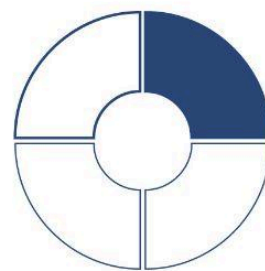


# Q1 2024 Results Interim Report



@ ir@webstep.no

🌐 [www.webstep.com](http://www.webstep.com)

📍 Rebel - Universitetsgata 2, 0164 Oslo

**WEBSTEP**

# Highlights

## New CEO Kristine Lund appointed

### January to March 2024

- Revenues of NOK 261.9 million (277.2), a decrease of 5.5 per cent
- EBIT of NOK 22.2 million (25.2), a decrease of 12.0 per cent; corresponding to an EBIT margin of 8.5 per cent (9.1)
- Net operating cash flow of negative NOK 30.8 million (positive 17.9)
- Earnings after tax of NOK 16.0 million (18.8), a decrease of 15.0 per cent
- Earnings per share of NOK 0.58 (0.68); fully diluted of NOK 0.57 (0.67)
- Number of FTEs end of period was 531 (557), a decrease of 4.7 per cent

### Significant events during and after the period

- Kristine Lund assumed the position as CEO from May 2024
- The implemented cost reduction program is proceeding according to plan, with 2024 effect of minimum NOK 21.0 million
- Webstep goes prime in framework agreement with the Norwegian Housing Bank (Husbanken), a Norwegian government agency under the jurisdiction of the Ministry of Local Government and Regional Development, in collaboration with four partners
- Framework agreement signed with the Scandinavian insurance company Tryg

Group NOK million	Q1 2024	Q1 2023	FY 2023
Revenues	261.9	277.2	1,000.0
Change	(5.5%)		
EBITDA	28.3	30.4	65.7
EBITDA margin	10.8%	11.0%	6.6%
EBIT	22.2	25.2	18.5
EBIT margin	8.5%	9.1%	1.8%
Net profit	16.0	18.8	4.4
Net free cash flow	(31.7)	16.2	71.0
Cash flow from operations	(30.8)	17.9	76.5
Equity ratio	51.6%	54.9%	50.7%
Earnings per share (NOK)	0.58	0.68	0.16
Earnings per share, fully diluted (NOK)	0.57	0.67	0.16
Number of FTEs, average	534	555	561
Number of FTEs, end of period	531	557	570
Revenue per FTE (TNOK)	490.1	499.5	1,784
EBIT per FTE (TNOK)	41.5	45.5	32.9



## Letter from the CEO

### New CEO - streamlined organisation

**This is my first CEO letter as the leader of Webstep. Still in early days, I am already amazed by how the first weeks have been. The welcoming atmosphere, the generosity, and the genuinely curious and exploring mindset of the organisation warm my heart and fill me with enthusiasm for the next phase.**

I have been working in this industry and business processes for the past six years, so in some sense, it feels familiar but yet new. I compare it to the feeling when you instantly click with a new friend; the connection, almost as if you knew each other from before. It is this feeling of belonging that makes me confident that together, we will ensure an exciting new chapter in Webstep history. With the right team, anything is possible.

#### **Leaving the first quarter behind**

In the first quarter of 2024, revenue amounted to NOK 261.9 million compared to NOK 277.2 million in the first quarter of 2023, a decrease of 5.5 per cent. EBIT reached NOK 22.2 million, reflecting a decrease of 12.0 per cent, resulting in an EBIT margin of 8.5 per cent. EBIT has been affected by a

reduction in working days especially in Norway, owing to Easter occurring in the first quarter of 2024, while it was in the second quarter last year, but the EBIT is positively affected by the implemented cost reduction program. Diving into the figures, there are differences in regions, and unfortunately Sweden is facing more challenging markets than in Norway.

The Webstep organisation has been through a quarter following an effort to streamline operations and increase efficiency, to ensure future profitability improvements. As a common rule, changes often feel challenging, and during changes, emotions sometimes can be both mixed and uncomfortable. To me, entering the organisation, the changes already implemented seem to have made Webstep more able and suited to meet today's changing market conditions.

We are now entering times of even swifter changes, both from an organisational and a technological perspective. It is about how organisations and projects are run and how solutions and software are made. As a tech partner, we have to be both agile and open to change, even more so than our customers. We need to be frontrunners, leading the way. We are curious change agents with exploring mindsets, like the

ones that I have already met touring the Webstep organisation.

#### **Large accounts - new assets**

One of the changes has been a joint effort to increase the number of large clients. Large customers often have a broad range of projects running and a corresponding need for expert teams and consultants. This requires a diversified pool of expertise, and Webstep's ability to deliver project teams and dynamic groups of experienced, special skills consultants makes up an immense Webstep competitive advantage.

Webstep's large and loyal public and private customer base now represents extra power both in customer relations and as an employee. In addition, the corresponding stability reduces our vulnerability to economic ups and downs and makes us adaptable in situations with extended sales cycles and tough competition.

In today's hybrid world, constellations of Webstep expertise can easily be delivered independent of locations. This is an edge really worth mentioning.

When we reflect on the events and outcomes of the first quarter, we demonstrate that Webstep has the ability to adapt to market conditions, enhance our delivery capabilities and further develop our market model. Webstep's high repurchase rate and long-lasting relationships confirm the deliverability of our value proposition.

#### **Expectations going forward**

We will continue to increase efficiency, while evaluating the effects of the already carried out changes. Optimising an organisation is not limited to cost reductions, but is often about working smarter and with less friction in operations and being innovative in methods and opportunities.

Entering at the beginning of May is the perfect timing to consolidate the team before summer and be ready for full throttle after charging on vacation.

#### **Employee survey results**

Over the past fifteen years, Webstep has conducted annual employee surveys, initially through the Great Place to Work Institute, consistently achieving top-to-top-four rankings. Since 2021, the surveys have been carried out by the company Netigate.

Like in previous years, Webstep employees expressed a high satisfaction with Webstep as an employer this year. The Employee Satisfaction Index (ESI) was above benchmark. The same applies to the Employee Net Promoter Score (eNPS), how likely one will recommend Webstep to others. Although, we notice a substantial decrease compared to last year. This is not surprising, given all the recent changes, but still important to address.

The employee survey gives us valuable insights on how to improve as an employer. We will definitely use this as a basis for further development and with an explicit goal to improve. We want Webstep to be a place where employees can explore and develop, both professionally and personally, and feel valuable in all phases of their career and in every phase of the ever changing days called life.

#### **Webstep diversity**

As a female CEO at Webstep, I am committed to increasing the share of women in the company and the tech industry. There is no doubt in my head that diversity, not limited to gender, but in its broadest terms, brings us better and faster forward.

Every year, on the eighth of March, the Norwegian organisation Abelia, together with the female tech network Oda, presents the annual list of Norway's Top 50 women in tech. In March, the fifth Webstep woman this year in competition with a record-breaking 700 nominees, appeared on the list. I wholeheartedly applaud Hege Erdal, Webstep senior consultant, systems developer, and PhD in experimental nuclear physics, for being on this year's list. As an employee elected Webstep board representative, I got to know her even before signing in!

