7 %) for Sweden. It has been assessed that there is no significant difference in outcome by using pre- or post-tax calculations. Hence, the impairment test are performed based on an after-tax basis. The risk free interest rate was 3.3% for Norway and 2.0 % for Sweden. The risk premium is calculated based on market statistics for comparable companies. The cash flow forecast takes into account both historical results, expected future growth rates, and market conditions. These budgets and forecast calculations generally cover a period of five years. For Norway and Sweden, the underlying model calculates annual cash flows per department, based on periodised employee development, utilisation rate, expected trend in hourly rate, sales / management / overhead changes, wage growth and cost growth. The annualised compound growth rate over the next 4 year period is 2% for each CGUs. The terminal growth rate used in calculating the terminal value is 2%.

The EBITDA-margin in the Norway CGU is expected to be in line with historical levels, while the EBITDA-margin for the Sweden CGU is expected to be lower. The challenges in the Swedish market persists with prolonged sales cycles and reduced market demand. As a consequence, Webstep Sweden has during the second half year of 2023 reduced consultants in areas with lower market demand and downsized the number of non-billable FTEs. The Group expects the situation to have implications on the Group's business activities.

The impairment model has significant headroom between estimated value and carrying amount for the Norway CGU, but indicates impairment of NOK 25.0 million for the Sweden CGU.

A sensitivity analysis was performed for the Sweden CGU where the following changes in key assumptions resulted in an additional impairment of goodwill amounting to NOK 15.0 million.

	Original assumption	Sensitivity analysis
Discount rates	9.3%	9.5%
EBITDA-margin (terminal-value)	3.6%	2.6%
Growth rate (terminal value)	2.0%	1.5%

The potential changes in key assumptions are considered reasonably possible, due to the negative trend in the Swedish IT consultancy marked.

Based on the impairment tests performed, net impairment losses recognised in 2023 amounted to NOK 25.0 million related to Goodwill Sweden. The impairment of Goodwill Sweden is a result of the challenging Swedish IT consultancy market. There are no indications that impairment is required for Norway.

Note 12 Fixed assets

Cost, NOK'000	Equipment, fixtures and furniture	Right-of-use assets	Total
At 1 January 2022	33,779	72,520	106,299
Additions	10,724	19,136	29,860
Disposals	0	(4,179)	(4,179)
Exchange adjustment	0	(508)	(508)
Cost at 31 December 2022	44,503	86,968	131,471
Cost at 1 January 2023	44,503	86,968	131,471
Additions	5,481	45,099	50,580
Disposals	0	(1,934)	(1,934)
Exchange adjustment	0	1,232	1,232
Cost at 31 December 2023	49,984	131,365	181,349

Depreciation and impairment

At 1 January 2022	(23,423)	(9,971)	(33,395)
Disposals	0	1,500	0
Impairment	0	(1,785)	0
Depreciation charge for the year	(6,626)	(11,654)	(18,280)
Exchange adjustment	(7)	0	0
Other	0	0	0
At 31 December 2022	(30,056)	(21,908)	(51,965)
Disposals	0	1,467	1,467
Impairment	0	0	0
Depreciation charge for the year	(7,656)	(13,014)	(20,670)
Exchange adjustment	36	0	36
Other	0	0	0
At 31 December 2023	(37,676)	(33,455)	(71,132)

Net book value

At 31 December 2022	14,447	65,060	79,507
At 31 December 2023	12,309	97,910	110,220

Useful life	3 - 5 year	1-10 year
Depreciation method	Straight line	Amortisation

Note 13 Financial assets – non-current vs current

The only non-current, financial asset is a deposit.

Financial assets, NOK'000	2023	2022
Other long term deposit	2	2
Total	2	2

Note 14 Trade and other receivables

Trade and other receivables NOK'000	2023	2022
Trade receivables - net of related parties	157,510	146,730
Provision for bad debt	(1,495)	(988)
Trade Receivables net of provision	156,015	145,742
Prepayments and other receivables	5,348	9,129
Receivables from related parties	0	0
Payables to related parties	0	0
Total trade receivables and prepayments	161,363	154,871
Of which long-term receivables from related parties	0	0
Short-term Receivables and prepayments	161,363	154,871

Specification of receivables NOK'000	2023	2022
Trade receivables	155,464	143,550
Accrued income	(78)	2,192
Other receivables	0	0
Trade and other receivables	155,386	145,742
Prepaid costs	5,239	8,222
Prepaid public duty debt	110	142
Prepaid rent	628	765
Prepayments	5,977	9,129
Total receivables and prepayments	161,363	154,871

Due dates and fair value of trade and other receivables

NOK'000	2023	2022
Due within one year*)	161,363	154,871
After one year **)	0	0
Fair Value	161,363	154,871

*) For receivables due within one year, fair value is equal to nominal value.

**) Receivables that are due later than one year are discounted and stated as fair value.

The group has a bad debt provision of NOK 1,495 million in 2023, increased from NOK 0.99 million in 2022

NOK'000	Total	Not due	<30 days	30-60 days	>60 days
2023	157,510	104,166	50,667	913	1,764
2022	146,730	99,957	42,202	1,174	3,395

Note 15 Cash and short-term deposits

Cash and Cash Equivalents, NOK'000	2023	2022
Cash in bank	75,509	62,340
Cash equivalents	0	0
Total Cash and Cash Equivalents	75,509	62,340
Utilised bank overdraft	0	0
Net Cash and Cash Equivalents/Bank overdraft	75,509	62,340

Of which Restricted Cash:

Guarantees for leases and credits from suppliers	1,217	1,116
Taxes withheld	705	581
Other restricted cash	0	0
Total Restricted Cash	1,922	1,697

For further details on the Group's cash reporting and cash pooling system, see note 17.

Note 16 Shareholders capital and largest shareholders

NOK 000's

Share capital

The Company has only one share class and all shares have equal voting rights.

	2023	2022
	No. of thousands	No. of thousands
Authorised		
Ordinary shares of NOK 1 each	27,671	27,628
Ordinary shares	No. of thousands	No. of thousands
Issued and fully paid:		
At 1 January	27,628	27,322
Issued	42	306
At 31 December	27,671	27,628
Treasury shares	No. of thousands	No. of thousands
At 1 January	(30)	(54)
Sale of treasury shares		24
At 31 December	(30)	(30)
Foreign currency translation reserve	NOK 000's	NOK 000's
At 1 January 2022/2021	10,284	16,212
Foreign currency translation	(2,589)	(5,929)
At 31 December 2022/2021	7,695	10,284
Foreign currency translation	6,280	(2,589)
At 31 December 2023/2022	13,976	7,695
	2023	2022
Share capital	27,671	27,628
Treasury shares	(30)	(29)
Share premium	179,938	179,190
Retained earnings	137,627	178,918
Non-controlling interest	0	0
Shareholders equity inclusive currency translation	359,181	395,990

Shareholder name	Shares	Ownership	Voting rights
EMBRO EIENDOM AS	8,312,727	30.0%	30.1%
HVALER INVEST AS	2,002,152	7.2%	7.2%
J.P. Morgan SE	1,970,890	7.1%	7.1%
SALT VALUE AS	1,535,258	5.5%	5.6%
PROTECTOR FORSIKRING ASA	1,443,860	5.2%	5.2%
VPF FONDSFINANS UTBYTTE	1,100,000	4.0%	4.0%
JAKOB HATTELAND HOLDING AS	1,000,000	3.6%	3.6%
J.P. Morgan SE	900,000	3.3%	3.3%
HOLMEN SPESIALFOND	861,524	3.1%	3.1%
VERDIPAPIRFONDET NORDEA NORGE VERD	664,317	2.4%	2.4%
Danske Invest Norge Vekst	542,000	2.0%	2.0%
INTERTRADE SHIPPING AS	400,000	1.4%	1.4%
Danske Bank A/S	320,000	1.2%	1.2%
ESPEDAL & CO AS	308,980	1.1%	1.1%
EUROVEST AS	280,707	1.0%	1.0%
Bank Pictet & Cie (Europe) AG	232,675	0.8%	0.8%
MP PENSJON PK	224,000	0.8%	0.8%
LEROLI AS	197,281	0.7%	0.7%
Saxo Bank A/S	155,074	0.6%	0.6%
BUGS AS	126,736	0.5%	0.5%
Other shareholders	5,062,795	18.3%	18.3%
Total number of shares excluding treasury shares	27,640,976	99.89%	100.00%
Treasury shares as of 31 December 2023	29,983	0.1%	
Total shares issued	27,670,959	100.00%	

Shareholding by board members, management and their related parties as of 31 December 2023

	Shares	Ownership	Voting rights
Anders Høibakk	7,615	0.03%	0.03%
Arne Sværen-Bryne	5,637	0.02%	0.02%
Arnt Roger Aasen (Aravi AS and privately held)	26,032	0.09%	0.09%
Dagfinn Haslebrekk	7,618	0.03%	0.03%
David Bjerkeli (Fjellhammer Invest AS)	11,500	0.04%	0.04%
Erlend Nævdal	845	0.00%	0.00%
Ida Amalie Oma	845	0.00%	0.00%
Jacob Cardell (Nominee)	20,020	0.07%	0.07%
Joar Krohn (Kronoko Holding AS and privately held)	99,320	0.36%	0.36%
Kjell Magne Leirgulen (KML Invest AS)	25,000	0.09%	0.09%
Kjetil Bakke Eriksen (Suelo AS)	26,925	0.10%	0.10%
Siw Ødegaard (Kvinnesiden AS)	13,025	0.05%	0.05%

Kjell Magne Leirgulen is employed by Embron Group AS

David Bjerkeli is employed by Hvaler Invest AS

Webstep ASA holds 29,983 treasury shares. These shares have no voting rights nor dividend rights.

Note 17 Interest bearing loans and borrowings

The Group has a NOK 110 million Revolving Credit Facility ("RCF") with SpareBank 1 SR-Bank ASA. The RCF may be utilised by each member of the Group having access to the cash pooling account system related to the RCF. The accounts included in the cash pooling structure are presented as a net figure for the Group: As cash and short term receivables if the net balance is positive, or debt to credit institutions if the net balance is negative.

The term of the RCF is two years, after which it is subject to renewal. The facility was renewed in 2021. The total payable interest rate is based on 3 months NIBOR in addition to an agreed margin of 2.25 per cent per annum. The interest calculation is based on the net of cash and overdraft. The annual charge for the credit facility is 0.5 per cent of the granted credit. Under the RCF, the Company has pledged security over the shares, inventory, insurance payouts and accounts receivable in Webstep AS and negative pledge over the shares in Webstep AB.

