

Goodtech

Industry reinvented

Quarterly report Q3 2024 | **Goodtech ASA**

Summary



107 MNOK

Q3 2024 net operating revenue after external project costs

397 MNOK

Order backlog



2.1 MNOK

Q3 2024 EBITDA **(2,0%)**

-5.4 MNOK

Q3 2024 EBIT **(-5,1%)**



H1: 0

Absence injuries last 12 months

3.7%

Sick leave



53 %

Equity ratio

106 MNOK

Cash & cash equivalents



Goodtech's investments in building a stronger presence in the after market continues to drive growth

Revenue and order backlog:

- Net operating revenue after external project cost in line with same period last year (+1%). Q3 is generally the weakest quarter of the year as the vacation period and public holidays are impacting the available man hours
- Several larger projects completed before the quarter, while lead-time on client investment decisions were longer than anticipated
- 5% growth in order backlog compared to the same quarter in 2023. The growth is driven by some larger contract wins with Vesterålen Marine Olje and Alginor, as well as smaller service and after sales contracts won

Profitability:

- 5.6 MNOK nominal reduction in EBITDA partly caused by loss-making projects in Swedish MES-roll-out
- Lower staff utilization in the quarter as the group is between larger projects
- Work is continuously carried out with margin-improving measures in all parts of the organization and other operating expenses were reduced from 24 MNOK in Q3 2023 to 15 MNOK in Q3 2024

Health and safety:

- The H1 value (number of lost-time injuries per million hours worked, calculated on a rolling last 12-months basis) remained at 0
- Sick leave in the quarter ended at 3.7%



Capital structure:

- Robustly capitalized with a 53% equity share and NOK 106 million in cash and cash equivalents
- The group sold its property and buildings at Åland for 1.8 MEUR in the quarter, which reduced net assets held for sale to 5.6 MNOK in Q3 2024

- Goodtech's strategy is to let early-stage consulting work lead to larger industrial transformation projects, which – in turn, lead to long-lasting client relationships in the after market through on-call service agreements, OT software license management, and Goodtech's own proprietary software
- The strategy is intended to grow the group's more stable and recurring revenue streams to complement the more lumpy nature of project-based revenue streams

Announcements in the quarter | Q3 2024



-  Systems integrator for VMOs new fish oil factory in Vesterålen, Norway
-  Complete and fully automated hygienic production lines

Vesterålen Marine Olje

26 MNOK




-  Process solutions for new biorefinery
-  Design, installation and commissioning

Avaldsnes biorefinery

20 MNOK



-  Sold property plant and equipment at Åland
-  Proceeds reduced draw on group credit facility

Sale of Property at Åland

1.8 MEUR

Larger ongoing projects | Q3 2024



Control and security solutions

Process automation and electric infrastructure

Leading production of rare earth elements



Upgrade of power supply

Increase in production efficiency as well as renewal of all electrical equipment, visualization and control of switches

Electrification and automation



SCADA and control room solution for the Operation center of Empire Wind 1

Enables optimized energy production and access to continuous data-, control and performance monitoring

World-leading offshore wind farm



Complete technical equipment in the world's largest cod liver oil factory

Engineering, process equipment, control systems

World's largest cod liver oil factory

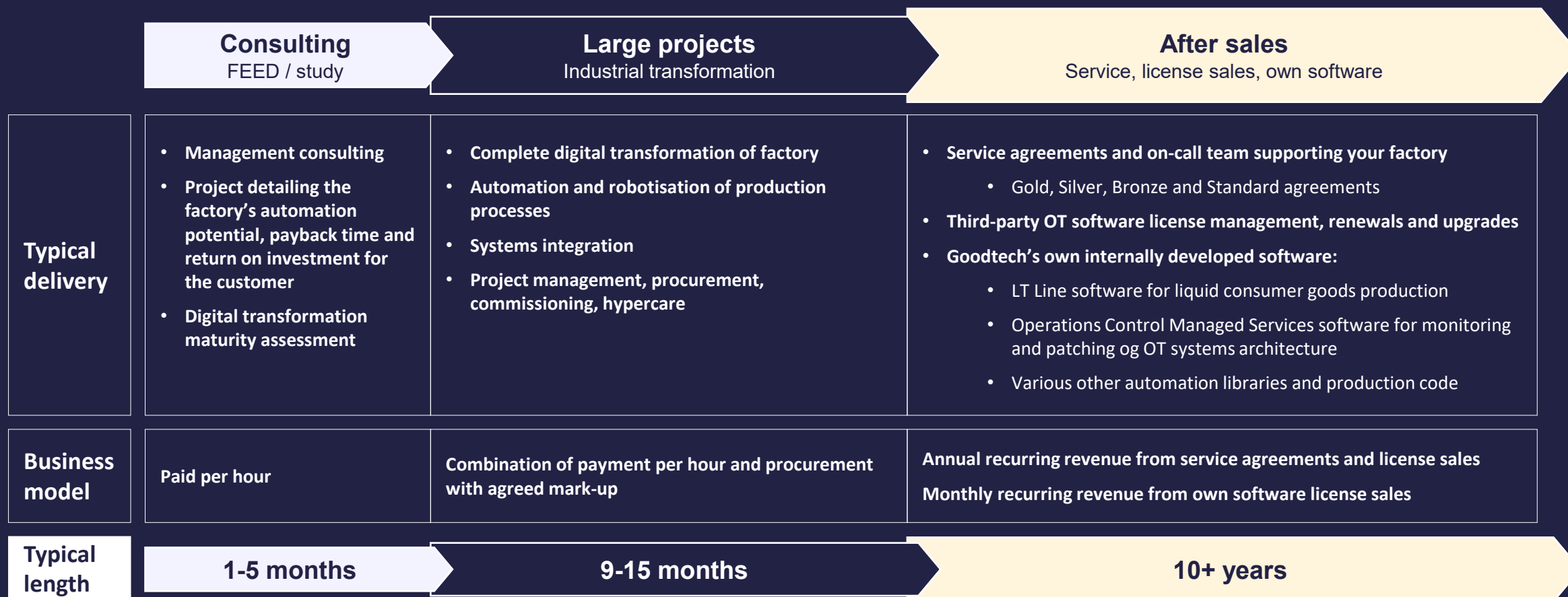


Other client projects with activity in the period

Goodtech continues to expand its offering in the aftermarket

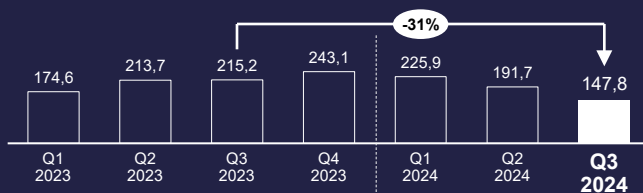
Goodtech continuously works to secure early-stage consulting projects leading to large industrial transformation projects, which in turn develops longstanding client relationships in the aftermarket through Goodtech’s service, license and software portfolio

