

CHIP BIDCO AS

A Cegal Sysco Group company

INTERIM REPORT Q4 2021

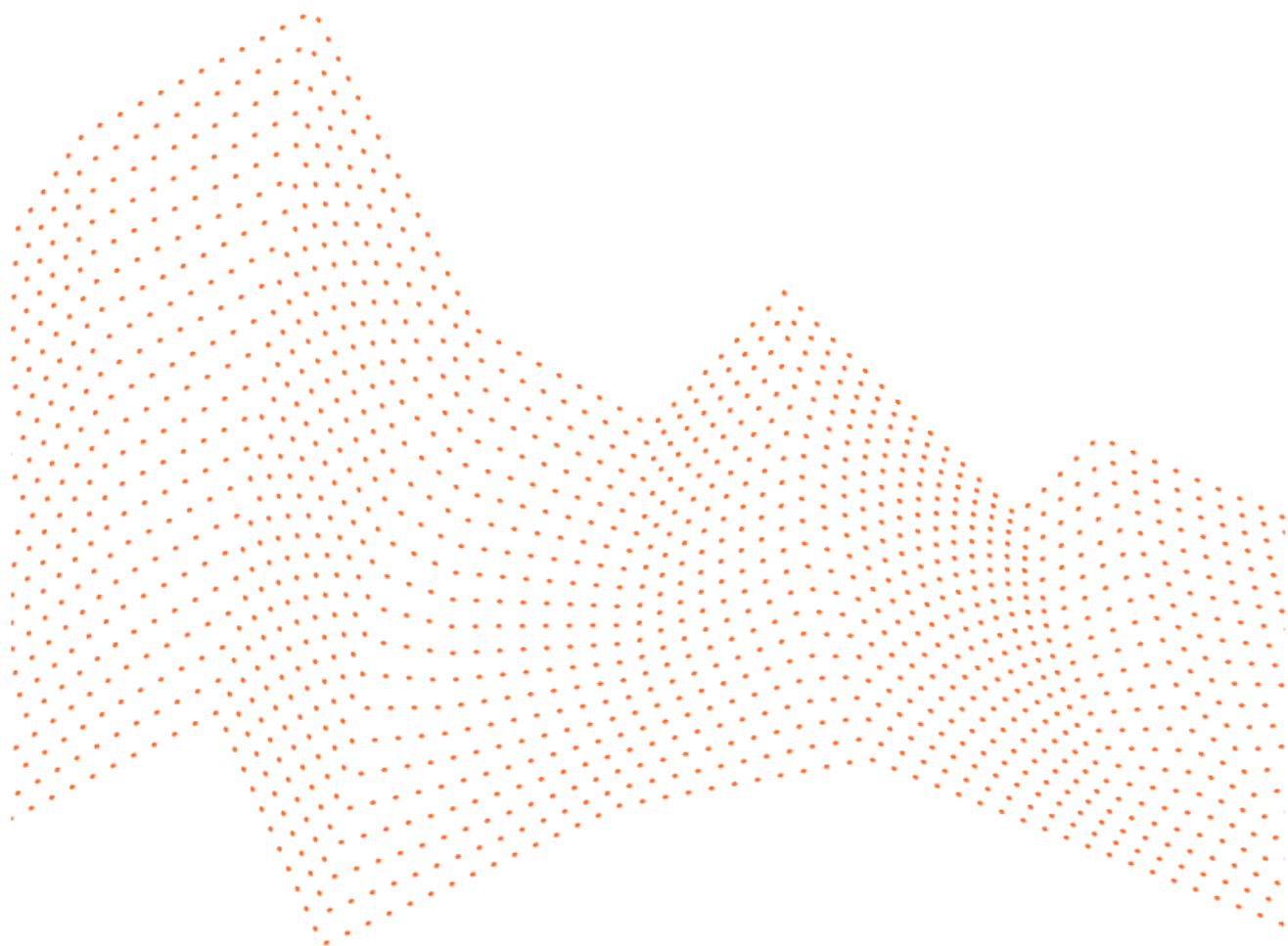
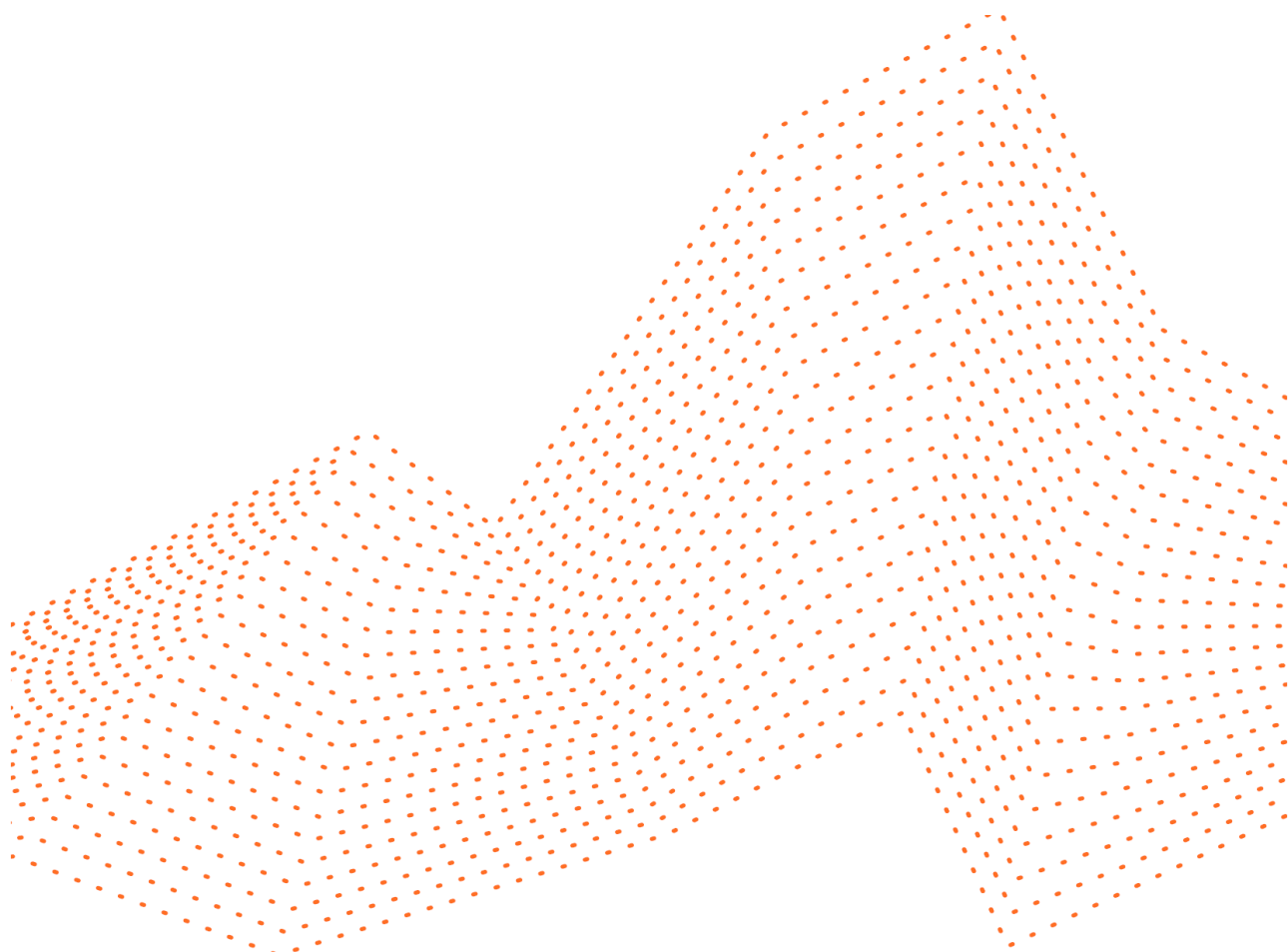


