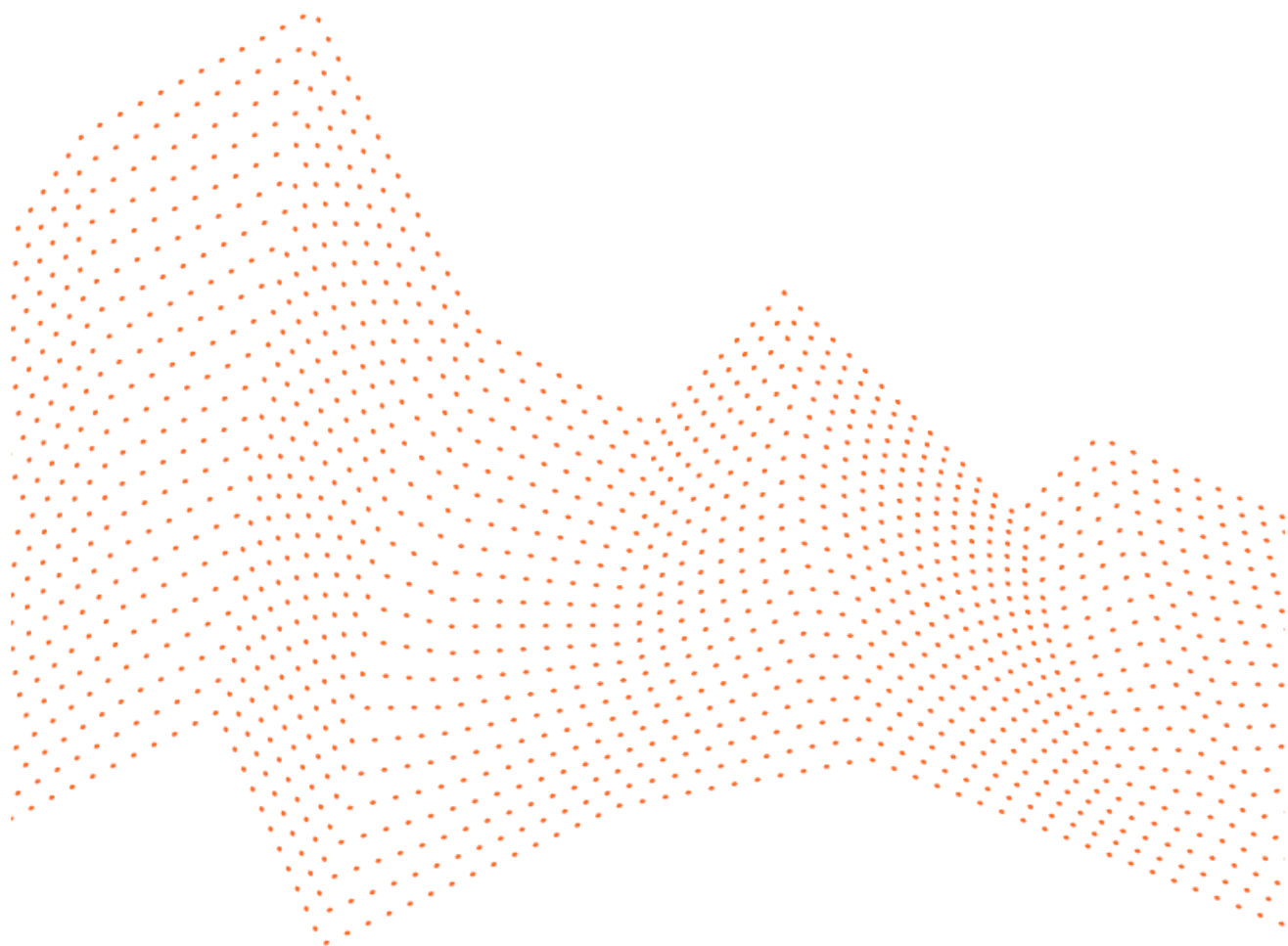


# CHIP BIDCO AS

A Cegal Group company

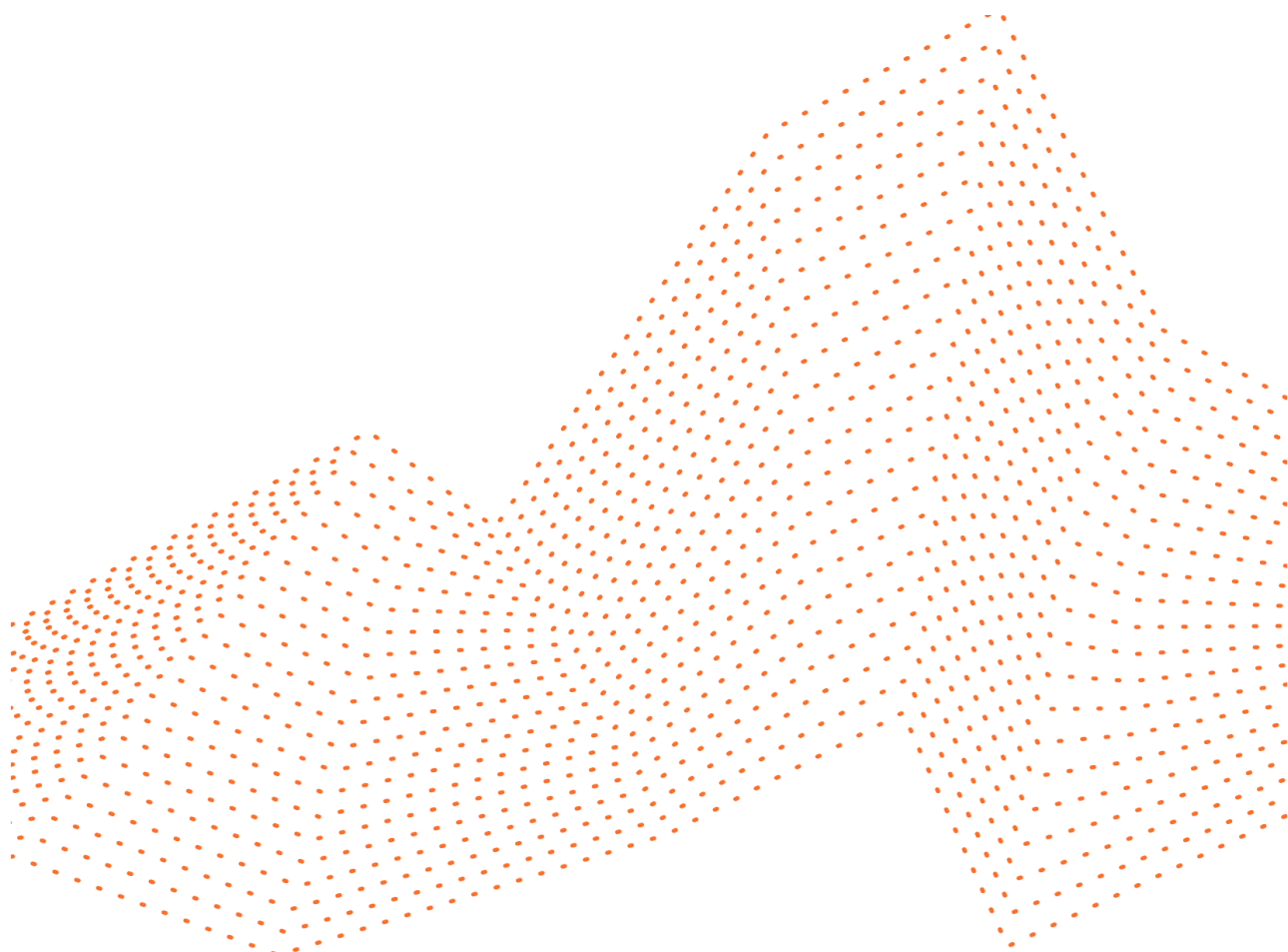
INTERIM REPORT Q1 2021



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## Q1 2021 HIGHLIGHTS

### KEY FINANCIAL METRICS

<i>Figures in NOKm</i>	Q1 2021	Q1 2020	LTM Q1 2021	LTM Q1 2020
Operating revenue	202.6	208.6	782.7	823.7
EBITDA (reported)	46.1	50.8	187.4	133.1
EBITDA (adjusted post IFRS16)*	46.1	50.8	196.5	190.7
EBITDA (adjusted pre IFRS16)*	38.6	43.9	167.6	163.4
Order backlog	2 503.3	2 535.0	2 503.3	2 535.0

