

I T E R A



Q2
2021

Make a difference

Highlights

April – June 2021

The focus of Itera's financial reporting in 2021 is on its core digital business as its own data centre operations are being sunset.

- Operating revenue for the core digital business NOK 150.8 million (NOK 121.6 million), representing growth of 24.1%.
- EBITDA for the core digital business NOK 28.7 million (NOK 23.5 million) and an EBITDA margin of 19.0% (19.3%).
- EBIT for the core digital business of NOK 22.3 million (NOK 15.6 million) and an EBIT margin of 14.8% (12.8%).
- No. of employees for the core digital business at the end of the period 539 (463), representing growth of 16%.
- Cash flow from operations as a whole NOK 24.1 million (NOK 39.6 million).

January – June 2021

- Operating revenue for the core digital business NOK 295.3 million (NOK 252.3 million), representing growth of 17.0%.
- EBITDA for the core digital business NOK 57.0 million (NOK 50.0 million) and an EBITDA margin of 19.3% (19.8%).
- EBIT for the core digital business of NOK 44.4 million (NOK 34.2 million) and an EBIT margin of 15.0% (13.6%).
- Cash flow from operations as a whole NOK 25.2 million (NOK 47.1 million).

Highlights

- Itera's core digital business delivered strong growth of 24% in the second quarter. Itera's own data centre operations scaled down significantly as part of the process of transformation to the cloud.
- Itera completed its initial investment of NOK 15 million into a world-class Cloud Centre of Excellence as planned.
- Itera has positioned itself strongly in relation to financial crime prevention using artificial intelligence in partnership with IBM.
- In the second quarter of 2021, Itera had an order intake equivalent to a book-to-bill ratio of 1.0 in its core digital business, and it entered into new or extended contracts with customers including Aize, Cognite, Santander, DNV, Kredinor, Santander, Islandsbanki, Össur, the Norwegian Labour and Welfare Administration (NAV) and Gjensidige. Itera is also part of a consortium that won significant framework agreements with the Norwegian Labour and Welfare Administration (NAV), the Norwegian Public Roads Administration (Statens Vegvesen) and the Norwegian Tax Administration (Skatteetaten).
- An ordinary dividend for 2020 of NOK 0.25 per share was paid.

Key figures for the second quarter

	Core digital business				Total business
	2021	2020	change	change	2021
Amounts in NOK million	4-6	4-6		%	4-6
Sales revenue	150.8	121.6	29.2	24.1 %	161.1
Cost of sales	12.3	8.4	3.9	46.8 %	16.9
Gross profit	138.5	113.2	25.3	22.4 %	144.2
Gross margin	91.9 %	93.1 %	-1.3 pts	-1.3 pts	89.5 %
EBITDA	28.7	23.5	5.2	22.1 %	24.0
EBITDA margin	19.0 %	19.3 %	-0.3 pts	-0.3 pts	14.9 %
EBIT	22.3	15.6	6.7	43.4 %	16.6
EBIT margin	14.8 %	12.8 %	2 pts	2 pts	10.3 %
No. of employees at the end of the period	539	463	76	16.3 %	579
Net cash flow from operating activities					24.1

The focus of Itera's financial reporting in 2021 is on its core digital business as its own data centre operations are being sunset. The consolidated financial statements represent the business as a whole (pages 16-22). Note 4 contains the separate reporting segments.

ITERA

CEO's comment

As we have seen over the past pandemic year, digital adoption curves are accelerating across industries and business functions. All our customers are on a journey to becoming digital businesses and thus more agile and resilient. Over the course of the pandemic, our fantastic people have worked hard to help our customers use digital technology to get through one of the most challenging moments in modern history.

In the second quarter our core digital business achieved record organic revenue growth of 24.1% and an EBIT margin of 14.8%. Our resilient profitable growth reflects the trusted long-term relationships we have with our customers and partners, our world-class distributed delivery model, the breadth of our services, and our fantastic people and their deployment into multi-disciplinary teams with specialists in customer experience, specific business domains and advanced technology.

We are seeing positive developments in the market for our services in all locations. Cloud services, machine learning and artificial intelligence are ever more critical enablers as all our customers are increasing their focus on enterprise-wide transformation. Only by embracing the truly disruptive nature of today's cloud-operating architectures can we achieve the fourth industrial revolution.

