



# INTERIM REPORT INDUCT AS

(CONSISTS OF INDUCT AS AND ALL SUBSIDIARIES)

**THIRD QUARTER 2024**

## INDUCT AS

### Highlights and Key Figures

- Total revenues decreased by NOK 1.1 million, from NOK 6.3 million in Q3 2023 to NOK 5,2 million in Q3 2024. The reduction is mainly due to a decrease in platform revenues caused by the loss of subscription customers in Bidra, Induct and in Spain.
- Gross margin on platform revenues is stable and very good, with an increase of 0.3% from 94,5 % in Q3 2023 to 94,8% in Q3 2024.
- EBITDA decreased by NOK 1.7 million, from NOK 2,4 million in Q3 2023 to NOK 0,7 million in Q3 2024. YTD EBITDA increased by NOK 1.0 million, from NOK 5.9 in Q3 2023 to NOK 6.9 million in Q3 2024.

The decrease in Q3 EBITDA is caused by two short-term and temporary situations. The cost associated with the organizational streamlining carried out in the first half of the year impacts our results in the second half of the year, and furthermore, the subsidiary Bidra AS had a significant loss of revenue from customers in the banking sector whilst costs grew notably. The cost increase is largely related to an unfortunate dispute that ended in a court case.

- Bidra AS is without profitable products and will consequently be dissolved, as announced on Brønnøysundregistrene 28 October 2024.
- Tilskuddsportalen is entering the Swedish market.
- Partnership with Portsmouth University Hospitals NHS Trust and pharmaceutical company expected to be signed in Q4.



## CEO's Comments

### Strategic Cost Reductions, Core Product Focus, and New Market Expansion to Boost Shareholder Value

Since taking over as CEO, my focus has been on reducing costs and streamlining the product portfolio to concentrate on revenue generating solutions. These are key elements in our strategy to create a sustainable business that deliver long-term value for our stakeholders, customers and employees.

In the second quarter, we delivered a number of cost reducing initiatives that directly impact the bottom line. Many of these initiatives continued in the third quarter, where we also prioritized reviewing the profitability of our product portfolio and investment areas. We have several products in our portfolio that have great potential, but that are not providing a sufficient return on investment. We will no longer allocate time or resources to such products. Moving forward, we are dedicating our time and effort on three core areas: Tilskuddsportalen, Process Management for the healthcare sector (incl. innovation management and new areas such as quality management), and the development of digital care pathways such as the severe asthma pathway being used by healthcare trusts in England.

We are going through a comprehensive change, and change takes time. Results will not be immediate, but we expect to start seeing the effect of our initiatives and efforts in the second half of 2025. This includes comprehensive measures to lower technical costs, where we expect to see a 40% reduction across the organization.

Tilskuddsportalen has an annual recurring revenue (ARR) from subscriptions totaling an estimated 11 MNOK in 2024 from a 50% market share among Norwegian municipalities. Qualitative market research shows that there is a clear need for Tilskuddsportalen in Sweden, and the response from Swedish municipalities has been incredibly positive.

We are now working hard to market Tilskuddsportalen further in Sweden, securing agreements of intent with municipalities and building a strong sales pipeline. We will use the same subscription-based business model in Sweden as in Norway and expect to have the first contracts signed in Q4.

In June, we announced a 3-party agreement of intent with Portsmouth University Hospitals NHS Trust and an international pharmaceutical company. The final approval process has been delayed by the pharmaceutical company due re-organization. With dialogue underway, we expect to have the final approval in Q4.

Through disciplined cost management, a sharp focus on core products, and strategic expansion into new markets, we will improve our performance and build a stronger, better and more sustainable business.

**Synnøve Jacobsen**  
CEO

## Induct in Brief

**In today's society, digitalisation is a crucial factor with respect to delivery capability, value creation and competitiveness. Our innovative digital platforms make knowledge sharing in teams, organizations and networks effortless – we simplify complexity and enable seamless collaboration that drive greater productivity and increase effectiveness.**

Digital transformation is about leveraging technology to deliver secure, innovative solutions that meet - and often exceed - user expectations. For companies like Induct, this journey is continuous; full digitalisation is an evolving goal rather than a final destination. Our focus is on preparing for tomorrow, every day.

