

Q2 2024 Results

Interim Presentation

Kristine Lund, CEO
Nina Stemshaug, Interim CFO



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Highlights from the quarter



Highlights

- **New CEO Kristine Lund in place from May**
- **Interim CFO Nina Stemshaug in place from end of July**
- **Further strengthening group management to drive growth and performance**
 - Eva Johanneshdottir appointed as new general manager for our Stavanger Office starting in October
 -
- **Webstep AB sold to B3 Consulting Group**
 - Transaction closed beginning of July
 - NOK 51 million proceed from transaction to be allocated to buy-back of own shares and dividends

Revenue

Q2 258.3 MNOK
(+3.5%)

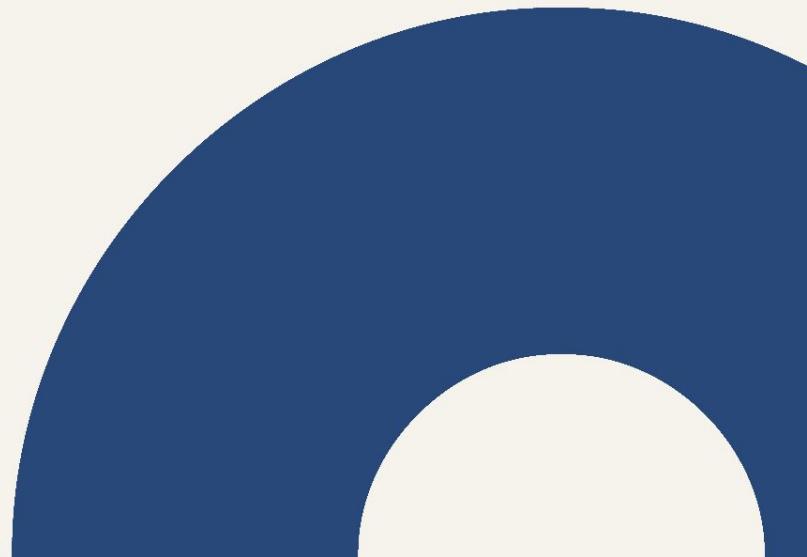
EBIT

Q2 18.9 MNOK
(+7.3%)

EBIT Margin

Q2 7.3 %
(+0.2pts)

