

INTERIM REPORT Q4 2022

INDUCT AS

Highlights

- Platform revenues are up by 46,5% from NOK 12,9 million in 2021 to NOK 18,9 million in 2022. Platform revenues increased by 13,6 % from Q4 2021 to Q4 2022, from NOK 4,4 million to NOK 5,0 million.
- A stable and high gross margin on platform revenues at 93,7 % in Q4 2022.
- Total revenues increased by 12,7 % from Q4 2021 to Q4 2022, from NOK 5,2 million to NOK 5,8 million.
- EBITDA of NOK 9,7 million in 2022, compared to NOK 5,4 million in 2021. Positive EBITDA of NOK 1,6 million in Q4 2022 compared to NOK 3,1 million in Q4 2021.
- Ad revenues generated from 86 countries in Q4 2022.
- Grantway had more than 140 000 funding opportunities available across 186 countries on December 31st, 2022.

CEO Comment



We continue delivering strong results and are delighted that platform revenues in 2022 have grown to NOK 18,9 million, and that our plan for sustainable growth is on track. Our EBITDA result of NOK 10 million show that we have a strong and healthy underlying business.

In Q4, we worked on enabling Grantway to give users access to all funding opportunities without having to register as a user. This work continued into Q1 2023, and the new version was launched on 9th February 2023. We expected to see solid growth in the number of visitors after the launch, but we did not expect to have had more than 60,000 visitors from 9th February to 14th February. With more than 150.000 funding opportunities available across 186 countries, Grantway clearly covers a need in the market. Please note that these numbers are from Q1 2023 and are not included in the accounts of Q4 2022. We are very pleased that the numbers so far confirm our growth strategy.

Ad revenues can vary from quarter to quarter within a country, and we continue growing our Ad revenues alongside our induct.net user base. Global eCPM increased to NOK 13,10 in Q4, with a variance of NOK 1,72 - NOK 38,26 from lowest to highest paid market. The global eCPM is expected to grow as our offerings mature and our user base grows.

Bidra AS was incorporated into the Induct structure in Q4 and early 2023. We anticipate good synergies between our offerings and anticipate an increase in revenues from both subscriptions and transactions going forward.

Google Analytics no longer report on unique users due to the difficulty in measuring this metric correctly. According to Google's own definition, the 'user' metric includes both new and returning users. Our KPI going forward will be 'visitors', not 'unique users'.

Alf Martin Johansen
CEO

Operational Review

Our core day-to-day operations are stable, and we maintain a strong >93% gross margin on our platform revenues.

From a product development and growth perspective, in Q4 we have optimized functionality on the global search portal for funding – Grantway, significantly updated all workrooms on the platform, launched new sign up and log in pages and implemented a unified brand approach on the platform.

As highlighted in our section “Induct Group offering”, our platform framework allows us to combine product and service offerings to users. When designing and developing the new workrooms, we combined our @HOME and @WORK workroom with products from the collaboration toolbox – chat and tasks. This means that these tools are an integrated part of our workrooms, allowing team members to benefit from a dedicated team chat without having to open new pages or connect a new app. The natural next step is to integrate a dedicated video meeting room in workrooms – further simplifying and enhancing team collaboration.

In addition to integrating workrooms with chat and tasks, we also made several other big improvements to workrooms. This includes a new menu structure to simplify navigation, optimized ad section to ensure the best ad viewability, a new discussion section where users have the same functionality that they are used to from LinkedIn and Facebook, easy access to the team list and the ability to initiate a

1-2-1 chat with any team member at any time, and new task section that provides better control and oversight of activities.

Our offerings span several segments and topics, and it is crucial that users understand that an Induct account gives them access to a wide variety of products and services (similar to that of a Schibsted account or Google account). We are always looking for areas where we can create this awareness. In Q4 we completed a full re-design of our log in and sign-up pages, giving users a simple preview of the opportunities an Induct account offers through a product carousel.

During Q4 we carried out a penetration test of the platform and implemented additional measures to maintain our high security levels.

The acquisition of Bidra AS was also completed during the quarter and work began on realizing identified and potential synergies from the acquisition, both from an operational and growth perspective.

In Q4, we signed 19 new subscription agreements and lost 8.