The past years Goodtech has built up its after sales portfolio to increase its recurring and stable revenue streams to complement the more lumpy nature of project based revenue streams. The market potential in the aftermarket is large, and the group continues to recruit and build internal competency in supporting our industrial clients also after commissioning the project

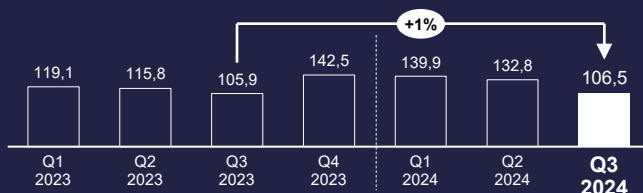


Financial performance

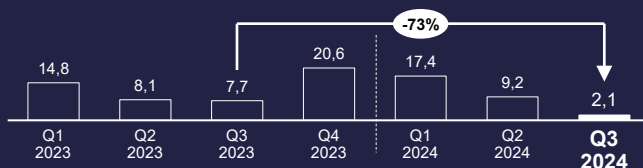
Total revenue | MNOK



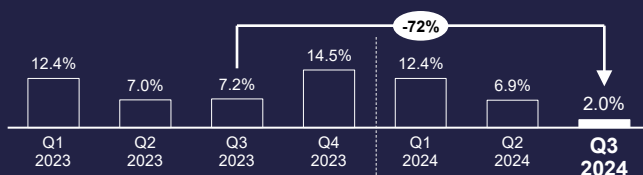
Net operating revenue after external project costs | MNOK



EBITDA | MNOK



EBITDA-margin*



Comments

1

Total revenue came in 31% lower than in Q3 2023

- In Q3 2023 Goodtech had several projects with high procurement share in the project mix - defined as "external project costs" in Goodtech's P&L. In Q3 2024 the total external project costs were 41.3 MNOK compared to 109.3 MNOK in Q3 2023, which explains the fall in total revenue. Goodtech's order backlog has several projects with higher share of external project costs in the pipeline than what prevailed in Q3 2024

Net operating revenue after external project costs in line (+1%) with same period last year

- Goodtech's revenues are driven by available manhours. In periods where the number of available manhours is impacted by vacation and public holidays, the revenue generation at Goodtech will be lower. Both Q2 and Q3 are examples of quarters where vacation periods reduce the number of billable manhours at Goodtech, and Q3 is typically the lowest.
- From Q3 2024 Goodtech will report on net operating revenue after external project costs as a new parameter in the P&L. This parameter illustrates Goodtech's revenues after deducting any third-party project-related procurement. The practice equals how other listed project- and consulting companies presents their P&L. Margins are expressed as a percentage of the net operating revenue after external project costs to more accurately showcase the margins in Goodtech's contribution to the projects.

2

5.6 MNOK fall in EBITDA from Q3 2023 to Q3 2024

- Q2 and Q3 have historically been the lowest performing quarters for Goodtech, negatively impacted by the number of available manhours
- The quarter was in addition adversely impacted by Goodtech's MES-rollout in Sweden, which is further detailed on page 7 of this quarterly report
- Goodtech has taken measures to reduce losses in the Swedish business unit. New General Manager and Head of Operations as well as new project management is in place, and expert resources from Norway are contributing to move the Swedish operation over to the groups project execution model
- Several larger projects (like AKSO Verdal Production Line and REEtec) have successfully been handed over to the customer in the quarter, at the same time new larger projects (like Wacker and Empire Wind) are not yet fully contributing to utilization

* EBITDA margin is calculated as EBITDA divided by net operating revenue after external project costs

MES investment time-to-value proving to take longer than expected



Goodtech is one of the largest systems integrators of Manufacturing Execution Systems (MES) in the Nordics and has delivered MES to factories all since 1997. MES are computerized systems used in manufacturing to track and document the transformation of raw materials to finished goods



In 2022, Goodtech decided to expand and de-risk its MES deliveries by standardizing on the market leading systems AVEVA Model Driven MES and Parsec TrakSYS MES



The transition has required training and certifying our personnel in these systems and standardising machine- and robot-programming (PLC-programming) for efficient communication between the machines, robots and MES



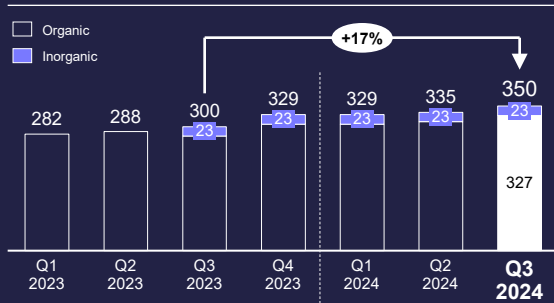
In Goodtech's Norwegian business, this transition has gone smooth – and new projects are progressing according to plan. Goodtech remains the largest MES systems integrator in Norway



In Goodtech's Swedish operation, the transition has been more complex due to several reasons, amongst them different standards impacting the machine- and robot-programming (PLC). Project management has also been challenging and has led to large organisational changes in the Swedish operation. Actions include standardising the PLC-programming and communication with the Norwegian operation, which future projects are expected to benefit from

Operational performance

Number of employees

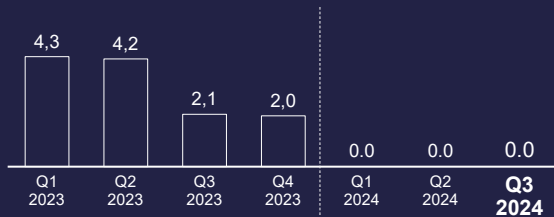


Comments

1 Number of employees grew by 17% from 300 in Q3 2023 to 350 in Q3 2024

- ✓ 23 employees across Trondheim, Bergen and Oslo came into the group through the acquisition of Skala Flytende in Q3 2023
- ✓ Onboarding the newly recruited resources takes time, and we estimate that it takes 3-6 months to get the new recruits fully up and running
- ✓ Goodtech’s growth within service and solutions in the aftermarket has contributed to growth in number of employees in 2024
- ✓ Goodtech is continuously looking for engineering talent with competencies within cybernetics, automation, industrial IT, IT/OT-infrastructure, machine and process, electro and power, and industrial cyber security