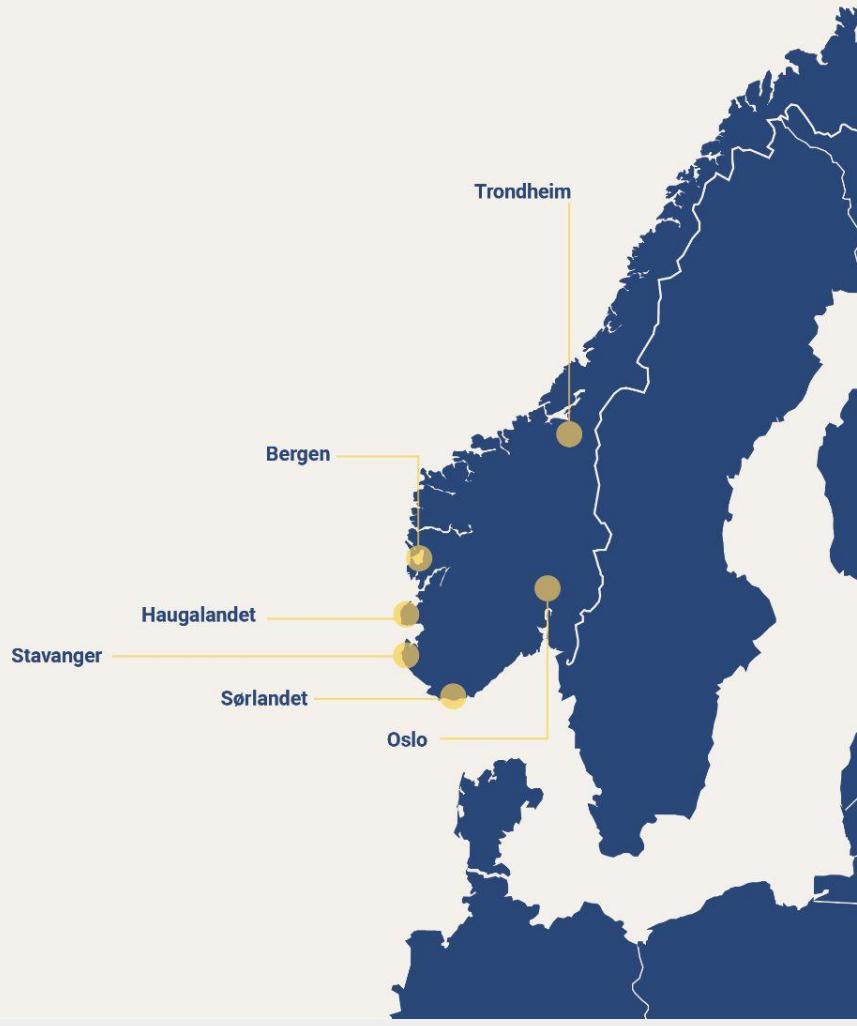
Organisation and projects



Organisation and employees

The Webstep experience going forward

- **Strategy process kicked off pre-summer picking the path how to reach our future growth targets**
 - Create synergies cross locations to attract large customers and create upsell opportunities
 - Efficient processes to deliver profitable growth
- **Strengthened leadership and organisation**
 - Nina Stemshaug appointed Interim CFO, improving Webstep's analysis and finance ahead of the new CFO
 - Regional offices reinforced to enhance efficiency and collaboration
 - Successful recruitment of new General Manager in Stavanger – Eva Johanneshed starting in October
- **Inspiring Enterprise market track record**
 - Significant growth at Equinor is inspiring
 - Highly skilled teams give Webstep a crucial edge
- **Recruitment aligned with Webstep's profile**
 - Experienced consultants remain in demand
 - Continued focus on the right skills and deep expertise
 - Cross-sale opportunities across locations