Our strength lies in our deep understanding of our clients' unique needs and our commitment to developing efficient, future-ready digital solutions. By working closely with our clients, we cultivate strong partnerships that drive both immediate impact and long-term success. This dedication has led to robust client relationships.

As a trusted partner in the healthcare sector and facilitator of grant access for municipalities and the voluntary sector, we offer digital products and solutions combined with high-quality advisory services. This breadth enables us to provide holistic, turnkey solutions tailored to our clients' needs and goals. Our commitment to rigorous security and compliance standards is foundational, ensuring that our solutions meet the high stakes demands of the industries we serve.

### **Tilskuddsportalen**

Tilskuddsportalen.no is a market leader in Norway, offering a comprehensive database of grants and funding opportunities available to municipalities, NGOs, and voluntary organizations. With a >50% market share and a stable 10% growth YoY, Tilskuddsportalen provide a solid ARR foundation for the company.

### Market expansion to Sweden

Market research shows that there is a solid opportunity to replicate the success of Tilskuddsportalen.no in Sweden. By offering the same product, but with content for Swedish customers, we can enter the market quickly and estimate a rapid increase in market share.

### **Processes Management**

In Norway, ≥95% of Norwegian healthcare trusts use our innovation management product. To further support efficient and effective innovation management in the Norwegian healthcare sector, we have connected healthcare trusts in an innovation sharing network. We also provide process management solutions to other hospital departments, including research (R&D) and quality management.

### **Clinical care pathways**

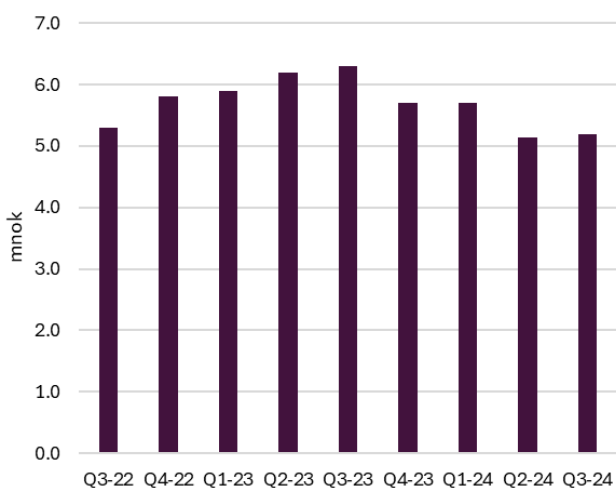
We use digital technologies to follow and support patients through their healthcare journeys. Our care pathway module for patients with severe asthma is in clinical use at Portsmouth University Hospitals NHS Trust (England).

*The Induct Group includes Induct AS and its 100% owned subsidiaries Induct Solutions UK Ltd. (UK), Induct Software Inc. (US), Induct SEA S.L (Spain), OSINT Analytics AS (Norway) and Bidra AS (Norway).*

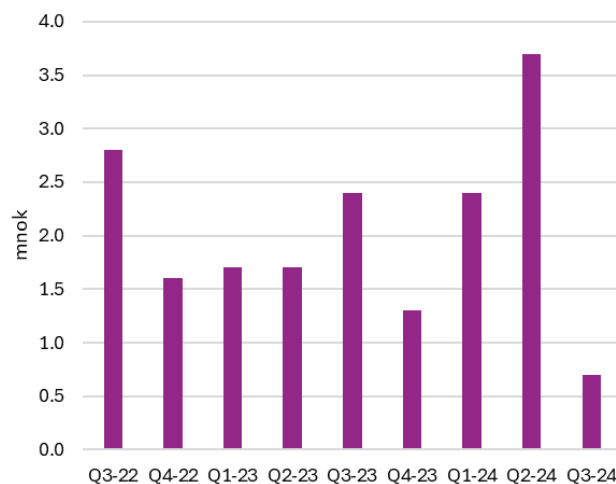
# KPI Reporting

To further align with industry standards and provide our investors and the market in general better insight into our operations, we are preparing to share selected SaaS-Key Performance Indicators (KPIs) going forward. To mark the starting point for this, we wanted to share some important KPIs for our business.

