

Q2

2024

*Make a difference*

# Highlights

## April – June 2024

- Operating revenue NOK 224.1 million (NOK 225.2 million), in line with the same period of 2023
- Gross profit NOK 205.2 million (NOK 208.8 million), representing growth of -2%
- EBITDA NOK 29.4 million (NOK 26.4 million) and an EBITDA margin of 13.1% (11.7%)
- EBIT NOK 21.1 million (NOK 18.4 million) and an EBIT margin of 9.4% (8.2%)
- 713 (741) employees at the end of the period, which is a decrease of 28 over the last twelve months
- Cash flow from operations NOK 27.2 million (NOK 32.7 million)

## January – June 2024

- Operating revenue NOK 452.6 million (NOK 455.5 million), representing organic growth of -1%
- Gross profit NOK 417.4 million (NOK 425.9 million), representing growth of -2%
- EBITDA NOK 57.1 million (NOK 67.2 million) and an EBITDA margin of 12.6% (14.7%)
- EBIT NOK 40.3 million (NOK 51.6 million) and an EBIT margin of 8.9% (11.3%)
- Cash flow from operations NOK 19.7 million (NOK 40.4 million)

## Highlights

Itera reports flat organic growth in the second quarter in a still generally soft market but with a 1.2-point improvement in its operating margin to 9.4% following its successful implementation of its business optimization program. We continued to invest in our people and capabilities for AI growth opportunities.

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Cash flow from operations was NOK 27.2 million (NOK 32.7 million) for the quarter. For the last twelve months, cash flow from operations was NOK 72.8 million (NOK 103.8 million), giving an EBITDA-to-cash conversion rate of 72%, of which NOK 64.6 million has been paid out as dividends in the same period.

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Itera had an order intake equivalent to a book-to-bill ratio of 0.7 in the second quarter of 2024 and of 1.0 for the last twelve months. It entered into several new contracts in the quarter, including one with a major Norwegian industrial company to build its digital core, a cloud agreement with Apotek 1 Group, and a new framework agreement with one of the largest banking alliances in Norway.

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Itera was one of ten companies globally awarded the "International Flagship Project Award" by Ukraine at the Ukraine Recovery Conference in Berlin in June. Itera has also signed several agreements with companies wishing to enter Ukraine for high-value billable advisory services.

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An ordinary dividend for 2023 of NOK 0.40 per share was paid in the second quarter, and the Board was granted authorization to approve a possible supplementary dividend later in the year.

## Key figures

|   | 2024<br>4-6 | 2023<br>4-6 | change<br>% | 2024<br>1-6 | 2023<br>1-6 | change<br>% | 2023<br>1-12 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Amounts in NOK million                    |             |             |             |             |             |             |              |
| Operating revenue                         | 224.1       | 225.2       | 0%          | 452.6       | 455.5       | -1%         | 871.6        |
| Gross profit                              | 205.2       | 208.8       | -2%         | 417.4       | 425.9       | -2%         | 813.7        |
| Personnel expenses                        | 161.3       | 165.1       | -2%         | 330.6       | 323.0       | 2%          | 634.4        |
| Other operating expenses                  | 14.5        | 17.3        | -16%        | 29.6        | 35.7        | -17%        | 68.7         |
| Depreciation and amortisation             | 8.3         | 8.0         | 4%          | 16.8        | 15.6        | 8%          | 32.3         |
| Total operating expenses                  | 203.0       | 206.9       | -2%         | 412.3       | 403.9       | 2%          | 793.2        |
| EBITDA                                    | 29.4        | 26.4        | 12%         | 57.1        | 67.2        | -15%        | 110.7        |
| EBITDA margin                             | 13.1 %      | 11.7 %      | 1.4 pts     | 12.6 %      | 14.7 %      | -2.1 pts    | 12.7 %       |
| Operating profit (EBIT)                   | 21.1        | 18.4        | 15%         | 40.3        | 51.6        | -22%        | 78.4         |
| EBIT margin                               | 9.4 %       | 8.2 %       | 1.3 pts     | 8.9 %       | 11.3 %      | -2.4 pts    | 9.0 %        |
| Profit before tax                         | 20.5        | 19.2        | 7%          | 38.5        | 50.9        | -24%        | 75.4         |
| Net income from continuing operations     | 16.2        | 14.8        | 9%          | 30.1        | 39.3        | -23%        | 56.7         |
| Profit margin                             | 7.2 %       | 6.6 %       | 0.7 pts     | 6.7 %       | 8.6 %       | -2 pts      | 6.5 %        |
| Net cash flow from operating activities   | 27.2        | 32.7        | (17 %)      | 19.7        | 40.4        | -51%        | 93.4         |
| No. of employees at the end of the period | 713         | 741         | (4 %)       | 713         | 741         | -4%         | 758          |

Revenue (NOK)

224.1m 0% →

Employees (end of period)

713 -4% ↘

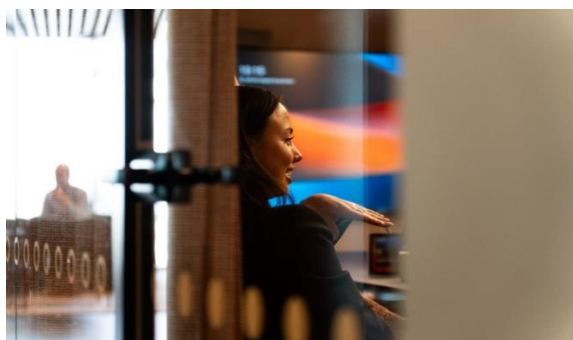
EBIT (NOK)

21.1m 15% ↗

## CEO's comment

# International Flagship Project Award

I am pleased about how resilient and agile our business is. Our focus on creating short-term value for customers and accelerating their sustainable digital transformation while quickly adapting to market conditions is evident in our performance. Itera was as one of ten companies worldwide awarded the "International Flagship Project Award" by the Ukrainian Government.



Although the overall market remains somewhat soft, we are starting to see signs of improvement and are optimistic about creating opportunities for our people, customers and company. The fundamental importance of digital technology remains strong. Industries and markets have been affected differently, but all strategies continue to lead to cloud-based technology, data and AI to stay competitive, optimize operations and drive growth.

### Sustainable profitability

We continue to serve as a trusted partner for our customers while running our business with rigor and discipline. Itera reports flat organic growth in the second quarter. Despite the current market situation, we improved our profitability both year over year and sequentially, achieving a healthy EBIT margin of 9.4% in the second quarter, and we also continued to invest in developing our people and our business.

With our customers prioritizing short-term value, we are witnessing an improving sales pipeline of new opportunities. As an example, we have been chosen to build the digital core of a major Norwegian industrial company with an estimated contract value of NOK 60 million. We also won an agreement

with Apotek 1 Group intended to increase its cloud robustness as well as a new framework agreement with one of the largest banking alliances in Norway.

We are leveraging automation and managed services through our Digital Factory at Scale, which allows us to do more with less and to optimize operations. This approach enables us to manage our growth without a proportional increase in our headcount. We also remain on track with the business optimization measures that we launched in the third quarter of 2023 and achieved a 1.1% improvement in the second quarter on other operating expenses alone.

These actions demonstrate our long-term growth commitment as well as how we are adapting to market conditions to ensure profitable growth and sustainable cash flow. While there is a seasonality to the numbers, we generated operating cash flow of NOK 72.8 million for the last twelve months, giving an EBITDA-to-cash conversion rate of 72%.

Returning cash to shareholders is an ongoing objective, and our track record of paying dividends twice a year reflects our company's commitment to providing value to shareholders. The first dividend payout in 2024 of NOK 0.40 per share was paid in June.

### International Flagship Project Award

We at Itera think it is very important to engage with the Ukrainian people, who are not only fighting for their values and sovereignty, but for ours as well. Itera has been proactive and vocal in its support for Ukraine and has encouraged both private and public businesses to buy products and services from the country since the invasion began. In the second quarter, Itera entered into several agreements to provide

high-value advisory services to Nordic and international companies wanting to build a presence in Ukraine and to access EU-funded grants.

I am so proud of our brave Ukrainian people and all the effort the company is making for Ukraine from all our locations. Itera was one of ten companies from across the world awarded the "International Flagship Project Award" by Ukraine's First Deputy Prime Minister and Minister of Economy Yulia Svyrydenko at the Ukraine Recovery Conference in Berlin in June. The award was in recognition of our instrumental role in supporting Ukraine in critical areas during the war, such as providing ten temporary bridges from the Norwegian Public Roads Administration to Ukraine early in the war. Moreover, we have collaborated with Moelven, a leading Scandinavian timber products group, to design a framework to support the rebuilding of homes in Ukraine, which will particularly aid the 6.5 million internally displaced people.

To increase the sense of urgency, the energy authorities in Ukraine have of their own initiative entered into a Memorandum of Understanding (MOU) with Itera with the aim of mobilizing the Nordic energy industry to deliver greater support to Ukraine. We have also been the key driver for the signing of an MOU on energy cooperation between Norway's Minister of Industry Cecilie Myrseth and Ukraine's Minister of Energy German Galushchenko at the Berlin conference.

We are now seeing our efforts result in several agreements that involve Itera providing advisory services. For instance, we have played a key role in addressing urgent electricity needs after Russia's attacks on Ukraine's energy system by facilitating Ukraine's acquisition of gas turbines and mobilizing high performance battery manufacturers and ecosystems to enter the Ukrainian market.

### Helping our customers with AI

During the past few quarters, Itera has developed its own AI platform, 'Sapience,' which provides every employee with generative AI in a safe, secure and efficient manner. Our Sapience platform illustrates how our customers can begin using AI at scale with affordable pricing and without any vendor lock-in. This has sparked numerous customer dialogues and opportunities. However, while there is now near-universal recognition of the importance of AI, the ability to use generative AI (GenAI) at scale varies widely among customers. Nearly all are finding it challenging to scale GenAI projects because AI technology is just a small part of what is required.