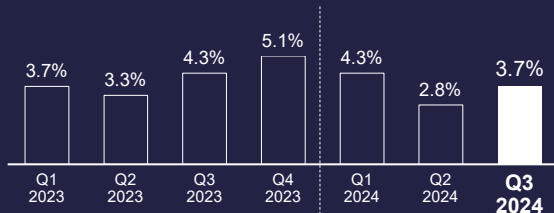
H1-instances*



2

- The group had no absenteeism injuries during Q3 2024 and, thus, can report on H1 value consistent with the group's zero vision for absenteeism injuries or injuries with medical treatment among employees
- The Norwegian operations in the group had one absenteeism injury in Q1 2023 which affected the H1 statistics in 2023

Sick leave



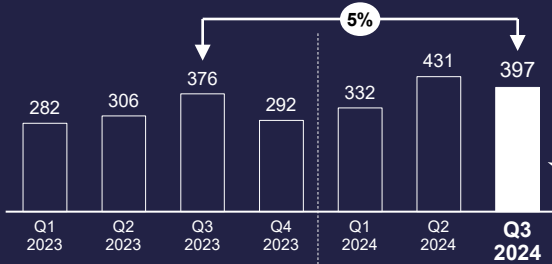
3

- In Q3 2024, Goodtech had 3.7% sickness absence. As in 2023, the majority of the absence was short-term. The sick leave increased in the quarter, partly due to an increase in COVID19 instances
- The group has good routines for following up personnel on sick leave, and the prevailing rate of absence is not considered to be related to everyday life at Goodtech

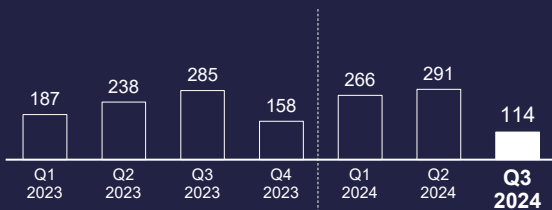
* H1 is defined as the number of absenteeism injuries per million man-hours worked, calculated for on a rolling last 12 months basis

Sales and order backlog

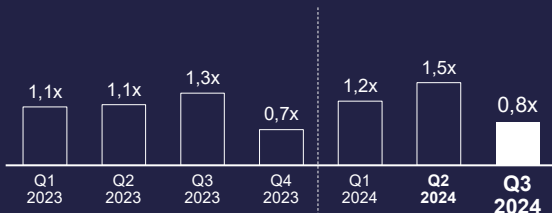
Order backlog | MNOK



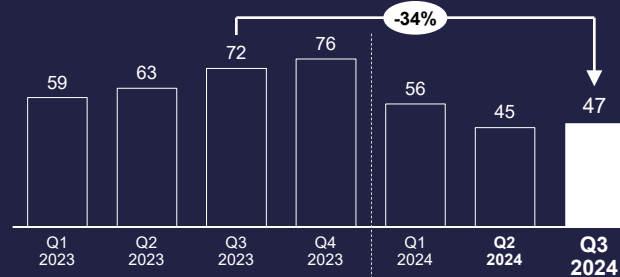
Order intake | MNOK



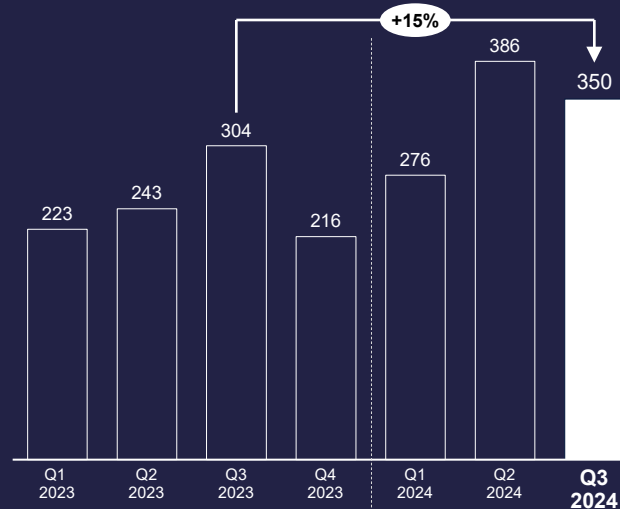
Book-to-bill (order intake / total revenue)



Development in order backlog | Continued operations



- The order backlog in the group's Swedish operations was reduced by 25 MNOK compared to the same quarter in 2023. In 2023, the Aker Solutions-project, which is now successfully completed, dominated the order backlog in Sweden
- The group works actively with sales and growth opportunities in Sweden, and the growth ambitions for Sweden remains unchanged



- The group's Norwegian operations in Oslo, Tønsberg, Porsgrunn, Fredrikstad, Moss, Bergen, Førde, Trondheim and Mo i Rana, increased the order backlog by 15% (46 MNOK) from Q3 2023
- In the quarter, several new contracts were signed - among others Alginor biorefinery and Vesterålen Marine Olje fish oil factory
- The order backlog in Norway is divided between small and medium-sized projects spread over framework agreements, consultancy assignments, service agreements and studies, as well as fixed-price projects with industrial players who are digitizing their industrial and production operations
- The order backlog in the group is diversified across a wide range of customers and market segments in the Nordic industry

Several larger projects completed before the quarter, while lead-time on client investment decisions were longer than anticipated

Key financial figures

Key figures (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Net operating revenue <i>after external project costs</i>	106.5	105.9	379.2	340.8	483.3
EBITDA	2.1	7.7	28.7	30.6	51.2
EBITDA-margin	2.0%	7.3%	7.6%	9.0%	10.6%
EBIT	-5.4	1.4	7.8	13.0	26.3
EBIT-margin	-5.1%	1.3%	2.1%	3.8%	5.4%
Earnings before tax	-5.6	0.1	10.0	10.1	19.5
Order backlog	397	376			292.0
Number of employees	350	300			329

(MNOK)	Q3 2024	Q3 2023
Interest-bearing debt	37.3	26.7
Leasing liabilities (IFRS 16)	50.2	55.2
Cash & cash equivalents*	105.7	71.8
Net interest bearing debt/-cash	-18.2	10.0

Total equity	283.1	273.6
Equity ratio	52.6%	51.0%

* Cash and cash equivalents do not include the cash and cash equivalents of Goodtech Environmental Solutions AB on Åland, which was 2,0 MNOK per Q3 2024

Discontinued operations

In Q4 2022, Goodtech announced the sale of the organization on Åland to NCC, which was carried out in Q1 2023, and in July 2024 Goodtech announced the sale of property and buildings on Åland. Remaining assets - after the sale of the property and buildings in Q3 2024, relating to ongoing projects on Åland are still presented as held for sale in the group's balance sheet.