Skills- HiSkills CallerSim

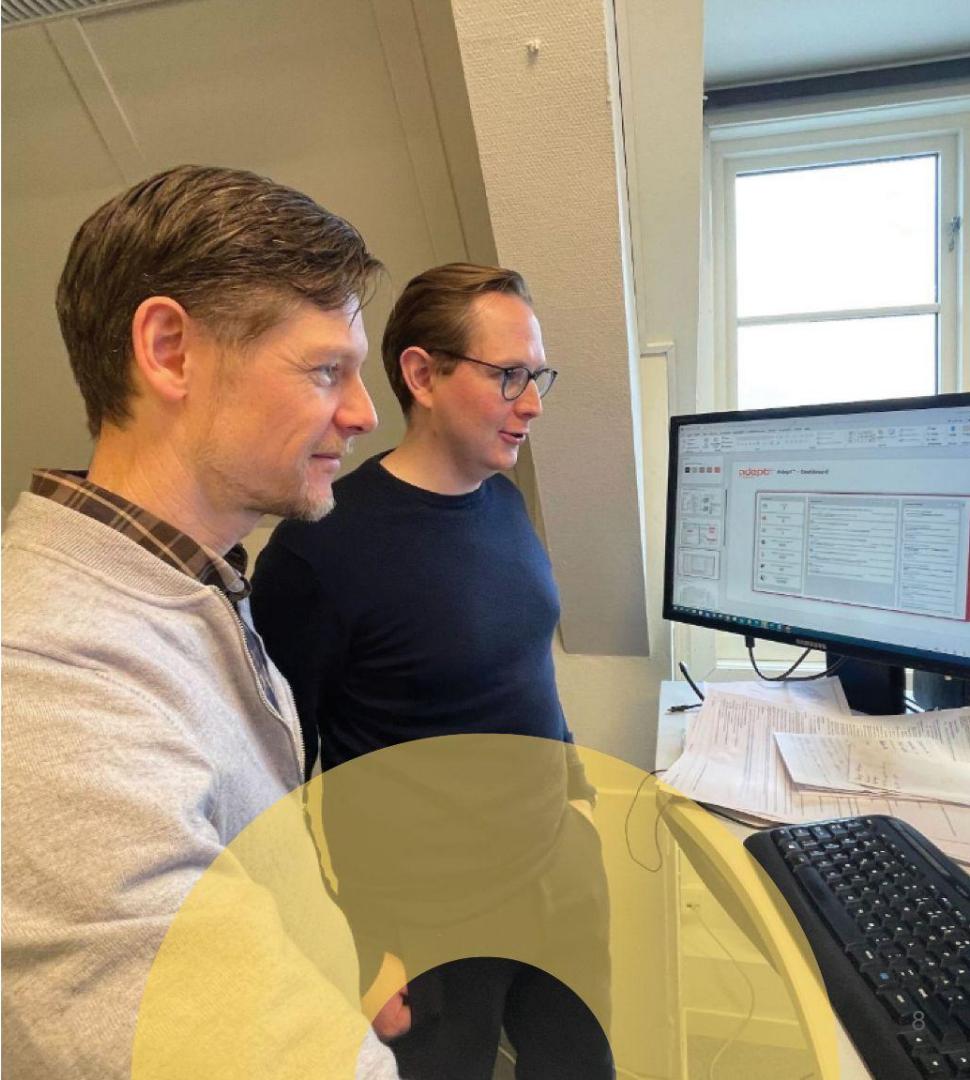
- **Skills is located in Stavanger**, and offers simulation training through their core product, HiSkills.
- **The HiSkills technology** utilises advanced machine learning algorithms, neural networks, artificial cognitive intelligence, and natural language processing (NLP) to create a realistic communication simulator where users can practice and learn without any real-life consequences.
- **Webstep has assisted Skills** in the design of their latest solution, the mobile game **CallerSim**. The game is designed to help children and young people practice handling emergency situations and communicating with various emergency services in a safe, virtual environment.
- **The app is mainly "prompt-based."** Everything from sound, illustrations, and the voice assistant you interact with in the game is created using AI. The app is designed as a game, incorporating elements of gamification to enhance the user experience.
- **The goal** is to help children and young people feel more confident about whom to call and what questions they might need to answer if they ever require assistance from emergency services.

Adept Concept™

- **Adept Concept** has been specializing in compliance management and risk management systems for more than 20 years, serving a variety of industries with a primary focus on the offshore sector.
- Webstep has developed the "**Adept AI Engine**," utilising AI technology to automatically track regulatory changes and classify these changes.
- The "**Adept AI Engine**" is using NLP and Machine Learning to streamline the process of documenting compliance with requirements by up to 90%.
- With the permission of Adept's clients, we have developed the AI algorithm using **high-quality Adept™ data** collected over many years. As a result, the solution is not only "language model"-based but also heavily "knowledge"-based.

Read more about Adept Concept here:

<https://content.webstep.no/adept-concept-avansert-samsvarsstyring-gjort-enkelt/index.html>



Financial review



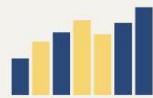
Key figures - Group

NOK million	Q2	Q2	YTD	YTD	FY
	2024	2023	2024	2023	2023
Revenues	258.3	249.5	520.2	526.7	1,000.0
<i>Change</i>	3.5%	16.0%	(1.2%)	17.5%	12.6%
EBITDA	24.8	23.0	53.1	53.5	65.7
<i>EBITDA margin</i>	9.6%	9.2%	10.2%	10.2%	6.6%
EBIT	18.9	17.6	41.1	42.8	18.5
<i>EBIT margin</i>	7.3%	7.1%	7.9%	8.1%	1.8%
Net profit	13.9	12.8	29.9	31.5	4.4
Net free cash flow	31.3	6.3	(0.4)	22.5	71.0
Cash flow from operations	32.2	7.8	1.4	25.7	76.5
Equity ratio	51.6%	54.9%	51.6%	54.9%	50.7%
Earnings per share (NOK)	0.50	0.46	1.08	1.14	0.16
Earnings per share, fully diluted (NOK)	0.50	0.46	1.07	1.13	0.16
Number of FTEs, average	527	559	531	557	561
Number of FTEs, end of period	530	561	530	561	570
Revenue per FTE (TNOK)	489.8	446.7	979.9	946.0	1,784
EBIT per FTE (TNOK)	35.7	31.4	77.5	76.4	32.9

Q2 Comments

- Figures includes discontinued business from Webstep AB. Going forward the figures will only include continuing business from Webstep Norway.
- The Norwegian segment accounting for approximately 89 % of the consolidated revenues in the quarter.