In response, we continued to invest in our Delivery Factory at Scale and our Cloud Centre of Excellence to help customers accelerate their ongoing transition to the cloud. Itera completed its NOK 15 million investment into a world-class Cloud Centre of Excellence in the second quarter as planned. This investment puts Itera in pole position in the market by giving it a full range of services and capabilities to enable any business in any industry to complete a digital transformation to a more sustainable future.

This work will simultaneously create more challenging jobs and career paths for our great people. We are fully committed to something bigger than ourselves around the world. The Nordic region is often regarded as a digital and sustainable pioneer that is well-positioned to show the world how to become more sustainable, to create new pathways for industrial growth and to deliver far-reaching lifestyle changes through digitalisation. As a Nordic based company with global reach, we will seek to show the way.

The share of revenue from our core digital business was 94% of the total revenue for our business as a whole at the end of the quarter, while the transition to the cloud of the remaining 6% from our own data centre operations is progressing as planned, with a completion target of the end of this year. Phasing out our own data centre operations will continue to have a negative impact on revenue and profitability for the business as a whole in 2021, before the cloud business gains momentum and contributes to growth and profitability in 2022.

We continued to meet our customers' strong demand, adding a net 76 talented people in the last 12 months for our core digital business. We are increasing the attractiveness of our brand by positioning ourselves as a leader in Industry 4.0. We have increased our recruitment activities in all locations to support our growth ambitions and are doing so by providing exciting careers, interesting projects with leading customers and a flexible, transparent and diversified culture. We also opened a regional office in Fredrikstad for which several new hires were signed in the second quarter.

I am very proud of Itera's incredible people. Their health and safety remain our top priority. We are supporting our people by providing vaccinations and testing as required, including clinics at our distributed locations. More than 70% of our people in nearshore locations will be fully vaccinated from September, while there is good vaccine coverage in general for our people in the Nordic countries.

We are also using the pandemic to learn about new ways of working. According to our own research, the majority of employees want flexible remote working options, but at the same time, they also want more in-person collaboration. This is hybrid working.

Our people will work in the office, from home and at customer sites, and it is likely that many of our customers' employees will be doing the same. We want to create an environment that helps our people to grow as best they can and to feel a sense of belonging. We will take a lean approach to finding the best solution for our people, our customers and the company, and so to defining a new hybrid working environment for Itera.

Arne Mjøs

FOUNDER & CHIEF EXECUTIVE OFFICER





Business review

Business review

Digitalisation and sustainability are mutually reinforcing. There is no going back to the digital adoption levels of two years ago; there is only greater adoption. The Nordic region is often regarded as a digital and sustainable front-runner that is well-positioned to show the way globally.

At Itera, we are energised by the opportunity to guide and assist our Nordic and international customers on their digital transformation journeys to becoming sustainable businesses - and by contributing to the advancement of the societies in which we live.

We are investing in our Delivery Factory at Scale and our Cloud Centre of Excellence to help customers accelerate their digital transformation and their transition to the cloud.

On the brink of a revolution – Industry 4.0

We are on the brink of the fourth industrial revolution. The bridge between the physical and the digital has been built, the quantity of data available is increasing exponentially, production processes and procedures are becoming intelligent, and everything can be done in the cloud. And we have only seen the beginning of Industry 4.0.

Itera has stated that one of Norway's ambitions should be to be a global driving force for the development of Industry 4.0 between now and 2030. This would not only benefit Norway's economy but also drive forward the country's transition to a low-carbon future. Itera has set itself very high ambitions regarding the role it will play in this in both the Nordics and globally.

In the last few years, we have considerably increased our focus on the industrial sector together with global partners and customers. We work on all areas within the internet of things (IoT), the cloud, big data analysis, machine learning (ML), artificial intelligence (AI), virtual reality (VR) and security to name but a few.