Many customers need to first find efficiencies to enable scaled investment in their digital cores, particularly in their data foundations. In short, GenAI acts as a catalyst for companies to more aggressively pursue cost reduction, build their digital cores, and truly transform their ways of working - creating significant opportunities for us.

Cloud remains the foundation of companies' digital cores, and the journey toward cloud transformation is far from over. We are witnessing a growing pipeline across all our locations in

areas such as cloud migration and modernization, data and AI. To succeed in digital transformation, customers must also change their processes and ways of working, reskill and upskill their people, and build new capabilities around responsible AI.

We can help our customers use AI to transform various industries, including energy and banking and insurance, because of our comprehensive services across digital strategy and consulting, technology and operations. Alongside tech giants, we help our customers understand the necessary data and AI backbone needed to achieve tangible business value.

We're also applying these capabilities internally by integrating AI into every process in our Digital Factory at Scale and Cloud Community of Excellence (CCoE). We are seeing it used in design and software development, as well as in operations and customer service. Additionally, we're utilizing Sapience and Copilot today in areas where our teams are discovering new workflows that they can optimize.

To conclude, I want to thank our talented team for their dedication to meeting customers where they are today and for building the digital core they need for their sustainable digital transformation. Despite the conflict, our business in Ukraine continues to operate as usual, and we are actively pursuing business opportunities that will contribute to a cleaner, greener and more modern future for Ukraine.

Our focus remains on staying close to our customers by providing short-term solutions and capturing AI growth opportunities in the market as spending increases. As you know and expect from us, we will continue to operate with rigor and discipline while executing our strategy of being a trusted partner in our customers' sustainable digital transformations.



*Arne Mjøs*

FOUNDER & CHIEF EXECUTIVE OFFICER

## Financial review

# Second quarter and first six months of 2024

### Financial reporting

The comments in this financial review relate to the performance of Itera's continuing operations in the second quarter and first half of 2024 compared to the equivalent period of 2023 unless otherwise stated. The figures given in brackets in this report refer to the equivalent period in 2023. Please refer to Note 4 for a description of the alternative performance measures used.

### Summary for the second quarter

Itera's organic revenue in the second quarter of 2024 was roughly in line with the corresponding quarter of 2023. Gross profit decreased by 2%, with the gross margin down by 1.1 points to 91.6% as a result of more third-party services. The second quarter of 2024 contained a weighted average of 1.3 more working days than the corresponding period of 2023.

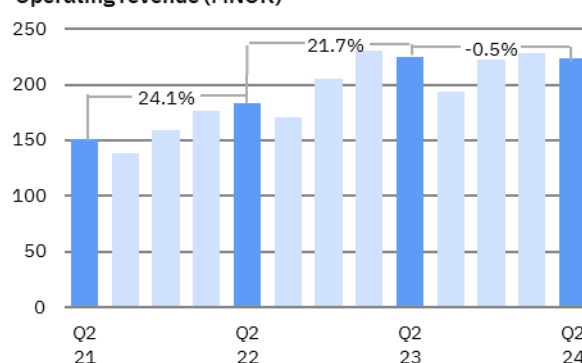
The operating profit (EBIT) for the second quarter of 2024 was NOK 21.1 million (NOK 18.4 million), while the EBIT margin was 9.4% (8.2%). Billable utilization was below the corresponding quarter of 2023 but slightly better than in the first quarter of 2024.

The cost-reduction program contributed 1.1 pts of the improvement in operating margin by reducing operating expenses per employee.

### Operating revenue

Itera reports operating revenue of NOK 224.1 million (NOK 225.2 million) for the second quarter of 2024, which represents growth of 0% (-2% in constant currency terms). Revenue from Itera's own services decreased by 4% to NOK 183 million as the number of consultants and billable utilization were lower than in the same period of last year. Revenue from subscription-based services increased by 4% to NOK 21 million, while revenue from third-party services increased by 61% to NOK 11 million. Other revenue increased by 9% to NOK 9 million. For the first six months of 2024 operating revenue was NOK 452.6 million (NOK 455.5 million), which represents growth of -1% (-2% in constant currency).

Operating revenue (MNOK)



Gross profit (revenue minus cost of sales) was NOK 205.2 million (NOK 208.8 million) in the second quarter of 2024, which represents a decrease of 2%. Gross profit for the first six months was NOK 417.4 million (NOK 425.9 million), which represents growth of -2%.

### Operating expenses

Total operating expenses in the second quarter of 2024 were 2% lower at NOK 203.0 million (NOK 206.9 million) and 2% higher at NOK 412.3 (NOK 403.9 million) for the first six months.

Cost of sales was NOK 18.9 million (NOK 16.4 million) in the second quarter of 2024 and NOK 35.3 million (NOK 29.6 million) for the first six months. Cost of sales consists mainly of subscriptions and third-party services, including cloud consumption.

Personnel expenses were NOK 161.3 million (NOK 165.1 million) in the second quarter of 2024, which represents a decrease of 2%. The average number of employees in the quarter was 2% lower than in the corresponding quarter of 2023, and personnel expenses per employee were down by 1%, both in NOK and in constant currency. For the first six months, personnel expenses were NOK 330.6 million (NOK 323.0 million), which is an increase of 2%.

Other operating expenses were NOK 14.5 million (NOK 17.3 million) in the second quarter of 2024, a decrease of 16% (a decrease of 18% in constant currency). Other operating expenses per employee were down 17% in constant currency.



from the corresponding quarter of last year. The decrease came as a result of a cost-reduction program focused on limiting discretionary spending and added 1.1 points to the operating margin. For the first six months, other operating expenses were down by 17% to NOK 29.6 million (NOK 35.7 million).

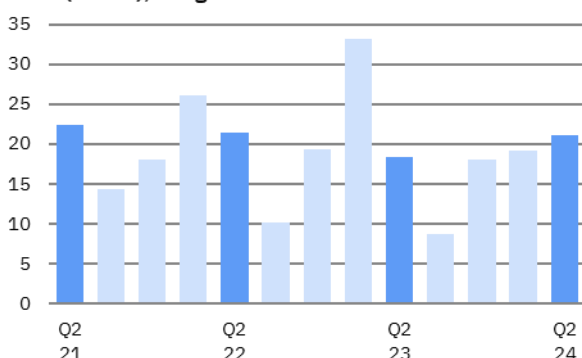
Depreciation and amortization totalled NOK 8.3 million (NOK 8.0 million) in the second quarter and NOK 16.8 million (NOK 15.6 million) for the first six months. Around 45% of the depreciation and amortization expense relates to right-of-use assets from facility lease agreements.

### Operating result

The operating result before depreciation and amortization (EBITDA) for the second quarter of 2024 was a profit of NOK 29.4 million (NOK 26.4 million), giving an EBITDA margin of 13.1% (11.7%). EBITDA for the first six months was NOK 57.1 million (NOK 67.2 million) and the EBITDA margin was 12.6% (14.7%).

The operating result (EBIT) for the second quarter was a profit of NOK 21.1 million (NOK 18.4 million), giving an EBIT margin of 9.4% (8.2%). The improved results for the second quarter were primarily due to more working days and lower other operating expenses.

#### EBIT (MNOK), margin

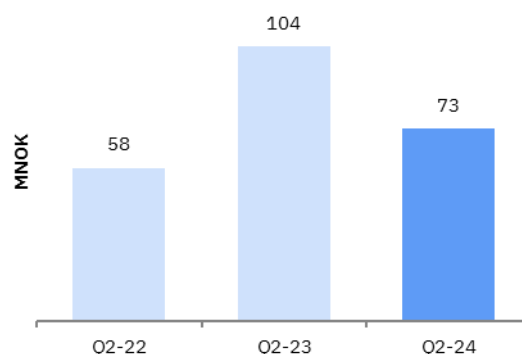


EBIT for the first six months was NOK 40.3 million (NOK 51.6 million) and the EBIT margin was 8.9% (11.3%).

### Cash flow, liquidity and equity

The net cash flow from operating activities was NOK 27.2 million (NOK 32.7 million) in the second quarter of 2024. For the first six months, the net cash flow from operating activities was NOK 19.7 million (NOK 40.4 million) and for the last twelve months to the end of June was NOK 72.8 million (NOK 103.8 million). This gives an EBITDA-to-cash conversion rate of 72% for the last twelve months.

#### Cash flow from operations, rolling 12 months



There was a net cash outflow from investing activities of NOK 1.9 million (NOK 3.7 million) in the second quarter of 2024, of which NOK 0.3 million related to office equipment, fittings and furniture. A further NOK 1.6 million (NOK 2.2 million) was related to investments in intangible assets primarily related to product development. For the first six months, there was a net cash outflow from investing activities totalling NOK 4.8 million (NOK 7.6 million).

There was a net cash outflow from financing activities of NOK 31.3 million (NOK 27.6 million) in the second quarter of 2024, of which NOK 32.4 million (NOK 24.7 million) was related to dividend payments to shareholders. A net inflow of NOK 4.9 million (NOK 0.0 million) was generated from the sale of own shares to employees as part of an employee ownership program. For the first six months, the net cash outflow from financing activities totalled NOK 34.9 million (NOK 24.5 million).

Right-of-use assets primarily related to facility lease agreements decreased by NOK 1.3 million from 30 June 2023 to NOK 67.6 million at 30 June 2024.

Contract assets at 30 June 2024 were NOK 3.6 million (NOK 3.7 million). Accounts receivable and other receivables were NOK 2.3 million and NOK 0.4 million higher respectively than at 30 June 2023.

Cash and cash equivalents amounted to NOK 29.5 million at 30 June 2024, compared to NOK 52.0 million at 30 June 2023. Itera has a revolving credit facility of NOK 35 million.