Covenant conditions: Book equity for the Group shall consist of at least 30 per cent of total capital, measured quarterly. Ratio of NIBD / EBITDA maximum 3, measured quarterly, rolling 12 months.

Webstep AB has a local revolving credit facility of SEK 5 million which was unutilised 31 December 2023.

NOK'000	2023	2022
Non-current borrowings		
Debt to credit institutions	0	0
Lease liabilities	80,322	52,933
Current borrowings		
Debt to credit institutions	0	0
Lease liabilities	17,693	13,153
Total borrowings	98,016	66,087

NOK'000	2023	2022
Booked value of assets pledged as security		
Shares	407,119	432,119
Fixed assets	12,309	14,447
Receivables	156,015	145,742
Cash	75,509	62,340
Total	650,952	654,648

Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings

NOK'000	2023	2022
Trade payables	19,813	15,215
Social Taxes and VAT	91,873	81,524
Received prepayments of revenues	486	757
Total financial liabilities	210,188	163,583
Total current	210,188	163,583
Total non-current	0	0

Other short-term debt mainly consists of;

- 1) accrued salaries for the past month, for payment to employees in accordance with the salary model,
- 2) accrued holiday pay as required by law, for payment to employees in June the following year.

Changes in liabilities arising from financing activities

Year ended 2022	1 Jan 2022	Cash flows	Changes foreign exchange rate	Other	31 Dec 2022
Debt to credit institutions non-current	0	0	0	0	0
Lease liabilities non-current and current (note 24)	61,537	(11,481)	(508)	16,540	66,088
Debt to credit institutions current	0	0	0	0	0
Total liabilities from financing activities	61,537	(11,481)	(508)	16,540	66,088

Year ended 2023	1 Jan 2023	Cash flows	Changes foreign exchange rate	Other	31 Dec 2023
Debt to credit institutions non-current	0	0	0	0	0
Lease liabilities non-current and current (note 24)	66,088	(12,887)	1,232	43,584	98,015
Debt to credit institutions current	0	0	0	0	0
Total liabilities from financing activities	66,088	(12,887)	1,232	43,584	98,015

Note 18 Trade and other payables

NOK 000's	2023	2022
Trade and other payables	19,813	15,215
Social Taxes and VAT	91,873	81,524
Accrued vacation pay (note 19)	58,623	51,572
Accrued expenses including salaries payable (note 19)	69,994	56,898
Other current payables (note 19)	550	941
Total Trade and Other Payables	240,853	206,150

Terms and conditions of the above liabilities:

Trade payables are non-interest bearing and are normally settled on 30-day terms

Social Taxes and VAT are normally settled six times per year (Norway) or monthly (Sweden)

Accrued vacation pay is paid in June (Norway)

Salaries payable are normally settled monthly

For explanations on the Group's liquidity risk management processes, see Note 21

Note 19 Other short-term debt

NOK 000's	2023	2022
Salaries payable, vacation pay, bonus etc.	123,851	103,233
Other accrued expenses	4,766	5,237
Received prepayments of revenues	486	757
Other	64	184
Total other short-term debt	129,167	109,411

Note 20 Related party disclosure

The consolidated financial statements of the Group include:

Name	Country of in-corporation	Business Address	% Equity interest	
			2023	2022
Webstep AS	Norway	c/o Rebel, Universitetsgata 2, 0164 Oslo	100%	100%
Webstep AB	Sweden	Kungsgatan 44, 111 35 Stockholm	100%	100%

Webstep ASA is the ultimate parent of the Group, and sole owner of Webstep AS and Webstep AB. Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated in the consolidation and are not disclosed in this note. The Group does not have any material transactions with related parties, except for remuneration to management (see note 7 in the Annual Report and the Remuneration Report available on www.webstep.no).

Note 21 Capital management

Capital management

For the purpose of the Group's capital management, capital includes issued capital, treasury shares, share premium and all other equity reserves attributable to the equity holders of the parent.

The Group is financed by equity with a revolving credit facility to finance fluctuations in net working capital.

The primary objective of the Group's capital management is to maximise shareholder value. The policies shall ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business objectives. The policies shall ensure sufficient, financial flexibility. The objectives for capital management are regarded as achieved as of 31 December 2023.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue capital securities. Capital structure is reported monthly and measured, amongst other criterias, against covenants.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the board of directors.

The Group monitors equity ratio (equity to total assets) and the ratio of Net Interest Bearing Debt (NIBD) to Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) as part of the capital management to ensure the Group is complying with current covenants.

Note 22 Share based payments

Employee share purchase programme ("ESPP")

An employee share purchase programme was implemented in November 2018, and similar programmes have been carried out yearly between 2018 and 2022.

Under the Long-term incentive programme, share options of the parent are granted to senior executives of the Group. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if the senior executive remains employed during the vesting period.

Long-term incentive programme ("LTI")

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted.

515,876 options were granted 18 November 2019, whereof 46,884 were terminated during 2020, 23,461 were terminated during 2021 and 46 884 were terminated during 2022.

The options will vest, or have vested, in the following tranches:

- 111,381 options vested 18 November 2020
- 111,381 options vested 18 November 2021
- 175,885 options vested 18 November 2022

546,000 options were granted 24 November 2020, whereof 52,000 were terminated during 2021, 78,000 were terminated during 2022 and 13,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 123,500 options vested 24 November 2021
- 97,500 options vest 24 November 2022
- 182,000 options vest 24 November 2023

98,000 options were granted 10 February 2021, whereof 49,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 24,500 options vested 10 February 2022
- 24,500 options vest 10 February 2023

26,000 options were granted 26 May 2021, the options will vest, or have vested, in the following tranches:

- 6,500 options vested 26 May 2022
- 6,500 options vest 26 May 2023
- 13,000 options vest 26 May 2024

650,000 options were granted 25 November 2021, whereof 100,000 were terminated during 2022 and 75,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 131,250 options vested 25 November 2022
- 131,250 options vest 25 November 2023
- 212,500 options vest 25 November 2024

25,000 options were granted 21 February 2022.

The options will vest, or have vested, in the following tranches:

- 6,250 options vest 21 February 2023
- 6,250 options vest 21 February 2024
- 12,500 options vest 21 February 2025

Exercise price

- Exercise price for options granted 18 November 2019 is NOK 18.20
- Exercise price for options granted 24 November 2020 is NOK 19.43
- Exercise price for options granted 10 February 2021 is NOK 20.12
- Exercise price for options granted 26 May 2021 is NOK 29.35
- Exercise price for options granted 25 November 2021 is NOK 34.94
- Exercise price for options granted 21 February 2022 is NOK 34.94

The potential dilution through the LTIP accounts for 131,740 shares. 42,461 of the vested shares have been exercised.

The share options can be exercised up to five years after the grant date. Therefore, the contractual term of each option granted is five years. In the event the Company is not capable of delivering shares following an exercise of options, the Company shall fulfil its obligations through a cash-out.

NOK'000	2023	2022
Expense arising from equity-settled share-based payment transactions related to the Long-term incentive programme	1,234	3,606
Social security tax provisions	-187	-1,122
<i>Granted instruments:</i>	Option	Option
Quantity	0,00	25,000
Contractual life*	5	5
Strike price*	0	36.64
Share price*	0.00	33.00
Expected lifetime*	0	3.25
Expected volatility*	0.00%	34.98%
Risk-free interest rate*	0.00%	1.88%
Dividend yield	0	0
Model used	Black-Schol es	Black-Scholes
Fair value per instrument*	0	7.54

**Weighted average parameters at grant of instrument*

The expected life of the share options is according to IFRS-2, shorter than the time from grant until expiry. Due to the taxation of options and "non-transferability", earlier exercise is expected. These are current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility for the company and peers over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Expenses

The expenses recognised for equity settled share-based payment transactions under the programs during the year are presented in the table below:

NOK'000	2023	2022
Expenses related to the Employee Share Purchase Programme (ESPP)	0	3,569
Expenses related to the Long-term Incentive Programme (LTI)	1,234	3,606
Total share based payment expenses in the period	1,234	7,175
Social security tax expense for the period	-187	-1,122
Social security tax accrual for the period	71	658

Number of discounted shares sold through the Employee Share Purchase Programme (ESPP)	0	232,103
Discounted share price	0	26.6 NOK/share
Weighted average fair value of each discounted share sold through the ESPP	0	9

Movements during the year (LTI programme)

The following table illustrate the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Long-term incentive programme		2023	2023	2022	2022
		Number of instruments	Weighted Average Strike Price	Number of instruments	Weighted Average Strike Price
Outstanding at 1 January		1,344,631	24.44	1,707,666	25.28
Granted		0	0.00	25,000	34.94
Exercised		42,461	18.34	163,151	19.41
Released					
Adjusted					
Performance Adjusted					
Cancelled					
Terminated		(137,000)	26.94	(224,884)	26.07
Expired			0.00		
Outstanding at 31 December		1,165,170		1,344,631	
Vested at 31 December		920,920	22.09	619,131	22.43
The weighted average remaining contractual life					
The weighted average exercise prices for options outstanding			24.36		26.04
Number of share options	Title	Total share options per 31.12.23		Granted 2023	Granted 2022
Erlend Nævdal	Director Business Development, until December 2023	25,000		-	25,000

The options were granted on the 21 February 2022.

At 31 December 2023 a total of 350,500 remaining options to key employees have vested. During the year 42,461 vested shares have been exercised by key employees, and 137,000 non-vested share options have been terminated due to resignations of key employees.

Note 23 Earnings per share

NOK'000	2023	2022
Profit for the year	4,444	38,436
Average number of shares outstanding	27,634	27,391
Average number of outstanding shares, fully diluted	27,862	27,663
Basic earnings per share (NOK/Share)	0.16	1.40
Diluted earnings per share	0.16	1.39
Average number of shares outstanding	27,634	27,391
Average dilutive effects	228	272
Warrants	-	-
Average number of shares outstanding adjusted for dilutive effects	27,862	27,663
Dilutive effect of options issued 18 November 2019	59,947	70,372
Dilutive effect of options issued 24 November 2020	57,841	69,054
Dilutive effect of options issued 10 February 2021	13,951	16,122
Dilutive effect of options issued 26 May 2021		-
Dilutive effect of options issued 25 November 2021		-
Dilutive effect of options issued 21 February 2022		-

Note 24 Rent and lease agreements

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office rents 1 to 10 years
- Company cars and other equipment 1 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The Group has applied its incremental borrowing rate for all leases except where rates are implicit in the contracts for company cars. The weighted, average incremental borrowing rate applied at December 2023 is 7,0%.