TABLE OF CONTENTS

Q4 2021 HIGHLIGHTS	1
SUMMARY OF THE QUARTER	3
INTERIM CONSOLIDATED FINANCIAL INFORMATION	5
GENERAL ACCOUNTING PRINCIPLES	10



Q4 2021 HIGHLIGHTS

KEY FINANCIAL METRICS

<i>Figures in NOKm</i>	Q4 2021	Q4 2020	LTM Q4 2021	LTM Q4 2020
Operating revenue (pro forma)	392.0	374.1	1 407.2	1 344.7
EBITDA (pro forma)	22.4	37.9	197.5	248.8
EBITDA (pro forma adjusted post IFRS16)*	75.8	75.7	293.3	303.8
EBITDA (pro forma adjusted pre IFRS16)*	68.0	67.8	256.4	266.3
Order backlog (Cegal only)	2 195.0	2 523.5	2 195.0	2 523.5

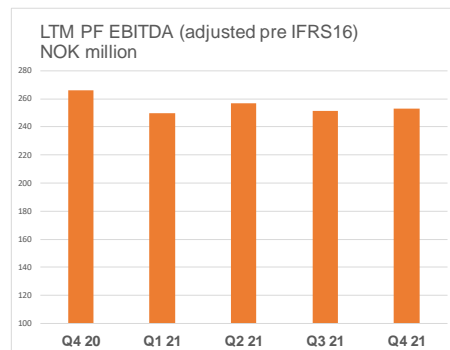
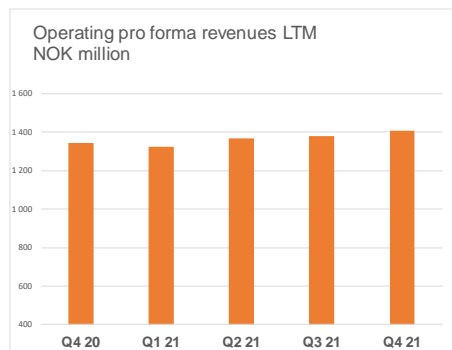
KEY CREDIT METRICS

<i>Figures in NOKm</i>	Q4 2021	Q4 2020	LTM Q4 2021	LTM Q4 2020
NIBD (post IFRS16)	1 600.5	1 034.7	1 600.5	1 034.7
NIBD (pre IFRS16)	1 492.1	929.7	1 492.1	929.7
Leverage ratio NIBD/EBITDA (adjusted post IFRS16)**			5.5	N/A
Leverage ratio NIBD/EBITDA (adjusted pre IFRS16)***			5.8	N/A

* Adjusted EBITDA for Q4 includes NOK 53.4 million in non-recurring items mainly related to transaction and integrations costs due to the merger.

** Includes NOK 150.0 million in leasing liabilities, w hereof NOK 108.4 million is IFRS16 leasing debt and NOK 41.6 million is HW/SW leasing debt

*** Includes NOK 41.6 million in HW/SW leasing debt



- Pro forma revenues¹ in Q4 2021 were NOK 392.0 million compared to NOK 374.1 million in Q4 2020, representing an increase of 4.8%. The increase in revenues was primarily driven by growth in Cloud operations that grew by 15.5% YoY. Products revenue has declined due to less 3rd party resale and new sales on Software products as well as a weaker USD rates towards NOK, whereas Consulting & Business Services revenue was fairly stable compared to Q4 2020.
- Pro forma revenues in 2021 were NOK 1 407.2 million compared to NOK 1 344.7 million in 2020, representing a 4.6% increase.
- Adjusted pro forma Q4 2021 EBITDA was NOK 75.8 million compared to NOK 75.7 million in the same period last year. The slight decrease in adjusted EBITDA margin compared to last year, is mainly related to higher net personnel costs and other operating expenses which, due to the merger, are at a temporarily higher level relative to the Group's revenues. NOK 53.4 million has been identified as non-recurring items, which is primarily related to the merger between Cegal and Sysco.
- During the quarter, Cegal Sysco successfully merged. A new organization has been launched and a new leadership team has been appointed. The company was awarded its first contract together with a Norwegian hydropower company.
- The order backlog was NOK 2.2 billion at the end of Q4 2021. The work is still in progress on establishing a full order backlog for previous Sysco orders.
- ¹ Profit and loss figures in highlights section are pro forma for Sysco, Envision and Sql Services.