Accounts payable at 30 June 2024 were NOK 1.0 million higher than at 30 June 2023. Public duties payable were NOK 0.8 million lower than at the end of the second quarter of 2023. Tax payable was NOK 3.3 million lower than at 30 June 2023. Contract liabilities at 30 June 2024 were NOK 3.3 million higher at NOK 21.3 million and other current liabilities were NOK 6.4 million lower at NOK 67.8 million.

Itera had lease liabilities totalling NOK 71.1 million (NOK 70.6 million) at 30 June 2024. NOK 14.2 million of the lease liabilities are current liabilities that fall due within 12 months, while NOK 56.9 million are classified as non-current liabilities.

Itera acquired a 5-year serial bank loan for NOK 5 million in the third quarter of 2023 to finance furniture and fittings for its new and refurbished offices. The outstanding balance on the loan at 30 June 2024 was NOK 4.3 million.

At 30 June 2024, Itera held 1,143,465 (948,059) own shares, valued at NOK 13.2 million (NOK 14.2 million).

Equity at 30 June 2024 totalled NOK 51.5 million (NOK 74.7 million). The equity ratio was 17.6% (23.5%). The equity ratio without the right-of-use assets included under IFRS 16 Leasing was 22.9% (29.9%).

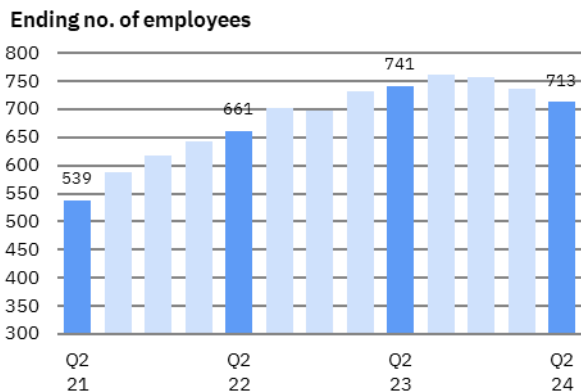
### Dividend

The Annual General Meeting on 22 May 2024 approved the Board's proposal for an ordinary dividend payment based on the 2023 accounts of NOK 0.40 per share and authorized the Board to decide on the payment of an additional dividend later in the year. The Itera share went ex-dividend on 23 May 2024.

### Personnel

Building on a strong Nordic heritage, we combine local presence with geographically distributed capabilities into a distributed delivery model that features multidisciplinary teams and a flexible distribution of work across borders.

Itera's headcount at the end of the second quarter of 2024 was 713 as compared to 741 at the end of the second quarter of 2023. This represents a decrease of 28 employees (-4%) over the last 12 months and a net decrease of 23 employees in the second quarter, following a rightsizing of the organization to the current market conditions.



Itera has nearshore delivery centres in Slovakia, Poland, Czechia and Ukraine. The proportion of Itera's capacity that is located in these locations (its nearshore ratio) was 51% (53%) at the end of the second quarter of 2024.

Our distributed delivery model is very scalable and provides access to a much larger workforce than is available in local markets. Through our presence in Central and Eastern Europe we are tapping into a pool of more than 600,000 digitally talented people.

Our distributed delivery model was recognized for having the best Project Management Office in Europe by the PMO Global Alliance in 2020. Itera also received the PMO Ukraine Award for 2020, achieving the best results in the categories "Best Practices", "Customer Service", "PMO Path", "Value Generation", "Innovations", "Competency Development" and "Formation of Commonality".

### Significant risks and uncertainties

Itera's activities are influenced by several different factors, both within and outside of the company's control. As a service provider, Itera faces business risks associated with competition and pressure on prices, project overruns, recruitment, loss of key employees, customers' performance and bad debts. Market-related risks include risks related to the business cycle. Financial risks include currency fluctuations against the Norwegian krone (NOK), principally in relation to the Danish krone (DKK), the Swedish krone (SEK), the US dollar (USD), the euro (EUR) and more recently the Czech koruna (CZK) and Polish zloty (PLN). In addition, interest rate changes will affect the returns earned by Itera on its bank deposits, as well as leasing costs and the cost of credit facilities.

The ongoing Russian invasion has not impacted Itera's commitment to nurture Ukraine as one of its most important delivery centres. Since the early days of the invasion, our brave people in Ukraine have stayed focused on delivering excellent customer work while still safeguarding themselves and their loved ones, which, of course, is the overarching priority. In general, there is still confidence in Ukraine as a viable sourcing destination, and existing and new customers are quoting trade with Ukraine as an important Corporate Social Responsibility (CSR) initiative. Itera is firmly committed to continuing its growth in Ukraine but has also mitigated the current risk by strengthening its presence in nearby EU locations.

The current macroeconomic environment is showing signs of improvement following a period of high inflation and interest rates. Inflation has come down significantly, while interest rates seem to have peaked. A lot of companies have focused on cost reduction amidst this, which has also impacted demand for IT services in the past year. We are seeing some indication of higher activity levels in relation to planned digitization efforts and expect demand to gradually increase in the next quarters.

More information about risks and uncertainties can be found in Itera's annual report for 2023.

### Outlook

The company's overall core strategy of developing large, long-term customer relationships, increasing the number of engagements which involve the full range of Itera's services, and using our Digital Factory at Scale and distributed delivery model across borders in the Nordics and Central and Eastern Europe, remains unchanged.



Itera has over time developed a unique position in Ukraine and is utilizing its strong relationships with the Ukrainian authorities and senior management teams in Nordic industries to enable the green transition through new industrial software solutions and services for the rebuilding of Ukraine once the invasion is over. Itera is acting as an advisor to Nordic companies that wish to build a presence in Ukraine and tap into the many EU funded grants available. The energy authorities in Ukraine have also of their own initiative entered into a Memorandum of Understanding (MOU) with Itera for Itera to act as a mobilizer for the Nordic energy industry's increased support for Ukraine.

The overall market has for the past 15 months or so been softer than we have experienced in recent years, leading Itera as well as most other players to curb or downsize their capacity. There are some engagements that are coming to an end as a normal part of the business cycle that need to be replaced. With our focused effort on delivering more and broader sales activities and Itera's strong positioning in terms of its services and capabilities, we have succeeded in winning some significant new and extended agreements during the summer and see a growing pipeline of promising opportunities both in the Nordic markets and in relation to supporting Nordic companies that wish to enter the Ukrainian market.

The business optimization program that was launched to mitigate the short-term impact of the softer demand is still progressing according to plan. The program includes curbing discretionary spending, reducing overhead structure, realigning recruitment targets, increasing utilization and strengthening sales efforts.

There is a gradual shift taking place in the nature of the demand for managed services. As businesses seek greater resilience, face a war for talent, and need to digitize and experience cost pressures, strategic managed services are increasingly a top management priority. Leveraging the substantial investment that it has carried out in its Cloud and Application Services, Itera expects to see a gradual improvement in its profitability once the volume of migration and modernization engagements reaches critical mass.

### **Next interim report**

The interim report for the third quarter of 2024 will be published and presented on 8 November 2024.

## Statement by the Board of Directors and Chief Executive Officer

The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the Itera Group for the six months ended 30 June 2024, including the comparisons with the corresponding period in 2023.

The Board has based its declaration below on reports and statements from the Group's CEO, on the results of the Group's activities, and on other information that is essential to assessing the Group's position.

To the best of our knowledge:

- The consolidated condensed financial statements for the six months ended 30 June 2024 have been prepared in accordance with IFRS as adopted by EU and IAS 34 (Interim Financial Reporting) and the additional disclosure requirements pursuant to the Norwegian Securities Trading Act.
- The information provided in the financial statements gives a true and fair portrayal of the Itera Group's assets, liabilities, profit and overall financial position as at 30 June 2024.
- The information provided in the report for the first half of 2024 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing the Itera Group.

Oslo, 16 August 2024

The Board of Directors and CEO of Itera ASA

Morten Thorkildsen  
Chairman

Helge Baastad Leiro  
Board Member

Jan-Erik Karlsson  
Board Member

Gyrid Skalleberg Ingerø  
Board Member

Åshild Hanne Larsen  
Board Member

Andreas Vestre  
Board Member

Lise Eastgate  
Board Member

Arne Mjøs  
CEO

## Business review

# Accelerating sustainable digital transformation

Our mission is to help businesses and organizations to accelerate their sustainable digital transformations and to achieve more for less. This mission has never been more urgent or more necessary. Both the private and public sectors are increasingly looking to digital technology to overcome today's challenges and emerge stronger. As an international tech company, Itera has never been better positioned to be their partner.

We leverage our scale and international footprint, our innovation-led culture and strong partnerships, and our Digital Factory at Scale and Cloud Centre of Excellence capabilities to consistently deliver tangible value for our customers worldwide.

We are fully committed to something bigger than ourselves and take responsibility for showing how to become more sustainable, how to create new pathways for industrial growth, and how to deliver far-reaching lifestyle changes through digitalization.

## Industries

We have a focused customer-centric strategy in selected industries. Industry expertise is a critical competitive advantage which allows us to bring industry-specific solutions to our customers to enhance value creation. Our industry focus gives us an understanding of the evolution of industries, business issues and new and emerging technologies. The two most dominant industries for Itera are energy, and banking and insurance. In addition, we focus on some selected industries within each country where we are located, such as the public sector.

Itera had an order intake equivalent to a book-to-bill ratio of 0.7 in the second quarter of 2024 and of 1.0 for the last twelve months. We entered into new or extended contracts with customers including a large new industrial customer, Distribution Innovation, Storebrand, Å Insite, Apotek 1, Eviny,

Entelios, Kongsberg Digital, Borregaard, the Norwegian Labour and Welfare Administration (NAV), and Wise.