I am sure Webstep's employees will receive more awards as I have already met many gems.

Webstep impresses me, and I am truly happy to be on board and look forward to what is in front of us.

#### **Kristine Lund**

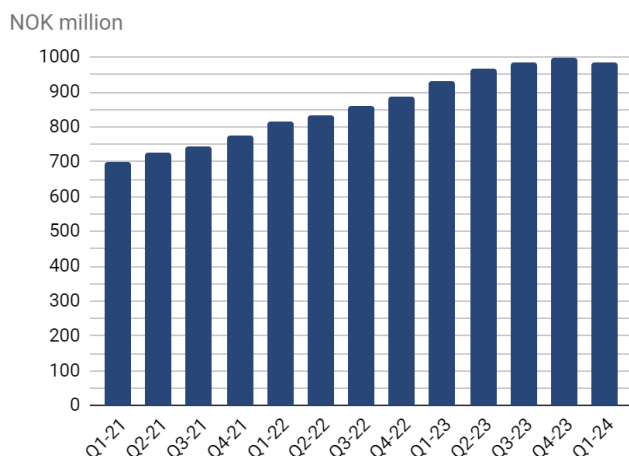
Webstep ASA CEO

# Financial review

## Operating revenues

First quarter consolidated revenues were NOK 261.9 million (277.2), down 5.5 per cent from the same quarter last year. Revenue from own consultants decreased by 5.1 per cent compared to the corresponding quarter last year. Webstep's revenue model is primarily based on hourly fees, with revenue capacity dependent on the number of consultants, number of workdays and hourly rates. The decline in revenue is primarily due to the allocation of holidays, as this year's Easter fell in the first quarter instead of the second quarter as in 2023, resulting in three fewer working days for the Norwegian segment and one less working day for the Swedish segment, compared to the same quarter previous year. In addition, the Group experienced a slightly lower utilisation in the quarter compared to the same period last year. Higher average hourly rates had an offsetting positive effect on revenues in the quarter. The average number of FTEs in the quarter was 534 (555).

## Rolling 12 month operating revenues



## Operating costs

Cost of services and goods sold, primarily related to use of subcontractors, amounted to NOK 22.7 million (24.5) for the first quarter.

Salaries and personnel costs include salaries and benefits, pension, tax, vacation pay and other items. A high proportion of salary is variable and correlates with revenues. Salaries and personnel costs for the first quarter amounted to NOK 198.6 million (206.8). The change is partly explained by

reduced revenues and a reduction in non-billable FTEs compared to the corresponding quarter last year. Also, the Group had reduced costs related to culture building activities in the first quarter of 2024, primarily due to a periodic shift in execution of these activities. The first quarter had NOK 1.5 million (0.0) in increased costs related to employer's contributions, as a result of the Parliament's decision to impose additional employer's contributions for 2024. In 2023 this cost was accounted for as it occurred, thus only affecting the third and fourth quarter. For 2024, the cost is being accrued throughout the year.

Other operating expenses amounted to NOK 12.3 million (15.5) for the quarter. The decrease is mainly explained by reduced costs related to conference and course attendance compared to the same quarter last year. For the first quarter of 2023 there was also a provision for loss on accounts receivable which is not present for the first quarter of 2024. The provision for loss on accounts receivable was reversed in the third quarter of 2023.

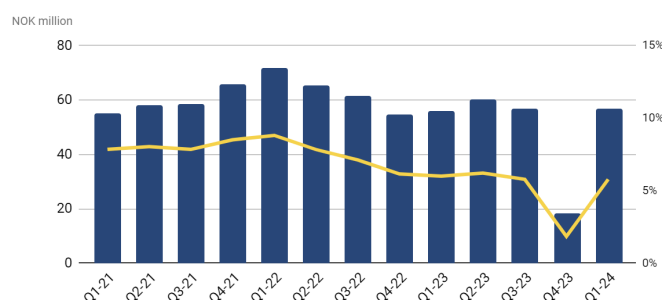
Depreciation and impairment for the quarter amounted to NOK 6.1 million (5.2). The change is due to increased office rentals compared to the corresponding quarter last year.

## Operating profit

Total consolidated EBITDA for the first quarter amounted to NOK 28.3 million (30.4). Total consolidated EBIT for the quarter amounted to NOK 22.2 million (25.2). EBIT margin for the quarter was 8.5 per cent (9.1).

Initiatives targeting general and administrative costs were executed in the last period of 2023. The programme is proceeding according to plan with an estimated cost reduction of minimum NOK 21.0 million in 2024. For the first quarter of 2024 the programme indicates a positive effect on EBIT through reduced salaries and personnel costs from a reduction in non-billable FTEs, as well as a reduction in other operating expenses. However, the positive impacts for the first quarter of 2024 are offset by the decline in revenues, mainly due to fewer working days in the quarter especially for the Norwegian segment, and fewer billable FTEs in the Swedish segment.



**Rolling 12-month operating profit (EBIT) and EBIT margin**

Net financial costs were NOK 1.7 million (1.2) and income tax amounted to NOK 4.5 million (5.2) for the quarter. Net profit for the quarter was NOK 16.0 million (18.8).

**Financial position**

Total assets at 31 March amounted to NOK 732.4 million (764.5). Non-current assets were NOK 465.7 million (486.7) and consisted mainly of intangible assets. Intangible assets amounted to NOK 358.0 million (384.1), and consisted primarily of acquisition-related goodwill. The change is explained by an impairment of NOK 25.0 million for acquisition-related goodwill of Webstep Sweden, executed in the fourth quarter of 2023. Right-of-use assets related to office rentals and car leases have been recognized in the balance sheet at the total amount of NOK 93.6 million (86.0).

Total current assets of NOK 266.7 million (277.8) consisted of trade receivables, cash and short-term deposits and other current receivables. Trade receivables amounted to NOK 212.5 million (186.4). The increase in trade receivables is mainly related to calendar effects in addition to an effect from the Easter holidays. Other current receivables were NOK 11.6 million (14.6). Cash and short-term deposits amounted to NOK 42.7 million (76.8), the change is primarily due to the mentioned calendar effects of when trade receivables fall due.

Total equity on 31 March was NOK 378.0 million (419.5). The change is primarily due to the impairment of goodwill for Webstep Sweden which was carried out in the fourth quarter of 2023, and has had a negative impact on equity in Webstep AB and the Group's overall earnings generated.

Non-current liabilities amounted to NOK 78.5 million (74.0) and consisted mainly of non-current leasing liabilities of NOK 77.2 million (72.5). Current liabilities of NOK 276.0 million (271.0) consisted of other short-term liabilities, current leasing liabilities, trade payables, social taxes and VAT.