Synnøve Jacobsen
COO

Induct Group offering

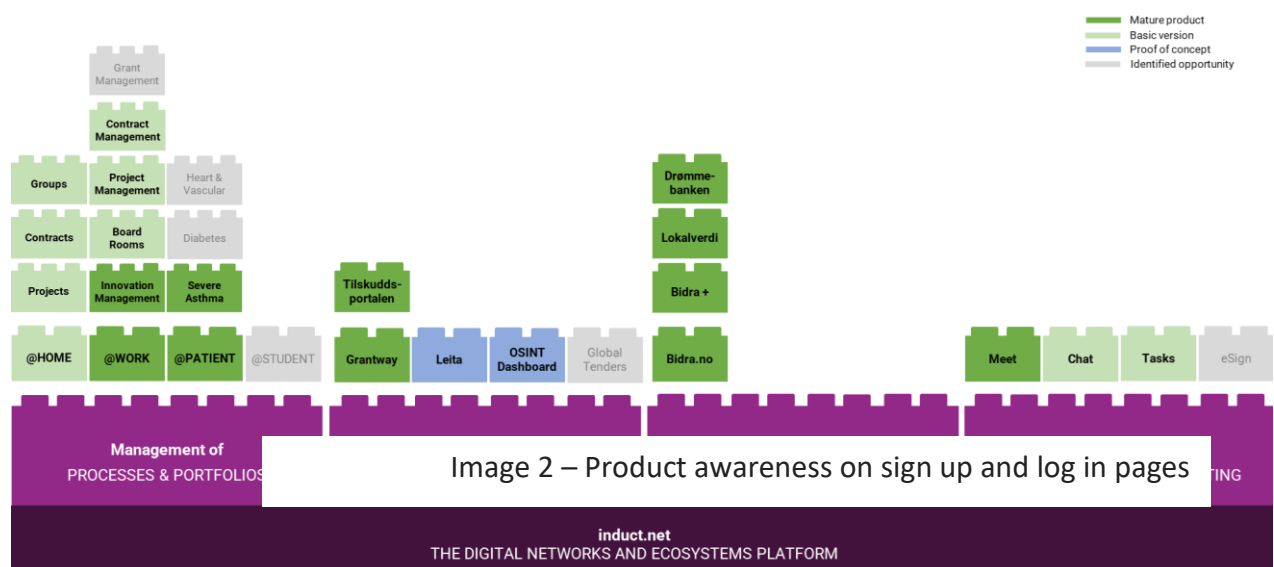
The Induct Groups offerings are divided into four (4) segments, each containing products and services.

As illustrated below, our products and services are built on the induct.net platform. This gives us the flexibility to offer them as standalone products or services, or as part of tailored package offerings based on customer needs.

To exemplify, the @Patient module for Severe Asthma can be combined with our video meeting service MEET, allowing clinical staff to connect and collaborate effectively and efficiently regardless of physical location.

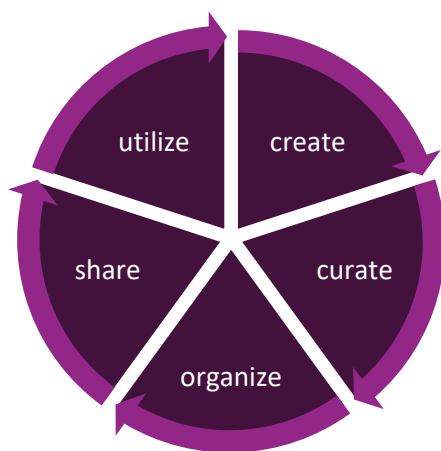
The same module can also have access to Leita, thereby giving staff access to relevant research articles and data.

Our building block approach to technology is a future ready growth approach that gives us a great amount of flexibility, but more importantly, it offers a development framework that significantly reduces our time to market and allows us to present new products and services to an existing customer base.



Management of Processes & Portfolios

Process and portfolio management is the interdisciplinary process of creating, using, sharing, and maintaining information and knowledge. At its core, it is about making the best use of knowledge to achieve desired goals and objectives.



The Knowledge Management Cycle

With process and portfolio management, our goal is to support organizations and individuals in managing and leveraging knowledge. To do this, we help our customers create the digital structures they need to manage their data and information effectively and efficiently.

Our process and portfolio management offerings include @WORK for organizations, @HOME for private individuals, @PATIENT for healthcare organization, and ecosystems and networks for collaborating organizations and individuals.

@WORK

Our @WORK solution is for organizations and businesses who want an easy to use, digital platform for managing, organizing, and collaborating on their work – internally and in partnership with others.