The revenue from Itera's 30 largest customers accounted for 82% of its operating revenue, which is 1 percentage point lower than in the second quarter of 2023. New customers, defined as customers won during the last 12 months, accounted for 5.3% (NOK 11.9 million) of revenue.

### Accelerating sustainable energy transformation

Digitalization and making better use of data continue to be key drivers for increased speed in the energy transition. All of Itera's key services are relevant to the energy sector and are creating strong growth. Our revenue in energy increased by 80% year-on-year from 2022 to 2023, and this strong rate of growth has continued in 2024. In the second quarter of 2024 the growth rate was 28%.

In the second quarter, we won many new engagements and extensions with many of the largest power and utilities companies in the Nordics, including Eviny, Hafslund, Vattenfall, and Å Energi. These companies are working to use digitalization, data and automation as key drivers of their development.

We also work closely with our customers to develop new business opportunities. Eviny, for example, held two events at our facilities, specifically about cloud migration and infrastructure as code. Together with our customer Laki Power, we also presented our collaboration involving using AI to predict power supply capacity along transmission lines. To

ensure that our customers stay ahead of emerging trends and opportunities in the Nordic electricity retail market, we have once again collaborated with THEMA Consulting Group to produce an electricity retail market trend report. These partnerships indicate our strong performance and growing presence in the industry.

### Digitalization in the financial services industry (FSI)

In the second quarter of 2024, Itera made significant progress in delivering innovative solutions for the financial services industry. Our focus on relevant projects and sectors has allowed us to create value for our customers while driving growth for Itera.

One notable project we undertook in the second quarter was for our long-term customer, Gjensidige, a leading Nordic insurance provider. The project saw us successfully launch an online booking system for psychological treatment within their established insurance solution. The system streamlines the customer journey and simplifies administrative tasks for therapists, allowing them to invoice Gjensidige directly from the record system. Furthermore, we delivered a robust Anti-Money Laundering (AML) solution that we integrated into Gjensidige's claims process. This solution enhances Gjensidige's ability to detect and prevent suspicious activities while ensuring compliance with financial regulations. Our team of mobile development specialists played a crucial role in optimizing mobile development processes at Gjensidige. Through modernization efforts and the implementation of new technologies, we significantly reduced the development time for Android and iOS applications.

Also in the quarter, Itera was awarded a framework agreement by one of the largest banking alliances in Norway. The company operates as a cooperative organization and is collectively owned by ten local savings banks that together serve approximately 1.5 million customers. The company has expressed keen interest in leveraging our expertise across various areas, including Project Management, Testing, Architecture and Development, and User Experience. This framework agreement solidifies our partnership with the company and reinforces Itera's position as a trusted provider of innovative solutions to the banking sector.

Itera has recently joined Copenhagen FinTech, a Nordic network of financial innovation that fosters collaboration among industry players. As part of this partnership, we have been invited to participate in an upcoming conference in September at which we will have the opportunity to showcase our expertise and help shape future financial innovations.

### Moelven enters Ukraine with Itera

In June, we announced that Moelven Byggmodul AS, a Scandinavian industrial group that produces building products and systems, and Itera were launching a groundbreaking initiative called "Housing for Ukraine". The project aims to improve the living conditions of Ukrainian citizens by rapidly increasing the availability of safe and good homes. This ambitious goal requires cooperation across private and public sectors and national borders, and it also marks the start of

Moelven's activities in Ukraine. Itera, with its 16 years of experience in the country, is leading the way.

The project was featured in Finansavisen on 7 July, with a statement from the Norwegian Minister of Trade who is in support of the initiative: "When President Zelensky visited Norway last December, he made it clear that Norwegian businesses are welcome in Ukraine. This applies both now and during the major reconstruction work that will be required once the war is over, a message I have repeated many times myself. It is gratifying to see that Moelven has taken up this challenge, and I hope this will inspire more Norwegian companies". Go to [itera.com/news-insights](https://itera.com/news-insights) to read the full story.

## Core Services

Itera combines skills, capabilities and industry experience to help our customers achieve tangible outcomes. We are a talent and innovation-led organization with people whose skills and specializations are a significant source of competitive differentiation.

### Technology

In the second quarter of 2024, our focus was on long-term projects for our customers. We worked on various initiatives aimed at delivering value and optimizing processes for our customers, and we made significant progress on several projects during this period. We remain committed to delivering exceptional results for our customers and positioning ourselves as a leader in the industry.

One notable project consisted of Itera adapting a product for one of our long-term customers in finance for a new market outside Norway. We worked on customizing the product to cater for this market's specific needs, with successful results. Another key project involved developing a new portal for a customer in the finance industry. The portal is intended to streamline processes, enhance conversion rates, and boost sales for the customer. This project is expected to have a positive impact on our customer's business. Finally, the solution 'Bedre Bosetting' which was developed for the Norwegian Directorate of Integration and Diversity is now being used by over 100 municipalities in Norway in order to enhance the resettlement process for refugees (more information on this project is available on [itera.com](https://itera.com)).

Furthermore, we have been actively involved in universal design. We have developed service offerings that focus on ensuring compliance with accessibility requirements. Our analysis and reports will provide customers with recommendations on achieving universal design standards.

### Accelerating Digital and AI transformations

In the second quarter, our experts in strategy and digital business, project management and data, AI and analytics continued to deliver impactful projects for our customers in all Itera's key sectors. We continue to see three trends that

direct our customers' priorities, all of which were also present in previous quarters:

**1. The need to accelerate digital performance:**

Macroeconomic uncertainties and the generally higher economic pressure present across markets are increasing the return required of investment in digital and AI projects. This is particularly evident in our project and portfolio management practice, but also in our Strategy and Business Advisory services.

**2. Focus on the enabling fundamentals to succeed with AI at scale:**

As the attention and adoption of Generative AI mature, many are looking to scale initial use-cases into production. In doing so, many recognize the importance of the fundamentals of creating value from data and AI, including having a solid data and AI strategy and ensuring that the required technical infrastructure, data quality and working practices are all in place. We are seeing this trend clearly in the projects delivered by our Data, AI and Analytics practice.

**3. Shift from innovation to transformation:** Customers across segments are increasingly focusing on ensuring that their transformations achieve business-altering value, which is to say on ensuring that they achieve returns and the desired impact from their current digital strategies and transformation efforts. In our Strategy and Digital Business Consulting practice, we see this clearly in that customers are increasingly seeking assistance with turning their strategy into clear digital agendas, rather than with setting entirely new visions or creating innovative concepts that often fail to provide significant business value.

In the second quarter, we also continued to be involved in many discussions and projects focused on how data, AI and the cloud can increase sustainability throughout our customers' value-chains. We helped a large forestry company assess and initiate a transformation of its entire technology stack in order to better enable its digital transformation and streamline its operations. Also, we implemented and scaled a robust data-platform for one of Norway's largest B2B retailers. We are helping leading energy players transition to new AI-driven capabilities and technologies like Microsoft Fabric.

## Experience

In the context of digitalization, branding, strategic communication and improved user experiences are increasingly crucial for customers to reach their target audience, stand out from competitors, and make a lasting impact. The growing demand for design services in these areas is evident through increased enquiries to our Experience unit. We have secured significant contracts in brand and design, ensuring a steady revenue stream from key customers like Storebrand, Kreditor and Statnett.

Our partnership with Gjensidige showcases our commitment to leveraging design and AI, as our work has been rolled out across their organization. In the quarter, we hosted an exclusive Business Design Masterclass in Bergen, which was

very well received by the participants and is testament to our expertise in driving innovation and differentiation.

## Cloud and Application Services

In the second quarter, Cloud and Application Services (CAS) made significant strides in project deliveries, customer engagements, and sales strategies. These efforts position us well for continued growth and success in the forthcoming quarters. The demand for modernization continues to rise across various sectors. Many of our customers are seeking external expertise in order to modernize their applications and infrastructure due to internal skills gaps. Enhancing cloud robustness remains a critical need.

We signed a new agreement with Apotek 1 Group the aim of which is to enhance the robustness of its cloud infrastructure. This collaboration underscores our role as a strategic partner rather than just a service provider. The project will draw on our ability to tailor solutions to meet Apotek 1's specific needs while ensuring data security.

We have also expanded our engagement with TESS, continuing to support their modernization efforts. Our ongoing projects have been instrumental in driving efficiency and value for TESS. Additionally, our collaboration with Gjensidige has deepened and is focused on its digital transformation journey. We are proud to be contributing significantly to its modernization initiatives by streamlining its application management, for instance.

Innovation at CAS is driven by both internal initiatives and market demands. In collaboration with Digital Advantage, we developed a standardized data analysis platform designed to streamline customer operations. This is a go-to-market model for data analytics solutions, which includes creating standardized infrastructures that can be leveraged for the rapid deployment of customer solutions.

## Digital Factory at Scale

Our Digital Factory at Scale is all about doing more with less. It is our way of leveraging our digital capabilities in terms of creating and maintaining one or more digital products, services or experiences for our customers. The secret to the Digital Factory's success is building reusable products and tools and repeatable processes to accelerate digital transformation.

The factory is based on global best practices for Lean Product Development that bridge the cultural gap between Business and IT along three dimensions - people, processes, and policies – in order to deliver material benefits, including shorter time to value, improved business agility and reduced business risk.

The factory encompasses all our services and tools, from digital strategy, customer experience and cloud transformation journeys to cloud migration and modernization, data-driven development, artificial intelligence usage and entire product lifecycle management.

Typically, speed and throughput are increased by 20-30% or more compared with classical staff augmentation. Revenue consists of a mix of consultancy and managed services. For instance, for an international customer in the energy sector, we managed to increase the speed of the digital transformation of a core product by 40%.

## People

Our culture is grounded in our growth mindset: Grow people, Grow customers, and Grow company. This means everyone is on a continuous journey of learning and growing. We continue to invest in our people, providing learning opportunities and upskilling to enable us to pivot as our customers' needs evolve. We believe our unwavering commitment to diversity and inclusion is the right thing to do and an essential element of our business strategy and strong financial performance.