Cash flow from operations was negative by NOK 30.8 million (positive 18.0) for the quarter. The change is primarily explained by increased trade receivables compared to last quarter, as the payment day at the end of the quarter fell on a public holiday in connection with this year's Easter. The change in other liabilities is mainly related to increased trade payables.

Cash flow from investing activities is for the quarter negative NOK 0.9 million (negative 1.7). The change is mainly due to a reduction in costs related to office equipment and inventory.

Cash flow from financing activities is negative NOK 1.1 million (negative 1.8) for the quarter. Cash flow is negatively affected by increased payments related to lease liabilities, offset by a positive effect from increased share premium.

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

## Segment information

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

Norway is the largest segment, accounting for 87 per cent of the consolidated operating revenues in the quarter.

<b>Norway</b>	<b>Q1</b>	<b>Q1</b>	<b>FY</b>
<b>NOK million</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
Revenues	228.7	237.6	857.7
<i>Change</i>	<i>(3.8%)</i>		
EBIT	21.4	22.4	17.0
<i>EBIT margin</i>	<i>9.4%</i>	<i>9.4%</i>	<i>2.0%</i>
Number of FTEs, average	449	453	459
Number of FTEs, end of period	448	455	471
Number of workdays	62	65	251
Revenue per FTE, TNOK	509.6	524.2	1,867
EBIT per FTE, TNOK	47.8	49.4	37.1

<b>Sweden</b>	<b>Q1</b>	<b>Q1</b>	<b>FY</b>
<b>NOK million</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
Revenues	33.2	39.5	142.3
<i>Change</i>	<i>(16.0%)</i>		
EBIT	0.8	2.8	1.4
<i>EBIT margin</i>	<i>2.3%</i>	<i>7.1%</i>	<i>1.0%</i>
Number of FTEs, average	86	102	101
Number of FTEs, end of period	83	102	99
Number of workdays	63	64	251
Revenue per FTE, TNOK	388.0	387.6	1,405
EBIT per FTE, TNOK	8.8	27.6	14.0

## Norway

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

Total revenues for the quarter amounted to NOK 228.7 million (237.6), down 3.8 per cent from the corresponding period in 2023. Revenue from own consultants amounted to NOK 211.9 million (218.4) down 3.0 per cent from the first quarter in 2023. The decline in revenue is primarily due to the allocation of holidays, as Easter this year fell in the first quarter instead of the second quarter as in 2023. In addition, Webstep Norway has experienced a slightly lower utilisation compared to the same period last year.

Revenues from subcontractors for the quarter amounted to NOK 15.2 million (16.9). The use of subcontractors is related to services outside Webstep consultants core competencies.

Revenue breakdown NOK million	Q1 2024	Q1 2023	FY 2023
Oslo	107.9	100.3	372.7
Regional offices	104.0	118.1	414.6
Subcontractors	15.2	16.9	57.6
Resale of licenses	2.4	3.2	16.4
Other / eliminations	(0.8)	(0.9)	(3.6)
<b>Total</b>	<b>228.7</b>	<b>237.6</b>	<b>857.7</b>

EBIT for the quarter amounted to NOK 21.4 million (22.4), and EBIT margin for the quarter amounted to 9.4 per cent (9.4). EBIT is positively affected by reduced salaries and personnel costs related to reduction of non-billable FTEs and a periodic shift in execution of culture building activities when compared to the first quarter 2023. A decline in revenues, mainly due to three fewer working days in the quarter, as well as increased costs of NOK 1.5 million (0) related to employer's contributions, affected EBIT negatively. In 2023 this cost was accounted for as it occurred, thus only affecting the third and fourth quarter. For 2024, the cost is being accrued throughout the year.

Webstep Norway had 448 FTEs 31 March 2024 (455). The average number of FTEs in the first quarter was 449 (453). The change is due to the downsizing of non-billable FTEs executed in the fourth quarter of 2023.

## 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 digitalization offering. Challenging market conditions with reduced demand for IT consulting services have negatively affected Webstep Sweden over a longer period.

Total revenues for the quarter amounted to NOK 33.2 million (39.5), down 16.0 per cent compared to corresponding quarter last year. Adjusted for fluctuation in exchange rates, revenue decreased by 18.3 per cent. Revenue from own consultants amounted to NOK 25.7 million (32.0). In the second half of 2023 Webstep Sweden reduced the number of consultants in areas with lower market demand, which primarily explains the decrease in revenue. In addition, other factors such as a slightly reduced hourly rate and one less working day in the quarter compared to last year, have negatively impacted revenues.

Revenues from subcontractors for the quarter amounted to NOK 7.3 million (7.5), down 3.4 per cent. The use of subcontractors is related to services outside Webstep consultants core competencies.

Revenue breakdown NOK million	Q1 2024	Q1 2023	FY 2023
Regional offices	25.7	32.0	112.0
Subcontractors	7.3	7.5	30.0
Other	0.3	0.0	0.3
<b>Total</b>	<b>33.2</b>	<b>39.5</b>	<b>142.3</b>

EBIT amounted to NOK 0.8 million (2.8) for the quarter. EBIT margin for the quarter amounted to 2.3 per cent (7.1). EBIT is negatively affected by the decline in revenues and salary commitments in a period of weakened market demand, while positively affected by measures implemented to establish a more accurate cost base through downsizing of non-billable FTEs and additional cost initiatives.

Webstep Sweden had 83 FTEs 31 March 2024 (102). The average number of FTEs in the quarter was 86 (102). The change is due to the mentioned downsizing in the second half of 2023.



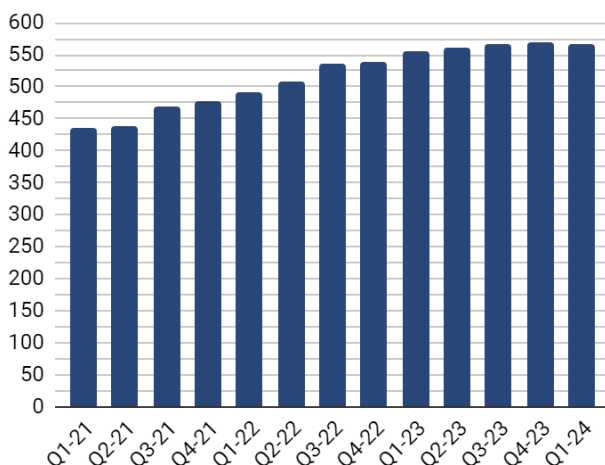
## Employees

Webstep had 531 FTEs at the end of the quarter, a decrease of 39 FTEs since the last quarter and a decrease of 26 FTEs the last twelve months. The FTEs are distributed across the regional offices in major cities in Norway and Sweden. Webstep believes in the power of local business and the decentralised model is based on strong local presence. The regional offices provide expertise and capacity to local clients, while leveraging the full organisational capacity.

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

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

Number of FTEs (end of quarter)



## Work Environment

The employees are Webstep's most important asset, and the Group therefore put a lot of emphasis and effort into building a strong company culture and a healthy work environment across the Company's segments and locations. In order to follow up on employee satisfaction, the Group runs annual employee surveys in order to constantly find and implement areas of improvement regarding the work environment.