The operations on Åland delivered earnings after tax (discontinued operations) of 0.5 MNOK in Q3 2024, compared to -4.2 MNOK in the same period in 2023.

Continued operations in the group

Net operating revenue after external projects costs ended at 106.5 MNOK in Q3 2024, compared to 105.9 MNOK in the same period in 2023. External project costs came in at 41.3 MNOK compared to 109.3 MNOK in Q3 2023. The reduction is caused by lower project activity in the quarter as a large share of the on-going projects have come to a successful customer delivery in the period, and there are less ongoing projects with significant procurement share started up in the quarter. Salaries and other personnel costs increased from 74.1 MNOK in Q3 2023 to 89.9 MNOK in Q3 2024, relating mainly to the increase in number of employees from 300 in Q3 2023 to 350 in Q3 2024. Goodtech is attracting new talents but onboarding to effective billing takes 3-6 months.

EBITDA ended at 2.1 MNOK in Q3 2024 (2.0%) compared to 7.7 MNOK (1.3%) in the same period in 2023. The negative development in EBITDA is partly caused by losses in the Swedish business unit, where Goodtech's investment in MES roll-out in Sweden has proven more costly than expected. The total loss in the projects came in at 4.6 MNOK in Q3 2024. The roll-out has unveiled a need for streamlined project management and programming processes in Sweden, and corrective actions have been implemented. A new management and project execution team is already set in place in Sweden. The projects will be handed over to the customers during Q4 and are expected to continue affecting Goodtech's financial performance in Q4 2024, although at a lesser degree than Q3 2024. Furthermore, the quarter was impacted by lower staff utilization in than expected as the group is between larger projects.

Other operating expenses decreased from 24.0 MNOK in Q3 2023 to 14.5 MNOK in Q4 2024, primarily driven by reduced IT-costs, consultancy costs, and travel costs. Goodtech last year experienced losses on receivables related to a customer bankruptcy, totaling 2.7 MNOK, with no losses during the same quarter this year.

In addition, the IFRS16 lease expense increased from 3.5 MNOK to 5.8 MNOK from Q3 2023 to Q3 2024, which positively impacts EBITDA in 2024. More details on this in note 7 to the financial statement. Net financial items ended at -0.2 MNOK, compared to -1.3 MNOK in Q3 2023. primarily because the group had a net cash position in the quarter and smaller effects from premiums / discounts on purchases.

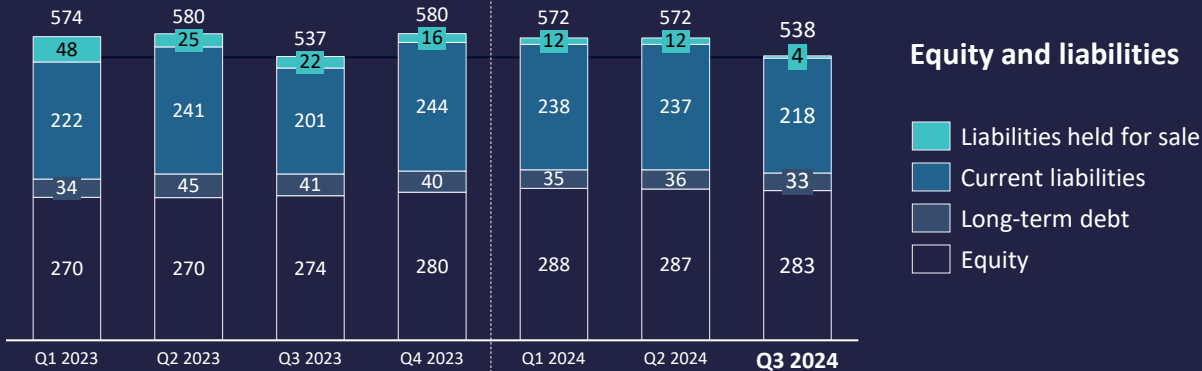
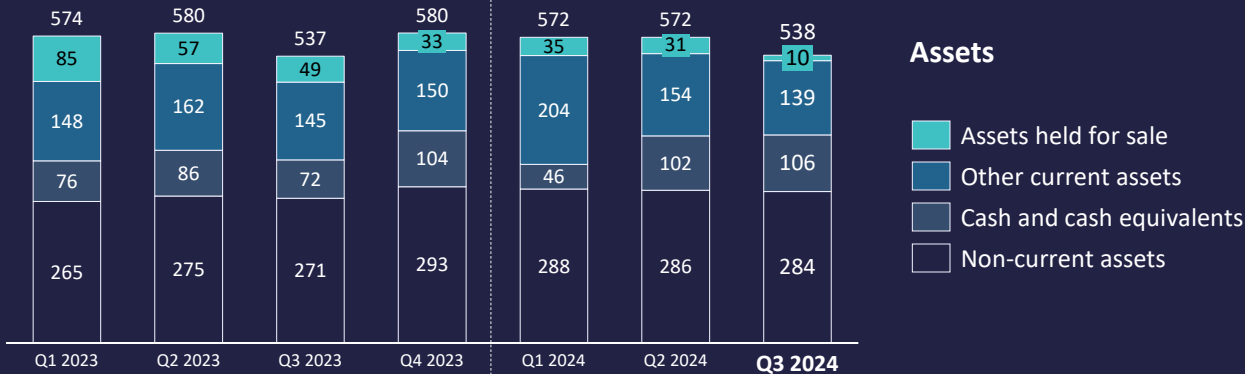
Goodtech is monitoring the market macro development. Inflation and wage increases are impacting both income and cost base. The group closely monitors changes in energy prices, the interest rate and other cost drivers of the customers' industrial operations. Goodtech's solutions contribute to optimizing the customer's power consumption, resource utilization and wastage, and thus both high energy prices and an increased focus on sustainability are positive drivers in the group's order intake.

Goodtech also monitors the supplier market closely in terms of price, delivery lead times and transport capacity for products and components for automated industrial production. Examples of this are PLC, HMI, robots, cobots, self-driving vehicles (AGV), and frequency converters.

Parallel to the fact that Goodtech is climbing the customer value chain increasing scope of supply through system sales, including equipment in scope of supply, we have simultaneously increased the focus on contract terms and risk distribution between Goodtech and its customers, suppliers and partners. This, together with good project execution ability, makes us confident that order intake and order backlog has a balanced risk profile.