### Grow people

Every day we strive to attract, develop and inspire our people. By growing both professionally and in numbers, we become stronger as a company. From competence development and performance management to mental health and community engagement, Itera is dedicated to investing in its employees and driving its business forward.

For our employees to have the best opportunity to develop throughout their careers with us, Itera has developed a solid framework for continuous competence development called "Level Up". Level Up brings together activities, sources and resources that are useful for employees' development.

In the second quarter, we hosted more than 14 events through Level-Up, with topics ranging from Power Platform to "Peregrine Falcons' reintroduction and observation in Poland". During this quarter, we also completed a second round of Boost Nestor, a competence development program for consultants at the managerial level and higher.

Itera is fostering a culture of continuous learning and development through 'Growth Tool', an innovative system designed by and for Itera employees that streamlines collaboration between staff and management while supporting personal growth at the company. It simplifies the tracking of employee skills progression, contributing to an environment rich in learning, collaboration, and individual advancement.

### Supporting Ukraine

Our colleagues in Ukraine continue to show admirable courage and resilience in the face of the consequences of the invasion. Our Ukrainian unit is running as normal, and risk mitigation is continuously being assessed and implemented. The recent increase in the number of missile and drone attacks by Russia is not impacting our operation.

To continue our non-stop operations even in circumstances of blackouts, we have equipped both our offices with diesel generators, additional internet access points and charging stations. Our employees in Ukraine are provided with additional power banks and charging stations for their home offices.

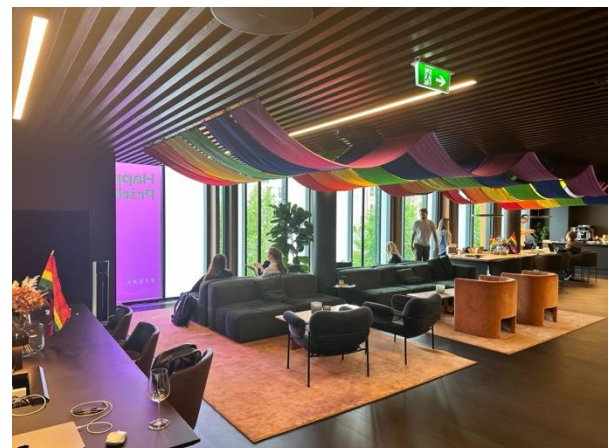
The well-being of our Ukrainian colleagues is our priority every day. The number of expats is decreasing as many colleagues have returned to their Ukrainian homes. Nine of our brave employees are serving in the armed forces. We stay connected with everyone and provide the support they might need, in addition to a fixed monthly amount from Itera. Our long-term corporate social responsibility to support Ukraine continues.

Itera was honoured to be invited to the Ukraine Recovery Conference held in Berlin in June 2024. at the conference, Itera was received the prestigious International Flagship Project Award. Presented by Vice-Chancellor of Germany Robert Habeck and First Deputy Prime Minister of Ukraine Yulia Svyrydenko, this award recognizes successful and inspiring international business ventures that showcase Ukraine's attractiveness for business and investment despite the ongoing Russian aggression. The award serves as testament to the dedication and commitment of Itera and its employees.

### Pride Month at Itera

Throughout June, Itera proudly acknowledged and celebrated Pride Month, reinforcing our commitment to fostering a diverse and inclusive work environment. We believe that diversity is not just a value but a strategic asset that drives innovation and growth. Ensuring a safe space where all employees can express their identities without fear of discrimination remains paramount to us.

In line with this commitment, we encouraged employees to support LGBTQIA+ colleagues and promote diversity and inclusion, and updated our social media logos and provided a customizable LinkedIn banner.







# Interim condensed financial report

## Consolidated statement of comprehensive income

| Amounts in NOK thousand                              | 2024<br>4-6    | 2023<br>4-6    | change<br>%     | 2024<br>1-6    | 2023<br>1-6    | change<br>%     | 2023<br>1-12   |
|--|----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|
| <b>Operating revenue</b>                             | <b>224 127</b> | <b>225 236</b> | <b>(0 %)</b>    | <b>452 618</b> | <b>455 543</b> | <b>(1 %)</b>    | <b>871 581</b> |
| <b>Operating expenses</b>                            |                |                |                 |                |                |                 |                |
| Cost of sales  | 18 888         | 16 439         | 15 %            | 35 265         | 29 633         | 19 %            | 57 902         |
| <b>Gross Profit</b>                                  | <b>205 239</b> | <b>208 797</b> | <b>(2 %)</b>    | <b>417 353</b> | <b>425 910</b> | <b>(2 %)</b>    | <b>813 678</b> |
| <i>Gross Margin</i>                                  | <i>91.6 %</i>  | <i>92.7 %</i>  | <i>-1.1 pts</i> | <i>92.2 %</i>  | <i>93.5 %</i>  | <i>-1.3 pts</i> | <i>93.4 %</i>  |
| Personnel expenses                                   | 161 321        | 165 089        | (2 %)           | 330 617        | 323 043        | 2 %             | 634 359        |
| Other operating expenses                             | 14 491         | 17 336         | (16 %)          | 29 603         | 35 685         | (17 %)          | 68 667         |
| Depreciation and amortisation                        | 8 319          | 8 000          | 4 %             | 16 786         | 15 589         | 8 %             | 32 299         |
| <b>Total operating expenses</b>                      | <b>203 018</b> | <b>206 864</b> | <b>(2 %)</b>    | <b>412 272</b> | <b>403 950</b> | <b>2 %</b>      | <b>793 228</b> |
| <b>EBITDA</b>  | <b>29 428</b>  | <b>26 372</b>  | <b>12 %</b>     | <b>57 132</b>  | <b>67 183</b>  | <b>(15 %)</b>   | <b>110 652</b> |
| <b>Operating profit (EBIT)</b>                       | <b>21 109</b>  | <b>18 372</b>  | <b>15 %</b>     | <b>40 346</b>  | <b>51 594</b>  | <b>(22 %)</b>   | <b>78 353</b>  |
| Other financial income                               | 701            | 662            | 6 %             | 1 325          | 801            | 65 %            | 2 266          |
| Other financial expenses                             | 1 443          | 1 163          | 24 %            | 2 541          | 1 338          | 90 %            | 3 918          |
| Foreign exchange (gains) / losses                    | (103)          | (1 283)        | 92 %            | 648            | 170            | 281 %           | 1 288          |
| <b>Net financial income (expenses)</b>               | <b>(639)</b>   | <b>782</b>     | <b>(182 %)</b>  | <b>(1 864)</b> | <b>(707)</b>   | <b>(164 %)</b>  | <b>(2 941)</b> |
| <b>Profit before taxes</b>                           | <b>20 470</b>  | <b>19 154</b>  | <b>7 %</b>      | <b>38 482</b>  | <b>50 887</b>  | <b>(24 %)</b>   | <b>75 412</b>  |
| Income taxes   | 4 299          | 4 371          | (2 %)           | 8 373          | 11 626         | (28 %)          | 18 722         |
| <b>Net income</b>                                    | <b>16 171</b>  | <b>14 783</b>  | <b>9 %</b>      | <b>30 109</b>  | <b>39 261</b>  | <b>(23 %)</b>   | <b>56 690</b>  |
| <b>Other comprehensive income</b>                    |                |                |                 |                |                |                 |                |
| Transl. diff. on net investment in foreign operation | (834)          | 877            | (195 %)         | 225            | 2 672          | (92 %)          | -346           |
| <b>Total comprehensive income</b>                    | <b>15 337</b>  | <b>15 660</b>  | <b>(2 %)</b>    | <b>30 334</b>  | <b>41 933</b>  | <b>(28 %)</b>   | <b>56 344</b>  |
| Total comprehensive income attributable to:          |                |                |                 |                |                |                 |                |
| <b>Shareholders in parent company</b>                | <b>15 337</b>  | <b>15 660</b>  | <b>(2 %)</b>    | <b>30 334</b>  | <b>41 933</b>  | <b>(28 %)</b>   | <b>56 344</b>  |
| Earnings per share                                   | 0.20           | 0.18           | 10 %            | 0.37           | 0.48           | (23 %)          | 0.70           |
| Fully diluted earnings per share                     | 0.20           | 0.18           | 10 %            | 0.37           | 0.48           | (23 %)          | 0.70           |