ABOUT THE GROUP AND THE MERGER BETWEEN CEGAL AND SYSCO

Chip Bidco, a Cegal Sysco Group company, is a trusted global technology powerhouse specialized in the energy sector, providing hybrid cloud solutions, software and consultancy within IT, business, geoscience, and data management. The Group provides broad and deep domain competencies across the whole energy vertical, including renewables. Our employees are working from offices in Stavanger (HQ), Oslo, Trondheim, Bergen, Haugesund, London, Stockholm, Copenhagen, Aberdeen, Dubai, Houston, Calgary and Kuala Lumpur, enabling a strong geographical presence.

In August 2021, Cegal and Sysco announced that the two companies would join forces to create a leading, global tech company for the energy sector, and take a position as a powerful contributor to the green shift. Traditionally, Cegal has been an important provider of technology to the international Oil & Gas industry. The transformation of this sector and the move towards renewables is happening at a high speed, with technology and diversity as important keys. Sysco has a strong position among hydropower and grid companies. The merger enables the Group to scale for larger customers, to solve new and greater challenges, and to provide full stack deliveries to the global energy sector.

Throughout Q4 2021, the two companies have been fully merged in a very successful manner. A new organization has been launched, a new leadership team has been appointed, and a broad set of workstreams have been executed and completed - all while at the same time maintaining solid growth in the business, high employee satisfaction numbers on both sides, high employee retention and very positive feedback from customers.

Going forward, the Group's vision is to build a true nextgen tech company that enables a more sustainable future.

SUMMARY – REPORTED FIGURES

Q4 2021

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

Reported revenues for the fourth quarter of 2021 amounted to NOK 392.0 million (200.0) with recurring Cloud operations increasing by NOK 18.5 million, Consulting & Business services by NOK 132.1 million and Products by NOK 41.4 million, respectively. The revenue increase is almost in its entirety related to the merger between Cegal and Sysco for all business units. Reported EBITDA amounted to NOK 22.4 million (51.0) for the fourth quarter, in which the decrease is dominated by non-recurring items related to the transaction. Reported EBITDA margin in Q4 2021 was 5.7% (25.5%) as a result of the extraordinary non-recurring costs and the temporarily increased cost base.

The Group invested both in hired personnel and permanent employees in Q4 2021 to scale for revenue growth. Consulting & Business Services hired, trained and educated several new consultants during Q3 and Q4 2021. This combined with higher level of internal projects and post-merger integration work and lower utilization during Q4 2021 decreased the reported profitability.

Non-recurring items was NOK 31.6 million higher in Q4 2021 compared to Q4 2020 due to transaction and integration costs, as indicated previously.

Cegal has a solid order backlog of NOK 2.2 billion fueled by a steady order intake on a monthly basis. We are currently in progress of transferring all previous Sysco orders into the Group's CRM system to enable a full and combined Group overview.

The Group invested NOK 17.3 million (9.9) in tangible IT equipment on our Cloud platform in the fourth quarter. In addition, we invested NOK 3.5 million (5.2) in development of new software products and Cloud solutions as we see a growing demand for these solutions from our customers. For 2021, we invested NOK 38.0 million (39.2) in tangible IT equipment and NOK 16.1 million (21.5) in intangible assets.

By the end of the quarter, the number of FTE's were 732 (383). Including Sysco FTE's for 2020, the comparable number is 685.

BALANCE SHEET AND LIQUIDITY

Total reported assets (unaudited) as at 31 December 2021 was NOK 3 318.4 million compared to NOK 1 966.7 million last year, the increase being related to the merger and the purchase price allocation.

Consolidated equity as at 31 December 2021 was NOK 1 073.6 million compared to NOK 659.8 million last year following the purchase price allocation and the Sysco merger.

Cash flow from operating activities in Q4 2021 was NOK -10.5 million compared to NOK 17.1 million in Q4 2020, a reduction which is primarily related to the negative impact from increased net working capital compared to the same quarter last year.