@WORK support organizations need for governance by providing dedicated governance rooms for everything from managing internal operations and administration, to policies, general meetings, and investor relations. Governance rooms are access controlled workrooms that offer team chats, task management and unlimited document storage.

@WORK also support organizations in managing portfolios of work, like internal projects or product development, in dedicated workspaces. Workspaces are access controlled and can consist of an unlimited number of workrooms for projects, contracts, and discussion groups. Each workroom offers team chats, task management, portfolio categorization and unlimited document storage. @WORK can be used in combination with our collaborative tools, including video meetings and direct messaging.

@WORK market focus

For @WORK, we are currently working on increasing our market share among Small and Medium Enterprises (SMEs) and Not-for-Profit and Volunteer organizations.

@HOME

Our @HOME solution is there to help individuals organize their personal life and activities.

@HOME can be used to manage build and home renovation projects, managing spare time activities for the whole family, planning family holidays, and managing all important paperwork, including insurances, wills and testaments, and cohabitation contracts.

@HOME is available for all registered users and can be turned on or off as desired. Users of @HOME can create as many workrooms as they need to manage their projects, agreements and contracts, and collaborate in groups.

Each workroom offers team chats, task management, categorization, and unlimited document storage. @HOME can be used in combination with our collaborative tools, including video meetings and direct messaging.

@HOME market focus

For @HOME, we are working on increasing our market share among independent contractors, freelancers, and existing users.

@PATIENT

Our @PATIENT solution is for healthcare organizations who are looking for an easier way to manage patients in a clinical pathway. The solution is built on the concept that an individual should have one digital patient record.

NHS England – Severe Asthma pathway

In the UK, around 200,000 people have severe asthma, and the disease causes over 500 deaths per year. It is estimated that it costs between 582 and 825 million GBP annually to treat this patient group (NHS report).

The Severe Asthma Service at Portsmouth Hospitals University NHS Trust is a specialist centre for severe asthma in the region. They act as the hub in a network of hospitals and manage and treat patients from all hospitals in the network.

Together with the Severe Asthma Service, we are creating a pathway module for managing severe and chronically ill patients through treatment in a clinical pathway. Clinical pathways are best practices to be followed in the treatment of a patient with a particular condition or needs. The intent is to improve treatment outcomes, reduce time spent on treatment, reduce cost, and collect anonymized data for research purposes.

As part of the pathway structure, we are creating a “one patient – one record” patient management system. This gives clinical staff instant access to the patient record, regardless of which hospital the patient belongs to.

In November 2021, we published the first version of the severe asthma care pathway module for clinical, research and administrative staff members at Portsmouth Hospitals University NHS Trust. In phase two we are making the care pathway available to clinical, research and administrative staff members at four other hospitals + related health care services.

In phase three we will be looking at expanding the care pathway to other severe asthma networks in NHS England, in addition to involving and engaging severe asthma patients in the care pathway.

We have built the care pathway structure in a flexible and secure framework that allows us to both expand into other care pathways, e.g. diabetes and COPD, and geographic locations e.g. Norway.

@PATIENT market focus

For @PATIENT, our focus is on growing our market share within the NHS.

Eco-systems and networks

The induct.net platform facilitates work and collaboration in both networks and ecosystems. A question many ask is whether networks and ecosystems are the same, and if not, how they differ. Our approach is that they are indeed different, and we cater for these differences in the solutions we offer. Networks are usually based on mutually binding contracts or contractual frameworks, whilst ecosystems are driven by a mutual purpose, and include actions or development that cannot be 100% defined in the beginning.

Healthcare Innovation Network

Our Idea and Innovation Management solution has been on the market since 2009 and is used by both public and private sector organizations, including Equinor, NorgesGruppen, Hewlett Packard, the Norwegian Tax Administration, international healthcare providers and more than 90% of Norwegian healthcare trust.

Thousands of ideas are sent through our solutions and many end up being important and impactful innovations.

One of these ideas came from a nurse at a Danish university hospital. Based on her experience and field of expertise, she shared her idea of attaching oxygen tubes to pacifiers. A simple, yet brilliant, idea that makes it easier and much safer to administer the right levels of oxygen to newborns, infants, and toddlers.

There are countless examples of good ideas that have been developed into powerful products, services, and improvements in the healthcare sector.



The Oxygen Soother

The challenge has been to share these innovations with other healthcare trusts and maximizing the benefit from each innovation. Too often, we see that different trusts spend money on solving the same challenge or developing the same product or service.