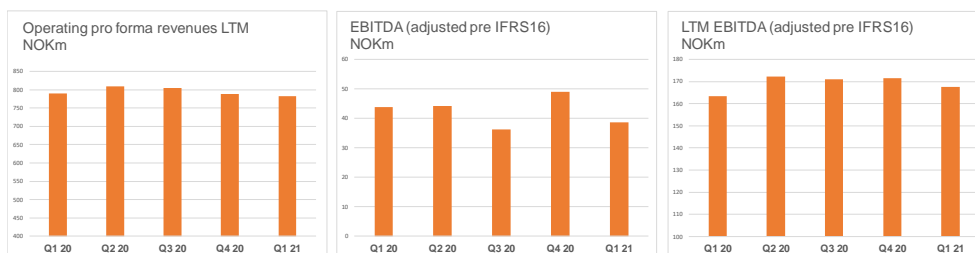
### KEY CREDIT METRICS

<i>Figures in NOKm</i>	Q1 2021	Q1 2020	LTM Q1 2021	LTM Q1 2020
NIBD (post IFRS16)	974.7	986.3	974.7	986.3
NIBD (pre IFRS16)	820.1	796.1	820.1	796.1
Leverage ratio NIBD/EBITDA (adjusted post IFRS16)**			5.0	5.2
Leverage ratio NIBD/EBITDA (adjusted pre IFRS16)***			4.9	4.9

\* Adjusted EBITDA for Q1 includes no non-recurring items.

\*\*Includes NOK 154.6 million in leasing liabilities, w hereof NOK 107.9 million is long-term debt and NOK 46.6 million is short-term debt

\*\*\*Pre IFRS 16 leverage ratio calculation excludes NOK 54.9 million in HW/SW leasing liabilities (non IFRS16 debt)



- Reported operating revenues in Q1 2021 were NOK 202.6 million compared to NOK 208.6 million in Q1 2020, representing a decrease of 2.8% which is primarily related to lower activity in Business Services and lower SWP sales, in which the latter is mainly due to lower USD to NOK rate. Cloud and 3<sup>rd</sup> party resale both have a growth of 3.8% and 23.0% compared to Q1 2020, respectively. Adjusted Q1 2021 EBITDA was NOK 46.1 million compared to NOK 50.8 million in the same period last year which is primarily related to the lower revenues as indicated. March 2020 was an extraordinary month due to support offered to clients moving to home offices.
- Due to a positive change in working capital, the Group increased its cash reserves by NOK 17.9 million this quarter.
- The order backlog has stabilized on NOK 2.5 billion in Q1 despite the weaker USD and EUR FX rates towards NOK.

### 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

### Q1 2021

(Figures in brackets refer to the corresponding period of 2020)

Revenues for the first quarter amounted to NOK 202.6 million (208.6) with recurring Cloud sales and 3<sup>rd</sup> party resale growing by NOK 4.8 million and NOK 7.0 million, respectively. Other business lines remained either stagnant or slightly declining as indicated previously. Reported EBITDA amounted to NOK 46.1 million (50.8) for the first quarter of 2021 compared to same period last year. Reported EBITDA margin in Q1 was 22.8% (24.4%) as a result of the lower revenue base and a stable cost base. In addition, the change of revenue mix with more low margin 3<sup>rd</sup> party revenue is a contributing factor for the decreased EBITDA margin compared to Q1 last year. As mentioned earlier, March 2020 was a special month due to support offered to clients moving to home offices.

The Group has a solid order backlog of NOK 2.5 billion fueled by a steady order intake on a monthly basis with several international contract wins over the last years.

In Q1 2021, the Group invested NOK 3.6 million (6.1) in IT equipment on behalf of customers and internal investments on our Cloud platform. In addition, Cegal invested NOK 6.5 million (6.6) in development of new software products and Cloud solutions as we see a growing demand for our services among our customers. By the end of the quarter, the number of FTE's were 386 (376).