Right-of-use assets

The Group's right-of-use assets are identified as office rentals and rental of company cars in Sweden.

Right-of-use assets, NOK'000	Company cars	Offices Sweden	Offices Norway	Total
Acquisition cost 1 January 2023	9,527	12,017	65,423	86,968
Addition of right-of-use assets	2,175	0	39,633	41,808
Disposal of right-of-use assets	(1,934)	0	0	(1,934)
Adjustment of estimates	0	1,266	2,025	3,291
Currency exchange differences	564	668	0	1,232
Acquisition cost 31 December 2023	10,332	13,951	107,081	131,365

Accumulated depreciation 1 January 2023	1,483	4,201	16,224	21,908
Accumulated depreciation on disposals	(451)	0	(1,017)	(1,468)
Impairment	0	0	0	0
Depreciation for the period	1,743	2,522	8,749	13,014
Accumulated depreciation 31 December 2023	2,775	6,723	23,956	33,454

Carrying amount of right-of-use assets 31 December 2023	7,557	7,227	83,124	97,910
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Acquisition cost 1 January 2022	8,343	12,308	51,867	72,518
Addition of right-of-use assets	4,940	0	14,196	19,136
Disposal of right-of-use assets	(3,539)	0	(640)	(4,179)
Currency exchange differences	(217)	(291)	0	(507)
Acquisition cost 31 December 2022	9,527	12,017	65,423	86,968

Accumulated depreciation 1 January 2022	1,516	2,347	6,107	9,971
Accumulated depreciation on disposals	(1,502)	0	0	(1,502)
Impairment	0	0	1,785	1,785
Depreciation for the period	1,468	1,855	8,331	11,654
Accumulated depreciation 31 December 2022	1,482	4,202	16,223	21,908

Carrying amount of right-of-use assets 31 December 2022	8,045	7,815	49,199	65,060
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Lower of remaining lease term or economic life	1-3 years	1-5 years	1-5 years
Depreciation method	Amortisation	Amortisation	Amortisation

Expenses in the period related to practical expedients and variable payments:

NOK'000	Total
Short-term lease expenses	398
Low-value assets lease expenses	54
Variable lease expenses in the period (not included in the lease liabilities)	5,145
Total lease expenses in the period related to practical expedients and variable payments	5,597

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the

assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and

do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows

NOK '000	Company cars	Offices Sweden	Offices Norway	Total
Less than 1 year	3,279	3,325	16,154	22,758
1-2 years	2,469	2,959	15,112	20,540
2-3 years	1,839	1,234	15,307	18,380
3-4 years		553	13,600	14,153
4-5 years		0	10,136	10,136
More than 5 years			38,078	38,078
Total undiscounted lease liabilities at 31 December 2023	7,587	8,071	108,387	124,045

The future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities, includes:

Extension options	Total
Kongsgata 52-54, Stavanger	Option until 31.08.2029 5.264
Thormøhlensgate 47, Bergen	Option until 31.12.2031 13,551
Total extension options	13,556

The first contract has termination clauses, with penalties, which are reflected in the measurement of the lease liabilities if and when it is reasonably certain that the option to terminate will be exercised

A new contract was signed in Trondheim, Kongens gate 16, January 2 2023. The contract also replaced the current contract in Trondheim, with an expected net cash flow of 23,4 MNOK during the contract period.

Summary of the lease liabilities in the financial statements	Statement of:	Company cars	Offices Sweden	Offices Norway	Total
Total lease liabilities 1 January 2023	Financial position	7,465	7,688	50,954	66,107
New leases liabilities recognised in the year	Financial position	1,268	0	39,633	40,901
Adjustment of estimates	Financial position	0	1,266	2,025	3,291
Prepaid leasing expenses	Financial position	(632)	0	0	(632)
Cash payments for lease liabilities	Cash flows	(1,743)	(2,395)	(8,749)	(12,887)
Currency exchange differences	Financial position	564	668	0	1,232
Total lease liabilities 31 December 2023	Financial position	6,922	7,227	83,863	98,012
Current lease liabilities	Financial position	2,902	2,966	11,826	17,694
Non-current lease liabilities	Financial position	4,024	8,917	67,377	80,318
Cash outflows for the principal portion of the lease liabilities	Cash flows	(1,869)	(2,395)	(8,749)	(13,013)
Cash outflows prepayment of lease liabilities	Cash flows	127			127
Cash outflows Interest expense portion of the lease liabilities	Cash flows/profit or loss	(408)	(416)	(3,147)	(3,971)
Total cash outflows for leases recognised as leases	Cash flows	(2,150)	(2,811)	(11,896)	(16,856)
Cash outflows recognised related to practical expedients and variable payments					(5,597)
Total cash outflows for leases					(22,453)

The right-of-use-assets are recognised at the estimated net present value of the leasing liabilities as calculated at the date of initial recognition or cost according to contract.

Contracts with options for extensions that would, with reasonable certainty be exercised, are estimated at net present value including the optional rental period.

Contracts with penalties if options for extensions not are exercised and where the certainty for exercising the options is assessed as not reasonable, the estimated or actual penalty amounts are provided for and treated as a part of the rental cost of the contracts decomposed in depreciation, instalment and interest.

See note 17 for further details on non-current and current liabilities.

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office leases related to future inflation/index adjustments in Norway and Sweden which is not included in the initial recognition of lease liabilities. When the inflation/index adjustment is known, the present value of the change to the future lease payments is added to the lease liability and right-of-use asset.

Sensitivity of assumptions to the estimates

The estimates of the value of right-to-use assets and leasing liabilities relies on the applied interest rates and the duration and nature of the contracts. All contracts have a duration of maximum 5 years with options for extensions with one exception, a contract with 10 years duration. If extensions are viewed as reasonably probable, the extension period is embedded in the calculation of the estimate. Changes in interest rates are regarded as having the most significant impact on the estimates either impacting the incremental borrowing rate applied on office rentals estimates or the leasing amount of the company cars. A sensitivity analysis of possible effects of changes to interest rates are given in the tables below:

Effect on incremental borrowing rates

A test on sensitivity on interest assumptions has been performed by varying NIBOR by +/- 200 basis points (BPS) compared to applied NIBOR 3 months of 2,45% on the Group's incremental borrowing rate applied to the estimated value on office rentals.

Changes in interest rate

Office rentals ('000 NOK)	Applied	+200 BPS	-200 BPS
Applied NIBOR 3 month December 31st	4.75%	6.75%	2.75%
Estimated value December 31st 2023	90,352	84,585	96,762
Deviation from applied estimate: Amount		5,767	(6,410)
Deviation from applied estimate: Percent		6.4%	(7.1%)

A similar test on interest assumptions has been performed by varying the implicit rate on company car leasing contracts by adjusting the implicit interest rate by +/- 200 BPS.

Changes in leasing amount

Company cars ('000 NOK)	Applied	+200 BPS	- 200 BPS
Average implicit rate December 31st	4,5%	6,5%	2,5%
Estimated value December 31st 2023	7,558	7,171	7,993
Deviation from applied estimate: Amount		(387)	435
Deviation from applied estimate: Percent		(5.1%)	5.8%

Note 25 Contingencies and legal claims

The Group has not been involved in any legal or financial disputes in 2023, where an adverse outcome is considered more likely than remote.

Note 26 Distribution made and proposed

NOK'000	2023	2022
Cash dividends on ordinary shares declared and paid:		
Final dividends	27,641	46,489
Dividends per share	1.00	1.70
Proposed dividends on ordinary shares:		
Proposed dividends	27,641	46,990
Dividends per share	1.00	1.70

Note 27 Events after the balance sheet date

Since 31 December 2023 and until the date of these financial statements, the board of directors is not aware of any matter or circumstance not otherwise dealt with in this report that has significantly or may significantly affect the operations of the consolidated entity.



Financial statements - Parent company

Financial statements – Parent company

Statement of comprehensive income

NOK 000's	Note	2023	2022
Sales Revenues	5	150	150
Total revenues		150	150
Salaries and personnel expenses	3, 4, 13	(15,913)	(18,839)
Depreciation	6	(35)	(46)
Other operating expenses	3	(7,994)	(6,868)
Total operating expenses		(23,942)	(25,753)
Operating profit (loss)		(23,792)	(25,603)
Finance income and expense			
Finance income from group companies		53,696	59,097
Interest income from group companies	8	413	272
Other interest income		1,708	595
Other finance income		8	7
Interest expense from group companies	8	(8,285)	(3,576)
Other interest expenses		(2,465)	(1,956)
Other finance expenses	7	(25,018)	(10)
Net financial items		20,056	54,428
Profit before tax		(3,735)	28,825
Income tax expense	11	(4,685)	(6,371)
Profit for the year		(8,420)	22,454
Total comprehensive income for the year		(8,420)	22,454
Attributable to:			
Dividends		(27,641)	(46,990)
Change in retained earnings		36,061	24,535
Total		8,420	(22,454)

Statement of financial position

NOK 000's	Note	2023	2022
Non-current assets			
Deferred tax assets	11	505	581
Total intangible assets		505	581
Property, plant and equipment	6	69	62
Total fixed assets		69	62
Investments in subsidiaries	7, 10	407,119	432,119
Loans to group companies	8	6,941	5,465
Other non-current receivables		0	0
Total non-current assets		414,634	438,228
Trade receivables	8	1,548	324
Other receivables	8	54,513	59,741
Cash and short-term deposits	2, 10	63,066	42,060
Total current assets		119,127	102,125
Total assets		533,760	540,353
Share capital	12, 13	27,671	27,628
Treasury shares	13	(30)	(30)
Share premium		179,938	179,192
Total paid-in equity		207,579	206,791
Retained earnings		31,854	66,682
Total retained earnings		31,854	66,682
Total equity		239,433	273,472
Deferred tax	11	0	0
Total non-current liabilities		0	0
Trade and other payables	8	1,154	434
Tax payable	11	4,609	6,560
Social Taxes and VAT	2	592	444
Dividend		27,641	46,990
Other short-term debt	9	7,614	7,262
Current debt to group companies	8	252,717	205,190
Total current liabilities		294,327	266,881
Total liabilities		294,327	266,881
Total equity and liabilities		533,760	540,353

