

INTERIM REPORT

Q3 2023

INDUCT AS

Highlights

- Total revenues increased by 18,8 % from Q3 2022 to Q3 2023, from NOK 5,3 million to NOK 6,3 million.
- Platform revenues increased by 10,2 % from Q3 2022 to Q3 2023, from NOK 4,9 million to NOK 5,4 million.
- A stable and high gross margin on platform revenues at 94,5 % in Q3 2023.
- Our EBITDA has increased in Q3 2023 as expected to NOK 2,4 million and will continue to increase in Q4 2023 and is expected to grow beyond NOK 3,0 million in Q1 2024.
- Ad revenues generated from 167 countries in Q3 2023.
- Grantway had more than 220 000 funding opportunities available across 186 countries on September 30st, 2023.

CEO Comment

Induct



CEO comments

After 5 years of collaboration, I am proud to announce that Portsmouth Hospitals University NHS Trust has signed the approval for clinical use of Induct's patient management system. In Q4 2023 the system will finally be of daily clinical use in their hospitals.

In 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.

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.

This patient pathway structure to support treatment of severe asthma is the first module in our "one patient – one record" patient management system. The system gives clinical staff instant access to the patient record, regardless of which

hospital the patient belongs to as more hospitals are added to the network.

Grantway continue to grow in numbers of visits. In Q3 2023 we had over 800K visits from 170 different countries.

During Q2 we focused on optimizing the platform performance, loading time, user experience and the performance of ads. This optimization has resulted in an average global eCPM of NOK 19,92 for ads on Grantway, which is 47 % higher than the average global eCPM in Q2 (NOK 13,55). This level of optimization has continued in Q3 and will be a continuous focus to increase revenue achieved from each visit.

The eCPM varies from country to country, from NOK 0,42 - 110,63 in Q3 (up from 0,33 – 57,20 in Q2). The global eCPM average for all ad financed Induct products is NOK 14,38 in Q3 2023 (up from 10,97 in Q2).

Alf Martin Johansen
CEO

Operational Review

Our core day-to-day operations are stable, and we maintain a strong >94% gross margin on our platform revenues in Q3.

In Grantway, all funding opportunities were made openly available to non-registered users in Q1. Not only did this make it easier for us to reach more users more easily, but it also meant that all content available in Grantway can be indexed by search engines like Google. In addition to our paid marketing campaign, we can already see that the indexed content generates visitors that come from unpaid search engine results. In Q3 we have focused on making more content indexed to increase the organic traffic that comes from unpaid sources.

Throughout Q3 we have published updates on Grantway to increase the performance and user experience even further.

In Q2 we launched a new version of our video conferencing tool “Meet@Induct”. This version has been made available on Grantway in Q3 and the users can create as many video meetings as they please, invite as many people as they want, and meet for as long as they need.

The Crowdfunding platform Bidra has been updated with new interface and functionality. We are now targeting a wider audience to raise funding for sports team, school trips, humanitarian projects, pre-sale of products and services, start-ups and more. In Q3 we have started to sell and market the new Bidra platform in a greater extent. This has resulted in the

platform raising more funding and had more transactions in Q3 than in Q1 and Q2 combined. We will continue the focus to promote Bidra and expect the growth to continue increasing in Q4.

In Q3 we have started the development of functional and usability updates on @WORK and @HOME. These updates concerns:

- better navigation in the platform
- notification center where users can decide which notifications they want and how often.
- A new welcome page which better guides the users to the opportunities on the platform and reduce onboarding time.
- Improve design and usability to create a better user experience.

Projects to release further technical, project and resource synergies from the acquisition of OSINT Analytics and Bidra continued in Q3, and we are on track to delivering annual efficiency gains from this integration of NOK 5 million within 2023.

In Q3, we signed 8 new subscription agreements and lost 6.