As at 31 December 2021, the Group had bank deposits of NOK 76.2 million. In addition, we had an unused credit facility of NOK 23.2 million and a subsequent available cash balance of NOK 99.4 million. As a subsequent event of the merger, the Group has now got in place a new RCF facility of NOK 150.0 million in total including guarantees.

BUSINESS UNITS

CLOUD OPERATIONS

The Group's cloud-based solutions provide 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 Sysco supports all main exploration and production applications based on best practices. In Q4 2021, Cloud Operations revenue, which almost entirely is long-term recurring revenue, represented 40.5 % of the Group's total revenues.

PRODUCTS

The Group develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management as well as providing energy products and third-party resale. In Q4 2021, Products revenue represented 20.6 % of our revenues.

CONSULTING & BUSINESS SERVICES

The Group offers highly experienced on-site consultants and expert geomodelers, primarily to the energy industry. We provide consulting services including seismic interpretation, electromagnetic integration, structural modeling, geomodeling, well planning, volume calculations, flow simulation, data room, drilling decisions, tracker services, data & analytics, application and integration, project management and data management. We 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 Q4 2021, Consulting & Business Services represented 38.9 % of our revenues.

FUTURE OUTLOOK

The aftermath of Covid-19 has led to delayed contract roll-outs and longer sales cycles, and consequently delayed sales on new prospects and ramp-up of planned customer projects. Simultaneously, existing customers are satisfied with Cegal Sysco's services and product deliveries, providing up-selling opportunities. For 2022, Cegal Sysco expects to continue a stable financial development, backed by several contract roll-outs increasing our recurring revenue base. We expect revenue growth and a further improved EBITDA in 2022 compared to 2021. This is driven by the ongoing roll-out of significant contracts won from 2019 to 2021, which experienced delayed implementation due to Covid-19.

Energy companies have generally increased their activities, increasing demand for the Group's products and services. With Sysco onboard, the Group takes the position as a new global technology powerhouse in the energy sector, offering solutions that are highly relevant to the industry. Furthermore, we have strengthened our focus on renewable energy considerably and have a clear strategy on how to expand our services into this industry. We are also initiating several measures to increase margins and to reduce costs.

Our employees are reporting high job satisfaction and increased productivity through the monthly HCI (Human Capital Index) survey. Moreover, the Group's management has been able to lift most of the office restrictions relating to the pandemic, bringing the working environment closer to the pre-pandemic situation.

We have a strong belief in both increased growth opportunities and cost synergies once Cegal and Sysco have been fully integrated.

With respect to the ongoing situation in Ukraine, the Group has a very limited financial exposure. However, we are monitoring the events closely, ready to take mitigating actions if needed.

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 December 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, 28.02.2022