### BALANCE SHEET AND LIQUIDITY

Total reported assets (unaudited) as at 31 March 2021 were NOK 1 993.8 million compared to NOK 2 194.2 million last year, 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 March 2021 was NOK 631.3 million compared to NOK 755.6 million last year following the reduction in the Group's retained earnings.

Cash flow from operating activities in Q1 2021 was NOK 50.9 million compared to NOK 27.4 million in Q1 2020, dominated by the positive change in net working capital compared to the first quarter of last year.

As at 31 March 2021, the Group had bank deposits of NOK 55.5 million. In addition, the Group had an unused credit facility of NOK 50.0 million and a subsequent available cash balance of NOK 105.5 million, an increase primarily related to the aforementioned positive 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 respect to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In Q1 2021, Cloud revenue represented 64.7 % of the Group's total revenues, of which almost all of it 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 Q1 2021, software sales represented 10.8 % of our revenues.

### BUSINESS SERVICES

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-term 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 addition, we offer the development of high-quality customized software solutions.

In Q1 2021, Business Services represented 17.8 % of our revenues.

### 3RD PARTY RESALE & OTHER SALES

In Q1 2021, 3rd party resale and other sales represented 6.7 % 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. From Q2-2021 onwards, we expect revenue growth and a further improved EBITDA in 2021 compared to 2020. This is driven by the ongoing roll-out of significant contracts won in 2019 and 2020, which experienced delayed implementation during 2020 due to Covid-19.

The oil price has now stabilized around \$65, 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 continuous 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 January to 31 March 2021 of Chip Bidco AS. We believe, to the best of our knowledge, that the financial statements presented in this report, gives a fair representation 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, 14.05.2021**

