CHIP BIDCO AS
A Cegal Group company

INTERIM REPORT Q4 2020

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Q4 2020 HIGHLIGHTS

KEY FINANCIAL METRICS

Figures in NOKm	Q4 2020	LTM Q4 2020
Operating revenue	200.0	788.8
EBITDA (reported)	52.4	193.8
EBITDA (adjusted post IFRS16)*	57.2	202.8
EBITDA (adjusted pre IFRS16)*	50.0	174.2
Order backlog	2 523.5	2 523.5

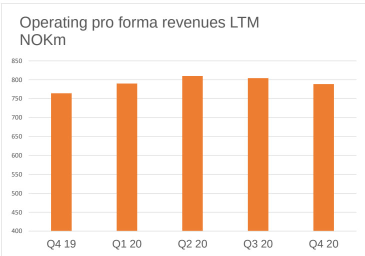
KEY CREDIT METRICS

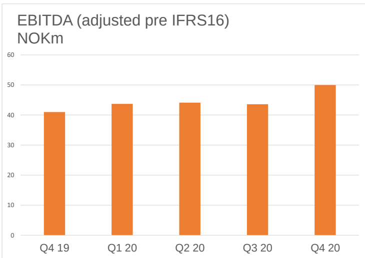
Figures in NOKm	Q4 2020	LTM Q4 2020
NIBD (post IFRS16)	1 010.4	1 010.4
NIBD (pre IFRS16)	836.4	836.4
Leverage ratio NIBD/EBITDA (adjusted post IFRS16)**		5.0
Leverage ratio NIBD/EBITDA (adjusted pre IFRS16)***		4.8

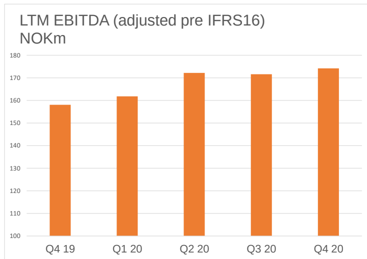
* Adjusted EBITDA for Q4 includes NOK 4.8 million in third-party advisory related to a strategy project and product development related to a large contract roll-out.

**Includes NOK 174.0 million in leasing liabilities, whereof NOK 122.6 million is long-term debt and NOK 51.4 million is short-term debt

***Pre IFRS 16 leverage ratio calculation excludes NOK 65.9 million in HW/SW leasing liabilities (non IFRS16 debt)







- Reported operating revenues in Q4 2020 were NOK 200.0 million compared to NOK 225.8 million in Q4 2019, representing a decrease of 11.4%. However, as pass-through 3rd party resale revenue in Q4 2019 amounted to NOK 10.2 million, the decline is 7.2% on a pro forma basis. Software sales were NOK 2.8 million higher in Q4 2020 than in Q4 2019, whereas the other business lines were either stagnant or slightly declining. The fundamental reason for the decline in revenues are related to impact from the ongoing COVID-19 pandemic, resulting in delayed project implementations, less new sales and less chargeability from our consulting services. 2020 revenues were NOK 788.8 million compared to pro forma revenues of NOK 764.3 million in the same period last year, representing a 3.2% increase.

- Adjusted Q4 2020 EBITDA was NOK 57.2 million compared to NOK 54.5 million in the same period last year, an increase of 5.0%. Adjusted Q4 EBITDA margin has increased from 24.1% in 2019 to 28.6% in 2020, driven by less COGS and strict cost control during the COVID-19 pandemic situation and focus on automation and cost effective deliveries. 2020 adjusted EBITDA was NOK 202.8 million compared to NOK 184.5 million in the same period last year, representing a 9.9% increase.

- Due to a negative change in working capital, dominated by delayed payments from some of the Group's most prominent clients, our cash positition decreased by NOK 35.2 million. However, by mid February 2021, we see a strong improvement in our working capital, have solid trade receivables and anticipate no material bad debts.

- The order backlog grew by NOK 48.9 million from NOK 2 474.6 million in Q3 2020 to NOK 2 523.5 million in Q4 2020 despite slightly weaker USD and EUR FX rates.

ABOUT THE GROUP

Chip Bidco, a Cegal Group company, is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business, geoscience, and data management for the energy industry.

Our employees are working from offices in Stavanger (HQ), Oslo, Trondheim, London, Aberdeen, Dubai, Houston, Calgary and Kuala Lumpur. The combination of IT and geoscience domain expertise makes us a unique IT and geoscience solutions provider to the energy industry.