In Norway, we have connected the Idea and Innovation Management solutions used by healthcare trusts in a sharing network. In the network, healthcare trusts share: (a) ideas that they are working on – so that everyone can see what is happening in other hospitals, (b) ideas that they have stopped working on – so that others can learn from the work done and (c) implemented innovations – so that others easily can adopt and adjust a project to fit their needs and implement the innovation much faster than if they had to start from scratch.

National SME Ecosystem

SMB Norge is an interest organisation for SMEs in Norway that focusses on safeguarding the interests and business conditions of smaller companies. The organisation has 5000 members and is building an ecosystem for all SMEs in Norway - the National SME Ecosystem.

The vision is to create a 'powerhouse' for SMEs, where they have access to a marketplace for products and services, insight into political projects and processes driven by SMB Norge, access to relevant courses and training in an SME Academy, membership benefits and the ability to join purchasing power projects and much more.

The first version of the ecosystem is already up and running. In the first version, SMEs are given the opportunity to get access to, and use, a version of Inducts @WORK solution that has been tailored to the needs of SME. It includes templates, guides, tips, and other information relevant to starting and running a successful business.

All SMEs are connected to the ecosystem, where they have access to shared templates on everything from employee management to HSE documents and digital marketing.

Search for Information & Knowledge

This market segment is about finding the information you need amongst trillions of sources. With movements like Open Access, more and more information is made available online. However, the challenge faced is still the same. How to find the information and data we need or want, when it is scattered around the web in thousands of different databases and websites.

With our information and knowledge search portals, our goal is to find, analyze, structure and present data in a way that enable organizations and individuals to find value in it. Our offerings include Grantway – a global search portal for funding opportunities, and Leita – an open access search engine for scientific research and articles.

Grantway

Grantway is a global portal for funding opportunities that give people, students, scientists and researchers, organizations, charities, voluntary organizations – basically everyone, the ability to search for, find, discuss, and apply for grants and funding that is available to them – locally, nationally, and internationally.

With Grantway, our goal is not only to become the preferred portal for finding and applying for funding opportunities. It is also where we want grant and funding providers to publish their funding opportunities, receive and assess applications, and do the necessary follow-up of successful applicants.

Grantway is developed and launched in phases, both in terms of geographical reach and the types of funding it includes.

Phase 1 – Grantway England

There are more than 900.000 voluntary organizations in England and our goal is to recruit 1,5 million users from these organizations who each spend at least 20 minutes in Grantway per month. With an estimated RPM of 25NOK, this level of user activity would generate 1,4 MNOK in revenues per month.

Launched: 1st March 2022.

Phase 2 – Grantway Global

Users from all over the world should be able to access and benefit from Grantway. The portal must be built and structured in a way that allow us to collect and present funding opportunity from every country in the world.

It should be possible for anyone, anywhere in the world, to access Grantway, from any device including smart phones, and search for funding opportunities that are available to them locally, nationally and internationally. Where the first version primarily contained grant opportunities, the global version should make it possible to search for and find relevant scholarships, fellowships, sponsorships and loans.

Launched: 29th June 2022.

Marketing Campaign – Grantway USA

There are more than 1.560.000 voluntary organizations in the US and our goal is to recruit 3 million users from these organizations who each spend at least 20 minutes in Grantway per month.

With an estimated RPM of 35NOK, this level of user activity would generate 4,1 MNOK in revenues per month.

Launched: Q3 2022.

Marketing Campaign – Grantway Spain

More than 5 million people are involved some form of charity/voluntary work in Spain. Our goal is to recruit 1 million of these users and that they will spend at least 20 minutes in Grantway per month. With an estimated RPM of 15NOK, this level of user activity would generate 600,000 NOK in revenues per month.

Launched: Q3 2022.

Next steps

To get Grantway set-up and ready for launch in a new country is estimated to +/- 60 days. Following the launch of Grantway in the US, we will be looking to expand the portal into other English-speaking countries such Canada, the rest of the UK, Ireland, Australia, and New Zealand – in addition to looking at opportunities in countries like Germany and France.

We will continue adding new funding to the portal, including scholarships and research grants, and develop the functionality that enables organizations to enter and manage their funding opportunities in the portal.

Leita – the open access search engine

The “Open Access” initiative has led to rapid growth in available research articles. Not only are articles open for free download and use, but the data related to the research are also free.

However, the same challenge persists.

It is challenging to find the most relevant research information when articles and datasets are scattered around the web in thousands of different databases.