In May, in order to set the Industry 4.0 agenda even more clearly, we launched a comprehensive trend report in collaboration with the biggest business newspaper in Norway, Dagens Næringsliv (DN). The trend report contains interviews with the Norwegian Minister of Local Government and Modernisation, the President of the Confederation of Norwegian Enterprise (NHO) and selected executives from leading companies and organisations such as Cognite, DNV, Microsoft and ICT Norway about how Norway can play a vital role in developments. The Industry 4.0 report was also the topic of two live DN Studio webcasts that were broadcast on 4 and 5 May. Download the Industry 4.0 report and watch the webcasts using the following links:

[Industry 4.0 report](#)

[DN-Studio Live 4 May](#) (only available in Norwegian)

[DN-Studio Live 5 May](#) (only available in Norwegian)

Itera will continue to strengthen its services and capabilities to solve complex industrial projects for customers in the years to come. In this way, Itera will utilise its digital capabilities to drive forward the transition to a low-carbon future.

The Convergence of IT and OT at scale

The biggest hurdle in industrial digitalisation is getting information technology (IT) and operational technology (OT) to converge at scale. Businesses need to break down their silos, to contextualise

their data into meaningful information and to unlock insights that deliver real business value. Put differently, the key is to liberate data from siloed systems – such as control systems and different ERP systems – and to contextualise it to facilitate the deployment of analytics and business applications powered by artificial intelligence and machine learning.

In response, we are building our Delivery Factory at Scale for industrial DataOps with a full range of services and capabilities to contextualise data and unlock insights across OT and IT.

We are helping several customers in asset-heavy and processing industries through our strong partnership with Cognite and Aize, where we use Cognite Data Fusion as contextualisation platform across entire IT and OT systems and create operational digital twins at scale.

World-class Cloud Centre of Excellence

As part of our Delivery Factory at Scale concept, Itera has invested heavily in shifting its on-premise data centre operations to a state-of-the-art cloud delivery model. We have put in place a strong team that includes several newly recruited employees who have a proven track record, which will secure the success of the large investment.

Benefits of the cloud

The cloud offers the opportunity to deliver solutions and services in a completely new way. The greatest advantage for our customers is the ability to develop and deploy new functionality much faster than has been possible with more traditional technology. New features can be anything from increased infrastructure capacity to introducing complex functionality such as AI/ML into an application. This means that customers can take advantage of the technological innovation taking place on cloud platforms in order to realise their digital strategies, create new business functionality, modernise their business processes – i.e., to generally drive innovation across all dimensions much more quickly. For cloud-based services, everything can be controlled and delivered using code, which in practice means that everything can be automated. Cloud platforms also have almost unlimited capacity.

In future every company will in effect be a technology company. The solution areas we are building upon are uniquely designed for this era and are our tools for helping our customers build their own digital capabilities.

The Cloud Centre of Excellence project ends successfully

Itera started its cloud journey three years ago by putting its *Platform first* strategy at the core of its business. In the first half of 2021 Itera invested NOK 15 million in a world class Cloud Centre of Excellence (CCoE). This project has delivered standard cloud-based multi-customer architecture, flexible landing zones for customers, new cloud-based services, new and agile work processes, new support systems for agile processes and more.

Migrating Itera's on-premise data centre customers to the cloud

The migration of all Itera's existing customers in its data centre operations has started and will be completed in the second half of 2021. The current data centres will then be closed.

Combating financial crime with artificial intelligence

Fraud and money laundering can have devastating consequences for both society and the financial sector. The topic is therefore a top priority for all financial institutions. Itera and its subsidiary Cicero Consulting have worked with many leading Nordic financial

ITERA

institutions in this area for over a decade. We have also co-edited a report entitled '[Accelerating the fight against money laundering](#)' with the Norwegian Centre of Expertise for Finance Innovation. We are now increasing our focus even more as Itera and IBM have formed a close partnership to increase our deliveries related to the growing global challenge of financial crime.

In addition to the moral imperative of fighting financial crime and money laundering, several factors make anti-money laundering (AML) and fraud detection more relevant than ever. Banks and financial institutions are facing increased regulatory demands and often have manual processes, low efficiency levels and imprecise models for detecting criminal activity. Currently financial institutions rely heavily on human involvement in labour-intensive, manual compliance processes. However, this is about to change.