We have a business model based on the delivery of scalable and recurring as a Service solution. This enables our energy customers to scale costs easily. With significant investments in our product and services portfolio over the last years, we now have a unique offering and are well positioned for the future.

SUMMARY

Q4 2020

(Figures in brackets refer to the corresponding period of 2019)

Revenues for the fourth quarter amounted to NOK 200.0 million (225.8) with SWP sales growing by NOK 2.8 million and recurring Cloud revenues growing slightly by NOK 1.3 million. Other business lines remained either stagnant or declining due to the ongoing COVID-19 pandemic. Reported EBITDA amounted to NOK 52.4 million (-2.1) for the fourth quarter of 2020 compared to same period last year. Reported EBITDA margin increased to 26.2 % (-0.9%) as a result of strict cost control combined with effects from automation and economies of scale. In addition, the change of revenue mix with less third-party revenue and more Cloud and Cloud Services revenue are contributing factors for the increased EBITDA margin. Also, it should be noted that Q4 2019 included non-recurring costs of NOK 56.6 million following the acquisition of Cegal Group, thereby causing the negative reported EBITDA.

The Group is increasing its recurring revenue base and has a solid order backlog of NOK 2.5 billion following several international contract wins last year with the Wintershall Dea/Atos contract as the most prominent one. In addition, a newly re-signed five-year global contract with Neptune Energy will give the Group extra order backlog by providing the Group's core services for GeoCloud, Cloud services, Connect@Plant, Application and Operation Management, and Digitalization.

In Q4 2020, the Group invested NOK 9.9 million (25.1) in equipment on behalf of customers and internal investments on our Cloud platform. In addition, Cegal invested NOK 5.2 million (6.7) in development of new software products and Cloud solutions.

By the end of the quarter, the number of employees were 388 (368).

BALANCE SHEET AND LIQUIDITY

Total reported assets (unaudited) as at 31 December 2020 were NOK 2 041.3 million compared to NOK 2 117.1 million as at 31 December 2019 where the decrease is primarily related to a reduction in the Group's tangible and intangible assets base following less CAPEX investments and amortization of intangible assets.

Consolidated equity as at 31 December 2020 was NOK 676.0 million compared to NOK 721.0 million as at 31 December 2019 following a reduction in the Group's retained earnings.

Cash flow from operating activities in Q4 2020 was NOK 6.8 million compared to NOK 21.3 million in Q4 2019, a reduction dominated by the negative change in net working capital of NOK 35.9 million in Q4 2020.

As at 31 December 2020, the Group had bank deposits of NOK 37.6 million. In addition, the Group had an unused credit facility of NOK 50.0 million and an available cash balance of NOK 87.6 million. This is a net change in cash of NOK -24.3 million from Q3, which is mainly due to the aforementioned negative change in working capital.

BUSINESS SEGMENTS

CLOUD

The Group's cloud-based solutions provides high performance IT systems and customized software solutions to more than 15 000 end users. We support more than 1 300 applications, and our support center offers a single point of contact for all IT related questions. We have customized our offering for the energy sector, in particular with respects to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In Q4 2020, Cloud represented 53.5 % of the Group's total revenues of which almost all is long-term recurring revenue.

SOFTWARE

The Group develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management. In addition, we offer the development of high-quality customized software solutions. In Q4 2020, software represented 16.5 % of our revenues.

CONSULTING

The Group offers highly experienced on-site consultants and expert geomodelers. We provide consulting services including seismic interpretation, electromagnetic integration, structural modeling, geomodeling, well planning, volume calculations, flow simulation, data room, drilling decisions, Tracker services and data management. The Cegal IT consultancy group provide onsite IT infrastructure services and support for both short- and long-term assignments, in addition to ad-hoc based technical work. Several of our consultants hold an offshore certificate and have experience from both domestic and international customer assignments.

In Q4 2020, consulting represented 18.5 % of our revenues.

BUSINESS CONSULTING

Business Consulting consists of multi skilled consultants, organized in teams and in individual engagements providing value-adding services to our clients. Our service areas are Operator Readiness, Business Improvement Services and Business Professionals for hire. We have core competencies within program/project management, change management, process management and enterprise architecture. We typically provide specialized advisory roles within areas such as information security management, information management, test management, information management, application management, business intelligence and data science. In Q4 2020, Business Consulting represented 6.5 % of our revenues.