Based on our extensive expertise in data mining and preparing data for further usage, we are developing a state-of-the-art search facility capable of returning results from an unlimited number of sources, including PubMed, Unpaywall, Researchgate, and Doaj, to name a few.

Our goal is to become a comprehensive and trusted search engine provider of open access information, knowledge and data – for people, students, researchers, and librarians – basically everyone who is interested in, or in need of, research articles and data.

Currently, LEITA covers more than 20,000 databases containing published articles and datasets from publicly funded research. The POC (proof of concept) is being tested by researcher and librarians.

Marketplace for Funding, Products & Services

This market segment is where we create a marketplace where customers can find and access the funds, products and / or services they need, when they need it.

In Norway, Sparebanker and Sparebank foundations donate NOK 285.000 every hour, every day, every year. Bidra AS was the first company to develop and launch a comprehensive digital solution that combines donations with donation reinforcement, crowdfunding capabilities and CRM functionality.

The acquisition of Bidra AS in 2022 represents the beginning of this market segment for the Induct Group. Bidra offer bespoke technology for crowdfunding in Norway and provide technology for crowdfunding as a subscription-based platform-as-a-service. Customers include Eika, Cultura Bank, and the Salvation Army.

Bidra.no is also an independent platform for donations and reward-based crowdfunding.

Toolbox for Collaboration & Connections

Recent years have shown us that we need to develop new and different ways of working. The induct.net platform is an example of how we can leverage technology to create new digital ways of working, alone and together with others. With our selection of tools for connecting and collaborating, we are looking to remove unnecessary barriers for digital work. Our toolbox, which will continue to grow, currently consists of Meet@Induct – our video meeting solution and Chat@induct – our direct messaging solution for individuals and groups.

Meet@Induct

Meet is our video meeting solution that makes it easier to meet and connect with colleagues and partners, friends, and family.



Meet is free to use, for organizations and individuals alike, and comes without annoying limitations.

You can create as many video meeting rooms as you want, invite as many people as you need to your meetings, and meet for as long as it takes.

Those you invite to a Meet do not need to download anything or go through user registration. All they need to do is click on the meeting link you sent them.

Meet is available from all devices – on meet.induct.net – which means that creating or joining a video meeting has never been easier.

Chat@Induct

Chat is our direct messaging solution that makes it easier to stay in touch and have good conversations with colleagues, partners, friends, and family.

Chat is free to use, for organizations and individuals alike.

You can create one-to-one conversations or group chats for when you need to communicate with a larger number of people, like your project team or your family.

Chat is available from all devices – on chat.induct.net – which means that you'll have access to your chats at all times.

eSign@Induct (coming)

In December 2021, Induct entered into a partnership agreement with Scrive, the eSign experts used by companies like Avis, Volvo, DNB and Moderna.

Together with Scrive, we will be giving our customers the opportunity to sign documents and contracts electronically through the induct.net platform. Our eSign service is subject to a small transaction fee.

Revenue Models

Platform revenues

Platform revenues consist of these 3 main revenue streams:

- subscriptions
- advertisement
- transaction fees

Subscription

Subscription revenues are split between (1) annual upfront payments and (2) quarterly upfront payments.

Our main sources of subscriptions are today related to the Idea and Innovation Management and Tilskuddsportalen offerings.

Advertisement

An ad-based business model has 3 key revenue drivers, (1) number of visits, (2) number of ad impressions and (3) revenue per thousand ad impressions (eCPM).

Increasing the number of visits and maximizing the time each user spend on the platform per month, impacts the total number of ad impressions. It should also be noted that ads are shown to non-registered users as they participate in e.g., video meetings or browse Grantway on the Induct platform.

Example:

If a Grantway users spend 1 hour a month on the platform, rather than 20 minutes, the revenues generated will triple per user per month.

eCPM is the amount advertisers are willing to pay for their ads to be shown to users on the Induct platform. The eCPM is different from country to country. In some countries, like the US and most European countries, digital marketing is a mature business model and part of day-to-day business activities. In other countries, like Nepal, the use of digital marketing is not as mature.

We receive ads directly from Google's AdExchange, and we have experienced with selling ad campaigns directly to advertisers to maximize the eCPM.

Through our AdExchange account, we can place advertisement on third party websites and mobile aps in return for a cut of the ad revenues generated by the third party.