The Board of Directors and CEO
Webstep ASA
Oslo, 24 April 2024

Sign.
Kjell Magne Leirgulen
Chair of the Board

Sign.
Siw Ødegaard
Board member

Sign.
Bendik Nicolai Blindheim
Board member

Sign.
Anna Söderblom
Board member

Sign.
David Bjerkeli
Board member

Sign.
Kjetil Bakke Eriksen
Chief Executive Officer

Statement of change in equity

NOK 000's	Issued capital	Treasury shares	Share premium	Retained earnings	Total earned equity	Non-controlling interests	Total equity
At 1 January 2023	27,628	(30)	179,192	66,682	273,472	0	273,472
Profit for the period	0	0	0	(8,420)	(8,420)	0	(8,420)
Other comprehensive income/(loss)	0	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	(8,420)	(8,420)	0	(8,420)
Sale of treasury shares	0	0	0	0	0	0	0
Share incentive program	0	0	0	789	789	0	789
Shares issued	42	0	1,191	0	1,234	0	1,234
Dividends provided for the period	0	0	0	(27,641)	(27,641)	0	(27,641)
At 31 December 2023	27,671	(30)	180,383	31,409	239,433	0	239,433

Statement of cash flow

NOK 000's	Note	2023	2022
Operating activities			
Profit/ (loss) before tax		(3,735)	28,825
Adjustments for:			
Income tax expense		(6,560)	(8,820)
Depreciation of property, plant and equipment		35	46
Net change in trade receivables		0	0
Net change in other receivables		(30)	279
Net change in trade creditors		719	209
Net change in social taxes and VAT		148	(88)
Net change in other liabilities		351	2,831
Net change in intercompany balances		0	0
Net cash flow from operating activities		(9,073)	23,282
Investing activities			
Purchase of property and equipment		(41)	(21)
Investment in subsidiary		0	0
Net cash flow from investing activities		(41)	(21)
Financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Change in bank overdraft	8	0	0
Change in intercompany balances	8	50,087	23,822
Impairment of cost on subsidiary	7	25,000	0
Net proceeds from equity		1,234	6,288
Sales of treasury shares/employment incentive plan		789	4,062
Payment of dividends		(46,990)	(46,489)
Net cash flow from financing activities		30,120	(12,317)
Net increase/(decrease) in cash and cash equivalents		21,006	10,944
Cash and cash equivalents at 1 January		42,060	31,116
Cash and cash equivalents at 31 December		63,066	42,060

A NOK 110 million Revolving Credit Facility ("RCF") with SpareBank 1 SR-Bank ASA was entered into by the Company as a part of the IPO process in 2017. At balance date NOK 0 million of the RCF was utilised, leaving NOK 110 million unutilised.

Notes to the financial statements – Parent company

Note 1 General information

The Company and the Group

Webstep ASA, the parent company (the Company) of the Webstep Group (the Group) is a limited liability company incorporated and domiciled in Norway, with its head office Rebel, Universitetsgata 2, 0164 Oslo, Norway. The annual report for Webstep ASA (the Company) is prepared according to the Norwegian Accounting Act 1998 § 3-9 and Regulations on simplified IFRS as enacted by the Ministry of Finance on 21 January 2008. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards. Simplified IFRS The Company has adopted the following simplified IFRS recognition and measurement criteria: Dividend and group contribution is accounted for in accordance with the Norwegian Accounting Act, deviating from IAS 10, IAS 12 and IAS 13.

Management's assessment of accounting principles

The management has used estimates and assumptions that have impacted assets, liabilities, income, expenses and information about potential obligations, particularly relating to depreciation of property, plant and equipment, assessment of goodwill and acquisitions. Future events may cause changes in estimates. Estimates and the underlying assumptions are continuously assessed. Changes in accounting estimates are recognised in the accounting period these changes occur. If the changes also apply to future periods, the impact will be distributed over the current and future periods.

Subsidiaries and investments in associates

Subsidiaries and investments in associates are valued by the cost method in the parent company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down is no longer present. Dividends and other distributions are recognised in the same year as appropriated in the subsidiary accounts. Dividends from other companies are recognised when the shareholders' rights to receive dividend has been determined by the General Meeting. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet. Group contributions received from subsidiaries are recognised if it exceeds withheld profits after acquisition. Group contribution is recognised at gross value before tax at the time of recognition.

Reimbursement of invested capital will reduce the value of the acquisition in the balance sheet. Group contribution will then be recognised at net value after tax. Group contribution to subsidiaries increases the value of the investment. Group contribution paid is recognised at net value net after tax.

Sales revenues from contracts

Revenues from services are recognised at the time of execution. The Company has no significant contract balances other than intercompany.

Balance sheet classification

Current assets and current debt comprise assets and debt due within one year. Other entries are classified as fixed assets and/or long-term creditors. Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognised at nominal value. Fixed assets are valued at the cost of acquisition, in the case of non-incidental reduction in value the asset will be written down to the fair value amount. Fixed assets with limited lifetime are depreciated. Long term debt is recognised at historical nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated based on individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Leasing

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. No contracts, fulfilling the requirements of contracts in IFRS 16, have been identified in the Company as a lessee.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalised and depreciated over the estimated useful economic life of the asset. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation because of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Intangible assets

Intangible assets acquired separately are measured at initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Pensions

The Company has a Defined Contribution Pension plan. Annual premium is recognised on a continuous basis and classified as payroll costs.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 per cent based on existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilised. To the extent that group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid placement with original maturities of three months or less.

Equity

Financial instruments are classified as debt or equity in accordance with the underlying financial reality. Interest, dividend and profit or loss related to a financial instrument classified as debt, will be presented as cost or income. Dividend payments to holders of financial instruments classified as equity will be booked against equity. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or 's cancellation of the Company's own equity instruments. Transaction costs related to an equity transaction will be booked against equity, net of taxes.

Share-based payments

Employees, including senior executives of the Company, receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees in the Norwegian companies of the Group have been granted shares at discounted prices, within the limit for such grants according to Norwegian tax legislation (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service and the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. The discounts granted to employees in the Norwegian entities are recognised as a cost in salaries and personnel cost in the profit and loss statement.

Note 2 - Bank deposits

Webstep ASA has restricted cash of TNOK 705 to cover taxes withheld.

Note 3 – Salaries, remuneration and audit fees

NOK '000

Salaries and personnel expenses	2023	2022
Salaries	13,040	16,441
Social security cost	2,148	1,610
Pensions	224	391
Other benefits and refunds	501	398
Total salaries and personal expenses	15,913	18,839
Number of employees, average FTEs	4.7	6.5

The Company had severance pay of NOK 3.6 million in the financial year 2022 and NOK 3.8 million in 2023

Remuneration to executive management NOK'000	Base salary	Variable pay	Other (1)	Total remuneration	Pension
Total remuneration to executive management 2023	6 486	825	232	7 543	160
Total remuneration to executive management 2022	6,589	911	735	8,235	216

(1) Other consists of e.g. health insurance plans, car allowance, telephone/mobile communication and share-options (NOK 0.4 million in 2022)

(2) Due to reduction of executive management in 2022 and 2023, in addition to CEO transition in 2023 the Company had severance pay of NOK 3.6 million in the financial year 2022 and NOK 3.8 million in 2023

The table above is exclusive severance pay.

Remuneration to board members and nomination committee		2023	2022
Chair of the Board	Kjetil Bakke Eriksen (Chair until 19 November 2023)	418	373
Board member	Siw Ødegaard	288	276
Board members and nomination committee from 4 May 2023			
Board member	Kjell Magne Leirgulen (Chair from 5 January 2024)	206	
Board member	Anna Söderblom	173	
Board member	David Bjerkeli	189	
Board member	Bendik N. Blindheim	189	
Board member	Kari Mette Toverud	194	
Nomination committee	Pål Kvernaas	27	
Nomination committee	Oscar Bakkevig	13	
Nomination committee	Toril Nag	13	
Board members and nomination committee until 4 May 2023			
Board member	Trond Klethagen Johannessen	95	327

Board member	Trygve Christian Moe	97	287
Board member	Toril Nag	87	258
Nomination committee	Bjørn Ivar Danielsen	10	30
Nomination committee	Petter Tusvik	6	18
Total remuneration to board members and nomination committee		2,006	1,569

Board remuneration

Compensation to board members is not performance-related. Compensation to the Board is determined by the Annual General Meeting, and the accrued cost for 2023 and 2022 is based on the decision made by the Annual General Meeting. The compensation is paid in arrears.

Determination of remuneration to executive management

The Company's executive management employed in the Parent Company comprises the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), Director Business Development and Director Communication. Remuneration to executive management is mainly fixed salary as well as performance based bonus. CEOs bonus is decided by the remuneration committee. The accrued bonuses are included in the table above.

The executive management is entitled to participate in the Long-term incentive programme as described in note 22.

For details see the Remuneration Report available on www.webstep.no.

Audit fees:	2023	2022
Statutory audit fees	571	262
Audit-related services	194	150
Total fees	765	412

Note 4 – Pension costs

The Group has an occupational pension scheme in accordance with the Act on Required Occupational Pensions. The Company has defined contribution plans for all of its employees, governed by the employment laws. The pension premium charge was TNOK 224 in 2023.

Note 5 – Revenue by segments

NOK '000	2023	2022
Per business area		
Managerial services	150	150
Other	0	0
Total	150	150
Geographical distribution / Segment distribution		
Sweden	150	150
Norway	0	0
Total	150	150

Services for NOK 150 thousand are charged Webstep AB in 2023.

Note 6 – Fixed assets

NOK'000	Equipment, fixtures and furniture	Total
Cost 1. January	226	226
Additions	41	41
Cost at 31. December	267	267
Depreciation and impairment 31. December	(198)	(198)
Net book value 31. December	69	69
Depreciation charge for the year	35	35

Useful life 3 - 5 year
Depreciation method Straight line

Note 7 - Subsidiaries, associated companies

Company	Acquired	Office	Ownership	Profit and loss 2023	Equity at 31.12	Net book value at 31.12
Webstep AS*	10-05-2011	Oslo	100 %	53,696	117,102	359,025
Webstep AB**	19-11-2012	Stockholm	100 %	1,180	19,795	48,094
Total				54,876	136,897	407,119

In 2023, there was an impairment of the cost price of shares in Webstep AB by NOK 25.0 million. For detailed information about the impairment, see the Group's note 11 on Intangible assets and goodwill.