Cash flow from operational activities ended at -6.5 MNOK in Q3 2024 compared to 13.9 MNOK in Q3 2023. The reduction is primarily related to lower changes in trade receivables and other receivables (15 MNOK in Q3 2024 compared to 24.6 MNOK in Q3 2023), as well as higher changes in trade payables and other current liabilities in Q3 (-23.7 MNOK in Q3 2024, compared to -15.8 MNOK in Q3 2023).

Robust capital structure



Assets

- Other current assets – consisting of inventory, accounts receivables, contract assets and other short-term receivables, decreased from 154 MNOK in Q2 2024 to 139 MNOK in Q3 2024 – primarily due to reduced accounts receivables and contract assets
- Cash and cash equivalents remained at similar level (106 MNOK) to Q2 2024 (102 MNOK)
- Assets held for sale fell in the quarter following the 1.8 MEUR sale of property and buildings at Åland

Equity and liabilities

- The group remains robustly capitalized, with a stable equity ratio of 52.6%
- The group's long-term debt, which consists of long-term lease liabilities (33.2 MNOK) and long-term provisions (0.1 MNOK), decreased from 36 MNOK in Q2 2024 to 33 MNOK in Q3 2024
- Current liabilities consists of trade payables, other current liabilities, short-term interest-bearing debt (draw on group credit facility), short-term lease liabilities, short-term contract liabilities and short-term provisions. The current liabilities were reduced from 237 MNOK in Q2 2024 to 218 MNOK in Q3 2024 primarily due to a reduction in trade payables
- In order to accommodate the rapid growth in the group, as well as the strategy of larger scope of supply in the income mix, the group increased its credit limit in GCP in Q2 2024 from 45 MNOK to 55 MNOK, while at the same time also securing additional 25 MNOK available credit facility top-up which can be activated

Summary and outlook

	107 MNOK <i>Q3 2024 net operating revenue after external project costs</i>	397 MNOK <i>Order backlog</i>
	2.1 MNOK <i>Q3 2024 EBITDA (2,0%)</i>	-5.4 MNOK <i>Q3 2024 EBIT (-5,1%)</i>
	H1: 0 <i>Absence injuries last 12 months</i>	3.7% <i>Sick leave</i>
	53 % <i>Equity ratio</i>	106 MNOK <i>Cash & cash equivalents</i>
	Goodtech's investments in building a stronger presence in the after market continues to drive growth	



-  **Well positioned in a growing domestic market**
- Nordic industry has a great need to increase its competitiveness
-  **Ready for further growth in the core areas**
- Automation, robotisation and digitalisation
-  **Strong order backlog and high activity**
- In all the company's business areas
-  **Key player for the application of OT data in AI and machine learning at industrial production facilities**
-  **Attractive employer**
- With exciting projects and good capacity management

**Interim Financial
Report Q3 2024**
(Unaudited)



Interim Financial Report Q3 2024

Condensed Consolidated Statement of Profit or Loss (Unaudited)

Amounts in MNOK	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Operating revenue	9	147.4	214.9	564.4	602.7	831.0
Other revenue	9	0.3	0.3	0.9	0.7	2.0
Total revenue		147.8	215.2	565.3	603.4	833.0
External projects costs		-41.3	-109.3	-186.1	-262.6	-349.7
Net operating revenue after external project costs		106.5	105.9	379.2	340.8	483.3
Salaries and personnel cost		-89.9	-74.1	-298.9	-243.8	-342.7
Other operating expenses		-14.5	-24.0	-51.6	-66.4	-89.4
EBITDA		2.1	7.7	28.7	30.6	51.2
EBITDA margin %		2.0%	7.3%	7.6%	9.0%	10.6%
Depreciation	5, 6, 7	-7.5	-6.3	-20.9	-17.5	-24.8
Write-downs		-	-	-	-	-
EBIT		-5.4	1.4	7.8	13.0	26.3
EBIT margin %		-5.1%	1.3%	2.1%	3.8%	5.4%
Share of income in associated companies		-	-0.3	0.7	-0.1	-0.1
Finance income		2.4	3.7	10.1	10.1	13.3
Finance expenses		-2.6	-4.7	-8.6	-12.9	-20.0
Net financial items		-0.2	-1.3	2.3	-2.9	-6.8
Earnings before tax		-5.6	0.1	10.0	10.1	19.5
Tax expense	8	1.1	-0.4	-2.3	-2.4	9.4
Earnings after tax from continued operations		-4.5	-0.2	7.7	7.7	28.9
Earnings after tax discontinued operations	11	0.5	-4.2	-6.4	-5.4	-20.8
Earnings after tax		-3.9	-4.4	1.3	2.3	8.1
Earnings per share						
Earnings per share from continuing operations (in NOK)		-0.16	-0.01	0.28	0.28	1.05
Earnings per share from discontinued operations (in NOK)		0.02	-0.15	-0.23	-0.20	-0.76

Condensed Consolidated Statement of Comprehensive Income (unaudited)

Amounts in MNOK	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Earnings after tax		-3.9	-4.4	1.3	2.3	8.1
Comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods						
Translation differences		-0.5	-	-0.7	-0.1	0.3
Comprehensive income		-0.5	-	-0.7	-0.1	0.3
Total comprehensive income		-4.5	-4.4	0.6	2.2	8.4
Assigned to:						
The shareholders of the parent company		-4.5	-4.4	0.6	2.2	8.4
Non-controlling ownership interests		-	-	-	-	-
Total comprehensive income		-4.5	-4.4	0.6	2.2	8.4
Distribution of amounts allocated to shareholders of the parent company:						
Continuing operations		-5.0	-0.2	7.1	7.6	29.1
Discontinued operations		0.5	-4.2	-6.4	-5.4	-20.8
Total comprehensive income		-4.5	-4.4	0.6	2.2	8.4

Condensed Consolidated Statement of Financial Position (Unaudited)