Transaction fees

Transaction fees are revenues generated by transactions carried out on the platform. Bidra has transaction revenues as a percentage of the raised amounts on the projects at the platform. The eSign offering is another example of this type of revenue.

Professional services

Professional services consist of:

- implementation projects
- training

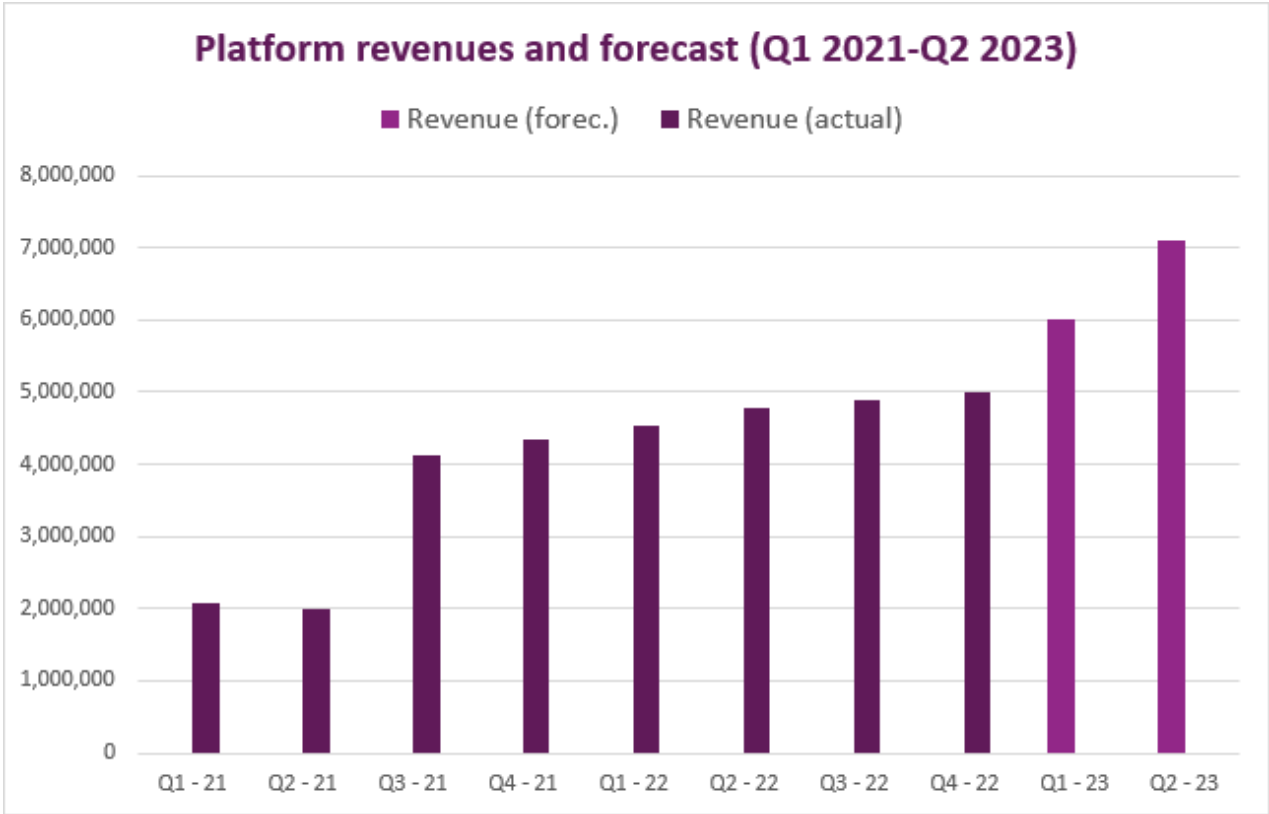
These revenues are generated by the implementation and training services we offer customers and users.

During Q4 Induct tested different types of marketing activities. These activities did result in some user traction, but they did not give us the growth we expected in the user base and revenue increase.

Based on the learnings from Q4, Induct opened up Grantway on the 9th February

and within 5 days of the launch, more than 60,000 users visited Grantway.

During Q1, Induct expect the number of users to grow significantly and are now monitoring and tuning the ad revenue settings in AdExchange.



About Induct

Our history

Induct AS was established in 2007 and was a first mover in the development of software as a service (SaaS) solution for managing innovation efforts in, and between, organizations. Our software has enabled more than 350 organizations world-wide to release the potential that lie in identifying new and good ideas through innovation engagement and realizing the benefits of turning good ideas into new ways of thinking, acting, organizing, and working.