Norway Q2



Revenue

Q2 229.5 MNOK
(+8.0%)



EBIT-margin

Q2 8.3%
(+0.5pts)



FTEs

EoP 451
(-8)

Key figures - Norway

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
NOK million					
Revenues	229.5	212.5	459.2	451.1	857.7
Change	8.0%	4.7%	1.8%	16.5%	12.2%
EBIT	19.0	16.5	40.4	38.9	17.0
EBIT margin	8.3%	7.8%	8.8%	8.6%	2.0%
Number of FTEs, average	448	457	448	455	459
Number of FTEs, end of period	451	459	451	459	471
Number of workdays	60	58	122	123	251
Revenue per FTE, TNOK	513	465	1025	991	1,867
EBIT per FTE, TNOK	42	36	90	85	37.1
 Revenue breakdown					
NOK million					
	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Oslo	104.4	90.7	212.3	190.9	372.7
Regional offices	108.0	104.6	212.0	222.7	414.6
Subcontractors	14.2	12.7	29.3	29.6	57.6
Resale of licenses	2.9	4.5	5.2	7.7	16.4
Other	0.1	0.0	0.3	0.1	(3.6)
Total	229.5	212.5	459.2	451.1	857.7

Q2 Comments

Comparison to corresponding period last year

- **Revenues** from own consultants
 - Q2 212.4 MNOK, increased by 8.8%
 - Growth primarily driven by increased hourly rates and two more working days
 - Solid growth in the Oslo region, up 15.1%
 - Slightly lower utilisation in the regional offices
 - YTD 24 424.3 MNOK, increased by 2.6%
 - Growth primarily driven by increased hourly rates and number of consultants, offset by slightly weaker utilisation and one less working day
- **EBIT** affected by
 - Increased revenues
 - Effects from the implemented cost reduction program
 - Accrued costs for temporary increase in employer contribution
 - Q2 1.4 MNOK (0.4)
 - YTD 2.9 MNOK (0.4)
- **FTEs 451 end of period**
 - Reduction of non-billable FTEs related to cost reduction programme

Sweden Q2



Revenue

Q2 29.7 MNOK

(-21.7%)



EBIT-margin

Q2 -0.1%

(-3.1pts)



FTEs

EoP 80

(-22)