### **Executive Management**

Svein Torgersen, Group CEO

Trym Gudmundsen, Group CFO

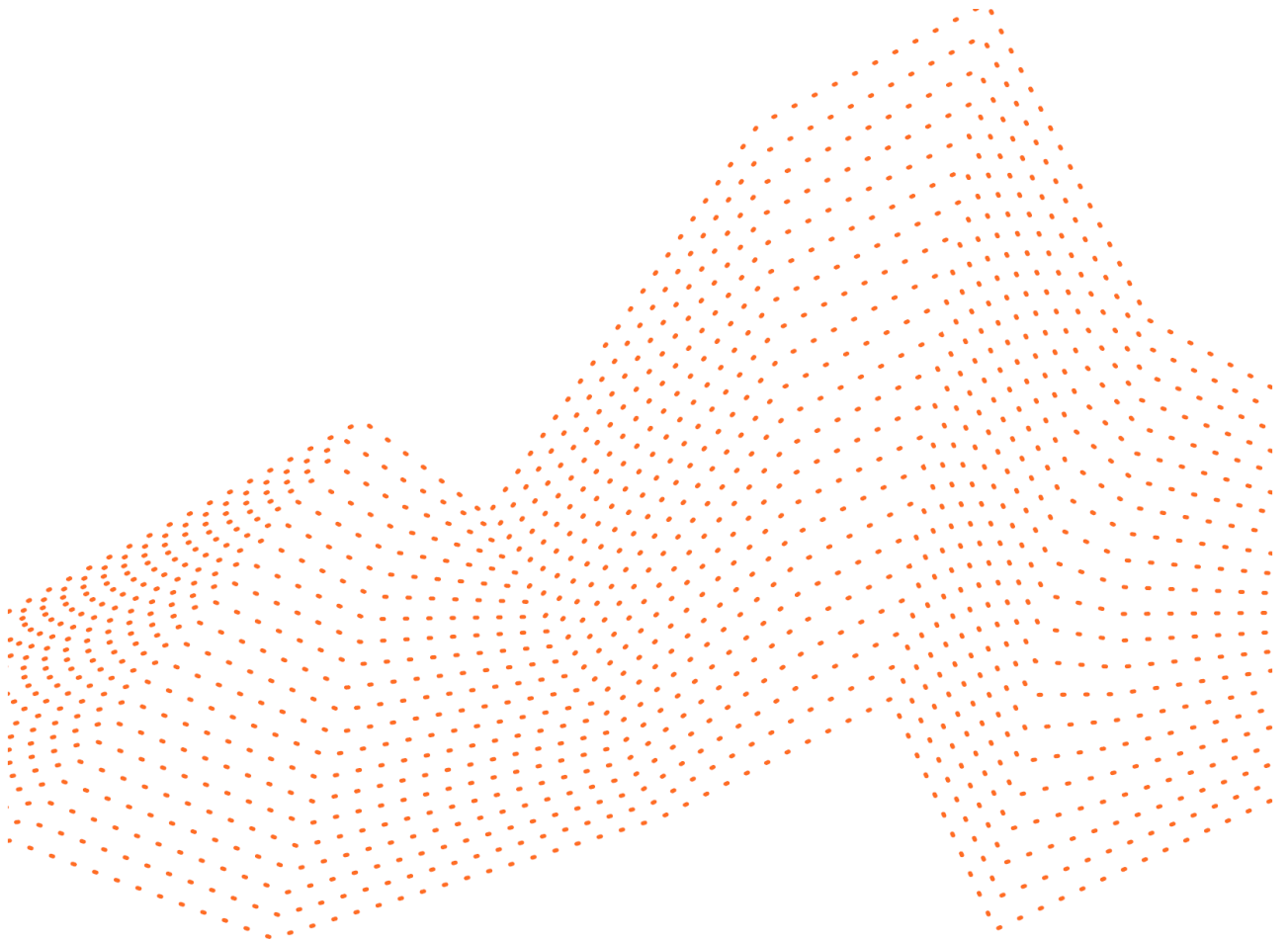
### **Board of Directors**

Fredrik Gyllenhammar Raaum, Chairman of the Board



# INTERIM CONSOLIDATED FINANCIAL INFORMATION

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



## INTERIM CONSOLIDATED FINANCIAL INFORMATION 8

PROFIT & LOSS	Unaudited Q1	Unaudited Q1	Unaudited YTD	Unaudited YTD	Unaudited LTM Q1	Unaudited LTM Q1
<i>Figures in NOKm</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Operating revenue</b>	<b>202.6</b>	<b>208.6</b>	<b>202.6</b>	<b>208.6</b>	<b>782.7</b>	<b>823.7</b>
Cost of goods sold	57.5	57.3	57.5	57.3	213.4	254.4
Salaries	84.1	84.3	84.1	84.3	336.4	348.7
Other operating costs	14.9	16.3	14.9	16.3	45.5	87.5
<b>EBITDA</b>	<b>46.1</b>	<b>50.8</b>	<b>46.1</b>	<b>50.8</b>	<b>187.4</b>	<b>133.1</b>
Depreciations	21.3	22.0	21.3	22.0	90.0	85.5
Amortisations	28.0	25.5	28.0	25.5	105.4	109.3
<b>EBIT</b>	<b>(3.3)</b>	<b>3.3</b>	<b>(3.3)</b>	<b>3.3</b>	<b>(8.0)</b>	<b>(61.7)</b>
Net financial items	(20.7)	(12.1)	(20.7)	(12.1)	(88.6)	(45.0)
<b>EBT (profit before tax)</b>	<b>(24.0)</b>	<b>(8.7)</b>	<b>(24.0)</b>	<b>(8.7)</b>	<b>(96.6)</b>	<b>(106.7)</b>
Estimated tax	5.3	1.9	5.3	1.9	21.2	23.5
<b>Net profit</b>	<b>(18.7)</b>	<b>(6.8)</b>	<b>(18.7)</b>	<b>(6.8)</b>	<b>(75.3)</b>	<b>(83.2)</b>
EBITDA margin %	22.8 %	24.4 %	22.8 %	24.4 %	23.9 %	16.2 %
<b>EBITDA adjustments and IFRS16</b>						
Non-recurring items	-	-	-	-	9.1	57.6
<b>Adjusted EBITDA post IFRS16</b>	<b>46.1</b>	<b>50.8</b>	<b>46.1</b>	<b>50.8</b>	<b>196.5</b>	<b>190.7</b>
IFRS16 lease adjustments	(7.5)	(7.0)	(7.5)	(7.0)	(28.9)	(27.3)
<b>Adjusted EBITDA pre IFRS16</b>	<b>38.6</b>	<b>43.9</b>	<b>38.6</b>	<b>43.9</b>	<b>167.6</b>	<b>163.4</b>
EBITDA margin % post IFRS16 (adjusted)	22.8 %	24.4 %	22.8 %	24.4 %	25.1 %	23.2 %
EBITDA margin % pre IFRS16 (adjusted)	19.0 %	21.0 %	19.0 %	21.0 %	21.4 %	19.8 %