The areas of measures are work environment, personal development, culture and leadership. Webstep scores well compared to Netigate's benchmark for these areas (Netigate being a recognized survey supplier).

In the last employee survey, conducted in February 2024, Webstep achieved an employee Net Promoter Score (eNPS) of 44 (63). 88 per cent of the employees agree that they are satisfied with Webstep as an employer. The results show a reduction compared to last year, but they are still well above benchmark.

The survey thus provides Webstep with valuable insights on how the Group can evolve to become an even more distinct, open and developing employer for its employees.

## Sustainability

Webstep has started the process of preparing for reporting according to the Corporate Sustainability Reporting Directive (CSRD), which will be included in full in the 2024 Annual Report. A double materiality analysis has been conducted to identify which sustainability matters that are most material to Webstep and the Group'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. Throughout the process, the Company will develop and share information regarding KPIs to measure progress towards the Company's defined sustainability objectives.

In the 2023 Annual Report the Company's statement of EU-taxonomy for sustainable activities can be found, in addition to the double materiality analysis according to CSRD. The 2023 Annual Report and the Transparency Act Report can be found on the Company's webpage [www.webstep.no](http://www.webstep.no)

## Market update



The overall interest for digitalisation has continued through the first quarter 2024. However, market dynamics continue to move at a slow pace, resulting in lower demand for IT consultants in general. The supply of IT-services exceeds market demand, leading to increased competition. This trend has been significantly more pronounced in Sweden than in Norway, with fewer sales opportunities and more providers, leading to pressure on prices.

One of Webstep's major advantages in challenging times is the Group's experienced expert consultants. Especially experienced system developers prove to be in demand even in challenging markets. This expertise minimises downtime and allows for quick redeployment in new projects, while also providing valuable and needed services to customers and society.

The strategy to increase focus on large clients continues. Webstep recognises that its value proposition and services are highly appreciated, and it makes great sense making these clients more of a backbone going forward. This strategy has expanded the Company's opportunities, by also creating an opportunity for quick and efficient team formation.

In 2023, Webstep significantly improved its end-to-end handling of public framework agreements from lead to contracts. In the first quarter 2024 Webstep was in front of a consortium leading to a frame agreement with the Norwegian Housing Bank (Husbanken), a Norwegian government agency under the jurisdiction of the Ministry of Local Government and Regional Development. Webstep also landed a frame agreement with Tryg, one of the largest insurance companies in Scandinavia, known for providing a wide range of insurance services to private individuals, businesses, and public institutions.

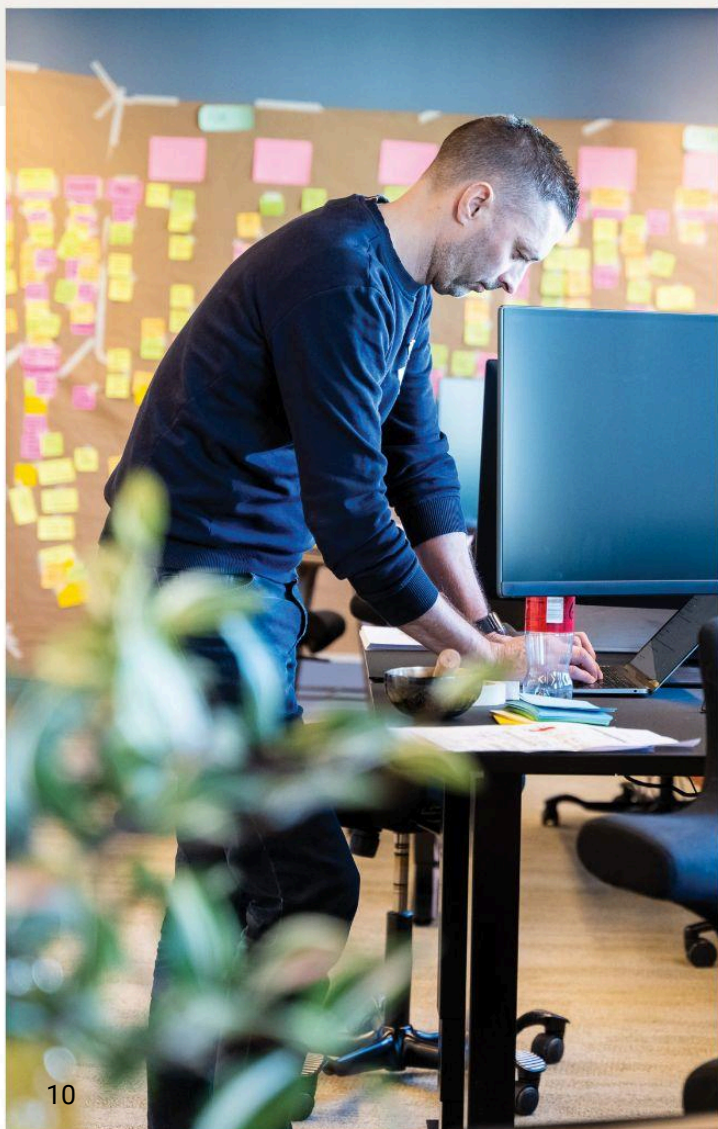
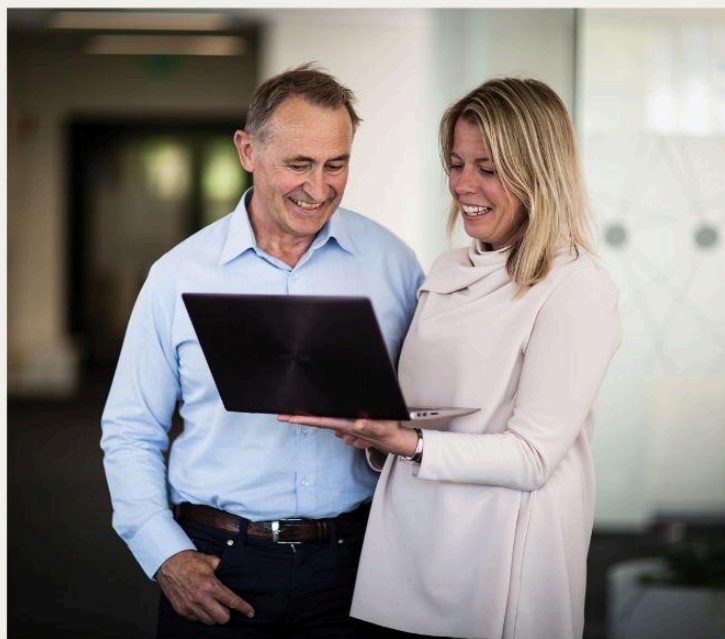
During the first quarter 2024 Webstep has increased customer value to the oil and energy sector. The Company's deliveries to the Norwegian POSC Caesar Association (PCA), enabling interoperability between systems and players across energy industries, gained speed and strength in the first quarter. In many ways PCA is a showcase arena where Webstep is the driver of cooperation between major players in the industry.