Synnøve Jacobsen
COO

Induct Group offering

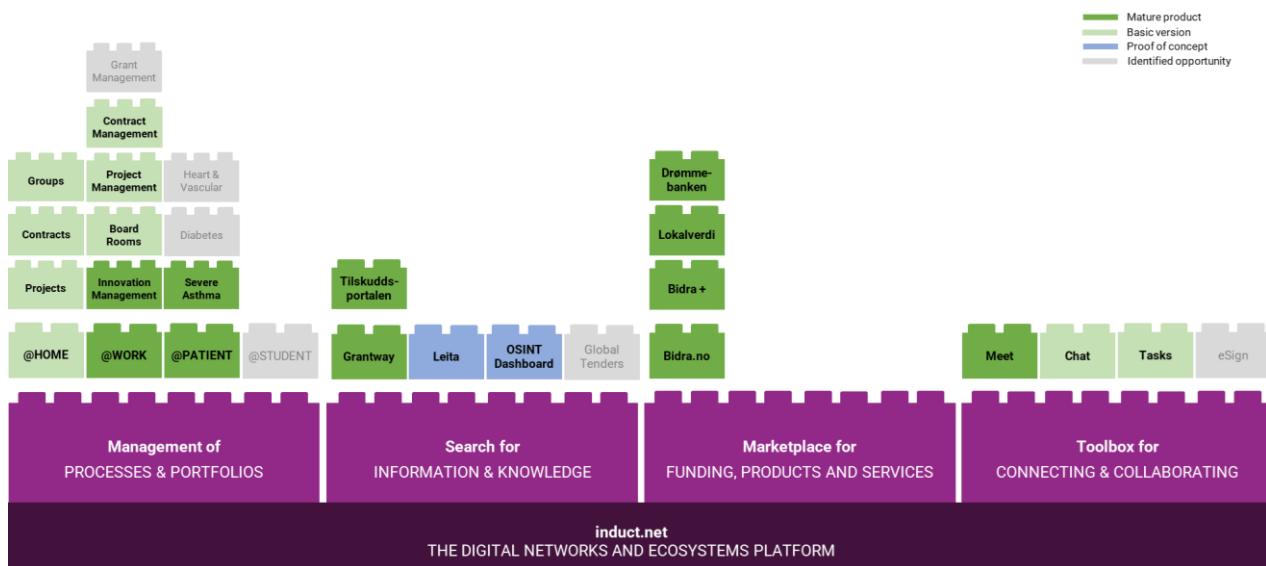
The Induct Groups offerings are divided into four (4) segments, each containing products and services.

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.



Offering segment #1:

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.

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. Typical use of Governance rooms are ‘board rooms’ where all board members have access, share documents, conduct digital board meetings with Meet@Induct and collaborate.

@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.

In Q4 2023 and Q1 2024 @WORK will be updated with improved user interface and functionality, especially related to optimize and automate the onboarding process of new users. The specifications and identified improvements have been identified through close collaboration with selected users and user groups in Q3 2023.

@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. Phase 2 is scheduled to start in Q4 2023. 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.

Offering segment #2: **Search for Information & Knowledge**

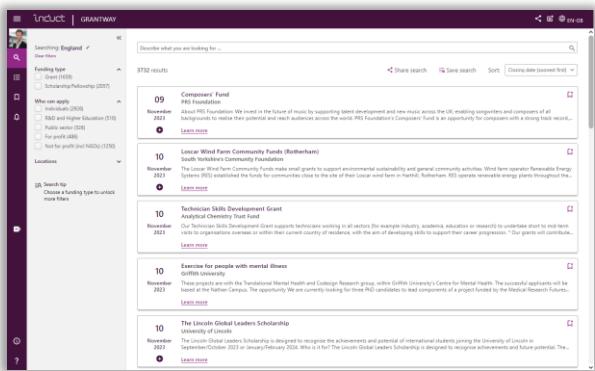
This market segment is about finding the information you need amongst trillions of sources. With movements like Open Access, more information than ever is made available online. However, the challenge faced is still the same. How to find the information and data we need or want, when it is scattered 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 (grantway.com) 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.

Grantway is growing rapidly and has already become one of the biggest global portals for funding opportunities on the market.