## INTERIM CONSOLIDATED FINANCIAL INFORMATION 9

BALANCE SHEET (reported)	Unaudited		Unaudited	
<i>Figures in NOKm</i>	<b>31.03.2021</b>		<b>31.03.2020</b>	
<b>Assets</b>				
Goodwill	977.0		996.5	
Intangible assets	590.8		699.3	
Tangible fixed assets	166.4		225.4	
Other assets	0.3		0.4	
<b>Total non-current assets</b>	<b>1 734.6</b>		<b>1 921.6</b>	
Trade receivables	155.1		139.4	
Prepayments	26.9		10.0	
Other receivables	21.7		51.8	
Bank deposits, cash and similar	55.5		71.4	
<b>Total current assets</b>	<b>259.2</b>		<b>272.6</b>	
<b>Total assets</b>	<b>1 993.8</b>		<b>2 194.2</b>	
<b>Equity and liabilities</b>				
Share capital	0.1		0.1	
Share premium reserve	565.0		757.1	
Retained earnings	66.2		(1.6)	
<b>Total equity</b>	<b>631.3</b>		<b>755.6</b>	
Deferred tax	114.3		133.9	
Interest-bearing long-term liabilities	875.6		867.5	
Interest-bearing lease liabilities	107.9		149.3	
Other long-term liabilities	9.1		12.9	
<b>Total non-current liabilities</b>	<b>1 106.8</b>		<b>1 163.5</b>	
Interest-bearing current lease liabilities	46.7		41.0	
Accounts payable	45.1		44.6	
Income taxes payable	1.0		1.4	
VAT & social security payable	36.9		34.1	
Other current liabilities	126.0		154.1	
<b>Total current liabilities</b>	<b>255.7</b>		<b>275.2</b>	
<b>Total liabilities</b>	<b>1 362.5</b>		<b>1 438.7</b>	
<b>Total equity and liabilities</b>	<b>1 993.8</b>		<b>2 194.2</b>	
<b>CASH FLOW STATEMENT (reported)</b>				
	Unaudited	Unaudited	Unaudited	Unaudited
	<b>Q1</b>	<b>Q1</b>	<b>YTD</b>	<b>YTD</b>
<i>Figures in NOKm</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profit before tax	(24.0)	(8.7)	(24.0)	(8.7)
Taxes paid	0.0	0.0	0.0	0.0
Depreciations and write-downs	49.4	47.5	49.4	47.5
Interest payments to financial institutions	13.5	15.5	13.5	15.5
Change in net working capital	12.0	(26.8)	12.0	(26.8)
<b>Net cash flow from operations</b>	<b>50.9</b>	<b>27.4</b>	<b>50.9</b>	<b>27.4</b>
Acquisition of tangible assets	(3.6)	(6.1)	(3.6)	(6.1)
Acquisition of intangible assets	(6.5)	(6.6)	(6.5)	(6.6)
Other investments	0.0	0.0	0.0	0.0
<b>Net cash flow from investment activities</b>	<b>(10.1)</b>	<b>(12.7)</b>	<b>(10.1)</b>	<b>(12.7)</b>
Net repayment of debt to financial institutions	(9.4)	(3.0)	(9.4)	(3.0)
Interest payments to financial institutions	(13.5)	(15.5)	(13.5)	(15.5)
Other financing activities	0.0	0.0	0.0	0.0
<b>Net cash flow from financing activities</b>	<b>(22.9)</b>	<b>(18.5)</b>	<b>(22.9)</b>	<b>(18.5)</b>
<b>Net change in cash and cash equivalents</b>	<b>17.9</b>	<b>(3.8)</b>	<b>17.9</b>	<b>(3.8)</b>
Cash and cash equivalents at start of period	37.6	75.2	37.6	75.2
<b>Cash and cash equivalents at end of period</b>	<b>55.5</b>	<b>71.4</b>	<b>55.5</b>	<b>71.4</b>

## 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 which was published on 30 April 2021.

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.