A key feature of Webstep has always been to drive competence development for its employees, customers, and partners. Webstep has a long tradition of organising events, which continued through the first quarter, hosting breakfast events such as data platforms in Bergen, reviewing AI customer cases and legal challenges in Oslo, and organising breakfast seminars on UX in Stavanger.

## Outlook

Kristine Lund became CEO of the Group May 2024. She is familiar with the industry, with a background as a hands-on operational leader of technology experts. Her knowledge and experience in bridging technology and business align well with Webstep, both as a workplace and a provider of technology services.

Digitalisation continues to trend upwards, and Webstep's ability to deliver on market-demanded technologies and services is a major advantage. However, the market is still characterised by lower demand, which leads to increased competition for assignments and projects. The Swedish market continues to be more challenging than the Norwegian market.



Webstep's strategy to increase focus on Enterprise customers together with a strong local presence continues. While many services are delivered to local customers, the collaboration across Webstep locations has become more streamlined, and the Group's ability to deliver project teams and tailored services to enterprise customers has increased. This enables Webstep to utilise its resources more effectively, benefiting both the Group and society.

Webstep's profile in expertise, experience, service range and customer base gives us an advantage in recruitment. Webstep will mainly recruit in markets where demand for services is increasing, or where Webstep has a particularly strong customer or market position.

The Group will continue to balance costs against opportunities to ensure increased profitability.

# Statement by the Board of directors and the CEO

We confirm to the best of our knowledge that: the consolidated financial statements for the period ended 31 March 2024 have been prepared in accordance with IAS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the board of directors' report gives a true and fair view of the development, performance and financial position of the Group, and includes a description of the material risks that the board of directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

The Board of directors and CEO  
WEBSTEP ASA

Oslo, 22 May 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.

**Kristine Lund**

Chief Executive Officer

# Financial statements

## Consolidated statement of comprehensive income

	Unaudited Q1 2024	Unaudited Q1 2023	Audited FY 2023
NOK'000			
Revenues	261,884	277,178	1,000,006
<b>Total revenues</b>	<b>261,884</b>	<b>277,178</b>	<b>1,000,006</b>
Cost of services and goods	(22,670)	(24,535)	(93,714)
Salaries and personnel cost	(198,605)	(206,750)	(783,703)
Depreciation and impairment	(6,119)	(5,218)	(47,184)
Other operating expenses	(12,301)	(15,452)	(56,939)
<b>Total operating expenses</b>	<b>(239,695)</b>	<b>(251,955)</b>	<b>(981,539)</b>
<b>Operating profit(loss)</b>	<b>22,190</b>	<b>25,223</b>	<b>18,467</b>
Net financial items	(1,737)	(1,235)	(5,438)
<b>Profit before tax</b>	<b>20,453</b>	<b>23,988</b>	<b>13,029</b>
Income tax expenses	(4,494)	(5,218)	(8,585)
<b>Profit for the period</b>	<b>15,959</b>	<b>18,769</b>	<b>4,444</b>
Earnings per share (NOK)	0.58	0.68	0.16
Earnings per share, fully diluted (NOK)	0.57	0.67	0.16
<b>Other comprehensive income:</b>			
Currency translation differences	81	6,081	6,280
Other comprehensive income for the period, net of tax	81	6,081	6,280
<b>Total comprehensive income for the period, net of tax</b>	<b>16,040</b>	<b>24,850</b>	<b>10,724</b>
<b>Attributable to:</b>			
Shareholders in parent company	16,040	24,850	10,724

## Consolidated statement of financial position

	Unaudited 31-Mar 2024	Unaudited 31-Mar 2023	Audited 31-Dec 2023
<b>NOK'000</b>			
<b>ASSETS</b>			
Intangible assets	357,968	384,129	358,192
Fixed assets	11,234	14,318	12,309
Right-of-use assets	93,562	86,023	97,910
Non-current financial assets	2	2	2
Deferred tax assets	2,888	2,193	2,888
<b>Total non-current assets</b>	<b>465,652</b>	<b>486,664</b>	<b>471,300</b>
Trade receivables	212,462	186,367	156,015
Other receivables	11,563	14,647	5,348
Cash and short-term deposits	42,694	76,818	75,509
<b>Total current assets</b>	<b>266,720</b>	<b>277,832</b>	<b>236,872</b>
<b>Total assets</b>	<b>732,372</b>	<b>764,497</b>	<b>708,172</b>
<b>EQUITY</b>			
Share capital	27,819	27,671	27,671
Treasury shares	(30)	(30)	(30)
Share premium	182,389	179,938	179,938
Retained earnings	167,780	211,884	151,599
<b>Total equity</b>	<b>377,957</b>	<b>419,464</b>	<b>359,178</b>
<b>LIABILITIES</b>			
Deferred tax	1,245	1,529	1,271
Non-current leasing liabilities	77,208	72,486	80,322
<b>Total non-current liabilities</b>	<b>78,453</b>	<b>74,015</b>	<b>81,593</b>
Debt to credit institutions	-	-	-
Current leasing liabilities	16,487	14,237	17,693
Trade and other payables	32,445	25,376	19,813
Tax payable	1,633	3,147	8,854
Social taxes and VAT	89,834	89,781	91,873
Other short-term debt	135,563	138,477	129,167
<b>Total current liabilities</b>	<b>275,962</b>	<b>271,018</b>	<b>267,401</b>
<b>Total liabilities</b>	<b>354,415</b>	<b>345,033</b>	<b>348,994</b>
<b>Total liabilities and equity</b>	<b>732,372</b>	<b>764,497</b>	<b>708,172</b>



**Consolidated statement of change in equity**

Unaudited

<b>NOK'000</b>	<b>Issued capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings</b>	<b>Total earned equity</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
1 January 2023	27,628	-30	179,192	7,695	178,914	393,400	-	<b>393,400</b>
Profit for the period					4,444	4,444		<b>4,444</b>
Sales of treasury shares				6,280		6,280		<b>6,280</b>
Other comprehensive income/(loss)						0		<b>0</b>
Share incentive program					1,234	1,234		<b>1,234</b>
Dividends	42		746			789		<b>789</b>
Share issue					(46,968)	(46,968)		<b>(46,968)</b>
31 December 2023	27,671	(30)	179,938	13,975	137,624	359,178		<b>359,178</b>
Profit for the period					15,959	15,959		<b>15,959</b>
Sales of treasury shares								<b>-</b>
Other comprehensive income/(loss)				81		81		<b>81</b>
Share incentive program					141	141		<b>141</b>
Dividends								<b>0</b>
Share issue	148		2,450			2,598		<b>2,598</b>
<b>31 March 2024</b>	<b>27,819</b>	<b>(30)</b>	<b>182,389</b>	<b>14,056</b>	<b>153,724</b>	<b>377,957</b>		<b>377,957</b>