3RD PARTY RESALE/OTHER SALES

In Q4 2020, 3rd party resale and other sales represented 5.0 % of our revenues.

FUTURE OUTLOOK

Even if the COVID-19 pandemic is still affecting the Group, we continue to deliver high quality services to our customers. We experience longer contract roll-outs as a result of delayed implementation projects and longer sales cycles due to limited number of in-person meetings and higher risk awareness among our customers. On the other hand, existing customers are satisfied with Cegal's services and product delivery, resulting in significant up-selling opportunities. For Q1 2021 and beyond, Cegal expects to continue its stable financial development cemented by several contract roll-outs increasing our recurring revenue base. We expect revenue growth and further improved EBITDA in 2021 compared to 2020, even if COVID-19 certainly will leave its mark on this year as well.

The oil price has increased steadily since Q3 for Brent Crude, now stabilizing around $60, and energy companies are generally maintaining activities related to production of existing fields. As the technology leader on cloud solutions in the energy sector, we offer solutions that are highly relevant to the industry, responding very well to the demands of remote support and at the same time furthering digitalization among our clients. We are also focusing on renewable energy and have a clear strategy on how to expand our services into this industry.

Our employees are still reporting high productivity and high job satisfaction through the monthly HCI (Human Capital Index) survey, working either from the office or from home, depending on local restrictions. The Group's management is cautiously reviewing the pandemic on a continous basis, implementing mitigating policies as required to ensure a safe and healthy workforce and to make sure that operations can run smoothly without disruptions.

STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today reviewed and approved the interim report for the period 1 October to 31 December 2020 of Chip Bidco AS. We believe, to the best of our knowledge, that the financial statements presented in this report, gives a fair view of the Group's financial position of assets and liabilities and the profits earned for this quarter. Furthermore, in our opinion, the Management's review gives a fair representation of the Group's activities as well as a fair description of the material risks and uncertainties which the Group is currently facing.

Sandnes, 26.02.2021

Executive Management

Svein Torgersen, Group CEO

Trym Gudmundsen, Group CFO

Board of Directors

Fredrik Gyllenhammar Raaum, Chairman of the Board

INTERIM CONSOLIDATED FINANCIAL INFORMATION

- Profit & loss
- Balance sheet
- Cash flow statement
- General Accounting principles

PROFIT & LOSS (pro forma)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Q4	**Q4**	**YTD**	**YTD**	**LTM Q4**	**LTM Q4**
Figures in NOKm	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Operating revenue	**200.0**	**225.8**	**788.8**	**810.1**	**788.8**	**810.1**
Cost of goods sold	54.9	70.9	208.2	257.1	208.2	257.1
Salaries	83.7	105.9	340.4	343.4	340.4	343.4
Other operating costs	8.9	51.2	46.5	82.8	46.5	82.8
EBITDA	**52.4**	**(2.1)**	**193.8**	**126.9**	**193.8**	**126.9**
Depreciations	23.4	21.5	90.9	83.6	90.9	83.6
Amortisations	26.6	29.3	105.3	110.1	105.3	110.1
EBIT	**2.4**	**(52.9)**	**(2.4)**	**(66.8)**	**(2.4)**	**(66.8)**
Net financial items	(21.6)	(19.2)	(78.8)	(43.6)	(78.8)	(43.6)
EBT (profit before tax)	**(19.3)**	**(72.1)**	**(81.2)**	**(110.4)**	**(81.2)**	**(110.4)**
Estimated tax	4.2	15.9	17.9	24.3	17.9	24.3
Net profit	**(15.0)**	**(56.2)**	**(63.3)**	**(86.1)**	**(63.3)**	**(86.1)**
EBITDA margin %	26.2 %	-0.9 %	24.6 %	15.7 %	24.6 %	15.7 %
EBITDA adjustments and IFRS16						
Non-recurring items	4.8	56.6	9.0	57.6	9.0	57.6
Adjusted EBITDA post IFRS16	**57.2**	**54.5**	**202.8**	**184.5**	**202.8**	**184.5**
IFRS16 lease adjustments	(7.3)	(7.1)	(28.6)	(26.9)	(28.6)	(26.9)
Adjusted EBITDA pre IFRS16	**50.0**	**47.4**	**174.2**	**157.6**	**174.2**	**157.6**
EBITDA margin % post IFRS16 (adjusted)	28.6 %	24.1 %	25.7 %	22.8 %	25.7 %	22.8 %
EBITDA margin % pre IFRS16 (adjusted)	25.0 %	21.0 %	22.1 %	19.5 %	22.1 %	19.5 %