*According to NGAAP

**According to SGAAP

Note 8 – Intercompany receivables and payables

NOK '000	2023	2022
Intercompany receivables		
Receivable group contribution Webstep AS	53,066	59,097
Other receivables Webstep AS and AB	6,941	5,911
Receivable Webstep AB	1,548	150
Total intercompany receivables	61,554	65,157
Intercompany payables		
Trade payables Webstep AS	0	0
Payables cash pool Webstep AS	252,917	205,190
Other payables Webstep AS	0	0
Total intercompany payables	252,917	205,190

Note 9 – Other current payables

NOK '000	2023	2022
Other current payables		
Accrued interest cost		0
Provision salaries and holiday pay	5,659	6,845
Other accruals	1,955	418
Total	7,614	7,262

Note 10 – Pledges and guarantees

NOK '000	2023	2022
Pledged liabilities		
Non-current debt to credit institutions	0	0
Revolving credit facility SR-Bank	0	0

The revolving credit facility is part of the Group's cash pooling system with a credit limit of NOK 110 million. Net drawn on the group facility at 31 December 2023 was NOK 0 million.

The Company has no loans with payments due past 5 years.

Booked value of assets pledged as security:

NOK'000	2023	2022
Shares in Webstep AS	359,025	359,025
Fixed assets	69	62
Receivables	61,453	65,207
Bank deposits	705	580
Total pledged assets	421,252	424,874

Note 11 - Taxes

NOK '000	2023	2022
Current year tax base:		
Accounting profit before tax	(3,735)	28,825
Permanent differences	25,031	133
Share issuance cost recognised on equity		0
Group contribution recognised as income, taxable	(53,696)	(59,097)
Change in temporary differences	(344)	860
Tax base before group contribution	(32,744)	(29,278)
Received group contribution including tax	53,696	59,097
Tax base for the year	20,952	29,819
Tax payable (22%)	4,609	6,560
Tax payable in the balance sheet	4,609	6,560

Income tax expenses for the year

Tax payable	4,609	6,560
Tax unprovided for previous periods	0	0
Changes in deferred tax	(76)	(189)
Total income tax expenses for the year	4,534	6,371

Temporary differences

Fixed assets including goodwill	(16)	(10)
Provisions, not yet taxable	(2,280)	(2,630)
Net temporary differences at 31.12	(2,296)	(2,640)

Deferred tax assets/deferred tax (22%)	(505)	(581)
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Effective tax rate

Expected income tax	(822)	6,342
Permanent differences (22%)	5,507	29
Effect of change in tax rate and other		0
Income tax expense	4,685	6,371

Note 12 - Share capital and shareholders

NOK '000

Share capital:	Number of shares	Face value	Net book value
Ordinary shares	27,670,959	NOK 1	27,671

Shareholder name	Shares	Ownership	Voting rights
EMBRO EIENDOM AS	8,312,727	30.0%	30.1%
HVALER INVEST AS	2,002,152	7.2%	7.2%
J.P. Morgan SE	1,970,890	7.1%	7.1%
SALT VALUE AS	1,535,258	5.5%	5.6%
PROTECTOR FORSIKRING ASA	1,443,860	5.2%	5.2%
VPF FONDSFINANS UTBYTTE	1,100,000	4.0%	4.0%
JAKOB HATTELAND HOLDING AS	1,000,000	3.6%	3.6%
J.P. Morgan SE	900,000	3.3%	3.3%
HOLMEN SPESIALFOND	861,524	3.1%	3.1%
VERDIPAPIRFONDET NORDEA NORGE VERD	664,317	2.4%	2.4%
Danske Invest Norge Vekst	542,000	2.0%	2.0%
INTERTRADE SHIPPING AS	400,000	1.4%	1.4%
Danske Bank A/S	320,000	1.2%	1.2%
ESPEDAL & CO AS	308,980	1.1%	1.1%
EUROVEST AS	280,707	1.0%	1.0%
Bank Pictet & Cie (Europe) AG	232,675	0.8%	0.8%

MP PENSJON PK	224,000	0.8%	0.8%
LEROLI AS	197,281	0.7%	0.7%
Saxo Bank A/S	155,074	0.6%	0.6%
BUGS AS	126,736	0.5%	0.5%
Other shareholders	5,062,795	18.3%	18.3%
Total number of shares excluding treasury shares	27,640,976	99.9%	100.0%
Treasury shares as of 31 December 2023	29,983	0.1%	
Total shares issued	27,670,959	100.0%	

Shareholding by board members, management and their related parties as of 31 December 2023

	Shares	Ownership	Voting rights
Anders Høibakk	7,615	0.03%	0.03%
Arne Sværen-Bryne	5,637	0.02%	0.02%
Arnt Roger Aasen (Aravi AS and privately held)	26,032	0.09%	0.09%
Dagfinn Haslebrekk	7,618	0.03%	0.03%
David Bjerkeli (Fjellhammer Invest AS)	11,500	0.04%	0.04%
Erlend Nævdal	845	0.00%	0.00%
Ida Amalie Oma	845	0.00%	0.00%
Jacob Cardell (Nominee)	20,020	0.07%	0.07%
Joar Krohn (Kronoko Holding AS and privately held)	99,320	0.36%	0.36%
Kjell Magne Leirgulen (KML Invest AS)	25,000	0.09%	0.09%
Kjetil Bakke Eriksen (Suelo AS)	26,925	0.10%	0.10%
Siw Ødegaard (Kvinnesiden AS)	13,025	0.05%	0.05%

Kjell Magne Leirgulen is employed by Embron Group AS

David Bjerkeli is employed by Hvaler Invest AS

Webstep ASA holds 29,983 treasury shares. These shares have no voting rights nor dividend rights.

Note 13 - Share based payments

Employee share purchase programme ("ESPP")

An employee share purchase programme was implemented in November 2018, and similar programmes has been carried out yearly between 2018 and 2022. For 2023 there have been no invitations for employees to acquire shares for a discounted price.

Under the Long-term incentive programme, share options of the parent are granted to senior executives of the Group. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if the senior executive remains employed during the vesting period.

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted.

140,690 options were granted to senior executives of the Company 18 November 2019, whereof 23,442 were terminated during 2022.

The rest of the options has vested in the following tranches:

- 35,173 options vested 18 November 2020
- 35,173 options vested 18 November 2021
- 46,902 options vested 18 November 2022

156,000 options were granted to senior executives of the Company 24 November 2020, whereof 39,000 were terminated during 2022 and 13,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 39,000 options vested 24 November 2021
- 26,000 options vested 24 November 2022
- 39,000 options vest 24 November 2023

98,000 options were granted 10 February 2021, whereof 49,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 24,500 options vested 10 February 2022
- 24,500 options vest 10 February 2023

200,000 options were granted 25 November 2021, whereof 50,000 were terminated during 2022 and 75,000 were terminated during 2023.

The options will vest, or have vested, in the following tranches:

- 31,250 options vested 25 November 2022
- 31,250 options vest 25 November 2023
- 12,500 options vest 25 November 2024

25,000 options were granted 21 February 2022.

The options will vest, or have vested, in the following tranches:

- 6,250 options vest 21 February 2023
- 6,250 options vest 21 February 2024
- 12,500 options vest 21 February 2025

Exercise price

- Exercise price for options granted 18 November 2019 is NOK 18.20
- Exercise price for options granted 24 November 2020 is NOK 19.43
- Exercise price for options granted 10 February 2021 is NOK 20.12
- Exercise price for options granted 25 November 2021 is NOK 34.94

- Exercise price for options granted 21 February 2022 is NOK 34.94

The potential dilution through the LTIP in total accounts for 9,799 shares. 42,461 of the vested shares for the Group have been exercised, whereof 36,461 of the vested shares in the Company has been exercised.

The share options can be exercised up to five years after the grant date. Therefore, the contractual term of each option granted is five years. In the event the Company is not capable of delivering shares following an exercise of options, the Company shall fulfil its obligations through a cash-out.

(Amounts in NOK 1000)	2023	2022
Expense arising from equity-settled share-based payment transactions related to the LTIP	156	300
Social security tax provisions	-93	244
<i>Granted instruments:</i>	Option	Option
Quantity	0	25,000
Contractual life*	0	5
Strike price*	0	36.64
Share price*	0.00	33.00
Expected lifetime*	0	3.25
Expected volatility*	0.00%	34.98%
Risk-free interest rate*	0.00%	1.88%
Dividend yield	0	0
Model used	Black-Scholes	Black-Scholes
Fair value per instrument*	0	7.54

*Weighted average parameters at grant of instrument

The expected life of the share options is according to IFRS-2, shorter than the time from grant until expiry. Due to the taxation of options and "non-transferability", earlier exercise is expected. These are current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility for the company and peers over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Expenses

The expenses recognised for equity settled share-based payment transactions under the programs during the year are presented in the table below:

NOK '000	2023	2022
Expenses related to the Saving Shares Plan (SPP)		
Expenses related to the Employee Share Purchase Programme (ESPP)	0	45
Expenses related to the Long-term Incentive Programme (LIP)	156	300
Total share based payment expenses in the period	156	345
Social security tax expense for the period	63	435
Social security tax accrual for the period	-93	241
Number of discounted shares sold through the Employee Share Purchase Programme (ESPP)	0	6,564
Discounted share price	0 NOK/share	18.3 NOK/share
Weighted average fair value of each discounted share sold through the ESPP	0	4.6

Movements during the year (LTI programme)

The following table illustrate the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Long-term incentive programme	2023	2023	2022	2022
	Number of instruments	Weighted Average Strike Price	Number of instruments	Weighted Average Strike Price
Outstanding at 1 January	470,806		594,690	
Granted	0		25,000	34.94
Exercised	36,461		36,442	
Released	0		0	
Adjusted	0		0	
Performance Adjusted	0		0	
Cancelled	0		0	
Terminated	137,000	26.07	112,442	26.07
Expired	0		0	
Outstanding at 31 December	297,345		470,806	
Vested at 31 December	338,998		207,806	
The weighted average remaining contractual life		4.5 years		4.5 years
The range of exercise prices for options outstanding				

Number of share options	Title	Total share options	Granted 2023	Granted 2022
Erlend Nævdal	Director Business Development, <i>until December 2023</i>	25,000	-	25,000

The options were granted on the 21 February 2022. A total of 101,000 shares to key employees have vested in 2023. 36,461 of the vested shares has been exercised in 2023.

Annual statement on corporate governance



Annual statement on corporate governance

Webstep considers good corporate governance to be a prerequisite for value creation and trustworthiness, and for access to capital. The board of directors of Webstep has established a set of governance principles in order to ensure a clear division of roles between the board of directors, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Webstep ASA ("Webstep" or the "Company" and together with its subsidiaries the "Group") is a publicly listed company and is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the continuing obligations for issuers of shares pursuant to Oslo Rule Book II – Issuer Rules. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021, may be found at www.nues.no.