## Consolidated statement of cash flows

NOK'000	Unaudited Q1 2024	Unaudited Q1 2023	Audited FY 2023
<b>Operating activities</b>			
Profit/(loss) before tax	20,453	23,988	13,029
Adjustments for:			
Depreciation of property, plant and equipment	6,119	5,218	47,184
Net change in trade and other receivables	(62,034)	(46,143)	(7,121)
Net change in other liabilities	16,365	47,228	34,186
Net foreign exchange differences	8	1,556	1,755
Income tax expenses	(11,715)	(13,908)	(12,549)
<b>Net cash flow from operating activities</b>	<b>(30,804)</b>	<b>17,939</b>	<b>76,485</b>
<b>Investing activities</b>			
Payments for R&D initiative			
Purchase of property and equipment	(924)	(1,703)	(5,482)
<b>Net cash flow from investing activities</b>	<b>(924)</b>	<b>(1,703)</b>	<b>(5,482)</b>
<b>Financing activities</b>			
Payment of principal portion of lease liabilities	(3,826)	(2,971)	(12,887)
Sale of treasury shares	141	424	1,234
Change in bank overdraft	0	0	
Net proceeds from equity	2,598	789	789
Payment of dividends			(46,968)
<b>Net cash flows from financing activities</b>	<b>(1,087)</b>	<b>(1,758)</b>	<b>(57,832)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(32,815)</b>	<b>14,477</b>	<b>13,171</b>
Cash and cash equivalents at the beginning of the period	75,509	62,340	62,340
<b>Cash and cash equivalents at the end of the period</b>	<b>42,694</b>	<b>76,817</b>	<b>75,509</b>

# Notes to the consolidated financial statements

## Note 1 Significant accounting principles

### Basis for preparation

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

### Statements

These condensed consolidated interim financial statements for the first quarter have been prepared in accordance with IAS 34 as approved by the EU (IAS 34). They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should consequently be read in conjunction with the consolidated financial statements for 2023. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2023, which are available on [www.webstep.com](http://www.webstep.com) and upon request from the Company's registered office at Universitetsgata 2, 0164 Oslo, Norway.

These condensed consolidated interim financial statements for the first quarter 2024 were approved by the Board of Directors and the CEO 22 May 2024.

### Accounting policies

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

## Note 2 Estimates, judgments and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2023 and as described in note 3 to the 2023 statements.

## Note 3 Seasonality or cyclicity of interim operations

The Group's net operating revenues are affected by the number of workdays within each reporting period while employee expenses are recognized for full calendar days. The number of workdays in a month is affected by public holidays and vacations. The timing of public holidays during quarters and whether they fall on weekdays or not impact revenues. The first quarter of 2024 had three workdays less than the first quarter of 2023 in Norway, while Sweden had one less workday than the first quarter of 2023.

**Note 4 Earnings per share**

	Q1	Q1	FY
<b>NOK'000 (except number of shares in thousand)</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
Profit for the period	<b>15,959</b>	18,769	4,444
Average number of shares (excl. treasury shares)	<b>27,690</b>	27,613	27,634
Average number of shares, fully diluted (excl. treasury shares)	<b>27,784</b>	27,811	27,862
Earnings per share (NOK)	<b>0.58</b>	0.68	0.16
Earnings per share, fully diluted (NOK)	<b>0.57</b>	0.67	0.16

Based on the number of share options outstanding, the strike price of the options, the average share price during the first quarter, and the remaining vesting period of the options, the dilution effect of the long-term incentive program accounts for 93,990 shares.

**Note 5 Events after the balance sheet date**

Kristine Lund assumed the position as CEO from 2 May 2024. There have been no events after the balance sheet date significantly affecting the Group's financial position.



# Appendix

## Profit measures - EBITDA

NOK'000	Q1 2024	Q1 2023	FY 2023
<b>EBITDA (Earnings Before Interest Tax Depreciation and Amortisation)</b>			
Operating profit	22,190	25,223	18,467
Depreciation	6,119	5,218	47,184
EBITDA	28,308	30,441	65,651

## Net interest bearing debt (NIBD)

NOK'000	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>NIBD (Net Interest Bearing Debt)</b>			
Cash and cash equivalents (minus indicates positive amount)	(42,694)	(76,818)	(75,509)
Restricted cash	1,765	1,608	1,922
Debt to credit institutions	0	0	0
Leasing liabilities (non-current and current)	93,695	86,723	98,644
NIBD	52,765	11,513	25,057

## Group equity ratio

NOK'000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Total equity	377,957	419,464	359,178
Total assets	732,372	764,497	708,172
Group equity ratio	0.52	0.55	0.51

## NIBD/EBITDA

NOK'000	31 Mar 2024	31 Mar 2023	31 Dec 2023
EBITDA rolling 12 months	63,518	77,986	65,651
NIBD	52,765	11,513	25,057
NIBD/EBITDA (rolling 12 months)	0.83	0.15	0.38
NIBD/EBITDA (rolling 12 months)*	(0.64)	(0.96)	(1.12)

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



## Key figures by quarter

Group	Q1	Q4	Q3	Q2	Q1
NOK million	2024	2023	2023	2023	2023
Revenues	261.9	262.1	211.2	249.5	277.2
EBITDA	28.3	4.1	8.0	23.0	30.4
EBITDA margin	10.8%	1.6%	3.8%	9.2%	11.0%
EBIT	22.2	(26.7)	2.3	17.6	25.2
EBIT margin	8.5%	(10.2%)	1.1%	7.1%	9.1%
Net profit	16.0	(27.3)	0.3	12.8	18.8
Net free cash flow	(31.7)	81.8	(33.3)	6.3	16.2
Equity ratio	51.6%	50.7%	54.0%	54.9%	54.9%
Earnings per share (NOK)	0.58	(1.02)	0.01	0.46	0.68
Earnings per share, fully diluted (NOK)	0.57	(1.01)	0.01	0.46	0.67
Number of FTEs, average	534	572	557	559	555
Number of FTEs end of period	531	570	566	561	557
Revenue per FTE (TNOK)	490	459	379	447	499
EBIT per FTE (TNOK)	42	(47)	4	32	45

## Segments

Norway	Q1	Q4	Q3	Q2	Q1
NOK million	2024	2023	2023	2023	2023
Revenues	228.7	224.3	184.1	211.7	237.6
EBIT	21.4	(26.8)	5.0	16.5	22.4
EBIT margin	9.4%	(12.0%)	2.7%	7.8%	9.4%
Number of FTEs, average	449	471	457	457	453
Number of FTEs, end of period	448	471	463	459	455
Number of workdays, Norway	62	63	65	58	65
Revenue per FTE (TNOK)	510	477	403	463	524
EBIT per FTE (TNOK)	47.8	(57.0)	11	36	49