## Revenue development



## EBITDA development



## Income Statement

	Unaudited Q3 2024	Unaudited Q3 2023	Unaudited YTD Q3 2024	Unaudited YTD Q3 2023
<b>Revenues</b>				
Sales revenue – platform	4 001	5 356	13 113	15 672
Sales revenue – consulting	188	73	522	469
Research grant	988	903	2 364	2 314
<b>Total Revenues</b>	<b>5 177</b>	<b>6 332</b>	<b>16 019</b>	<b>18 454</b>
<b>Cost of sales</b>				
Cost of sales – platform	207	292	602	856
Cost of sales – consulting	165	67	221	333
<b>Total Cost of sales</b>	<b>372</b>	<b>359</b>	<b>823</b>	<b>1 189</b>
<b>Gross Margin</b>	<b>4 805</b>	<b>5 972</b>	<b>15 196</b>	<b>17 266</b>
<i>Gross Margin Platform</i>	<i>94,8%</i>	<i>94,5%</i>		
Personnel costs	2 723	2 122	6 015	7 341
Other operating costs	1 383	1 442	2 241	4 048
<b>Total Operating Costs</b>	<b>4 106</b>	<b>3 564</b>	<b>8 256</b>	<b>11 389</b>
<b>EBITDA</b>	<b>700</b>	<b>2 408</b>	<b>6 940</b>	<b>5 877</b>
Platform depreciations	2 984	2 667	8 910	7 765
Amortization of acquisitions	678	678	2 033	2 033
<b>Total Depreciations &amp; Amort.</b>	<b>3 662</b>	<b>3 345</b>	<b>10 943</b>	<b>9 798</b>
<b>Financial items</b>				
Financial income	34	55	65	114
Financial costs	453	611	2 420	1 831
<b>Total Financial items</b>	<b>- 419</b>	<b>- 556</b>	<b>- 2 354</b>	<b>- 1 717</b>
<b>Extraordinary Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit before Taxation</b>	<b>- 3 381</b>	<b>- 1 493</b>	<b>- 6 357</b>	<b>- 5 639</b>
Corporate Tax	118	33	118	33
<b>Net Profit after Taxation</b>	<b>- 3 499</b>	<b>- 1 526</b>	<b>- 6 474</b>	<b>- 5 672</b>

## Balance Sheet

	Unaudited Q3 2024	Unaudited Q3 2023	Audited FY 2023	Audited FY 2022
<b>Non-current assets</b>				
Intangible assets – platform	38 713	39 867	38 942	37 202
Goodwill acquisitions	17 101	17 344	21 210	23 988
Fixed assets	0	16	169	214
<b>Total non-current assets</b>	<b>55 814</b>	<b>57 227</b>	<b>63 021</b>	<b>63 224</b>
<b>Current assets</b>				
Receivables	4 897	3 910	6 097	7 142
Bank accounts	1 307	4 677	900	5 193
<b>Total Current assets</b>	<b>6 204</b>	<b>8 587</b>	<b>6 997</b>	<b>12 335</b>
<b>Total assets</b>	<b>62 018</b>	<b>65 814</b>	<b>67 318</b>	<b>75 559</b>
<b>Shareholders Equity and Debt</b>				
<b>Paid-in capital</b>				
Share capital	2 356	1 885	1 885	1 737
Non-registered share capital increase	-	-	-	8 365
Share premium reserve	34 903	28 614	20 881	36 008
<b>Total paid-in capital</b>	<b>37 259</b>	<b>30 499</b>	<b>22 766</b>	<b>46 110</b>
<b>Retained earnings</b>				
Uncovered loss	- 6 474	- 8 014	0	- 8 933
<b>Total retained earnings</b>	<b>- 6 474</b>	<b>- 8 014</b>	<b>0</b>	<b>- 8 933</b>
<b>Total shareholder's equity</b>	<b>30 785</b>	<b>22 666</b>	<b>22 766</b>	<b>37 177</b>
<b>Debt</b>				
Long-term debt	17 749	25 976	28 128	24 280
Short-term debt	8 297	10 346	8 996	6 574
Deferred revenues	5 188	6 825	7 428	7 528
<b>Total debt</b>	<b>31 234</b>	<b>43 328</b>	<b>44 552</b>	<b>38 382</b>
<b>Total shareholder's equity and debt</b>	<b>62 018</b>	<b>65 813</b>	<b>67 318</b>	<b>75 559</b>