Amounts in MNOK	Note	Q3 2024	Q3 2023	2023
Property, plant and equipment	5	15.0	16.8	16.7
Right-of-use assets		46.1	51.2	52.2
Intangible assets	6	176.2	166.6	176.3
Investments in associated companies		3.0	2.3	2.3
Deferred tax asset	8	43.4	34.0	45.2
Total non-current assets		283.7	271.0	292.7
Inventory		4.7	3.1	4.7
Account receivables		70.1	89.0	77.1
Contract assets		49.5	34.4	52.3
Other short-term receivables		14.8	18.9	16.2
Cash and cash equivalents		105.7	71.8	104.4
Total current assets		244.9	217.2	254.7
Assets held for sale	11	9.7	48.7	32.8
Total assets		538.3	536.9	580.3
Amounts in MNOK	Note	Q3 2024	Q3 2023	2023
Share capital	10	57.6	57.6	57.6
Treasury shares		-1.8	-1.8	-1.8
Other paid-in equity		440.4	440.4	440.4
Total paid-in equity		496.2	496.2	496.2
Other equity		-213.0	-222.6	-215.8
Total retained equity		-213.0	-222.6	-215.8
Total equity		283.1	273.6	280.3
Long-term lease liabilities		33.2	40.0	39.5
Long-term provisions		0.1	1.2	0.3
Total long-term debt		33.3	41.2	39.9
Trade payables		12.0	50.1	78.6
Other current liabilities		83.5	72.3	100.4
Short-term interest-bearing debt		37.3	26.7	-
Short-term lease liabilities		17.0	15.2	16.7
Short-term contract liabilities		63.4	28.7	39.8
Short-term provisions		4.6	7.6	8.2
Total current liabilities		217.8	200.5	243.7
Total liabilities		251.1	241.7	283.6
Liabilities held for sale	11	4.1	21.6	16.3
Total equity and liabilities		538.3	536.9	580.3

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Amounts in MNOK	Share capital	Treasury shares	Other paid-in equity	Other equity	Translation differences	Total	Non-controlling interests	Total equity
Equity as of 01.01.2023	55.5	-1.8	431.5	-233.8	7.5	258.9	-	258.9
Earnings after tax	-	-	-	8.1	-	8.1	-	8.1
Comprehensive income	-	-	-	-	0.3	0.3	-	0.3
Issuance of shares	2.1	-	8.8	-	-	11.0	-	11.0
Share-based compensation	-	-	-	2.1	-	2.1	-	2.1
Other changes	-	-	-	-	-	-	-	-
Equity as of 31.12.2023	57.6	-1.8	440.4	-223.6	7.8	280.3	-	280.3
Equity as of 01.01.2024	57.6	-1.8	440.4	-223.6	7.8	280.3	-	280.3
Earnings after tax	-	-	-	1.3	-	1.3	-	1.3
Comprehensive income	-	-	-	-	-0.7	-0.7	-	-0.7
Share-based compensation	-	-	-	1.8	-	1.8	-	1.8
Other changes	-	-	-	0.3	-	0.3	-	0.3
Equity as of 30.09.2024	57.6	-1.8	440.4	-220.2	7.1	283.1	-	283.1

Condensed Consolidated Statement of Cash Flows (Unaudited)

Amounts in MNOK	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Result for the period		-3.9	-4.4	1.3	2.3	8.1
Adjusted for						
Tax expense	8	-1.1	0.4	2.3	2.4	-9.4
Depreciation and amortization	5, 6	1.6	2.7	7.1	7.1	24.5
Share of profit after tax from associates		-	0.3	-0.7	0.1	0.1
Depreciation of right-of-use assets under IFRS 16	7	5.1	3.9	13.8	11.8	16.6
Net change in provisions for liabilities		-0.3	1.3	-3.8	-2.9	-2.4
Interest income		-1.7	-2.0	-5.6	-5.5	-7.5
Interest expenses		1.6	2.6	6.6	7.3	10.0
Changes in working capital:						
Changes in inventory		-	-0.2	-	4.0	2.4
Changes in trade receivables and other receivables		15.0	24.6	12.9	-4.5	-9.1
Changes in trade payables and other current liabilities		-23.7	-15.8	-67.0	-10.2	51.9
Other changes		0.8	1.1	4.4	-0.2	-1.8
Cash flows from operating activities before interest and tax		-6.7	14.5	-28.7	11.6	83.4
Received interest		1.7	2.0	5.6	5.5	7.5
Paid interest		-1.6	-2.6	-6.6	-7.3	-10.0
Cash flow from operating activities		-6.5	13.9	-29.8	9.8	80.9
Outflow for purchase of tangible fixed assets	5	-0.9	-0.8	-3.0	-3.1	-4.1
Inflow from sale of tangible fixed assets	11	21.4	-	21.4	-	0.1
Outflow for purchase of intangible assets	6	-1.1	-1.7	-2.1	-4.8	-8.5
Outflows for acquisition of businesses	2	-	-	-1.1	-	-7.6
Cash flow from investing activities		19.4	-2.5	15.2	-7.9	-20.1
Net inflow from issuance of shares		-	9.5	-	10.7	11.0
Repayment of lease liabilities		-5.8	-3.5	-15.6	-12.0	-15.2
Change in operating credit currency		-2.4	-29.0	32.5	-17.8	-44.5
Cash flow from financing activities		-8.2	-22.9	16.9	-19.1	-48.8
Cash and cash equivalents at the beginning of the period		103.7	88.3	106.7	93.1	93.1
Cash flow during the period		4.7	-11.5	2.3	-17.2	12.0
Effect of exchange rate changes on cash and cash equivalents		-0.8	-0.3	-1.3	0.6	1.6
Cash and cash equivalents at the end of the period		107.7	76.5	107.7	76.5	106.7
Allocation of cash and cash equivalents at the end of the period:						
Cash and cash equivalents in the balance sheet from continuing operations		105.7	71.8	105.7	71.8	104.4
Cash and cash equivalents in the balance sheet from discontinued operations		2.0	4.7	2.0	4.7	2.3
Cash and cash equivalents in the cash flow statement		107.7	76.5	107.7	76.5	106.7

Notes to the Financial Statements for Q3 2024 (Unaudited)

Note 1 General Information and Accounting Policies

The consolidated financial statements include Goodtech ASA and its subsidiaries. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in line with IAS 34 "Interim Financial Reporting". The quarterly report is unaudited. The interim financial statements do not include all the information required in a complete annual financial statement and should therefore be read in conjunction with the consolidated financial statements for 2023. The accounting principles used are the same as those used in the consolidated financial statements for 2023. The consolidated financial statements have been prepared in accordance with IFRS as established by the EU. Revenues and expenses for foreign subsidiaries are translated into NOK on a quarterly basis using monthly average exchange rates for each currency. Balance sheet items are consolidated using the exchange rates at the end of the reporting period.