Executive Management

Dagfinn Ringås, Group CEO

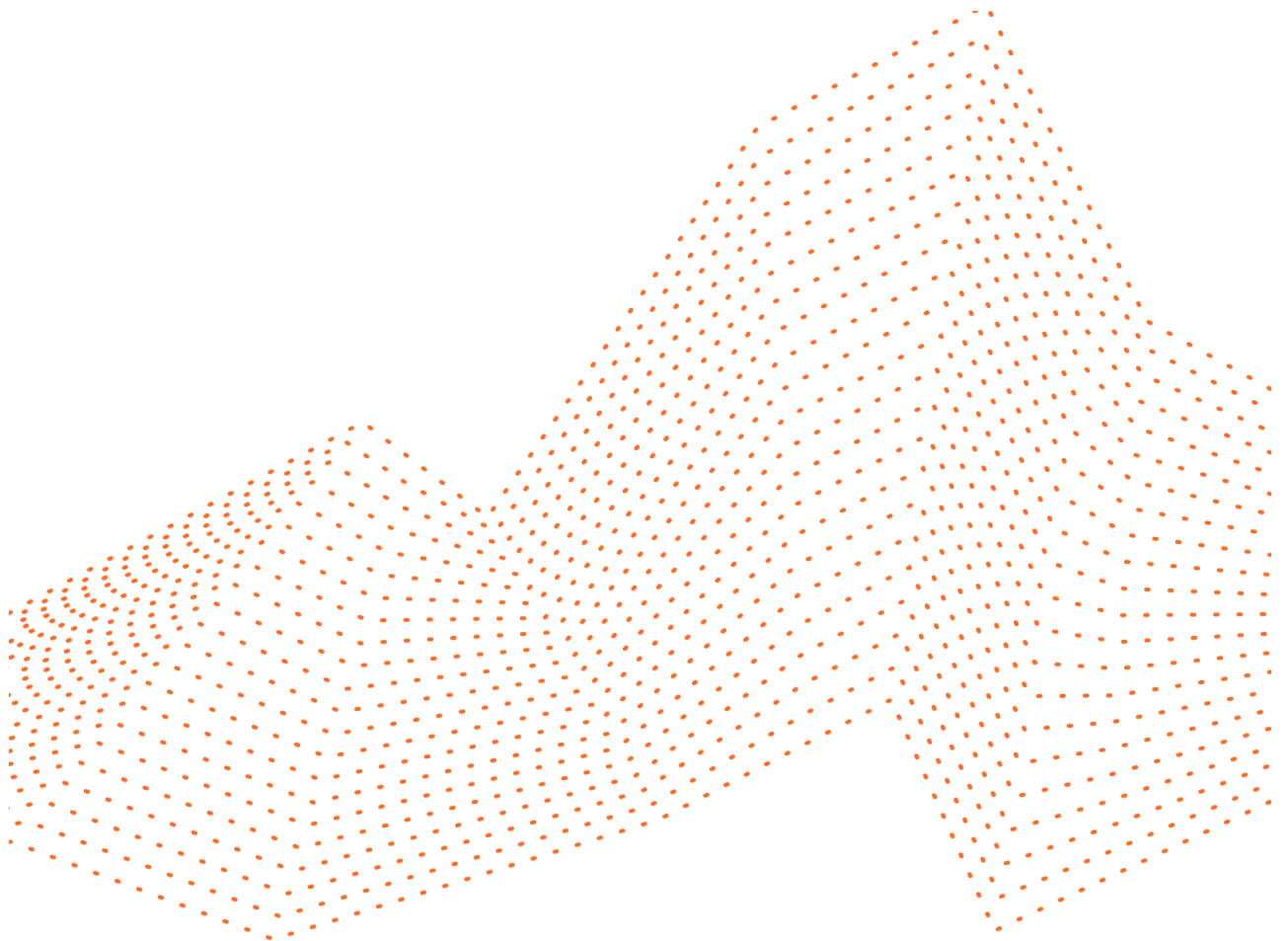
Trym Gudmundsen, Group CFO

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 Q4	Unaudited Q4	Unaudited YTD	Audited YTD	Unaudited LTM Q4	Audited LTM Q4
<i>Figures in NOKm</i>	2021	2020	2021	2020	2021	2020
Operating revenue	392.0	200.0	995.7	788.8	995.7	788.8
Cost of goods sold	124.9	54.9	287.7	208.2	287.7	208.2
Salaries	191.7	84.9	471.4	341.6	471.4	341.6
Other operating costs	53.0	9.1	93.2	46.9	93.2	46.9
EBITDA	22.4	51.0	143.4	192.1	143.4	192.1
Depreciations	20.5	23.3	82.1	90.6	82.1	90.6
Amortisations	24.7	26.0	101.6	102.9	101.6	102.9
EBIT	(22.7)	1.6	(40.3)	(1.4)	(40.3)	(1.4)
Net financial items	(33.3)	44.3	(90.3)	(80.0)	(91.6)	(80.0)
EBT (profit before tax)	(56.0)	45.9	(130.7)	(81.3)	(131.9)	(81.3)
Estimated tax	12.3	(10.1)	28.7	21.3	29.0	21.3
Net profit	(43.7)	35.8	(101.9)	(60.1)	(102.9)	(60.1)
EBITDA margin %	5.7 %	25.5 %	14.4 %	24.4 %	14.4 %	24.4 %
EBITDA adjustments and IFRS16						
Non-recurring items	53.4	21.8	76.6	26.0	76.6	26.0
Adjusted EBITDA post IFRS16	75.8	72.7	220.0	218.2	220.0	218.2
IFRS16 lease adjustments	(7.9)	(7.1)	(31.2)	(28.3)	(31.2)	(28.3)
Adjusted EBITDA pre IFRS16	68.0	65.7	188.7	189.9	188.7	189.9
EBITDA margin % post IFRS16 (adjusted)	19.3 %	36.4 %	22.1 %	27.7 %	22.1 %	27.7 %
EBITDA margin % pre IFRS16 (adjusted)	17.3 %	32.8 %	19.0 %	24.1 %	19.0 %	24.1 %