## Number of shares

Number of issued shares per 30.06.2024	23 560 757
Pending rights issue 1)	187 963
Pending share issue – acquisitions 2)	331 000
Convertible loans 3)	50 000
Potential shares to be issued to OSINT shareholders 4)	1 887 820
Number of shares - fully diluted	26 017 540

1) The strike price for 187,963 options is NOK 5,5 per share.

2) Pending share issue relates to the acquisition of subsidiaries in Brazil, Spain, and India.

In addition to the 331,000 shares mentioned above, the purchase agreements include a performance based earn-out element, with a total cap of an additional 1,1 million shares based on aggressive growth performance over a 3-year period from the acquisition date. No shares are earned as of 30.06.2024.

3) Convertible loan of NOK 0,5M issued to Intelco AS with a share price floor of NOK 5 and ceiling of NOK 10.

4) Part of the purchase price for 100 % of the OSINT Analytics AS shares is to issue 1 887 820 shares to the shareholders in OSINT which chose to convert their OSINT shares to Induct shares. In addition, NOK 18 878 200 will be converted to shares in Induct when certain criteria are met.



## Financial Results

The group's platform revenue in Q3 2024 amounts to NOK 4.0, million, which is a decrease of 24.5 % compared to Q3 2023.

Consulting revenue in Q3 2024 amounted to NOK 0.2 million which is an increase of NOK 0.14 million compared to Q3 2023.

Operating costs in Q3 2024 of NOK 4.1 million, which is up from NOK 3.6 million in Q3 2023. The exchange rate between NOK and EUR has a negative impact on costs.

Financial costs are mainly interest on convertible loans.

EBITDA for Q3 2024 is NOK 0.7 million compared to NOK 2.4 million in Q3 2023. YTD EBITDA increased by NOK 1.0 million, from NOK 5.9 in Q3 2023 to NOK 6.9 million in Q3 2024.

Platform depreciations for Q3 2024 is NOK 2.9 million, compared to NOK 2.6 million in Q3 2023.

Goodwill of the acquisitions of OSINT and Bidra is amortized with NOK 0.7 in Q3 2024. The goodwill is calculated as the difference between purchase price and booked value (equity) of the companies and will be amortized over 10 years.

Net Profit before taxation in Q3 2024 is minus NOK 3.4 million compared to minus NOK 1.5 million in Q3 2023.

The booked equity is NOK 30,8 million by the end of Q3 2024, compared with NOK 22,7 million in Q3 2023.

The group's interest- bearing debt by end of Q3 2024 amounts to NOK 14,1 million, which primarily consists of convertible loans from shareholders, and regular bank loan to OSINT Analytics AS from Sparebanken 1 Østlandet.

Deferred revenue amounting to NOK 5,2 million by the end of Q3 2024, down from NOK 6,8 million in Q3 2023.

## Cash Situation and Funding

The cash situation is satisfactory for the company. However, the management and board strive to provide the most beneficial financing alternatives to its shareholders.

Oslo, 14 November 2024



**Karl-Anders Grønland**  
(sign.)  
Chairman



**Ole Jørgen Karud**  
(sign.)  
Board Member



**Jan Ragnar Herud**  
(sign.)  
Board Member



**Åge Muren**  
(sign.)  
Board Member

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