## Consolidated statement of financial position

| Amounts in NOK thousand               | 2024<br>30 Jun | 2023<br>30 Jun | change          | change<br>%   | 2023<br>31 Dec |
|---------------------------------------|----------------|----------------|-----------------|---------------|----------------|
| <b>ASSETS</b>                         |                |                |                 |               |                |
| <b>Non-current assets</b>             |                |                |                 |               |                |
| Deferred tax assets                   | 2 359          | 4 399          | (2 040)         | (46 %)        | 2 630          |
| R&D                                   | 29 341         | 31 964         | (2 624)         | (8 %)         | 30 853         |
| Other intangible assets               | 267            | 393            | (126)           | (32 %)        | 273            |
| Property, plant and equipment         | 13 331         | 13 359         | (28)            | (0 %)         | 16 213         |
| Right-of-use assets                   | 67 568         | 68 880         | (1 312)         | (2 %)         | 74 582         |
| <b>Total non-current assets</b>       | <b>112 865</b> | <b>118 994</b> | <b>(6 129)</b>  | <b>(5 %)</b>  | <b>124 552</b> |
| <b>Current assets</b>                 |                |                |                 |               |                |
| Contract assets                       | 3 560          | 3 696          | (136)           | (4 %)         | 3 452          |
| Accounts receivable                   | 127 694        | 125 346        | 2 348           | 2 %           | 107 770        |
| Other receivables                     | 18 658         | 18 269         | 389             | 2 %           | 13 193         |
| Cash and cash equivalents             | 29 486         | 51 982         | (22 496)        | (43 %)        | 49 209         |
| <b>Total current assets</b>           | <b>179 398</b> | <b>199 293</b> | <b>(19 895)</b> | <b>(10 %)</b> | <b>173 623</b> |
| <b>TOTAL ASSETS</b>                   | <b>292 263</b> | <b>318 288</b> | <b>(26 025)</b> | <b>(8 %)</b>  | <b>298 175</b> |
| <b>EQUITY AND LIABILITIES</b>         |                |                |                 |               |                |
| <b>Equity</b>                         |                |                |                 |               |                |
| Share capital                         | 24 656         | 24 656         | -               | 0 %           | 24 656         |
| Other equity                          | (3 281)        | 10 752         | (14 034)        | (131 %)       | (33 459)       |
| Net income for the period             | 30 109         | 39 267         | (9 158)         | (23 %)        | 56 690         |
| <b>Total equity</b>                   | <b>51 484</b>  | <b>74 675</b>  | <b>(23 191)</b> | <b>(31 %)</b> | <b>47 887</b>  |
| <b>Non-current liabilities</b>        |                |                |                 |               |                |
| Other provisions and liabilities      | 3              | 1 435          | (1 432)         | (100 %)       | 759            |
| Long-term interest bearing debt       | 3 250          | -              | 3 250           | -             | 3 750          |
| Lease liabilities - long-term portion | 56 861         | 58 631         | (1 771)         | (3 %)         | 63 613         |
| <b>Total non-current liabilities</b>  | <b>60 114</b>  | <b>60 067</b>  | <b>47</b>       | <b>0 %</b>    | <b>68 122</b>  |
| <b>Current liabilities</b>            |                |                |                 |               |                |
| Accounts payable                      | 18 833         | 17 825         | 1 008           | 6 %           | 18 288         |
| Tax payable                           | 8 635          | 11 929         | (3 295)         | (28 %)        | 12 183         |
| Public duties payable                 | 48 824         | 49 576         | (752)           | (2 %)         | 58 503         |
| Contract liabilities                  | 21 344         | 18 063         | 3 280           | 18 %          | 14 292         |
| Lease liabilities - short term        | 14 244         | 11 971         | 2 274           | 19 %          | 13 874         |
| Current portion of long-term debt     | 1 000          | -              | 1 000           | -             | 1 000          |
| Other current liabilities             | 67 785         | 74 181         | (6 396)         | (9 %)         | 64 026         |
| <b>Total current liabilities</b>      | <b>180 665</b> | <b>183 546</b> | <b>(2 880)</b>  | <b>(2 %)</b>  | <b>182 165</b> |
| <b>Total liabilities</b>              | <b>240 779</b> | <b>243 612</b> | <b>(2 833)</b>  | <b>(1 %)</b>  | <b>250 288</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>292 263</b> | <b>318 288</b> | <b>(26 025)</b> | <b>(8 %)</b>  | <b>298 175</b> |
| <b>Equity ratio</b>                   | <b>17.6 %</b>  | <b>23.5 %</b>  | <b>-5.8 pts</b> |               | <b>16.1 %</b>  |

## Consolidated statement of cash flow

| Amounts in NOK thousand                            | 2024<br>4-6     | 2023<br>4-6     | change          | 2024<br>1-6     | 2023<br>1-6     | change          | 2023<br>1-12    |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Profit before taxes                                | 20 470          | 19 153          | 1 317           | 38 482          | 50 886          | (12 404)        | 75 412          |
| Income taxes paid                                  | (4 742)         | (4 086)         | (656)           | (9 438)         | (12 005)        | 2 567           | (11 848)        |
| (Profit)/loss from sale of assets                  | -               | 16              | (16)            | -               | (288)           | 288             | (313)           |
| Depreciation and amortisation                      | 8 319           | 8 000           | 319             | 16 786          | 15 589          | 1 197           | 32 299          |
| Share option costs                                 | 486             | 1 132           | (646)           | 826             | 1 532           | (706)           | 1 655           |
| Change in contract assets                          | 908             | (1 852)         | 2 760           | (108)           | (3 471)         | 3 363           | (3 227)         |
| Change in accounts receivable                      | 16 905          | 9 348           | 7 557           | (19 924)        | (26 375)        | 6 451           | (8 799)         |
| Change in accounts payable                         | 593             | 2 514           | (1 922)         | 544             | 1 065           | (521)           | 1 529           |
| Change in other accruals                           | (734)           | (158)           | (576)           | 37              | 1 456           | (1 419)         | (345)           |
| Effect of changes in exchange rates                | (15 038)        | (1 354)         | (13 684)        | (7 457)         | 11 991          | (19 448)        | 7 025           |
| <b>Net cash flow from operating activities</b>     | <b>27 166</b>   | <b>32 713</b>   | <b>(5 547)</b>  | <b>19 748</b>   | <b>40 379</b>   | <b>(20 632)</b> | <b>93 386</b>   |
| Payment from sale of fixed assets                  | -               | 28              | (28)            | -               | 332             | (332)           | 357             |
| Investment in fixed assets                         | (251)           | (1 529)         | 1 278           | (773)           | (3 362)         | 2 589           | (10 908)        |
| Investment in intangible assets                    | (1 637)         | (2 176)         | 539             | (4 010)         | (4 584)         | 575             | (8 870)         |
| <b>Net cash flow from investing activities</b>     | <b>(1 887)</b>  | <b>(3 677)</b>  | <b>1 789</b>    | <b>(4 783)</b>  | <b>(7 614)</b>  | <b>2 831</b>    | <b>(19 421)</b> |
| Purchase of own shares                             | -               | -               | -               | -               | (80)            | 80              | (11 873)        |
| Sale of own shares                                 | 4 853           | -               | 4 853           | 4 853           | 6 237           | (1 385)         | 6 237           |
| Equity settlement of options contract              | -               | 267             | (267)           | -               | 267             | (267)           | 2 943           |
| Principal elements of lease payments               | (3 493)         | (3 184)         | (308)           | (6 865)         | (6 246)         | (618)           | (12 885)        |
| Long term borrowings                               | (250)           | -               | (250)           | (500)           | -               | (500)           | 4 750           |
| Dividends paid to equity holders of Itera ASA      | (32 416)        | (24 656)        | (7 760)         | (32 416)        | (24 656)        | (7 760)         | (56 860)        |
| <b>Net cash flow from financing activities</b>     | <b>(31 306)</b> | <b>(27 573)</b> | <b>(3 733)</b>  | <b>(34 928)</b> | <b>(24 477)</b> | <b>(10 451)</b> | <b>(67 688)</b> |
| Effects of exchange rate changes on cash           | (557)           | 778             | (1 335)         | 239             | 1 760           | (1 520)         | 997             |
| <b>Net change in cash and cash equivalents</b>     | <b>(6 584)</b>  | <b>2 241</b>    | <b>(8 826)</b>  | <b>(19 724)</b> | <b>10 048</b>   | <b>(29 772)</b> | <b>7 274</b>    |
| Cash and cash equivalents beginning of period      | 36 070          | 49 741          | (13 671)        | 49 209          | 41 934          | 7 275           | 41 934          |
| <b>Cash and cash equivalents end of the period</b> | <b>29 485</b>   | <b>51 982</b>   | <b>(22 497)</b> | <b>29 485</b>   | <b>51 982</b>   | <b>(22 497)</b> | <b>49 208</b>   |

## Consolidated statement of changes in equity

| Amounts in NOK thousand                   | Share capital | Own shares   | Other paid in equity | Cumulative translation differences | Other equity  | Total equity    |
|---|---------------|--------------|----------------------|------------------------------------|---------------|-----------------|
| <b>Equity as of 1 Jan 2023</b>            | <b>24 656</b> | <b>(483)</b> | <b>(33 892)</b>      | <b>1 260</b>                       | <b>57 901</b> | <b>49 442</b>   |
| Net income for the period                 | -             | -            | -                    | -                                  | 56 690        | <b>56 690</b>   |
| Other comprehensive income for the period | -             | -            | -                    | (346)                              | -             | <b>(346)</b>    |
| Share option costs                        | -             | -            | 1 655                | -                                  | -             | <b>1 655</b>    |
| Equity settlement of options contract     | -             | 85           | 2 858                | -                                  | -             | <b>2 943</b>    |
| Purchase of own shares                    | -             | 194          | 6 043                | -                                  | -             | <b>6 237</b>    |
| Sale of own shares                        | -             | (292)        | (11 581)             | -                                  | -             | <b>(11 873)</b> |
| Dividends                                 | -             | -            | -                    | -                                  | (56 860)      | <b>(56 860)</b> |
| <b>Equity as of 31 Dec 2023</b>           | <b>24 656</b> | <b>(496)</b> | <b>(34 918)</b>      | <b>914</b>                         | <b>57 731</b> | <b>47 888</b>   |
| Net income for the period                 | -             | -            | -                    | -                                  | 30 109        | <b>30 109</b>   |
| Other comprehensive income for the period | -             | -            | -                    | 225                                | -             | <b>225</b>      |
| Share option costs                        | -             | -            | 826                  | -                                  | -             | <b>826</b>      |
| Sales of own shares                       | -             | 153          | 4 700                | -                                  | -             | <b>4 853</b>    |
| Dividends                                 | -             | -            | -                    | -                                  | (32 416)      | <b>(32 416)</b> |
| <b>Equity as of 30 Jun 2024</b>           | <b>24 656</b> | <b>(343)</b> | <b>(29 392)</b>      | <b>1 139</b>                       | <b>55 424</b> | <b>51 484</b>   |