The presentation in the condensed consolidated statement of profit or loss will be reclassified from Q3 2024, where "External project costs" and "Net operating revenue after external project costs" will be added as new items. "External project costs" includes the previously reported cost of goods sold (in Norwegian referred to as "Varekostnad") as reported before Q3 2024, as well as any other third-party project-related procurement costs (previously reported as part of "other operational expenses" (in Norwegian referred to as "Andre driftskostnader" before Q3 2024). Consequently "Net operating revenue after external project costs" illustrates revenues after deducting any third-party project-related procurement costs. Other operating expenses will still remain on a separate line in the condensed consolidated statement of profit or loss, but now excluding project-related third-party procurement costs. Total Revenue and EBITDA will remain unchanged with the new presentation. See the effected items prior and after changes presented below:

Prior presentation					
Amounts in MNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Cost of goods sold	-37.8	-109.3	-174.9	-262.6	-349.7
Other operating expenses	-18.0	-24.0	-62.9	-66.4	-89.4
New presentation					
Amounts in MNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
External projects costs	-41.3	-109.3	-186.1	-262.6	-349.7
Other operating expenses	-14.5	-24.0	-51.6	-66.4	-89.4

The reason for the reclassification is to align practice to other listed project- and consulting companies to ensure ease of comparison and avoid misunderstanding from readers of Goodtech's reported financial statements. Margins are expressed as a percentage of this "Net operating revenue after external project costs" to more accurately showcase Goodtech's value contribution to the projects. The new classification will also apply to historical numbers and be restated in the condensed consolidated statement of profit or loss.

Note 2 Estimates

The preparation of the interim financial statements involves the use of assessments, estimates and assumptions that affect the application of accounting principles and recognized amounts to assets and liabilities, as well as income and expenses. Actual results may differ from these estimates. The most significant considerations in the application of the Group's accounting policies and the most important sources of uncertainty are the same as those in the preparation of the consolidated financial statements for 2023.

Note 3 Changes in the Group's Structure

Skala Acquisition

On 16 August 2023, Goodtech announced an agreement to acquire Skala AS's business unit for industrial IT, automation, and process engineering in the liquid food and process industry. The unit is a leading engineering environment in its segment, and strengthens Goodtech's position within dairy and aquaculture products in Nordic food production. The acquisition was completed on 2 October 2023, and the operations of the business were therefore fully integrated into the Group's financial statements starting from Q4 2023.

The transaction involved the acquisition of the specialized software LT Line, intangible assets, inventory and office equipment related to the unit's operations, the organisation with 24 engineers in Oslo, Trondheim, Klepp and Førde (of which 23 did not exercise their reservation rights and joined Goodtech), as well as an order book exceeding 20 MNOK.

The acquisition included an initial cash consideration of 7.6 MNOK, as reflected in Goodtech's cash flow statement for 2023. Additionally, the parties agreed on a contingent consideration (earn-out) that would be determined by contribution margin sharing in the acquired order book of just over 20 MNOK. In February 2024, Goodtech reached an agreement with Skala AS regarding the amount of the contingent consideration (earn-out) totaling 1.1 MNOK, which is reflected in the Group's cash flow for Q1 2024. The Group made an initial provision for earn-out based on expectations at the time of acquisition on 2 October 2023, which as of 31 December 2023, has been reduced to the finally agreed amount of 1.1 MNOK. The reduction of 0.8 MNOK has been recorded as other income in 2023.

Note 4 Transactions with Related Parties

Goodtech occasionally engages in purchase and sale transactions with related parties as part of normal business operations.

No transactions with related parties were conducted in the third quarter of 2024.

Note 5 Property, Plant and Equipment

Amounts in MNOK	Buildings and other real property	Machinery/inventory	Other operating assets	Total
Acquisition cost as of 01.01.24	-	22.3	29.2	51.5
Additions	-	2.9	0.1	3.0
Currency adjustments	-	0.1	-	0.1
Other changes	-	-	-	-
Acquisition cost as of 30.09.24	-	25.3	29.3	54.6
Accumulated depreciation as of 01.01.24	-	-13.7	-21.1	-34.8
Depreciation for the year	-	-3.9	-1.0	-4.9
Currency adjustments	-	-	-	-
Other changes	-	-	0.1	0.1
Accumulated depreciation as of 30.09.24	-	-17.6	-22.0	-39.6
Carrying amount as of 30.09. 2024	-	7.7	7.3	15.0

Note 6 Intangible Assets

Amounts in MNOK	Goodwill	Development costs	Intangible assets	Total
Acquisition cost as of 01.01.24	159.3	28.5	7.1	194.9
Additions	-0.2	2.0	0.1	1.9
Currency adjustments	0.1	-	0.1	0.2
Other changes	0.2	-	-	0.2
Acquisition cost as of 30.09.24	159.5	30.6	7.2	197.2
Accumulated amortization as of 01.01.24	-	-12.2	-6.3	-18.6
Amortization for the year	-	-1.8	-0.6	-2.3
Currency adjustments	-	-	-0.1	-0.1
Other changes	-	-	-	-
Accumulated amortization as of 30.09.24	-	-14.0	-7.0	-21.0
Carrying amount as of 30.09. 2024	159.5	16.6	0.2	176.2

Note 7 Effects of Leasing IFRS 16

Amounts in MNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Lease expense IFRS 16	5.8	3.5	15.6	12.0	17.4
EBITDA	5.8	3.5	15.6	12.0	17.4
Depreciation IFRS 16	-5.1	-3.9	-13.8	-11.8	-16.6
Operating profit (EBIT)	0.7	-0.4	1.8	0.3	0.8
Net financial items	-0.7	-0.5	-1.9	-1.4	-2.1
Earnings before tax	-	-1.0	-0.1	-1.2	-1.3

Note 8 Tax Expense and Deferred Tax

The effective tax rate is affected by different tax rates in Norway and Sweden. The Group had a tax loss carryforward of 185.4 MNOK at the end of Q3 2024, of which approximately NOK 151.3 MNOK was in Norway.

The carryforward loss related to discontinued operations in Finland amounted to 46.5 MNOK at the end of Q3 2024, and this is not included in the carryforward loss of 185.4 MNOK.