Our Idea and Innovation Management solution has been on the market since 2009 and is used by organizations like Equinor, Norgesgruppen, Hewlett Packard (HP), the Norwegian Business Registry, international healthcare providers and more than 90% of Norwegian healthcare trust.

Key to the Induct mission is supporting the development of knowledge, and more importantly – allowing knowledge to be shared, found, and leveraged. In the healthcare sector we have connected hospitals in Norway, and international healthcare providers, in a sharing network. This means that great ideas and powerful innovations can more easily be shared, adopted, and implemented faster.

In the public sector, we have enabled cross-departmental collaboration and collaboration between the public and private sector, resulting in new and more effective ways of working.

A new step on our journey

In 2020, Induct took a new step on its journey as a knowledge empowerment provider. We launched a new digital platform – induct.net – where work and collaboration are taken to a new level for organizations and individuals alike. By removing unnecessary and unhelpful barriers to collaboration, the platform is a unique facilitator of knowledge development, sharing and empowerment within organizations, in collaborative networks and ecosystems.

Our work within the innovation field has taught us many lessons, one being the importance of having a future-ready business model. By incorporating advertisement in selected areas of the induct.net platform, we offer the core platform free of charge, and without unnecessary restrictions. After all, what good is knowledge if it is hidden behind yet another payment wall.

Moving the world forward

The speed of digitalization is fast, and the Covid-19 pandemic has fully illustrated how we can utilize digital platforms, solutions, and tools to continue working and collaborating in challenging and unexpected situations. The world has always evolved through humanities willingness, eagerness, and desire to move forward. Induct will continue to develop and deliver digital platforms and solutions that support work, co-working, collaboration, networks, and ecosystems, and be a facilitator of knowledge empowerment.

The Induct Group

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), Induct R&D S.L (Spain), OSINT Analytics AS (Norway) and Bidra AS (Norway).

Induct AS

- Induct R&D S.L. (Spain)
- Induct Solutions UK Ltd. (UK)
- Induct SEA S.L. (Spain)
- Induct Software Inc. (US)
- OSINT Analytics AS (Norway)
- Bidra AS (Norway)

Mergers and acquisitions

In Q4 2022 Induct acquired Bidra AS and is now a fully owned subsidiary of Induct AS. Bidra AS is included in the Q4 consolidated numbers.

We are continuously looking for opportunities that can strengthen our market share, revenues, technology, or core knowledge.



Income Statement

	Unaudited Q4 2022	Unaudited Q4 2021	Unaudited YTD Q4 2022	Unaudited YTD Q4 2021
Revenues				
Sales revenue – platform	5 049	4 355	18 928	12 878
Sales revenue – consulting	268	489	976	1 701
Research grant	499	315	1 468	630
Total Revenues	5 816	5 159	21 392	15 209
Cost of sales				
Cost of sales – platform	320	136	993	451
Cost of sales – consulting	344	294	996	1 316
Total Cost of sales	664	430	1 989	1 767
Gross Margin	5 152	4 730	19 403	13 443
<i>Gross Margin Platform</i>	<i>93,7%</i>	<i>96,9%</i>		
<i>Gross Margin Consulting</i>	<i>-28,4%</i>	<i>39,9%</i>		
Personnel costs	2 237	1 060	8 211	6 424
Other operating costs	1 362	610	1 451	1 576
Total Operating Costs	3 599	1 671	9 662	8 000
EBITDA	1 553	3 059	9 741	5 443
Platform depreciations	2 559	1 853	9 104	5 222
Amortization of acquisitions	678	611	2 510	611
Total Depreciations & Amort.	3 236	2 464	11 614	5 833
Financial items				
Financial income	37	16	59	38
Financial costs	685	381	2 609	1 940
Total Financial items	- 648	- 365	- 2 550	- 1 902
Extraordinary Cost	0	0	0	258
Net Profit before Taxation	- 2 331	231	- 4 423	- 2 550
Corporate Tax	- 12	0	- 10	0
Net Profit after Taxation	- 2 319	231	- 4 413	- 2 550