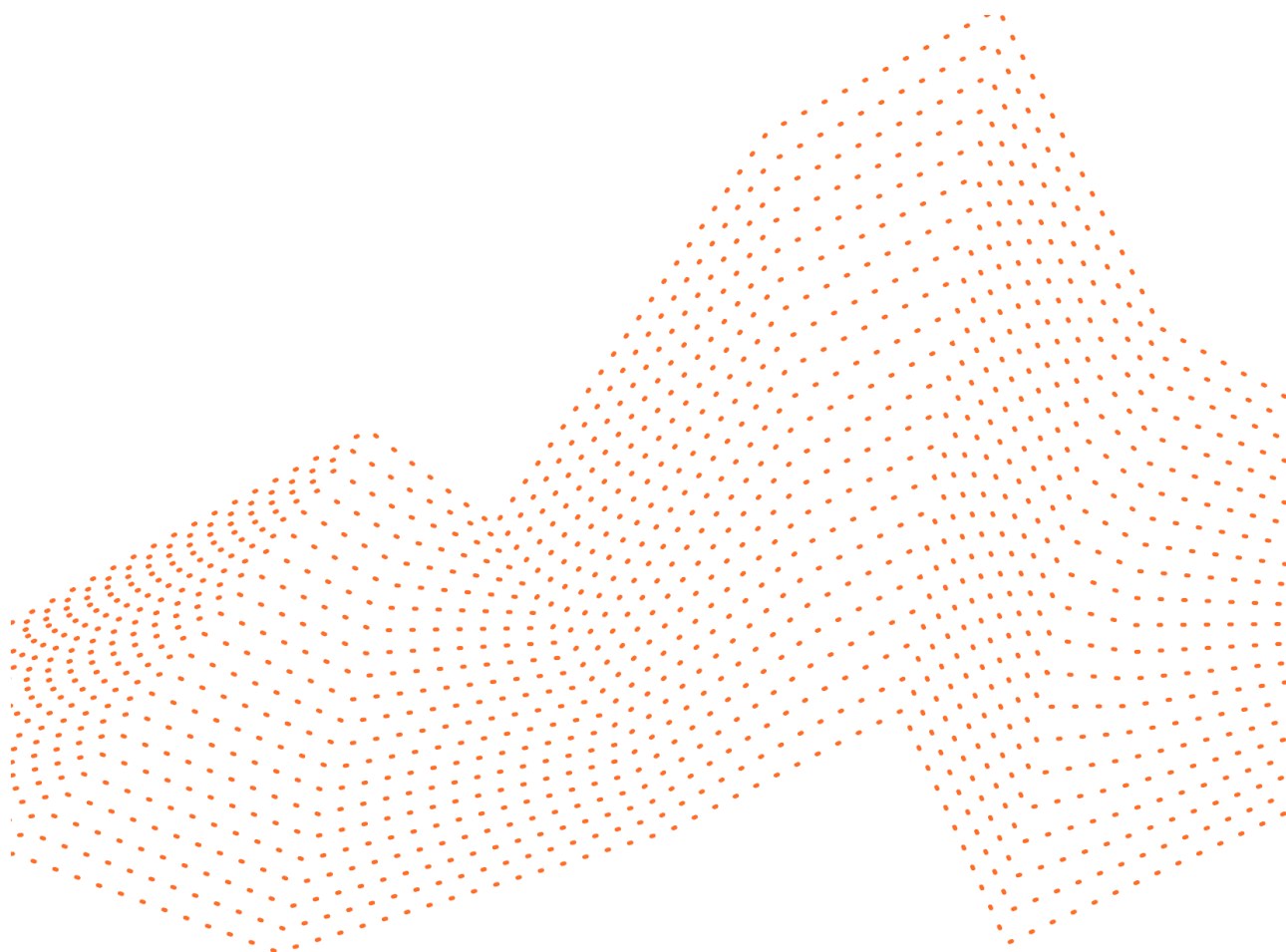
The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are in all material respect the same as those that applied in the annual financial statements for 2020.

## Chip Bidco AS

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