Artificial intelligence and cloud technology are increasingly being utilised to alleviate some of these issues when combating money laundering. The emergence of digital capabilities in the cloud has accelerated financial institutions' access to and analysis of information – at a massive scale. Innovative solutions powered by artificial intelligence have the potential to significantly reduce the need for human involvement in labour-intensive, manual compliance processes.

Itera and IBM are teaming up by combining local and global capabilities, industry experience, proven software, and a data driven approach with use of advanced cognitive solutions and artificial intelligence. Our joint ambition is high and is to quickly become a preferred partner for the Nordic financial industry in the fight against financial crime.

Recognition of our ambitions in relation to sustainable business

Itera is on the right track with its strategic commitment to be a sustainable business. This has been confirmed by an evaluation of the group's ESG efforts carried out by EcoVadis that placed Itera into the silver class. We are very pleased that our commitment has been recognised in this way, but we also acknowledge that we still have work to do.

EcoVadis is the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 75,000 rated companies. Itera received a total score of 60 out of 100, which is better than 85% of the other 75,000 companies assessed. In the global IT and consulting industry, Itera is in the top 10% of companies.

EcoVadis analyses companies' reported efforts in relation to the environment, labour and human rights, ethics, and sustainable procurement. The recently published ranking is based on a questionnaire and company reports with facts and figures from 2019. We continuously invest in our sustainability activities, and have high ambitions related to the score on the next assessment.

Itera's highest score was in relation to ethics, while it received lower scores in the sustainable procurement area. Itera finds it inspiring that we received recognition for our commitment to the UN Global Compact principles. At the same time, the report gives valuable information about what needs to be improved. EcoVadis also states that the biggest challenges in our industry are discrimination, harassment, and diversity. We have made strong efforts to continuously address these challenges with relevant measures.

People

As part of our continuous work to develop and maintain a good working environment for all employees, we use a measurement tool that provides a picture every two weeks of the current situation in terms of principal factors such as employee engagement and employees' perception of the extent to which they are supported by their managers and are engaged in meaningful work.

These measurements continued to be taken in the second quarter when the vast majority of Itera's employees were working remotely. During this period, the scores for employee engagement, the working environment, and the perceived level of managerial support increased, which Itera finds very positive. In addition, Itera is seeing very little absence due to sickness, with the sick leave rate for 2021 being at the low level of 0.6%.

Market and customer development

In the second quarter of 2021, Itera had an order intake equivalent to a book-to-bill ratio of 1.0 from its core digital business. For the last twelve-month period, the book-to-bill ratio was 1.2.

Itera entered new or extended contracts with customers including Aize, Cognite, Santander, DNV, Kredinor, Santander, Islandsbanki, Össur, the Norwegian Labour and Welfare Administration and Gjensidige.

In addition, Itera entered into framework agreements with three major public sector customers in Norway: The Norwegian Labour and Welfare Administration (NAV), the Norwegian Public Roads Administration (Statens Vegvesen) and the Norwegian Tax Administration (Skatteetaten).

The agreements cover almost all of Itera's services, including system development, architecture, test management, total experience (design), agile coaching, analytics, and data science. The agreements are valid for the next four years (2+1+1) and are expected to bring substantial value to our yearly revenue, contributing to the fulfilment of our growth ambitions.

The wins were made with Itera as a partner in a strong vendor alliance with several companies. The alliance has gained valuable experience of working with large customers and the combination of expertise and capacity from different specialist teams gives the customer certainty that the best consultant or team will be put on each project or task.

All the customers represent key parts of the Norwegian social eco-system and have large and skilled expertise environments to fulfil their responsibilities. Our employees consider the projects they run to be very attractive, both in terms of professional development but also due to the projects' societal impact and importance. Hence, these projects are utterly relevant to our ambition of being a workplace in which people grow both professionally and personally.

I T E R A



Financial review

Financial review

Financial reporting

Itera is continuing to transition its customers from its on-premise data centre operations to managed cloud services and it expects to largely complete this by the end of the year. Due to Itera's sunsetting of its data centre operations, its financial reporting for 2021 will focus on its core digital business (referred to as its "core digital business"), including its new cloud service offering. The overall figures are reported in a separate section with brief comments regarding Itera's data centre operations (referred to as the "business as a whole").