Balance Sheet

	Unaudited FY 2022	Audited FY 2021	Audited FY 2020
Non-current assets			
Intangible assets	63 010	74 267	13 305
Fixed assets	214	200	178
Total non-current assets	63 224	74 467	13 483
Current assets			
Receivables	7 142	7 761	4 730
Bank accounts	5 193	4 593	3 768
Total Current assets	12 335	12 355	8 498
Total assets	75 559	86 822	21 981
Shareholders Equity and Debt			
Paid-in capital			
Share capital	1 737	1 326	1 326
Non-registered share capital increase	8 365	18 878	-
Share premium reserve	36 008	6 372	99 439
Total paid-in capital	46 110	26 576	100 756
Retained earnings			
Uncovered loss	- 8 933	- 8 402	- 95 944
Total retained earnings	- 8 933	- 8 402	- 95 844
Total shareholder's equity	37 177	18 173	4 912
Debt			
Long-term debt	24 280	28 152	5 335
Short-term debt	6 574	33 613	10 460
Deferred revenues	7 528	6 883	1 274
Total debt	38 382	68 648	17 069
Total shareholder's equity and debt	75 559	86 822	21 981

Number of shares

Number of issued shares per 31.12.2022	17 371 381
Pending rights issue 1)	1 700 000
Pending share issue – acquisitions 2)	331 000
Convertible Loans 3)	1 383 333
Warrants attached to convertible notes 4)	374 724
Potential shares to be issued to OSINT shareholders 5)	1 887 820
Potential shares to be issued to Bidra shareholders 6)	400 000
Number of shares - fully diluted	23 448 258

- 1) The strike price for 350,000 options is NOK 4 per share.
The strike price for 1,000,000 options is NOK 4 per share.
The strike price for 350,000 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 31.3.2022.

- 3) Convertible loan of NOK 0,5M issued to Intelco AS. A total of 50,000 shares.
Convertible loan of NOK 10M issued to NPP Capital AS with conversion price of NOK 7,5 per share. A total of 1,333,333 shares.
- 4) EHGO has warrants attached to the convertible notes. The exercise price for the warrants is 120% of the weighted average trading price the last 5 trading days prior to Induct requesting a tranche.

The following warrants have been issued:

Tranche 1

100 000 warrants each giving the right to subscribe to one share each at a subscription price of NOK 12.50 per share.

Tranche 2

96 153 warrants each giving the right to subscribe to one share each at a subscription price of NOK 13.00 per share.

Tranche 3

178,571 warrants each giving the right to subscribe to one share each at a subscription price of NOK 7.34 per share.

The warrants expire five years from their issuance.

- 5) 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. The conversion price is the weighted average share price of the month prior to meeting the criteria for conversion with a minimum of NOK 10 per share.
- 6) Part of the purchase price for 100 % of the Bidra AS shares is to issue 400 000 shares to the shareholders in Bidra. In addition, NOK 4 000 000 will be converted to shares in Induct when certain criteria are met. The conversion price is the weighted average share price of the month prior to meeting the criteria for conversion with a minimum of NOK 10 per share.

Financial Results

The group's platform revenue in Q4 2022 amounts to NOK 5.0 million, which is an increase of 15,9 % compared to Q4 2021. Consulting revenue in Q4 2022 amounted to NOK 0.3 million which is down from NOK 0.5 million in Q4 2021.

Operating costs in Q4 2022 is NOK 3.6 million, which is up 115,4 % compared to Q4 2021.

Financial costs are mainly interest on convertible loans.

EBITDA for Q4 2022 is NOK 1.6 million compared to NOK 3.1 million in Q4 2021.

Platform depreciations for Q4 2022 is NOK 2.6 million, compared to NOK 1.9 million in Q4 2021. Goodwill of the acquisitions of OSINT and Bidra is amortized with NOK 0.7 in Q4 2022 and NOK 2.5 million for the year 2022. 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 Q4 2022 is NOK minus 2.3 million compared to NOK 0.2 million in Q4 2021.

The booked equity is NOK 37.2 million by the end of Q4 2022, compared with NOK 18.2 million in Q4 2021.

The group's interest- bearing debt by end of Q4 2022 amounts to NOK 22.5 million, which primarily consists of convertible loans from NPP Capital AS and Intelco AS, and regular bank loan to OSINT Analytics AS from Sparebanken 1 Østlandet.

Deferred revenue amounting to NOK 7.5 million by the end of Q4 2022, up from NOK 6.9 million in Q4 2021.

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, 15 February 2023



Henning Petersen
(sign.)
Board Member



Karl-Anders Grønland
(sign.)
Chairman



Hans Martin Nakkim
(sign.)
Board Member



Ole Jørgen Karud
(sign.)
Board Member



Øystein Tvenge
(sign.)
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