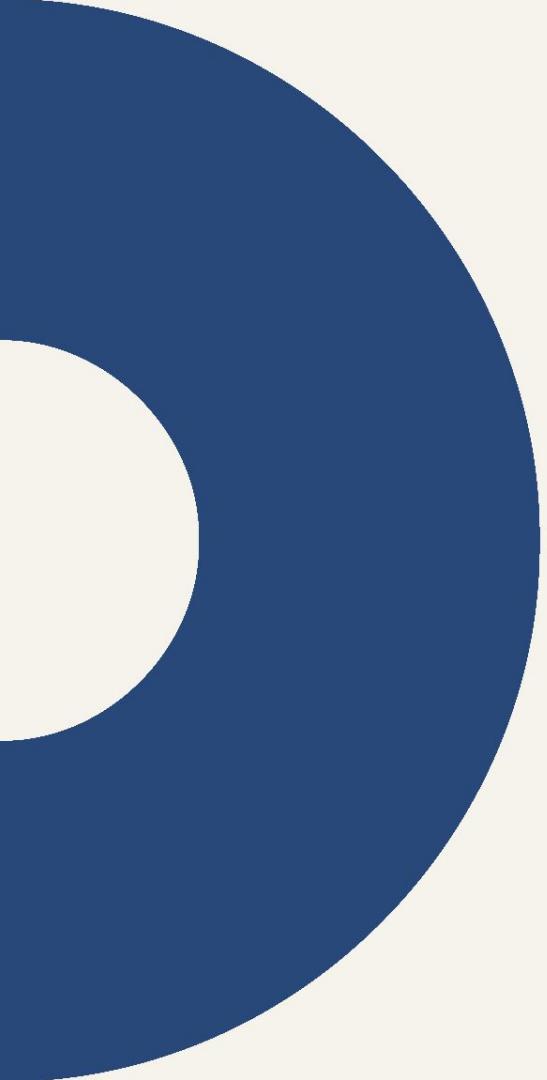
Key figures - Sweden

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
NOK million					
Revenues	29.7	37.9	62.9	77.4	142.3
Change	(21.7%)	19.9%	(18.8%)	24.1%	12.1%
EBIT	(0.0)	1.1	0.7	3.9	1.4
EBIT margin	(0.1%)	3.0%	1.1%	5.1%	1.0%
Number of FTEs, average	80	102	83	102	101
Number of FTEs, end of period	80	102	80	102	99
Number of workdays	60	59	123	123	251
Revenue per FTE, TNOK	371.2	371.7	760	759.3	1,405
EBIT per FTE, TNOK	(0.4)	11.0	9	38.7	14.0
 Revenue breakdown					
NOK million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Regional offices	24.0	29.8	49.7	61.5	112.0
Subcontractors	5.3	7.9	12.6	15.4	30.0
Other	0.4	0.2	0.6	0.5	0.3
Total	29.7	37.9	62.9	77.4	142.3

Q2 Comments

Comparison to corresponding period last year

- Webstep AB sold to B3 Consulting Group
- With effect from the second quarter of 2024, Webstep AB is classified as a disposal group held for sale and as a discontinued operation



Market update and outlook



Webstep market update

- **Continued challenging markets**
Long sales cycles, postponed project starts
- **Top ten - increased revenue**
Substantial Webstep power in enterprise sales
- **Strengthened Equinor presence**
Doubling the number of delivery agreements—developers paving the way for architects, agile coaches, business analysts, and team and delivery managers
- **Strategic divestment of Sweden**
Sharpened focus on Norwegian sales and customer value creation

Outlook

- **Digitalisation continues to trend upwards**
Despite simultaneous lower demand and increased assignments- and projects competition
- **Loyal, recurring customers**
Webstep maintains a diverse portfolio of loyal, recurring customers across various business sectors and public institutions
- **Webstep's Triple Win**
The divestment of Sweden provides a foundation for attracting top talent, optimising sales and driving value creation. Employees, customers, and the company all benefit
- **Increased profitability - strongly prioritised**
Continued balance between costs and opportunities.
Measures monitored and evaluated continuously
- **Steadfast focus on long-term goals**
Well positioned for EBIT-margin above 10%



Questions?