Sweden	Q1	Q4	Q3	Q2	Q1
NOK million	2024	2023	2023	2023	2023
Revenues	33.2	37.7	27.1	37.9	39.5
EBIT	0.8	0.1	(2.6)	1.1	2.8
EBIT margin	2.3%	0.3%	(9.8%)	3.0%	7.1%
Number of FTEs, average (FTE)	86	101	100	102	102
Number of FTEs, end of period	83	99	103	102	102
Number of workdays, Sweden	63	63	65	59	64
Revenue per FTE (TNOK)	388	374	271	372	388
EBIT per FTE (TNOK)	9	1	(26)	11	28

## CONSOLIDATED INCOME STATEMENT

	Q1	Q4	Q3	Q2	Q1
NOK'000	2024	2023	2023	2023	2023
Revenues	261,884	262,079	211,201	249,548	277,178
<b>Total revenues</b>	<b>261,884</b>	<b>262,079</b>	<b>211,201</b>	<b>249,548</b>	<b>277,178</b>
Cost of services and goods	(22,670)	(26,272)	(20,039)	(22,868)	(24,535)
Salaries and personnel cost	(198,605)	(215,519)	(171,546)	(189,888)	(206,750)
Depreciation and impairment	(6,119)	(30,849)	(5,701)	(5,416)	(5,218)
Other operating expenses	(12,301)	(16,155)	(11,571)	(13,761)	(15,452)
<b>Total operating expenses</b>	<b>(239,695)</b>	<b>(288,796)</b>	<b>(208,857)</b>	<b>(231,932)</b>	<b>(251,955)</b>
<b>Operating profit(loss)</b>	<b>22,190</b>	<b>(26,716)</b>	<b>2,345</b>	<b>17,616</b>	<b>25,223</b>
Net financial items	(1,737)	(1,005)	(1,921)	(1,277)	(1,235)
<b>Profit before tax</b>	<b>20,453</b>	<b>(27,721)</b>	<b>424</b>	<b>16,339</b>	<b>23,988</b>
Income tax expenses	(4,494)	374	(153)	(3,588)	(5,218)
<b>Profit for the period</b>	<b>15,959</b>	<b>(27,348)</b>	<b>271</b>	<b>12,751</b>	<b>18,769</b>

## Consolidated statement of financial position

NOK'000	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
<b>Assets</b>					
Intangible assets	357,968	358,192	381,014	382,465	384,129
Fixed assets	11,234	12,309	13,445	13,985	14,318
Right-of-use assets	93,562	97,910	83,923	84,174	86,023
Non-current financial assets	2	2	2	2	2
Deferred tax assets	2,888	2,888	2,193	2,193	2,193
<b>Total non-current assets</b>	<b>465,652</b>	<b>471,300</b>	<b>480,576</b>	<b>482,819</b>	<b>486,664</b>
Trade receivables	212,462	156,015	204,186	170,810	186,367
Other receivables	11,563	5,348	8,535	12,871	14,647
Cash and short-term deposits	42,694	75,509	16,899	33,378	76,818
<b>Total current assets</b>	<b>266,720</b>	<b>236,872</b>	<b>229,620</b>	<b>217,059</b>	<b>277,832</b>
<b>Total assets</b>	<b>732,372</b>	<b>708,172</b>	<b>710,196</b>	<b>699,878</b>	<b>764,497</b>
<b>Equity</b>					
Share capital	27,819	27,671	27,671	27,671	27,671
Treasury shares	-30	-30	-30	-30	-30
Share premium	182,389	179,938	179,938	179,938	179,938
Retained earnings	167,780	151,599	175,780	176,375	211,884
<b>Total equity</b>	<b>377,957</b>	<b>359,178</b>	<b>383,359</b>	<b>383,954</b>	<b>419,464</b>
<b>Liabilities</b>					
Non-current leasing liabilities	77,208	80,322	68,079	68,955	72,486
Deferred tax	1,245	1,271	1,435	1,480	1,529
<b>Total non-current liabilities</b>	<b>78,453</b>	<b>81,593</b>	<b>69,513</b>	<b>70,434</b>	<b>74,015</b>
Debt to credit institutions	0	0	19,522	0	0
Current leasing liabilities	16,487	17,693	16,091	15,619	14,237
Trade and other payables	32,445	19,813	21,039	16,734	25,376
Tax payable	1,633	8,854	8,616	6,475	3,147
Dividend payable	-	-	-	-	0
Social taxes and VAT	89,834	91,873	76,916	75,327	89,781
Other short-term debt	135,563	129,167	115,140	131,335	138,477
<b>Total current liabilities</b>	<b>275,962</b>	<b>267,401</b>	<b>257,324</b>	<b>245,490</b>	<b>271,018</b>
<b>Total liabilities</b>	<b>354,415</b>	<b>348,994</b>	<b>326,837</b>	<b>315,924</b>	<b>345,033</b>
<b>Total equity and liabilities</b>	<b>732,372</b>	<b>708,172</b>	<b>710,196</b>	<b>699,878</b>	<b>764,497</b>

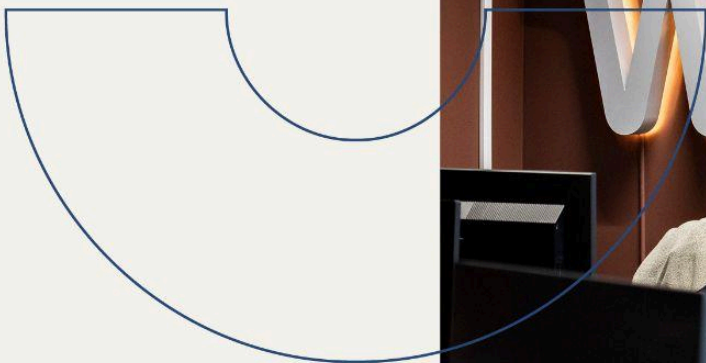
## Consolidated statement of cash flows

NOK'000	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>Operating activities</b>					
Profit/(loss) before tax	20,453	(27,721)	424	16,339	23,988
Adjustments for:					
Depreciation of property, plant and equipment	6,119	30,849	5,701	5,416	5,218
Net change in trade and other receivables	(62,034)	50,730	(29,040)	17,333	(46,143)
Net change in other liabilities	16,365	28,020	(10,566)	(30,497)	47,228
Net foreign exchange differences	8	1,081	(362)	(520)	1,556
Income tax expenses	(11,715)	(333)	1,963	(271)	(13,908)
<b>Net cash flow from operating activities</b>	<b>(30,804)</b>	<b>82,626</b>	<b>(31,880)</b>	<b>7,800</b>	<b>17,939</b>
<b>Investing activities</b>					
Payments for R&D initiative			-	-	-
Purchase of property and equipment	(924)	(829)	(1,425)	(1,525)	(1,703)
<b>Net cash flow from investing activities</b>	<b>(924)</b>	<b>(829)</b>	<b>(1,425)</b>	<b>(1,525)</b>	<b>(1,703)</b>
<b>Financing activities</b>					
Payment of principal portion of lease liabilities	(3,826)	(3,361)	(3,253)	(3,301)	(2,971)
Change in bank overdraft	-	(19,522)	19,522	-	0
Net proceeds from equity	2,598	(304)	-	-	789
Sale of treasury shares and incentive program	141	-	557	555	424
Payment of dividends		-	-	(46,968)	
<b>Net cash flows from financing activities</b>	<b>(1,087)</b>	<b>(23,187)</b>	<b>16,826</b>	<b>(49,714)</b>	<b>(1,758)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(32,815)</b>	<b>58,610</b>	<b>(16,479)</b>	<b>(43,439)</b>	<b>14,477</b>
Cash and cash equivalents at the beginning of the period	75,509	16,899	33,378	76,818	62,340
<b>Cash and cash equivalents at the end of the period</b>	<b>42,694</b>	<b>75,509</b>	<b>16,899</b>	<b>33,378</b>	<b>76,817</b>