The comments in this report relate to Itera's performance in the second quarter of 2021 compared to the second quarter of 2020 unless otherwise stated. The figures given in brackets refer to the equivalent period in 2020. Please refer to Note 3 for a description of the alternative performance measures used and to Note 4 for key financial figures for the core digital business and data centre operations reporting segments.

During 2021, Itera's overall growth and profitability will be impacted by its transformation and sunsetting of its own data centres. This is expected to have a negative impact of around 10-12 percentage points on the Group's full-year growth.

Itera (the Group) consists of Itera ASA (the Company) and its subsidiaries. Itera ASA is a public limited liability company, incorporated in Norway and listed on the Oslo Stock Exchange with the ticker ITERA. The condensed consolidated interim financial statements cover the Group. As a result of rounding differences, some numbers and percentages may not add up to the totals given.

Accounting principles

These interim condensed consolidated financial statements for the quarter ending 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group's annual report for 2020. The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020. The interim financial information contained in this report has not been audited or reviewed.

Core digital business

The following comments apply to Itera's core digital business, which will represent the whole business once Itera has finished transitioning its data centre operations to the cloud. In the second quarter of 2021, Itera's core digital business represented 94% (81%) of its total revenue.

Second quarter 2021 in brief

Itera's core digital business achieved organic revenue growth of 24% in the second quarter of 2021 relative to the second quarter of 2020. Gross profit increased by 22%, while the gross margin was down by 1.3 percentage points to 91.9% due to greater use of services from subcontractors.

The second quarter and the first half of 2021 contained one more and one fewer working day, respectively, than the corresponding periods of 2020. One working day has a positive impact of NOK 1 to 1.5 million on revenue and profit.

The operating profit (EBIT) for the second quarter of 2021 was NOK 22.3 million (NOK 15.6 million) with an EBIT margin of 14.8% (12.8%). For the first half of 2021 EBIT was NOK 44.3 million (NOK 34.2 million) and the EBIT margin was 15.0% (13.6%).

Itera completed its initial investment of NOK 15 million in developing a world-class Cloud Centre of Excellence in the first half of 2021.

Operating revenue

Itera reports operating revenue of NOK 150.8 million (NOK 121.6 million) for its core digital business for the second quarter of 2021, which represents growth of 24%. This was driven by growth in the revenue from Itera's own services and from third-party services, which increased by 22% to NOK 120 million and by 125% to NOK 13 million, respectively. Subscriptions were down by 2% to NOK 15 million. For the first six months operating revenue was NOK 295.3 million (NOK 252.3 million), which represents growth of 17%.

Approximately 6,400 internal hours were spent on the aforementioned Cloud Centre of Excellence in the second quarter of 2021, which to a large extent has been capitalised as it will provide future revenue streams.

Operating expenses

Total operating expenses in the second quarter of 2021 were 21% higher at NOK 128.5 million (NOK 106.0 million), while for the first six months they were up 15% to 250.9 million.

Cost of sales for the core digital business was NOK 12.3 million (NOK 8.4 million) following an increase in the use of subcontractors but a decrease in other elements of cost of goods sold. For the first six months cost of sales was up 40% to NOK 24.3 million (NOK 17.4 million).

Gross profit (revenue minus cost of goods sold) was NOK 138.5 million (NOK 113.2 million) in the second quarter of 2021, which represents an increase of 22%. For the first six months gross profit was NOK 271.0 million (234.9 million).

Personnel expenses were NOK 100.7 million (NOK 81.5 million) in the second quarter of 2021, which represents an increase of 24%. The average number of employees in the quarter was 15% higher than the corresponding quarter of 2020. The company incurred costs related to its discounted Employee Share Purchase Programme of NOK 0.9 million (NOK 0.3 million). In the second quarter of 2020 Itera benefitted from a temporary decrease in the level of employer's national insurance contributions that totalled approximately NOK 1.5 million as part of the Norwegian government's Covid-19 measures. Average personnel expenses per employee were up by 7.4% in the second quarter of 2021. For the first six months personnel expenses were up 18% to NOK 196.2 million as compared to an increase of 15% in the average number of employees. Average personnel expenses per employee were up by 2.9%.