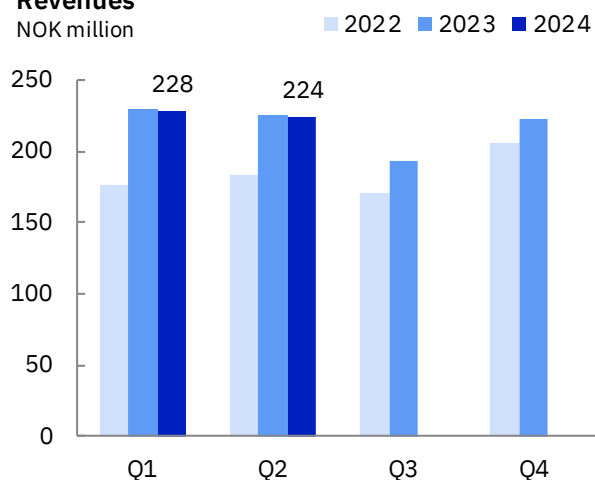
## Key figures

|   | 2024       | 2023       | change   | 2024       | 2023       | change   | 2023       |
|---|------------|------------|----------|------------|------------|----------|------------|
| Amounts in NOK thousand                     | 4-6        | 4-6        | %        | 1-6        | 1-6        | %        | 1-12       |
| <b>Profit &amp; Loss</b>                    |            |            |          |            |            |          |            |
| Operating revenue                           | 224 127    | 225 236    | (0 %)    | 452 618    | 455 543    | (1 %)    | 871 581    |
| Gross profit                                | 205 239    | 208 797    | (2 %)    | 417 353    | 425 910    | (2 %)    | 813 678    |
| EBITDA                                      | 29 428     | 26 372     | 12 %     | 57 132     | 67 183     | (15 %)   | 110 652    |
| EBITDA margin                               | 13.1%      | 11.7 %     | 1.4 pts  | 12.6%      | 14.7 %     | -2.1 pts | 12.7 %     |
| Operating profit (EBIT)                     | 21 109     | 18 372     | 15 %     | 40 346     | 51 594     | (22 %)   | 78 353     |
| EBIT margin                                 | 9.4%       | 8.2 %      | 1.3 pts  | 8.9%       | 11.3 %     | -2.4 pts | 9.0 %      |
| Profit before taxes                         | 20 470     | 19 154     | 7 %      | 38 482     | 50 887     | (24 %)   | 75 412     |
| Net income                                  | 16 171     | 14 783     | 9 %      | 30 109     | 39 261     | (23 %)   | 56 690     |
| <b>Balance sheet</b>                        |            |            |          |            |            |          |            |
| Non-current assets                          | 112 865    | 118 994    | (5 %)    | 112 865    | 118 994    | (5 %)    | 124 552    |
| Bank deposits                               | 29 486     | 51 982     | (43 %)   | 29 486     | 51 982     | (43 %)   | 49 209     |
| Other current assets                        | 149 912    | 147 311    | 2 %      | 149 912    | 147 311    | 2 %      | 124 414    |
| Total assets                                | 292 263    | 318 288    | (8 %)    | 292 263    | 318 288    | (8 %)    | 298 175    |
| Equity                                      | 51 484     | 74 675     | (31 %)   | 51 484     | 74 675     | (31 %)   | 47 887     |
| Total non-current liabilities               | 60 114     | 60 067     | 0 %      | 60 114     | 60 067     | 0 %      | 68 122     |
| Total current liabilities                   | 180 665    | 183 546    | (2 %)    | 180 665    | 183 546    | (2 %)    | 182 165    |
| Equity ratio                                | 17.6%      | 23.5 %     | -5.8 pts | 17.6%      | 23.5 %     | -5.8 pts | 16.1 %     |
| Current ratio                               | 0.99       | 1.09       | (9%)     | 0.99       | 1.09       | (9%)     | 0.95       |
| <b>Cash flow</b>                            |            |            |          |            |            |          |            |
| Net cash flow from operating activities     | 27 166     | 32 713     | (17%)    | 19 748     | 40 379     | (51%)    | 93 387     |
| Net cash flow                               | (6 584)    | 2 241      | (394%)   | (19 724)   | 10 048     | (296%)   | 7 275      |
| <b>Share information</b>                    |            |            |          |            |            |          |            |
| Number of shares                            | 82 186 624 | 82 186 624 | 0 %      | 82 186 624 | 82 186 624 | 0 %      | 82 186 624 |
| Weighted average basic shares outstanding   | 80 787 751 | 81 226 898 | (1%)     | 80 660 047 | 81 061 012 | (0%)     | 81 061 511 |
| Weighted average diluted shares outstanding | 80 824 555 | 81 522 675 | (1%)     | 80 691 131 | 81 274 149 | (1%)     | 81 314 497 |
| Earnings per share                          | 0.20       | 0.18       | 10 %     | 0.37       | 0.48       | (23%)    | 0.70       |
| Diluted earnings per share                  | 0.20       | 0.18       | 10 %     | 0.37       | 0.48       | (23%)    | 0.70       |
| EBITDA per share                            | 0.36       | 0.32       | 12 %     | 0.71       | 0.83       | (15%)    | 1.37       |
| Equity per share                            | 0.64       | 0.92       | (31%)    | 0.64       | 0.92       | (31%)    | 0.59       |
| Dividend per share                          | 0.40       | 0.30       | 33 %     | 0.40       | 0.30       | 33 %     | 0.70       |
| <b>Employees</b>                            |            |            |          |            |            |          |            |
| No. of employees at the end of the period   | 713        | 741        | (4%)     | 713        | 741        | (4%)     | 758        |
| Average number of employees                 | 725        | 736        | (2%)     | 736        | 725        | 1 %      | 741        |
| Operating revenue per employee              | 309        | 306        | 1 %      | 615        | 628        | (2%)     | 1 177      |
| Gross profit per employee                   | 283        | 284        | (0%)     | 567        | 587        | (3%)     | 1 099      |
| Personnel expenses per employee             | 223        | 224        | (1%)     | 449        | 445        | 1 %      | 857        |
| Other operating expenses per employee       | 20         | 24         | (15%)    | 40         | 49         | (18%)    | 93         |
| EBITDA per employee                         | 41         | 36         | 13 %     | 78         | 93         | (16%)    | 149        |
| EBIT per employee                           | 29         | 25         | 17 %     | 55         | 71         | (23%)    | 106        |