INTERIM CONSOLIDATED FINANCIAL INFORMATION 9

BALANCE SHEET (reported) <i>Figures in NOKm</i>	Unaudited 31.12.2021	Audited 31.12.2020
Assets		
Goodwill	1 771.3	976.8
Intangible assets	984.6	605.9
Tangible fixed assets	171.3	183.3
Other assets	8.8	1.1
Total non-current assets	2 935.9	1 767.1
Trade receivables	251.4	136.8
Prepayments	26.6	11.2
Other receivables	28.2	15.4
Bank deposits, cash and similar	76.2	36.3
Total current assets	382.5	199.6
Total assets	3 318.4	1 966.7

Equity and liabilities		
Share capital	0.1	0.1
Share premium reserve	715.0	757.1
Retained earnings	358.5	(97.4)
Total equity	1 073.6	659.8
Deferred tax	114.3	114.3
Interest-bearing long-term liabilities	1 470.3	874.0
Interest-bearing lease liabilities	113.1	113.2
Other long-term liabilities	13.8	0.0
Total non-current liabilities	1 711.5	1 101.4
Interest-bearing current lease liabilities	36.9	57.8
Accounts payable	99.0	30.3
Income taxes payable	12.4	0.4
VAT & social security payable	84.3	36.2
Other current liabilities	300.6	80.8
Total current liabilities	533.3	205.5
Total liabilities	2 244.8	1 306.9
Total equity and liabilities	3 318.4	1 966.7

CASH FLOW STATEMENT (reported) <i>Figures in NOKm</i>	Unaudited Q4 2021	Unaudited Q4 2020	Unaudited YTD 2021	Unaudited YTD 2020
Profit before tax	(56.0)	45.9	(130.7)	(81.3)
Group contribution	-	(66.1)	-	-
Add-back of IFRS16 operational leases	(7.9)	(7.1)	(31.2)	(28.3)
Taxes paid	-	0.0	-	0.0
Depreciations and write-downs	45.1	49.3	183.7	193.5
Interest payments to financial institutions	24.3	14.7	67.5	60.3
Change in net working capital	(16.0)	(19.8)	59.5	(11.0)
Net cash flow from operations	(10.5)	17.1	148.8	133.2
Acquisition of tangible assets	(17.3)	(9.9)	(38.0)	(39.2)
Acquisition of intangible assets	(3.5)	(5.2)	(16.1)	(21.5)
Other investment activities/issuance of capital	82.1	-	54.8	0.0
Net cash flow from investment activities	61.3	(15.1)	0.7	(60.7)
Net repayment of debt to financial institutions	(12.4)	(15.0)	(50.1)	(57.2)
Interest payments to financial institutions	(24.3)	(14.7)	(67.5)	(60.3)
Add-back of IFRS16 interest costs	2.1	2.1	8.0	8.9
Other financing activities	0.0	0.0	0.0	(0.4)
Net cash flow from financing activities	(34.6)	(27.6)	(109.6)	(109.0)
Net change in cash and cash equivalents	16.3	(25.6)	39.9	(36.5)
Cash and cash equivalents at start of period	59.9	61.9	36.3	72.8
Cash and cash equivalents at end of period	76.2	36.3	76.2	36.3

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 company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRS as adopted by the EU, and are mandatory for financial year beginning on or after 1 January 2020. 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.

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