Amounts in MNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Change in deferred tax	-1.1	0.4	2.3	2.4	-9.4
Current tax payable	-	-	-	-	-
Total tax expense	-1.1	0.4	2.3	2.4	-9.4

Amounts in MNOK	Norway	Sweden	Total
Deferred tax asset	40.7	2.7	43.4

Note 9 Breakdown of Revenue

Total Revenue (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenue from contracts	24.4	35.2	161.7	131.0	420.1
Recurring hourly services	114.0	171.0	371.9	450.6	383.2
Products sales	9.0	8.7	30.9	21.0	27.7
Other revenue	0.3	0.3	0.9	0.7	2.0
Total Revenue	147.8	215.2	565.3	603.4	833.0

Total Revenue (MNOK)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2,023
Norway	116.8	175.3	446.7	494.0	671.0
Sweden	3.8	17.3	31.5	37.7	76.8
Other countries	27.1	22.6	87.2	71.7	85.1
Total Revenue	147.8	215.2	565.3	603.4	833.0

Note 10 Shareholders

The company's share capital consists of 28 803 077 shares with a nominal value of NOK 2, totaling NOK 57 606 154 as of 30 September 2024. Goodtech owns 900 773 treasury shares (3.1%) which are registered in the VPS as of 30 September 2024.

The 20 largest shareholders in Goodtech ASA as of 30.09.2024:

Name	Number of shares	Ownership %
WESTHAWK AS	2,781,000	9.7 %
GRIEG KAPITAL AS	2,386,966	8.3 %
GORA AS	1,949,746	6.8 %
STACO AS	1,169,103	4.1 %
ALTEA AS	1,000,000	3.5 %
TVECO AS	1,000,000	3.5 %
MUEN INVEST AS	930,226	3.2 %
GOODTECH ASA	900,773	3.1 %
MP PENSJON PK	775,977	2.7 %
ACUMULUS AS	756,388	2.6 %
A/S POLYCORP	690,659	2.4 %
WEINTRAUB AS	687,730	2.4 %
OMA INVEST AS	525,790	1.8 %
PART INVEST AS	400,000	1.4 %
REMIS AS	400,000	1.4 %
TIGERSTADEN AS	400,000	1.4 %
KES AS	365,684	1.3 %
FARSTAD	364,980	1.3 %
TROLLHAUG INVEST AS	320,000	1.1 %
SKANDINAVISKA ENSKILDA BANKEN AB	300,000	1.0 %
	250,000	0.9 %
Total, top 20 shareholders	18,355,022	63.7 %
Total number of shares in Goodtech ASA at the end of the period	28,803,077	100.0 %

An updated overview of the company's 20 largest shareholders is available on the company's website <https://www.goodtech.no/investor/>

Note 11 Held for Sale and Discontinuing Operations

On 20 December 2022, Goodtech announced an agreement with NCC to acquire the Group's biogas, water and wastewater expertise in Åland. The remaining business is put up for sale along with the property. The balance sheet of Goodtech Environmental Solutions AB is classified as fixed assets held for sale and the profit as discontinued operations.

The following significant assets and liabilities have been reclassified as held for sale and the results classified as discontinued operations:

Assets Held for Sale (MNOK)	Q3 2024	
Non-current assets	-	
Current assets	9.7	
Total assets from disposal group held for sale	9.7	
Liabilities Held for Sale (MNOK)	Q3 2024	
Long-term liabilities	-	
Current liabilities	4.1	
Total liabilities from disposal group held for sale	4.1	
Results from Discontinued Operations (MNOK)	Q3 2024	Q3 2023
Profit after tax from discontinued operations	0.5	-4.2
Profit after tax from discontinued operations	0.5	-4.2

The operations in Åland delivered a profit after tax (discontinued operations) of 0.5 MNOK in Q3 2024, compared to -4.2 MNOK in the same period in 2023.

Sale of Building and Property Assets in Åland

Goodtech announced on 1 July 2024, that its subsidiary, Goodtech Environmental Solutions AB (GESAB), has successfully sold the building and property assets of the company for a total of 1.8 MEUR (21.4 MNOK) to Zero Ventures in Åland. The differences between the IFRS 5 fair value assessment of the building as of 31 December 2023, and the actual sales amount led to an additional write-down of 0.5 MNOK for discontinued operations in Q3 2024.

Note 12 Events After the Balance Sheet Date

There are no significant events after the balance sheet date

Alternative Performance Measures (APM)

Goodtech presents certain alternative performance measures (APM) in the interim report as a supplement to the financial statements prepared in accordance with IFRS. These measures are often used by analysts, investors, and other stakeholders, and their purpose is to provide better insight into the company's operations, financing, and future prospects. Performance measures:

Total revenue: Defined as the sum of operating revenue and other revenue.

External project costs: Cost of sold goods and third-party project-related procurement

Net operating revenue after external project costs: Total revenue after deducting any third-party project-related procurement.

ARR: Defined as "Annual Recurring Revenue," which is annual recurring revenue.

EBITDA: Defined as "earnings before interest, taxes, depreciation, and amortization," and corresponds to operating profit before depreciation and amortization.

Adjusted EBITDA: EBITDA adjusted for losses related to customer bankruptcies.

EBIT: Defined as "earnings before interest and taxes," and corresponds to operating profit in the annual report.

EBITDA margin: Used to compare relative performance between periods. EBITDA margin is calculated as EBITDA/Net operating revenue after external project costs.

Adjusted EBITDA margin: Used to show the Group's EBITDA margin adjusted for losses related to customer bankruptcies. Adjusted EBITDA margin is calculated as Adjusted EBITDA/Net operating revenue after external project costs.

EBIT margin: Used to compare relative performance between periods. EBIT margin is calculated as EBIT/Net operating revenue after external project costs.

Order backlog: Presented as an alternative performance measure, as it indicates the company's future revenues and operations. Represents the estimated value of remaining work on signed contracts.

Order intake: Presented as an alternative performance measure as it indicates the company's future revenues and operations. Order intake is calculated as the change in order backlog plus revenue for the period, and is the estimated value of new contracts, change orders, and orders for both construction contracts and ongoing sales in the period.

Book-to-bill: A measure of the company's ability to maintain the Order Reserve. Calculated as the order intake for the period divided by the revenue for the period.

Financial metrics: Alternative financial measures for financing and equity are presented as they are indicators of the company's ability to achieve financing and service its debt.

Net assets held for sale: Refers to the net value of assets held for sale minus liabilities held for sale.

Net interest-bearing debt: Interest-bearing debt (including IFRS 16 liabilities) minus cash and cash equivalents.

Net working capital: The sum of Inventory, Trade Receivables, Contract Assets, and Other Short-Term Receivables minus the sum of Trade Payables, Other Short-Term Liabilities, Short-Term Contract Liabilities, and Short-Term Provisions.

Equity ratio: Total Equity / Total Assets.

Market capitalization: Market value of the shares in Goodtech ASA. Number of shares outstanding x price per share.