The annual statement on corporate governance for 2023 follows below. The statement was approved by the board of directors on 24 April 2024.

1. Reporting on corporate governance

The board of directors is committed to contribute to a good and trust-based relationship between Webstep and its shareholders, the capital market, and other stakeholders.

The Company's overall principles for corporate governance were approved by the board of directors in 2017 as part of the preparations for the listing of the Company's shares on the Oslo Stock Exchange. The principles have been revised to reflect the changes in the revised version of The Norwegian Code of Practice for Corporate Governance and to reflect the implementation of the Market Abuse Regulation (MAR) in Norway. The development of, and improvements in, the Company's corporate governance principles are revised annually.

The Company reports in accordance with the Norwegian Code of Practice for Corporate Governance (the code) issued by the Norwegian Corporate Governance Board, latest edition of 14 October 2021.

The board of directors' annual statement on how Webstep has implemented the code is set out below. The presentation covers each section of the code, and deviations from the code, if any, are specified under the relevant section.

2. Business

The Company's business objective is stated in the Company's articles of association section 3 and reads as follows: "The Company's objective is to own companies that offer services and products within the area of information technology, as well as conducting business associated therewith." Webstep's articles of association are available on the Company's website webstep.no.

The board of directors has defined objectives, strategies and risk profiles for the Company's business activities, such that the Company creates value for its shareholders in a sustainable manner. These objectives, strategies and risk profiles are evaluated annually.

The Company has established guidelines and principles which are used to integrate considerations to human rights, employee rights and social matters, the external environment and anti-corruption efforts in its business strategies, its day-to-day operations and in relation to its stakeholders. As an IT-consultancy firm, value creation within environmental, social, and governance aspects is primarily driven by services delivered through the Company's clients.

3. Equity and dividends

Equity

As of 31 December 2023, the Group had a consolidated equity of NOK 359.2 million, which corresponds to an equity ratio of 50.7 per cent. Consolidated equity adjusted for proposed dividends, will be NOK 331.5 million. Webstep ASA had an equity of NOK 239.4 million, corresponding to an equity ratio of 44.9 per cent. Neither the Company, nor the Group has any long-term liabilities except leasing liabilities related to office space. The Company and the Group have sufficient levels of working capital. Further, the Company has a Revolving Credit Facility (RCF) of NOK 110 million and the Swedish subsidiary, Webstep AB, has a RCF of SEK 5 million. Both facilities were unutilized at year end. The board of directors considers that the Group has a capital structure that is appropriate to its objectives, strategy and risk profile.

Board authorizations

The annual general meeting on 4 May 2023 granted the board of directors an authorization to increase the share capital by up to NOK 5,534,192 to be used to give the board of directors financial flexibility in connection with financing further growth, to issue shares as consideration in connection with acquisition of other companies, businesses or assets or to finance such acquisitions. The authorization is valid until the annual general meeting in 2024, but no longer than 30 June 2024, and

includes share capital increases with share contribution in other assets than cash etc. and in connection with mergers. The preferential rights of the existing shareholder to subscribe for new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act (the "Companies Act") may be deviated from with respect to the mentioned authorization.

The annual general meeting on 4 May 2023 further granted the board of directors an authorization to acquire own shares with a maximum aggregate value of NOK 2,767,096. Repurchase of own shares, followed by termination of such shares, could be an important tool for optimising the Company's capital structure. Further, such authorization will also give the Company the opportunity to use its own shares in a potential share incentive scheme and as consideration, partly or in whole, in connection with acquisition of businesses. The highest amount that may be paid per share is NOK 100 and the lowest amount is NOK 1. Acquisition and sale of shares may be carried out in the form the board of directors deems appropriate, however, not by subscription of own shares. The authorization is valid until the annual general meeting in 2024, but no longer than 30 June 2024.

The board of directors are also granted an authorization from the annual general meeting 4 May 2023 to increase the share capital in connection with the long-term incentive program and share savings program for the management and the board of directors (see section 12). The authorization may be used to increase the Company's share capital in connection with the group's at any time applicable option programmes, share purchase programmes and any other incentive programs for members of the executive management and other leaders, other employees and board members. The authorization is up to NOK 2,767,096 and it is valid until the annual general meeting in 2024, but no longer than to and including 30 June 2024. The authorization comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act. The preferential rights of the existing shareholder to subscribe for new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act (the "Companies Act") may be deviated from with respect to the mentioned authorization.

Dividend

The Company's ambition is to distribute at least 75 per cent of the Group's consolidated net profit. When deciding the annual dividend level, the board of directors will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility. For the fiscal year 2023, the board of directors has proposed a dividend payment of NOK 1.00 per share. The proposed dividend amounts to a total NOK 27.6 million.

The board of directors has not been granted any authorization to approve the distribution of dividends.

4. Equal treatment of shareholders and transactions with close associates

Webstep ASA has one share class, and all shares have equal rights in the Company. Webstep's Corporate Governance Policy states that all shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Share issues without pre-emption rights for existing shareholders

In the event of an increase in share capital through issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the board of directors resolves to issue shares and deviate from the pre-emptive rights of existing shareholders pursuant to an authorization granted to the board of directors by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance.

Transactions in treasury shares

Any transactions carried out by the Company of treasury shares shall be carried out on the Oslo Stock Exchange, and in any case at the prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders. Any transactions by the Company of treasury shares are subject to notification requirements and shall be publicly disclosed in a stock exchange announcement.

5. Freely negotiable shares

The Company does not limit any party's ability to own, trade or vote for shares in the Company. The articles of association do not impose any restriction on the negotiability of the shares.

6. General meetings

The Company's annual general meeting will take place on 16 May 2024. The Company's financial calendar is published via Oslo Stock Exchange and in the investor relations section of the Company's website [webstep.no](https://www.webstep.no). Minutes from the general meetings are published as soon as possible via the stock exchange's reporting system (www.newsweb.no, ticker WSTEP) and in the investor relations section of the Company's website [webstep.no](https://www.webstep.no).

Notice, registration and participation

The board of directors shall ensure that the Company's shareholders can participate at the Company's general meetings.

The board of directors shall ensure that the notice to the general meeting and any supporting documents, including the

recommendation by the nomination committee, as well as information on the resolutions to be considered at the general meeting are made available on the Company's website no later than 21 days prior to the date of the general meeting. The resolutions and any supporting documentation shall be sufficiently detailed, comprehensive and specific allowing shareholders to understand and form a view on all matters to be considered at the general meeting. Deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as possible. Pursuant to the Company's articles of association, the time limit may not expire earlier than two days before the meeting. Documents relating to matters to be dealt with by the general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents relating to matters to be dealt with at the general meeting, are sent to him/her.

The board of directors shall ensure that the shareholders are able to vote separately on each individual matter, including on each candidate nominated for election to Webstep's board of directors and other corporate bodies.

The board of directors determines the format of the meeting, whether it is physical or electronic, and is responsible for ensuring a proper execution of the general meeting. If the general meeting is held as an electronic meeting, the board shall ensure that systems are in place to meet the legal requirements for the general meeting, as well as requirements for confirmation of electronic voting.

The Chair of the board, the chair of the nomination committee and the CEO shall be present at the annual general meeting.

Participation without attendance

The Public Companies Act allows the board of directors to choose whether to hold a general meeting as a physical meeting or as an electronic meeting. If a general meeting is held as a physical meeting, there are several methods for shareholders to attend and vote at the meeting without being present in person. Shareholders who are unable to attend the general meeting in person shall be given the opportunity to vote. The board of directors shall ensure that the Company designs the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders. Furthermore, the form provided by the Company for shareholders to appoint a proxy should be drawn up so that separate voting instructions can be given for each matter to be considered by the meeting and each of the candidates nominated for election. Additionally, it should be made clear by instructions on the form how the proxy should vote in the absence of specific voting instructions on one or more matters and in the

event of changes to proposed resolutions and new resolutions.

Chairperson of the meeting

The code stipulates that the board of directors should ensure that the general meeting is able to elect an independent chairperson. It is for the board of directors to propose how this can be achieved, however it is for the general meeting to determine who will chair the meeting. The Company deviated from the requirement to have an independent chairperson at the annual general meeting in 2023, as the general meeting elected the chairperson of the board of directors to chair the meeting.

7. Nomination committee

The Company's articles of association § 8 provides for a nomination committee composed of two to three members. The current nomination committee comprises Pål Kvernaas, (chair, elected at the annual general meeting 4 May 2023) in addition to Toril Nag and Oskar Bakkevig (elected at the annual general meeting 4 May 2023). Toril Nag was a member of the board until 4 May 2023, but decided to resign from the position with effect from the annual general meeting. Nag was then elected as a member of the nomination committee at the annual general meeting 4 May 2023, but decided to resign from the nomination committee at the extraordinary general meeting held 5 January 2024.

The instructions for the nomination committee were adopted by the general meeting on 14 September 2017.

Responsibilities

The nomination committee shall recommend:

- (i) Candidates for the election of members, including the chairperson, to (a) the board of directors and (b) the nomination committee, respectively; and
- (ii) Remuneration of the members of (a) the board of directors and (b) the nomination committee, respectively.

No directors or members of executive management are represented on the nomination committee. The current nomination committee is independent of the board of directors. None of the three members are members of the board of directors.

The chief executive officer and other members of the executive management should not be elected as members of the nomination committee. The board of directors is committed to ensure that the composition of the nomination committee should be such that the interests of shareholders in general are represented. The Company's guidelines for the nomination committee include rules for rotation of the members.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Group and which are described in the Company's "Instructions for the nomination committee". The general meeting shall adopt the guidelines for the nomination committee. The Company shall provide information regarding the composition of the nomination committee, the members of the nomination committee and deadlines for submitting proposals to the nomination committee.

Tasks

The nomination committee's tasks are set out in the articles of association and include: to nominate new board members to the general meeting, propose remuneration to the board members at the general meeting, propose remuneration to the members of the nomination committee, and nominate new members of the nomination committee to the general meeting.

The nomination committee shall justify why it is proposing each candidate separately.

The remuneration of the committee is determined by the general meeting. The general meeting may issue further guidelines for the nomination committee's work.

Pursuant to the Code, the composition of the nomination committee must take account of the interests of shareholders in general.

The nomination committee has published guidelines available on the Company's website webstep.no for how shareholders may submit proposals to the nomination committee for candidates for election to the board of directors and other appointments. These guidelines include information regarding deadlines for proposals and other relevant information.