Screenshot from:
www.grantway.com

On the 9th of February 2023, we gave users the ability to search for funding opportunities without having to register for an Induct user account. On the same date, we started an ad marketing campaign targeting English speaking people across 10 countries, and within 6 days Grantway had more than 60,000 visits. We have learned how to attract users to Grantway. However, there is a job to be done to ensure that our ad campaigns attract the most valuable users as cost efficiently as possible. Our current daily visits are at an average of +/- 10k, and we have a steady growth in the number of visitors who return to Grantway to search for funding opportunities. As we make sure the growth rate is aligned with a cost efficient marketing campaign as possible, we are steadily getting closer to the goal of 1M visits per month. In addition, we are tuning the rules and visibility for ads displayed in our platform to ensure the best possible revenue per visit for each country and device. (i.e. mobile, tablet and computer). Returning visitors is an important indicator that the portal meets the high expectations of users and find our offering compelling.

We have recently integrated AI into our product for search engine optimization. We will continue to explore ways of using AI technology for efficiency gains for funding providers to describe their opportunities and for funding applicants to “write” their applications in a much more efficient way (ex: use of ChatGPT).

Grantway growth strategy

Our growth strategy for Grantway is to be the leading portal for those looking for funding, and those who provide it.

We want to increase our revenue stream from advertisement (user volume + time spent on the portal = increased revenue). In addition, we would like to add a subscription-based revenue stream by integrating Grant Management modules for funding providers (@WORK) and self-publishing of funding opportunities in Grantway.

Activities underway to support growth

1. Increase the number of visitors and convert visitors into registered Induct users

By increasing the number of visitors who sign up for an Induct account to benefit from additional functionality (saving searches and favourites), and other Induct products (Meet@Induct), we increase the number of impressions viewed per user per visit. As the visitor base grows, we must ensure consistent and good usability, performance and an overall good user experience.

2. Funding provider self-registration and publishing

There are hundreds of thousands of funding providers in the world, large and small. By giving funding providers the ability to publish their funding opportunities directly on Grantway, we give them the opportunity to reach a larger audience whilst increasing our ad impressions. As previously mentioned, we are investigating how AI (ex. ChatGPT) can be integrated into the service and help funding providers create high quality texts faster and more efficiently. Our testing of the offering in the UK market in 2022 gave us great insight into this market need and how i.e. smaller funding providers will benefit from being able to more efficiently make their grants and scholarships available for a broader audience than today.

3. Modules for managing the full grant lifecycle

We have completed a global market analysis and are now in the process of defining subscription-based grant management modules as a self-service. The modules give funding providers the ability to manage the full lifecycle of their funding opportunities – from publishing to application receipt and reporting processes for successful applicants. To support those applying for funding, we are working on ways to integrate AI technology to i.e. help applicants create applications that are more likely to be successful.

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.

Offering segment #3:

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 2,5 mrd every year to volunteer organisations and humanitarian projects. 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 entrance into this market segment for the Induct Group. Bidra offer a tailor-made solution for crowdfunding in Norway and provide technology for crowdfunding as a subscription-based platform-as-a-service. Customers include Eika, Cultura Bank, Lokalbankalliansen and the Salvation Army.

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

Offering segment #4:

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@Induct is free to use, for organizations and individuals alike, and comes without annoying limitations like time or number of participants.

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.

Meet@Induct is financed by ads that are displayed on the right side during your meetings. Feedback from users says that these ads are not disturbing in any way, and they are happy the tool is free and with no limitations.

Meet@Induct can be used as a standalone video conferencing tool or be combined with other offerings from Induct, like having a digital meeting related to a specific project or boardroom registered in @WORK.

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.

Chat@Induct is financed by ads that are displayed on the right side in your chat room.

Chat@Induct can be used as a standalone chat tool or be combined with other offerings from Induct, like having a

discussion / chat connected to a specific project registered in @WORK.

eSign@Induct (coming)

Induct has 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 user visits, (2) number of ad impressions per user visit and (3) revenue per thousand viewed ad impressions (eCPM).