## Alternative performance measures

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

- **EBITDA** is short for Earnings before Interest and other financial items, Taxes, Depreciation and 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.
- **Net free cash flow** is calculated as net cash flow from operating activities plus net cash flow from investing activities.
- **NIBD** is short for Net Interest Bearing Debt and is defined as interest bearing debt minus unrestricted cash and cash equivalents.
- **NIBD/EBITDA** is calculated as Net Interest Bearing Debt divided by Earnings before Interest and other financial items, Taxes, Depreciation and 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.
- **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.





## 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.

### Oslo

c/o Rebel, Universitetsgata 2  
NO-0164 Oslo  
Tel:+47 400 03 325

### Bergen

Thormøhlensgate 47  
NO-5006 Bergen  
Tel:+47 400 03 325

### Stavanger

Verksgata 1a  
NO-4013 Stavanger  
Tel:+47 400 03 325

### Trondheim

Kongens gate 16  
NO-7011 Trondheim  
Tel:+47 400 03 325

### Sørlandet

Skippergata 19  
NO-4611 Kristiansand S  
Tel:+47 400 03 325

### Haugalandet

Kvaløygata 3,  
NO-5537 Haugesund  
Tel:+47 400 03 325

### Stockholm

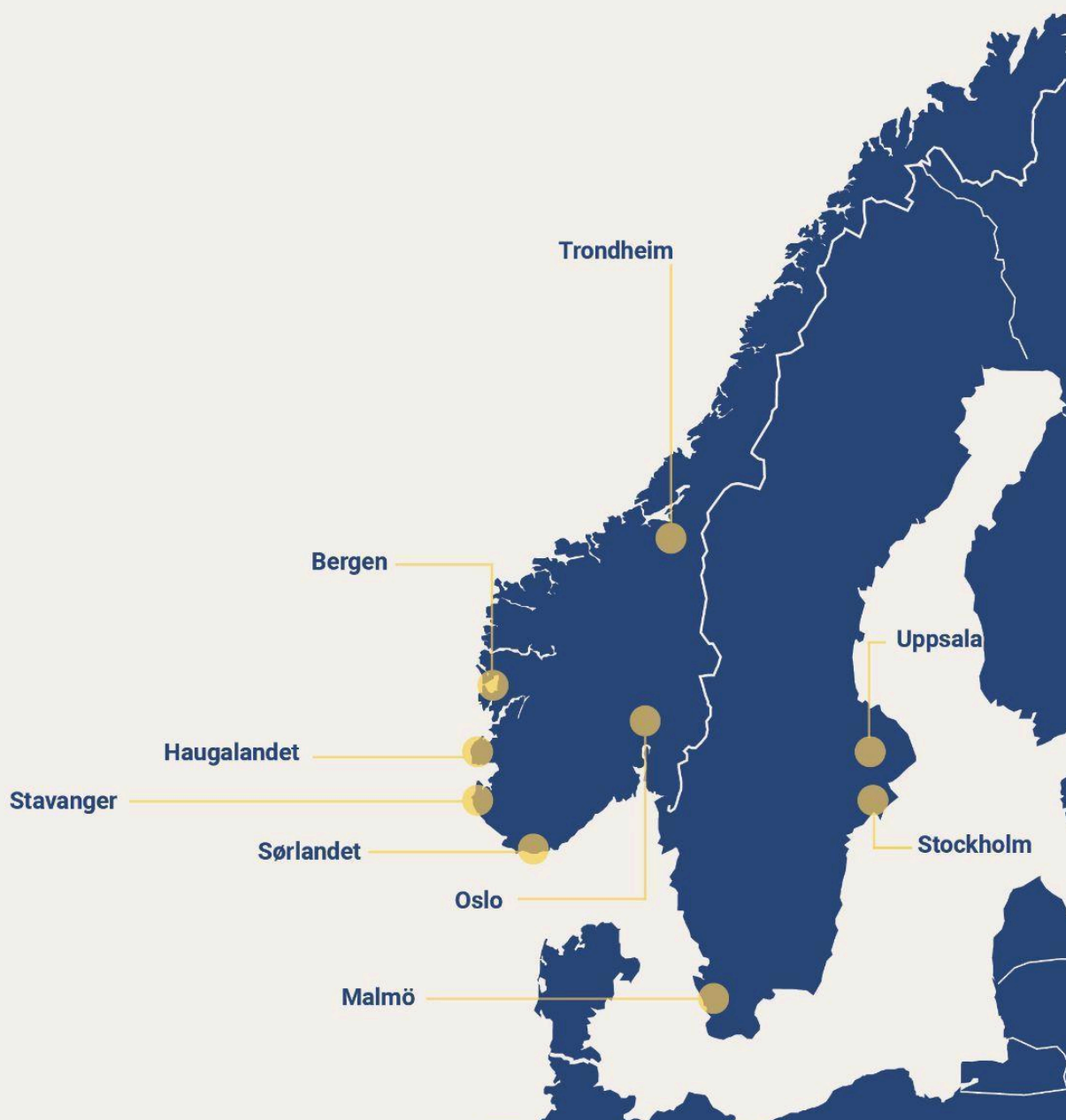
Kungsgatan 57A  
111 22 Stockholm  
Tel +46 (8) 21 40 70

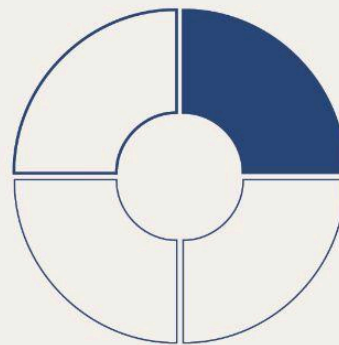
### Malmö

Skomakaregatan 4  
211 34 Malmö  
Tel +46 (8) 21 40 70

### Uppsala

Suttings Gränd 2  
753 19 Uppsala  
Tel +46 (8) 21 40 70





☎ +47 906 30 276

🌐 [www.webstep.com](http://www.webstep.com)

📍 Rebel - Universitetsgata 2, 0164 Oslo

@ [ir@webstep.no](mailto:ir@webstep.no)

**WEBSTEP**