8. Board of directors, composition and independence

The articles of association state that the board of directors shall consist of between three and ten members and are elected to a two year-term unless otherwise decided by the general meeting. Per 31 December 2023 the board of directors consisted of six shareholder-elected directors and three employee-elected observers. The term of office will expire at the annual general meeting 2024 for one of the directors, and the other until the annual general meeting in 2025 due to different board entries.

On 19 November 2023 Save Asmervik stepped down from his position as CEO, and Kjetil B. Eriksen resigned as Chair of the Board with immediate effect as he was appointed as interim CEO of the Company. The Company did not have a Chair of the Board until 5 January 2024 when an extraordinary general meeting was held in order to elect the new Chair of the Board. Kjell Magne Leirgulen was elected Chair. Kari Mette Toverud resigned from the Board on 5 January 2024 as the Board then would consist of five members.

The Company's corporate governance documents state that when considering members to the board of directors, emphasis should be placed on the joint composition of the board of directors with respect to expertise, capacity and diversity appropriate to attend to the Company's goals, main challenges and the common interests of all shareholders. Details on background, experience and independence of directors are presented on the Company's website webstep.no. The Group and the majority of the employees have agreed that the employees shall have the right to appoint three observers to the board of directors of the Company instead of having a corporate assembly.

Per 31 December 2023 four out of six shareholder-elected directors are independent of the Company's executive management, significant commercial partners or substantial shareholders. The board of directors does not include any members from the executive management of the Company.

Seventeen board meetings were held in 2023. Each board member's attendance at board meetings is recorded by the Company.

Members of the board of directors are encouraged to own shares in the Company. However, caution should be taken not to let this encourage a short-term approach which is not in the best interests of the Company and its shareholders over the longer term.

9. The work of the board of directors

The board of directors has overall responsibility for managing the Group and for supervising the chief executive officer and the Group's activities.

The board of directors establishes annual plans for its work, with particular emphasis on objectives, strategy and implementation. The board of directors has issued instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

The principal tasks of the board include determining the Company's strategy and monitoring how it is implemented. The work of the board also includes control functions needed to ensure acceptable management of the Company's assets.

The board appoints the Company's chief executive officer. Instructions which describe the rules of procedure for the board's work and its consideration of matters have been adopted by the board together with an instruction of the duties and obligations of the chief executive officer towards the board. The division of responsibility between the board and the chief executive officer is specified in greater detail in the instructions. The chief executive officer is responsible for the Company's executive management. Responsibility for ensuring that the board conducts its work in an efficient and correct manner rests with the chair of the board.

The board establishes an annual plan for its meetings and evaluates its work and expertise once a year. The annual plan specifies topics for board meetings, including reviewing and following up the Company's goals and strategy, budgets, reporting of financial information, the notice for the general meeting with associated documentation, and the board's meeting with the auditor.

The board of directors has established an audit committee amongst its members and adopted instructions for the work of the audit committee. Throughout 2023 Siw Ødegaard was the chair of the committee. Kari Mette Toverud was a member of the committee from May 2023 and throughout the year. Both members of the committee are independent of the Company.

Pursuant to section 6-43 of the Companies Act, the audit committee shall:

- inform the board of the results of the statutory audit and explain how the audit contributed to accounting reporting with integrity and the audit committee's role in that process,
- prepare the board's follow-up of the financial reporting process and make recommendations or proposals to ensure its integrity,
- monitor the systems for internal control and risk management,
- have regular contact with the Company's auditor regarding the audit of the annual accounts,
- review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor, and
- prepare the board's follow-up of the reporting within non-financial reporting

The Company has established a remuneration committee that consists of two members from the board of directors. The members of the remuneration committee are and shall be independent of the Company's executive management. The members of the remuneration committee are appointed by the board of directors for a period of two years, or until they resign their position as a member of the board of directors. The committee currently consists of Kjell Magne Leirgulen as the chairperson and Bendik Nicolai Blindheim as member.

The remuneration committee is a preparatory and advisory committee for the board that shall prepare matters for the board's consideration and decisions regarding the remuneration of, and other matters pertaining to the Company's management. The recommendations of the remuneration committee shall cover all aspects of remuneration to the management, including but not limited to salaries, allowances, bonuses, options and benefits-in-kind.

The board of directors has adopted separate instructions for the remuneration committee setting out further details on the duties, composition and procedures of the committee.

The board of directors evaluates its own work and that of the chief executive and reports its findings to the nomination committee.

In order to ensure a more independent consideration of matters of a material character in which the chairperson of the board is, or has been, personally involved, the board's consideration of such matters will be chaired by another member of the board.

According to the code, the instructions of the Board of Directors should state how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained.

Members of the board and executive personnel shall make the Company aware of any material interests that they may have in items to be considered by the board of directors.

10. Risk management and internal control

The board of directors is responsible for ensuring that the Company has sound and appropriate internal control systems and systems for risk management, and that these systems are proportionate to and reflect the extent and nature of the Company's activities. Having effective internal control systems and systems for risk management in place may prevent the Group from situations that can damage its reputation or financial standing.

Furthermore, effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the Company's objectives, and ultimately create value. Having in place an effective internal control system means that the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the Company. As such, there is a correlation between the Company's internal control systems and effective risk management. The internal control systems shall also address the organisation and execution of the Company's financial reporting, as well as cover the Company's corporate values, ethical guidelines and principles of corporate social responsibility. The internal control systems shall also encompass the Company's guidelines for how it integrates considerations related to stakeholders into its creation of value.

Webstep shall comply with all laws and regulations that apply to the Group's business activities. The Company has in place processes and routines for internal control over financial reporting and risk management.

Through its business activities, Webstep manages various risks and uncertainties of operational, market and financial character, such as risk of disagreements and legal disputes with its customers related to possible cost of delays or project errors that is always present in the consultancy business.

The Company identifies and manages risks on an ongoing basis. The main risk factors and how they are managed is described in the board of directors' report.

The organisation comprises a relatively large number of employees and projects. The Group's management model is based on an appropriate delegation of authority, clearly defined market and operating parameters, in addition to effective internal control.

Overall goals and strategies are established and further developed through a periodic update of the Company's strategy. Risk management is in place with clear routines for handling operational and project risks. Furthermore, processes are established to identify, evaluate and report risk in a systematic manner for the Group's activities.

Financial risk is managed in accordance with the Company's financial strategy, which is described under the section "Financial risk and risk management" in the board of directors' report.

The board is responsible for seeing to that the Group's organisation, financial reporting and asset management are subject to satisfactory controls. Overall policies, governing processes and routines have been established for day-to-day management. The board periodically reviews the Company's governing documents. The board reviews annually the most important risk areas and the internal controls established to mitigate these risks.

Reporting

Pursuant to the corporate governance policy, the board of directors shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed. In the annual report, the board of directors shall describe the main features of the Company's internal control and risk management systems as they are connected to the Company's financial reporting. This shall cover the control environment in the Company, risk assessment, control activities and information, communication and follow-up. The board of directors is obligated to ensure that it is updated on the Company's financial situation and shall continually evaluate whether the Company's equity and liquidity are adequate in relation to the risk from the Company's activities and take immediate action if the Company's equity or liquidity at any time is shown to be inadequate. The Company's management shall focus on frequent and relevant reporting of both operational and financial matters to the board of directors, where the purpose is to ensure that the board of directors has

sufficient information for decision-making and is able to respond quickly to changing conditions. Board meetings shall be held frequently, and management reports shall be provided to the board as a minimum on a monthly basis. Financial performance shall be reported on quarterly basis.

The administration prepares periodic reports on business and operational developments to the board, which are discussed at the board meetings. These reports are based on management's reviews of the various parts of the business and include status of key performance indicators, update of market development, operational issues, financial results and highlights of organisational issues.

Financial position and results are followed up in monthly accounting reports, compared to the previous year, budgets and forecasts. Reporting also includes non-financial key performance indicators related to each business area.

The interim reports and annual financial statements are reviewed by the audit committee ahead of the discussions in the board meeting. Financial risk management and internal control are also addressed by the board's audit committee. The latter reviews the external auditor's findings and assessments after the interim and annual financial audits. Significant issues in the auditor's report, if any, are reviewed by the board of directors.

The Company has not established a separate internal audit function, but the board of directors is considering the need for such function on an ongoing basis.

11. Remuneration of the board of directors

The remuneration to the board of directors is described in note 7 to the financial statements of the Group, note 13 for the parent company in addition to the Remuneration Report available at the Groups website.

The Company considers that the remuneration reflects the board of director's responsibility, expertise, time commitment and the complexity of the Company's activities.

Directors' fees are determined by the general meeting on the basis of recommendations from the nomination committee. These fees have been based on the board's responsibility, expertise and the complexity of the business, and have not been related to results. The directors have not been awarded share options.

Members of the board of directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the board.

An overview of shares owned by the directors and their close associates is included in note 16 to the consolidated financial statements and the Remuneration Report.

12. Remuneration of executive personnel

The Company's guidelines for determining remuneration to the chief executive officer and other executive management should at all times support prevailing strategy and values in the Company.

The Company's guidelines for the remuneration of executive management are described in the Company's Remuneration report available at webstep.no. The report also provides further details about remuneration in 2023 for the executive management. The guidelines are presented annually to the annual general meeting and include the main principles for the Company's remuneration policy. The guidelines specify the main principles for the Company's remuneration policy for the executive management and aim to ensure that the interests of shareholders and executive management coincide.

The current guidelines have been prepared in accordance with the provisions of section 6-16a of the Norwegian Public Limited Companies Act, approved 4 May 2023 at the Annual General Meeting.

In 2019 a long-term incentive program for the Company's executive management was approved by the annual general meeting and implemented in November 2019. The program consists of share options which were granted on an annual basis over the three years. The program is further described in the financial statements, respectively in note 13 for the parent company and note 22 for the Group.

13. Information and communication

The Company has established an overall communications policy, which states that the communication activities shall be characterised by transparency, honesty, consistency and right timing.

Furthermore, the Company has an IR policy, which states that all communication with the financial community shall be on an equal treatment basis and in compliance with applicable laws and regulation. Webstep shall continually provide its shareholders, the Oslo Stock Exchange and the securities market and financial market in general with timely and precise information about Webstep and its operations.

The CEO and CFO are responsible for the main dialogue with the investor community, hereunder the Company's shareholders.

Information to the stock market is published in the form of annual and interim reports, stock exchange announcements and investor presentations. All information considered to be relevant and significant for valuing the Company's shares will be distributed and published in English via Oslo Stock Exchange disclosure system, www.newsweb.no, and via the Company's website <https://investor.webstep.com>.