Increasing the number of user 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 both non-registered and registered users as non-registered users 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 varies 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, hence lower eCPM in these markets.

Most of the ads presented in the Induct platform are automatically received from Google's Ad Exchange Network. This requires no effort from Induct resources, but a commission to Google on the revenue.

We have experimented with selling ad campaigns directly to advertisers, both pro-active and on enquiries from organizations. This type of sale provides a higher eCPM and has no or a lower commission to Google, but requires more effort from Induct resources. Balancing these types of models will be more important as our traffic increases to get the most optimal profit.

Through our AdExchange account, we can place advertisement on third party websites and mobile apps 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 of the donations, project financing or sale of products through the platform. The eSign offering is another example of this type of

revenue where Induct will receive an amount for each signed document.

Professional services

Professional services consist of:

- implementation projects
- consultancy and advisory
- training
- courses and seminars

These revenues are generated by the implementation and training services we offer customers and users specifically related to the subscription-based offerings.

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 – a digital ecosystem. 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 aftermath of 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 humanity's 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), OSINT Analytics AS (Norway) and Bidra AS (Norway).

Induct AS

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

Mergers and acquisitions

The merger of Induct SEA S.L and Induct R&D S.L was completed in Q2 2023 and are operating as one company as of July 1st, 2023.

We will continue to look for opportunities that can strengthen our market share, revenues, technology, or core knowledge.



Income Statement

| | Unaudited Q3 2023 | Unaudited Q3 2022 | Unaudited YTD Q3 2023 | Unaudited YTD Q3 2022 |
|---|----------------------|----------------------|-----------------------------|-----------------------------|
| Revenues | | | | |
| Sales revenue – platform | 5 356 | 4 883 | 15 672 | 14 190 |
| Sales revenue – consulting | 73 | 74 | 469 | 705 |
| Research grant | 903 | 314 | 2 314 | 969 |
| Total Revenues | 6 332 | 5 299 | 18 454 | 15 864 |
| Cost of sales | | | | |
| Cost of sales – platform | 292 | 221 | 856 | 673 |
| Cost of sales – consulting | 67 | 65 | 333 | 808 |
| Total Cost of sales | 359 | 286 | 1 189 | 1 481 |
| Gross Margin | 5 972 | 5 012 | 17 266 | 14 382 |
| <i>Gross Margin Platform</i> | 94,5% | 95,5% | | |
| <i>Gross Margin Consulting</i> | 8,2% | 12,2% | | |
| Personnel costs | 2 122 | 1 915 | 7 341 | 5 383 |
| Other operating costs | 1 442 | 288 | 4 048 | 514 |
| Total Operating Costs | 3 564 | 2 203 | 11 389 | 5 897 |
| EBITDA | 2 408 | 2 809 | 5 877 | 8 485 |
| Platform depreciations | 2 667 | 2 246 | 7 765 | 6 545 |
| Amortization of acquisitions | 678 | 611 | 2 033 | 1 832 |
| Total Depreciations & Amort. | 3 345 | 2 857 | 9 798 | 8 377 |
| Financial items | | | | |
| Financial income | 55 | 8 | 114 | 14 |
| Financial costs | 611 | 579 | 1 831 | 1 345 |
| Total Financial items | - 556 | - 571 | - 1 717 | - 1 331 |
| Extraordinary Cost | 0 | 0 | 0 | 0 |
| Net Profit before Taxation | - 1 493 | - 618 | - 5 639 | - 1 793 |
| Corporate Tax | 33 | 2 | 33 | 2 |
| Net Profit after Taxation | - 1 526 | - 620 | - 5 672 | - 1 175 |