BALANCE SHEET (reported)	Unaudited	Audited
Figures in NOKm	**31.12.2020**	**31.12.2019**
Assets		
Goodwill	992.5	976.6
Intangible assets	636.6	687.6
Tangible fixed assets	186.2	228.6
Other assets	0.4	0.5
Total non-current assets	**1 815.7**	**1 893.3**
Trade receivables	124.8	137.7
Other receivables	63.3	13.3
Bank deposits, cash and similar	37.6	72.8
Total current assets	**225.7**	**223.8**
Total assets	**2 041.4**	**2 117.1**
Equity and liabilities		
Share capital	0.1	0.1
Share premium reserve	757.1	757.1
Retained earnings	(81.2)	(36.2)
Total equity	**676.0**	**721.0**
Deferred tax	136.5	133.9
Interest-bearing long-term liabilities	874.0	867.5
Interest-bearing lease liabilities liabilities	122.6	145.0
Other long-term liabilities	9.1	0.0
Total non-current liabilities	**1 142.1**	**1 146.4**
Interest-bearing current lease liabilities	51.4	61.2
Accounts payable	46.9	51.3
Income taxes payable	1.0	1.8
VAT & social security payable	24.5	43.9
Other current liabilities	99.4	91.5
Total current liabilities	**223.2**	**249.8**
Total liabilities	**1 365.4**	**1 396.1**
Total equity and liabilities	**2 041.3**	**2 117.1**

CASH FLOW STATEMENT (reported)	Unaudited	Unaudited	Unaudited	Audited
	Q4	**Q4**	**YTD**	**YTD**
Figures in NOKm	**2020**	**2019**	**2020**	**2019**
Profit before tax	(19.3)	(72.1)	(81.2)	(36.2)
Taxes paid	(0.4)	(0.1)	-	-
Depreciations and write-downs	50.1	50.8	196.2	0.0
Interest payments to financial institutions	12.3	20.5	60.3	0.0
Change in net working capital	(35.9)	22.2	(74.5)	3.5
Net cash flow from operations	**6.8**	**21.3**	**100.8**	**(32.7)**
Acquistion of tangible assets	(9.9)	(25.1)	(39.2)	-
Acquistion of intangible assets	(5.2)	(6.7)	(21.5)	-
Other investments	0.0	105.5	0.0	105.5
Net cash flow from investment activities	**(15.1)**	**73.7**	**(60.7)**	**105.5**
Net repayment of debt to financial institutions	(3.5)	(40.8)	(14.6)	0.0
Interest payments to financial institutions	(12.3)	(20.5)	(60.3)	0.0
Other financing activities	(0.2)	(0.4)	(0.4)	0.0
Net cash flow from financing activities	**(16.0)**	**(61.7)**	**(75.3)**	**0.0**
Net change in cash and cash equivalents	**(24.3)**	**33.3**	**(35.2)**	**72.8**
Cash and cash equivalents at start of period	61.9	39.4	72.8	0.0
Cash and cash equivalents at end of period	**37.6**	**72.8**	**37.6**	**72.8**

GENERAL ACCOUNTING PRINCIPLES

The Group consists of the parent company Chip Bidco AS and its subsidiaries in Cegal Group AS. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2020 due later this year.

The financial statements have been prepared in accordance with the Norwegian Accounting Act

§ 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance January 21, 2008. The accounting principles used for this interim report are consistent with accounting principles in the Group's financial statements for 2020.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are in all material respect the same as those that applied in the annual financial statements for 2020.

The comparative figures in the profit and loss statement has been presented in notes to the financial statement indicating how the statement would have been if the acquisition of Cegal Group AS occurred on 1 January 2019. The figures have been prepared by applying the Group's accounting policies and adjusting the results to reflect additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had been applied from 1 January 2019. Further, interest expenses have been adjusted, reflecting the interest expense for the year on the Group's financing structure post transaction. The comparative figures in the balance sheet and the cash flow statements represents the figures for Cegal Group for the corresponding period and does not take into account the impact of the acquisition.

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