Webstep has implemented a system ensuring that all information distributed to the Company's shareholders will be

published on the Company's web site at the same time as it is sent to shareholders.

The Company publishes a financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable. The information is available in English.

Unless there are applicable exemptions, and these are invoked, Webstep shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act). In any event, Webstep will provide information about certain events, e.g. proposals and resolutions by the board of directors and the general meeting concerning dividends, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by Webstep and related parties.

In the Company's Corporate Governance Policy, separate guidelines have been drawn up for handling of inside information. The Company also has in place a policy regarding the members of the board of directors who are entitled to publicly speak on behalf of the Company on various subjects.

In addition to the board of directors' dialogue with the Company's shareholders at the general meetings, the board of directors should make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the board of directors to develop an understanding of the matters regarding the Company that are of a particular concern or interest to its shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of the Company's shareholders. Shareholders can get in contact with the Company through the IR contact information which is made available on the Company's website. Further, shareholders can subscribe to email alerts to receive news from the Company when made public.

14. Takeovers

The board has established main principles for responding to possible takeover bids.

In the event of a take-over bid being made for the Company, the board will follow the overriding principle of equal treatment for all shareholders and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The board will strive to ensure that shareholders are given sufficient information and time to form a view of the offer.

The board will not seek to prevent any take-over bid unless it believes that the interests of the Company and the shareholders justify such actions. The board will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the general meeting following the announcement of the bid.

If a take-over bid is made, the board will issue a statement in accordance with statutory requirements and the recommendations in the code.

In the event of a take-over bid, the board will obtain a valuation from an independent expert.

Any transaction that is in effect a disposal of the Company's activities will be submitted to the general meeting for its approval.

15. Auditor

The board of directors ensures that the Company's auditor, EY, submits the main features of the plan for the audit of the Company to the audit committee annually.

During the financial year 2023, the Company's auditor has:

- Presented the main features of the audit work.
- Attended the board meeting where the annual report for the previous accounting year was considered, reviewed possible significant changes in accounting principles, assessed significant accounting estimates, and considered all cases where possible disagreements arose between auditor and executive management.
- Conducted a review together with the audit committee of the Company's internal control procedures and systems, including the identification of weaknesses and proposals for improvements.
- Held a meeting with the board without the presence of the executive management.
- Confirmed that the requirements for the auditor's independence were fulfilled and provided an overview of services other than auditing which have been rendered to the Company.

The board has not established guidelines for the Company's use of the auditor for substantial assignments other than ordinary auditing services.

The board reports annually to the annual general meeting on the auditor's overall fees, broken down between audit work and other services. The annual general meeting approves the auditor's fees for the parent company.



Statement by the Board of Directors and CEO

We confirm to the best of our knowledge that:

The consolidated financial statements for 2023 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the financial statements for the parent company for 2023 have been prepared 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 Company's and 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 Company and 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, 24 April 2024

Sign.
Kjell Magne Leirgulen
Chair of the Board

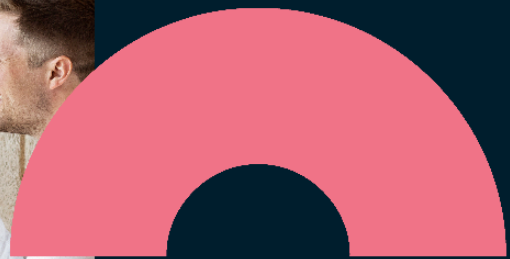
Sign.
Siw Ødegaard
Board member

Sign.
Bendik Nicolai Blindheim
Board member

Sign.
Anna Söderblom
Board member

Sign.
David Bjerkeli
Board member

Sign.
Kjetil Bakke Eriksen
Chief Executive Officer



Auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Webstep ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Webstep ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2023 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal 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 cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- 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 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 in accordance with the requirements of the 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 13 years from the election by the general meeting of the shareholders on 30 May 2011 for the accounting year 2011.

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 for 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

Basis for the key audit matter

The carrying amount of goodwill as of 31 December 2023 was 358 192 tNOK and make up 51% of total assets in the balance sheet. The carrying amount, which are allocated to two cash generating units (CGU), relates to acquisition of Webstep AS in 2011 (CGU Norway) and Webstep AB in 2012 (CGU Sweden). In accordance with IAS 36, management have assessed goodwill for impairment annually, by assessing recoverable amounts of each CGU based on value in use calculations. The value in use calculations require significant judgement related to estimated future cash flows and discount rates and is subject to management bias. Due to a challenging market situation in Sweden, the impairment test resulted in an impairment charge to goodwill as of 31 December 2023 of 25 000 tNOK related to the Sweden CGU.

The impairment assessment of goodwill is a key audit matter because of the significant carrying amount, the impairment indicators identified, and the considerable estimation uncertainty, complexity and subjectivity related to the calculation of value in use.

Our audit response

We obtained an understanding of the Group's impairment assessment process, including the CGU's. We assessed the reasonableness of key assumptions applied in the estimated future cash flows such as the estimated terminal-value EBITDA-margin, terminal-value growth rate and the discount rate applied. We evaluated the historical accuracy of management's estimates by comparing actual cash flows to previously estimated cash flows in 2022 and 2023 to assess the reasonableness of management forecasts for future cash flows. We agreed input data used by management to supporting documents such as actual results, future budgets and long-term plans approved by the Board of Directors. Further we performed sensitivity analysis and benchmarked relevant key assumptions to comparable companies in the same industry, as well as market statistics. We involved our internal valuation specialists to assess the value in use calculation and the reasonableness of the discount rates applied by management. We refer to note 11 *Intangible assets and goodwill* and note 3 *estimates, judgements and assumptions*.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the

financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the 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, 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 fair presentation.
- 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.

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, related safeguards.

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 requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Webstep 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 213800IQHG9H6OHKI983-2023-12-31-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

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 25 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Trond Stian Nytveit
State Authorised Public Accountant (Norway)

Appendix



Appendix

Alternative performance measure

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 Amortisation 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.
- **EBIT adjusted** is as per the description in the second point above, and also adjusted for one-off costs for the full year 2023 in total of NOK 35 million related to downsizing, management changes, and impairment of acquisition-related goodwill.
- **EBIT per employee** is Earnings before Interest and other financial items and Taxes and is a term commonly used by the equity analysts and investors.
- **NIBD** is short for Net Interest Bearing Debt and is defined as interest bearing debt minus unrestricted cash and cash equivalents.
- **Group 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.
- **NIBD/EBITDA** is calculated as Net Interest Bearing Debt divided by Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation (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.

Group departments

Webstep has 9 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.

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Stockholm

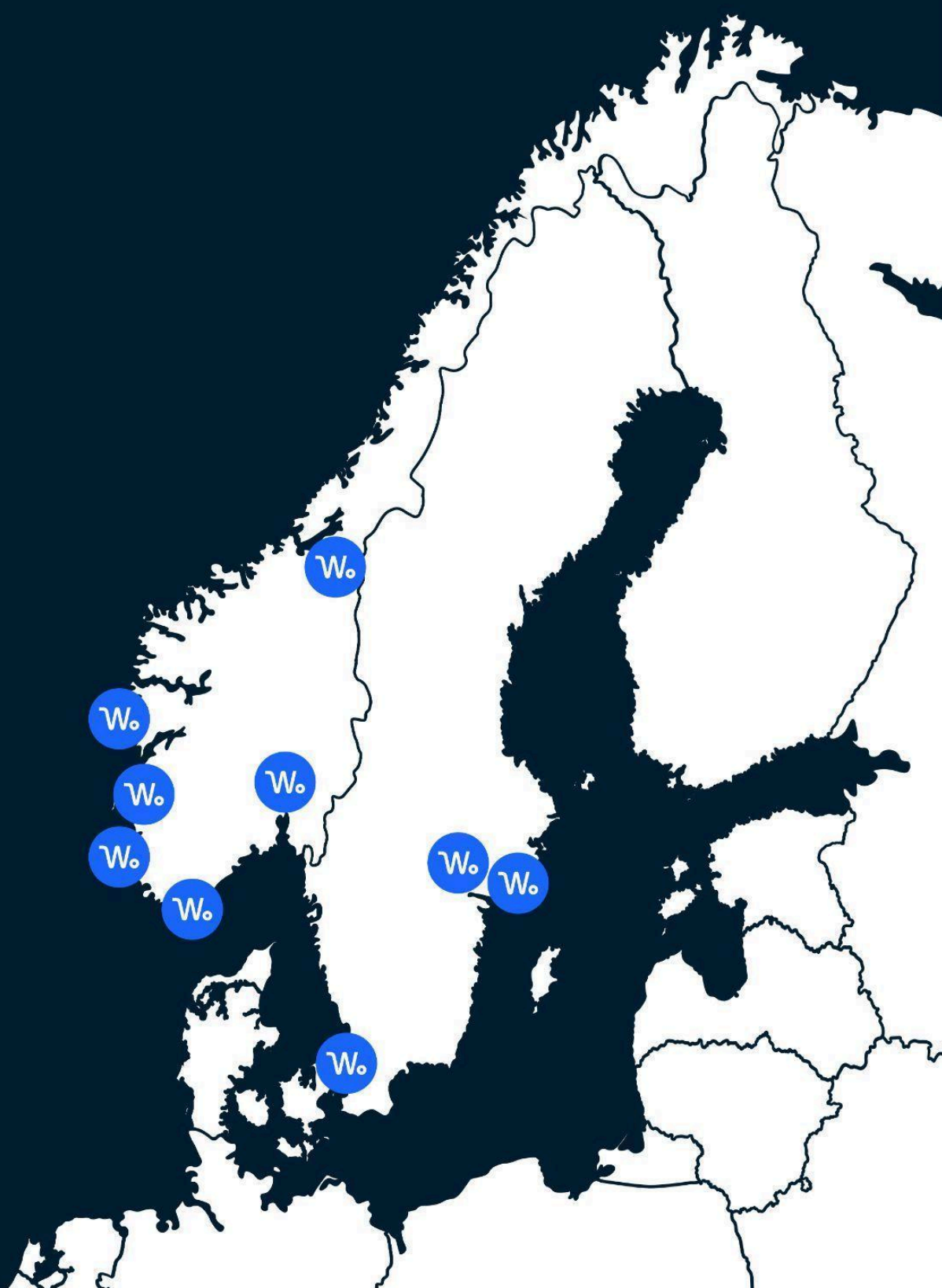
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