Balance Sheet

| | Unaudited Q3 2023 | Unaudited Q3 2022* | Unaudited FY 2022 | Audited FY 2021 |
|--|----------------------|-----------------------|----------------------|--------------------|
| Non-current assets | | | | |
| Intangible assets – platform | 39 867 | 36 513 | 37 202 | 31 569 |
| Goodwill acquisitions | 17 344 | 21 988 | 23 988 | 42 698 |
| Fixed assets | 16 | 222 | 214 | 200 |
| Total non-current assets | 57 227 | 58 723 | 63 224 | 74 467 |
| Current assets | | | | |
| Receivables | 3 910 | 5 304 | 7 142 | 7 761 |
| Bank accounts | 4 677 | 4 405 | 5 193 | 4 593 |
| Total Current assets | 8 587 | 9 709 | 12 335 | 12 355 |
| Total assets | 65 814 | 68 432 | 75 559 | 86 822 |
| Shareholders Equity and Debt | | | | |
| Paid-in capital | | | | |
| Share capital | 1 885 | 1 737 | 1 737 | 1 326 |
| Non-registered share capital increase | - | | 8 365 | 18 878 |
| Share premium reserve | 28 614 | 36 510 | 36 008 | 6 372 |
| Total paid-in capital | 30 499 | 38 247 | 46 110 | 26 576 |
| Retained earnings | | | | |
| Uncovered loss | - 8 014 | - 7 412 | - 8 933 | - 8 402 |
| Total retained earnings | - 8 014 | - 7 412 | - 8 933 | - 8 402 |
| Total shareholder's equity | 22 666 | 30 835 | 37 177 | 18 173 |
| Debt | | | | |
| Long-term debt | 25 976 | 27 945 | 24 280 | 28 152 |
| Short-term debt | 10 346 | 4 463 | 6 574 | 33 613 |
| Deferred revenues | 6 825 | 5 190 | 7 528 | 6 883 |
| Total debt | 43 328 | 37 598 | 38 382 | 68 648 |
| Total shareholder's equity and debt | 65 813 | 68 432 | 75 559 | 86 822 |

* The numbers related to goodwill from acquisitions reported for Q3 2022 has been adapted to reflect the Q4 2022 change in goodwill calculations for consistency in reporting.

Number of shares

| | |
|--|------------|
| Number of issued shares per 30.9.2023 | 18 848 652 |
| Pending rights issue 1) | 622 729 |
| Pending share issue – acquisitions 2) | 331 000 |
| Convertible Loans 3) | 1 383 333 |
| Potential shares to be issued to OSINT shareholders 4) | 1 887 820 |
| Potential shares to be issued to Bidra shareholders 5) | 400 000 |
| Number of shares - fully diluted | 23 473 534 |

- 1) The strike price for 310,000 options is NOK 4 per share.
The strike price for 312,729 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 30.6.2023.

- 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) 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 meet. 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.
- 5) 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 meet. 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 Q3 2023 amounts to NOK 5.4 million, which is an increase of 10,2% compared to Q3 2022.

Consulting revenue in Q3 2023 amounted to NOK 0.1 million which is the same as NOK 0.1 million in Q3 2022.

Operating costs in Q3 2023 is NOK 1.7 million, which is up from NOK 0,3 million in Q3 2022.

Financial costs are mainly interest on convertible loans.

EBITDA for Q3 2023 is NOK 2.4 million compared to NOK 2.8 million in Q3 2022.

Platform depreciations for Q3 2023 is NOK 2.7 million, compared to NOK 2.2 million in Q3 2022. Goodwill of the acquisitions of OSINT and Bidra is amortized with NOK 0.7 in Q3 2023. 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 2023 is NOK minus 1.7 million compared to NOK minus 0.6 million in Q3 2022.

The booked equity is NOK 27.5 million by the end of Q3 2023, compared with NOK 36.6 million in Q3 2022.

The group's interest- bearing debt by end of Q3 2023 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 6.8 million by the end of Q3 2023, up from NOK 5.2 million in Q3 2022.

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 2023



Henning Petersen
(sign.)
Board Member



Karl-Anders Grønland
(sign.)
Chairman



Hans Martin Nakkim
(sign.)
Board Member



Ole Jørgen Karud
(sign.)
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