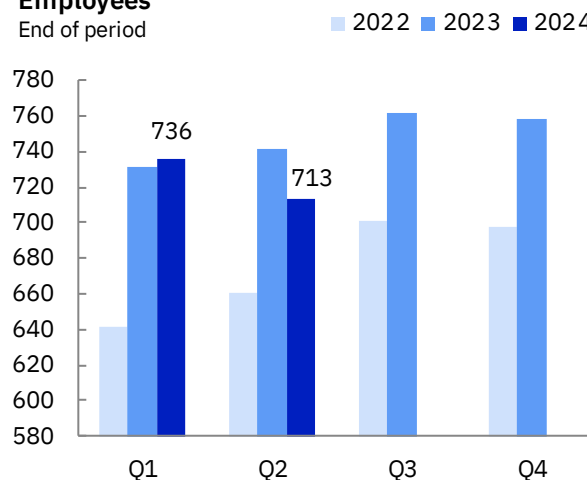


## Quarterly development 2022-2024

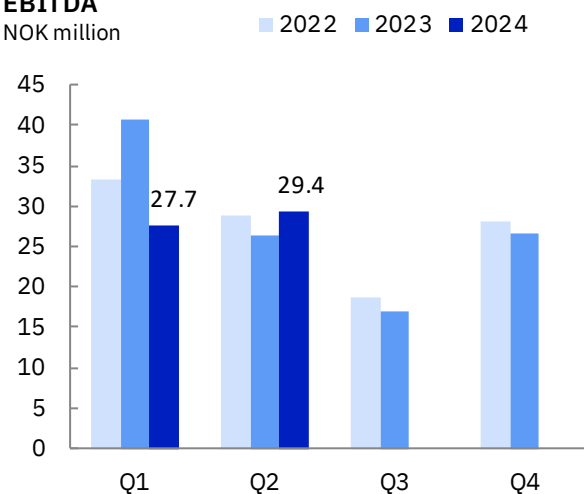
**Revenues**  
NOK million



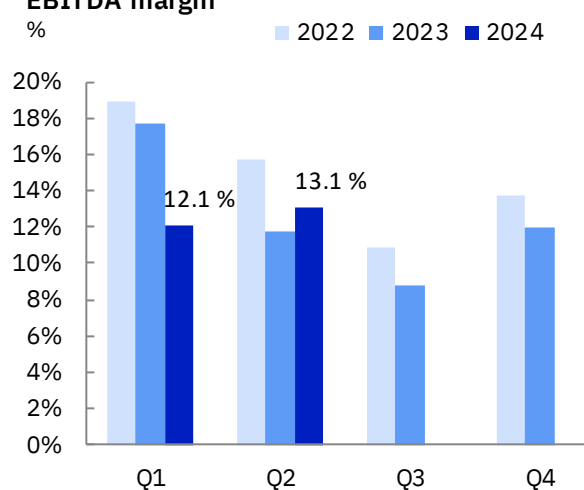
**Employees**  
End of period



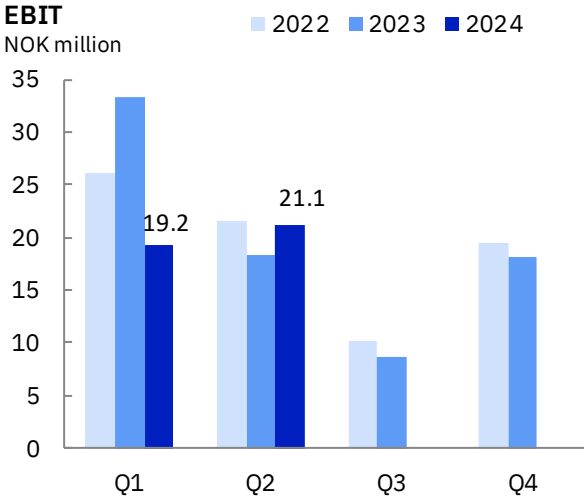
**EBITDA**  
NOK million



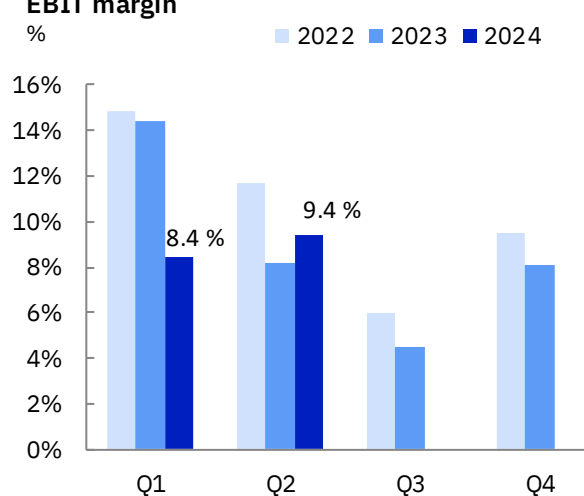
**EBITDA margin**  
%



**EBIT**  
NOK million



**EBIT margin**  
%



# Notes

## Note 1: General and accounting principles

Itera (the Group) consists of Itera ASA (the Company) and its subsidiaries. Itera ASA is a public limited liability company incorporated in Norway and listed on the Oslo Stock Exchange with the ticker ITERA. The condensed consolidated interim financial statements cover the Group. As a result of rounding differences, some numbers and percentages may not add up to the totals given.

These interim condensed consolidated financial statements for the quarter ending 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group's annual report for 2023. The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023. The interim financial information contained in this report has not been audited or reviewed.

## Note 2: Transactions with related parties

There have been no material transactions with related parties during the reporting period 1 January 2024 to 30 June 2024.

## Note 3: Events after the balance sheet date

There have been no events after 30 June 2024 that would have a material effect on the interim accounts.

## Note 4: Alternative performance measures

In accordance with the guidelines issued by the European Securities and Markets Authority on alternative performance measures (APMs), Itera publishes definitions for the alternative performance measures used by the company. Alternative performance measures, i.e. performance measures not based on financial reporting standards, provide the company's management, investors and other external users with additional relevant information on the company's operations by excluding matters that may not be indicative of the company's operating result or cash flow. Itera has adopted non-recurring costs, EBITDA, EBITDA margin, EBIT, EBIT margin and equity ratio as alternative performance measures both because the company thinks these measures will increase the level of understanding of the company's operational performance and because these represent performance measures that are often used by analysts and investors and other external parties.

Non-recurring costs are significant costs that are not expected to reoccur under normal circumstances.

EBITDA is short for earnings before interest, tax, depreciation, and amortization. It is calculated as profit for the period before (i) tax expense, (ii) financial income and expenses and (iii) depreciation and amortization.

EBITDA margin is calculated as EBITDA as a proportion of operating revenue.

EBIT is short for earnings before interest and tax and is calculated as profit for the period before (i) tax expense and (ii) financial income and expenses.

EBIT margin is calculated as EBIT as a proportion of operating revenue.

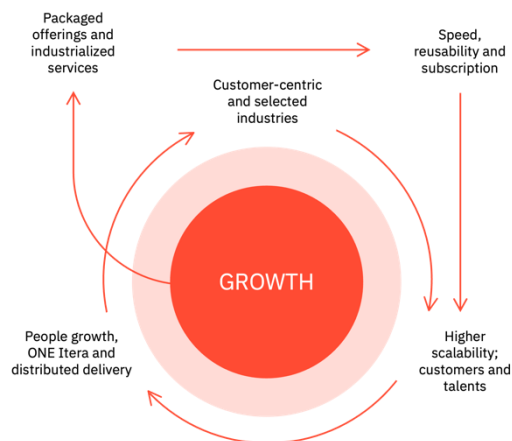
## About Itera

# Our strategic position

Itera is a leading international tech company that helps businesses and organizations accelerate their sustainable digital transformation and contribute to the advancement of society.

As companies embrace digital transformation, they come to us as their trusted partner to build their digital core with cloud-based technology because of our full range of services across digital strategy, consulting and execution, customer experience, technology and cloud operations. Our integrated services meet customer needs rapidly and at scale through our distributed multi-disciplined teams and our world-class cross-border Digital Factory at Scale that enables more for less.

There is no more powerful contributor to business growth than digital technology. Digital technology will accelerate growth beyond what was previously possible with people and machines. When talking to executives, Itera always finds that they highlight speed and results from digital initiatives as their top priorities.



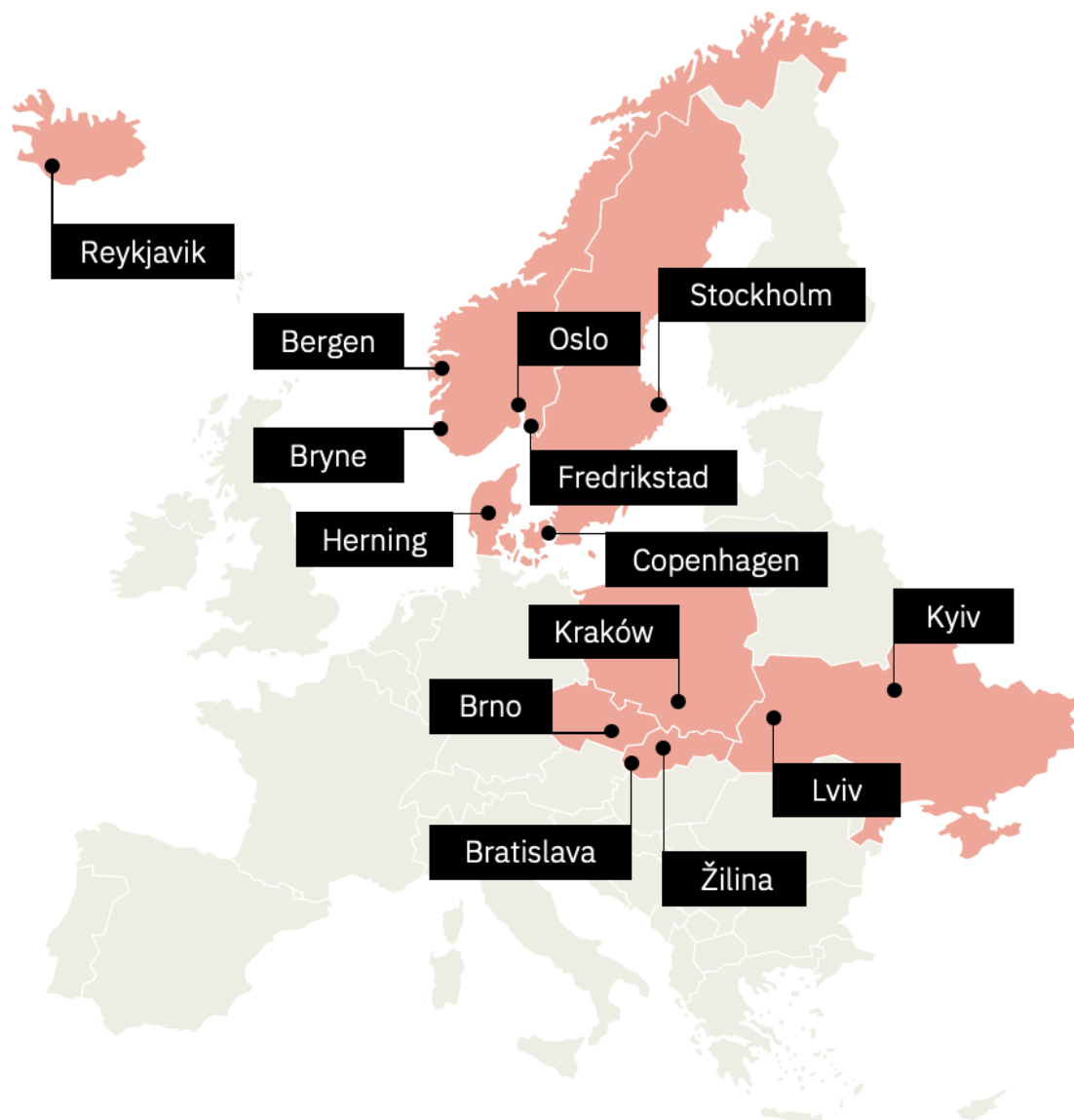
We have a focused customer-centric strategy in selected industries and ONE operating model across all locations that offers the right mix of autonomy and alignment. Our entrepreneurial culture is grounded in a strong growth mindset of '*grow our people, our customers and our company*'. Our business model consists of us combining both consulting services (the inner circle in the figure to the left) with subscription-based managed services such as package offerings and industrialized services (the outer circle).

We are seeing all emerging technology become digital capabilities in the cloud that represent a dynamic continuum from public and hybrid cloud to edge and everything in between. Every business will need to become sustainable and digital, and data will be the key to success. Our success is grounded in our ability to anticipate the future and to provide digital capabilities for their transformation.

These changes will simultaneously create more challenging jobs and career paths for our skilled people. Working from our 14 offices in the Nordics and Central and Eastern Europe, we serve customers in 20 countries worldwide. We leverage our scale and international footprint, our innovation-led culture and our strong partnerships, together with our Digital Factory at Scale, to consistently deliver tangible value for our customers worldwide.

We are fully committed to something bigger than ourselves and take responsibility for showing how to become more sustainable, how to create new pathways for industrial growth and how to deliver far-reaching lifestyle changes through digitalization.

# Our locations



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*Make a difference*