Please contact us at ir@webstep.com

Appendix



Customer base characteristics

Norway



Topp 10 customers account for 59% of total revenue

Private / Public

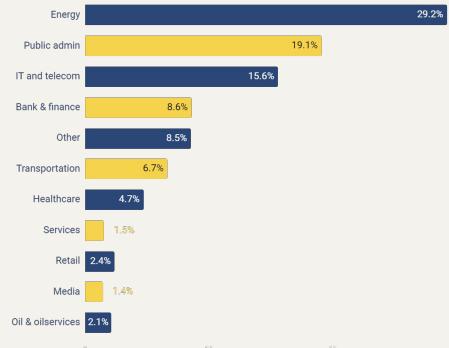
63% / 37%

Optimizing sales and strengthening focus on enterprise market and large clients

A large and loyal customer base in both private and public sector

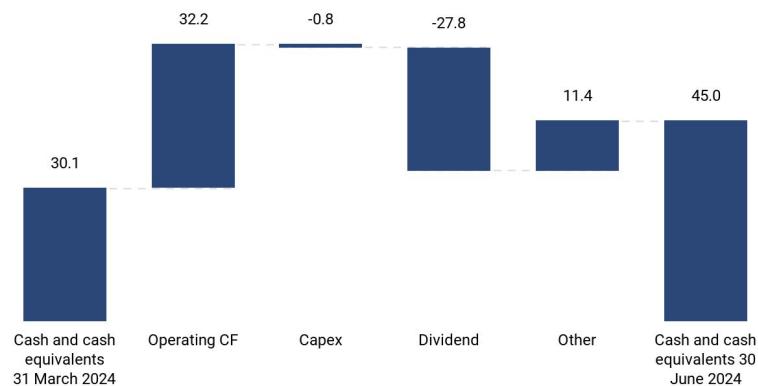
A diversified customers base between business sectors

Business Sectors Q2 2024



Cash flow and net debt

	30 Jun 2024
NOK million	
Cash and cash equivalents*	(45.0)
Restricted cash	28.4
Debt to credit institutions	0.0
Net interest bearing debt (NIBD)**	(16.7)
NIBD/EBITDA (rolling 12 months)	(0.3)
NIBD/EBITDA (rolling 12 months)	0.9
Including IFRS 16 Lease liabilities	



*Negative indicates positive amount

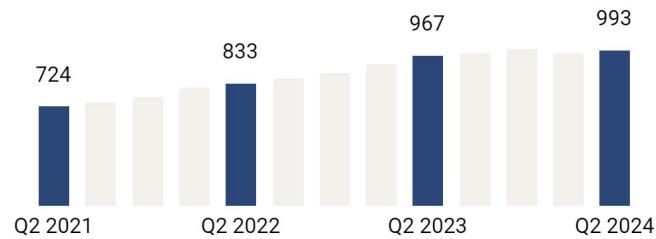
**Effects related to IFRS 16 (leasing) are excluded

- The Group has credit facility of MNOK 110 in Norway and SEK 5m in Sweden
- Credit facility was unutilised by the end of second quarter
- Capex relates to office and equipment

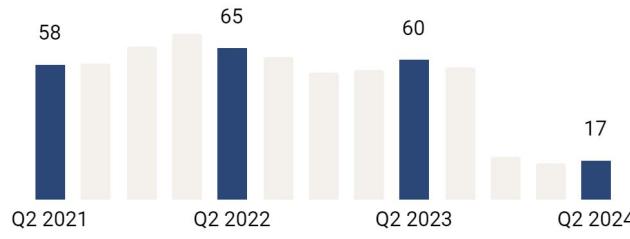
Top 20 shareholders at 23 August 2024

Revenue, EBIT and FTE development

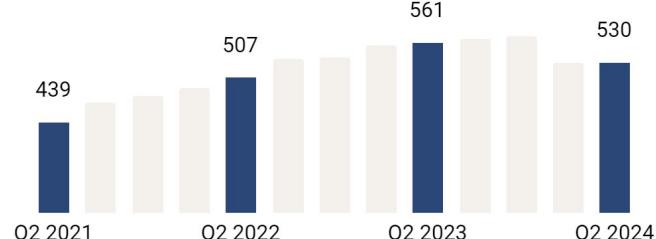
Revenue (LTM)



EBIT (LTM)



Number of FTEs (EoP)



Number of FTEs, end of period

Number of FTEs, end of period	Q2	Q1	Q4	Q3	Q2
Norway	2024	2024	2023	2023	2023
Norway total	451	448	471	463	459
Oslo	213	211	223	221	211
Bergen	88	84	91	90	94
Trondheim	65	65	65	64	61
Stavanger	55	56	59	57	62
Sørlandet	21	23	24	22	22
Haugalandet	9	9	9	9	9
Sweden	Q2	Q1	Q4	Q3	Q2
Sweden	2024	2024	2023	2023	2023
Sweden total	80	83	99	103	102
Stockholm	41	46	60	62	60
Malmö	18	18	18	19	20
Uppsala	21	19	21	22	22

Disclaimer

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