Other operating expenses were NOK 9.1 million (NOK 8.3 million) for the core digital business in the second quarter of 2021, an increase of 11% from last year. Spending on travel, courses and social events is still artificially low due to Covid-19-related

ITERA

restrictions and is expected to gradually increase. For the first six months other operating expenses were NOK 17.8 million (NOK 19.2 million).

Depreciation and amortisation totalled NOK 6.4 million (NOK 7.9 million) for the core digital business in the second quarter. The reduction is primarily due to Itera's subleasing of around 40% of its office space in Kyiv that was made temporarily redundant by the ongoing Covid-19 lock-down. For the first six months depreciation and amortisation totalled NOK 12.6 million (NOK 15.7 million).

Operating result

The operating result before depreciation and amortisation (EBITDA) for the core digital business for the second quarter of 2021 was a profit of NOK 28.7 million (NOK 23.5 million), giving an EBITDA margin of 19.0% (19.3%). For the first six months EBITDA was NOK 57.0 million (NOK 50.0 million) with an EBITDA margin of 19.3% (19.8%).

The operating result (EBIT) for the second quarter was a profit of NOK 22.3 million (NOK 15.6 million), giving an EBIT margin of 14.8% (12.8%). For the first six months EBIT was NOK 44.4 million (NOK 34.2 million) with an EBIT margin of 15.0% (13.6%).

Personnel

Building on a strong Nordic heritage, we combine local presence with geographically distributed capabilities into a distributed delivery model that features multidisciplinary teams and a flexible distribution of work across borders.

Itera's headcount for its core digital business at the end of the second quarter of 2021 was 539 as compared to 463 at the end of the second quarter of 2020. This represents an increase of 76 employees (16%) over the last 12 months.

Our distributed delivery model is very scalable and provides access to a much larger workforce than is available in local markets. We are tapping into the world's fourth largest pool of digitally talented people, a pool which is only a few hours by plane from the Nordic region.

Our distributed delivery model was recognised as best in the world for customer experience by the Global Sourcing Association in 2018 and for having the best Project Management Office in Europe by the PMO Global Alliance in 2020. Itera also received the PMO Ukraine Award for 2020, achieving the best results in the categories "Best Practices", "Customer Service", "PMO Path", "Value Generation", "Innovations", "Competency Development" and "Formation of commonality".

Business as a whole

The following comments apply to Itera's business as a whole, including its own data centre operations which are being sunset through migration to the cloud.

Operating revenue

Revenue from the data centre operations was down 64% to NOK 10 million in the second quarter of 2021 following the planned exit of on-premise customers.

Total reported operating revenue for the Group was NOK 161.1 million (NOK 149.9 million) for the second quarter of 2021,

representing growth of 8%. For the first six months total operating revenue was NOK 317.8 million (NOK 310.8 million).

Operating expenses

Total operating expenses were up 7% to NOK 144.5 million (NOK 135.0 million) in the second quarter of 2021 and up 2% to NOK 282.8 million (NOK 277.6 million) for the first six months.

Cost of sales was NOK 16.9 million (NOK 18.2 million) in the second quarter. This included a decrease of NOK 5.3 million from the ongoing sunsetting of Itera's data centre operations. However, gross profit for the data centre operations was 10 percentage points lower than in the second quarter of 2020 as some common platform costs are distributed between fewer customers until the migration to the cloud is completed. For the first six months cost of sales was NOK 33.8 million (NOK 38.0 million).

Personnel expenses were up 14% to NOK 109.5 million (NOK 96.2 million) in the second quarter and up 9% to NOK 213.9 million (NOK 195.6 million) for the first six months. The average number of employees was 8% higher in the second quarter and 9% higher in the first six months of 2021.

Other operating expenses were 11% higher at NOK 10.7 million (NOK 9.6 million) in the second quarter and 8% lower at NOK 20.3 million (NOK 22.0 million) in the first six months. Spending will gradually increase as Covid-19 restrictions are lifted.

Depreciation and amortisation were 25% lower at NOK 7.4 million (NOK 10.0 million) in the second quarter and 26% lower at NOK 14.8 million (NOK 20.0 million) in the first six months of 2021. The downscaling of the data centres contributed NOK 1.0 million and NOK 2.1 million of these decreases, respectively. Similar decreases were caused by the subleasing of some office space in Kyiv.

Operating results

The operating result before depreciation and amortisation (EBITDA) in the second quarter of 2021 was NOK 24.0 million (NOK 25.8 million), giving an EBITDA margin of 16.6% (15.8%). For the first six months EBITDA was NOK 49.8 million (NOK 55.1) with an EBITDA margin of 15.7% (17.7%).

The operating result (EBIT) for the Group as a whole was NOK 16.6 million (NOK 15.8 million) for the second quarter and NOK 35.0 million (NOK 35.1 million) for the first six months of 2021. The EBIT margin was 10.3% (10.6%) for the second quarter and 11.0% (11.3%) for the first six months.

For key financial figures by business segment, please refer to Note 4.

The result before tax for the second quarter of 2021 was a profit of NOK 16.3 million (NOK 14.3 million) and NOK 34.5 million (NOK 35.9 million) for the first six months. Tax expense accrued for the second quarter totalled NOK 3.5 million (NOK 3.0 million) and for the first six months was NOK 7.5 million (NOK 8.0 million).

Earnings per share (EPS) were NOK 0.16 (0.14) for the second quarter and 0.33 (0.34) for the first six months.

Personnel

Itera's total headcount at the end of the second quarter of 2021 was 579 as compared to 530 at the end of the second quarter of 2020. This includes a reduction of 27 employees related to the data centre operations.

ITERA

Itera has nearshore development centres in Slovakia and Ukraine. The proportion of Itera's capacity that is located in these locations (its nearshore ratio) was 51% (48%) at the end of the second quarter.

Cash flow, liquidity and equity

Net cash flow from operating activities was NOK 24.1 million (NOK 39.6 million) in the second quarter of 2021 and NOK 25.3 million (NOK 47.1 million) for the first six months. Last year included a number of Covid-19 relief measures from the authorities that positively impacted cash flow in the second quarter.

There was a net cash outflow from investing activities of NOK 11.7 million (NOK 3.9 million) in the second quarter of 2021, of which NOK 8.6 million was for investment in the Cloud Centre of Excellence. NOK 1.5 million was spent on office equipment, fittings and furniture. For the first six months net cash outflow from investing activities was NOK 19.6 million (NOK 7.7 million).

There was a net cash outflow from financing activities of NOK 38.3 million (NOK 38.5 million) in the second quarter of 2021, of which NOK 19.8 million (NOK 16.3 million) was for dividend payments and NOK 15.1 million (NOK 15.4 million) was net purchase of own shares. For the first six months there was a net cash outflow from financing activities of NOK 44.7 million (NOK 44.7 million).

Work in progress at 30 June 2021 was NOK 1.1 million higher than at 30 June 2020, while capitalised contract costs were NOK 3.8 million lower. The capitalised contract costs relate to revenue the recognition of which is deferred under IFRS 15. Accounts receivable and other receivables were NOK 29.4 million higher and NOK 4.8 million higher respectively than at 30 June 2020.

Accounts payable at 30 June 2021 were NOK 11.2 million higher than at 30 June 2020. Public duties payable were NOK 15.6 million lower than at the end of the second quarter of 2020 when the authorities offered payment extensions as part of their Covid-19 relief measures. Tax payable was NOK 4.1 million lower than at 30 June 2020. Contract liabilities at 30 June 2021 were NOK 0.3 million lower at NOK 24.1 million.

Cash and cash equivalents amounted to NOK 15.4 million at 30 June 2021, compared to NOK 47.9 million at 30 June 2020. At the end of the period, Itera had an undrawn credit facility of NOK 21.5 million.

Itera had lease liabilities totalling NOK 32.7 million (NOK 55.2 million) at 30 June 2021, which represents a net decrease of NOK 19.2 million. NOK 16.0 million of the lease liabilities are current liabilities that fall due within 12 months, while NOK 16.7 million are classified as non-current liabilities.

At 30 June 2021 Itera held 1,637,006 (1,691,594) own shares, valued at NOK 22.9 million (NOK 19.5 million).

Equity at 30 June 2021 totalled NOK 27.2 million (NOK 43.6 million). The equity ratio was 12.4% (18.6%). The equity ratio without the right-of-use assets included under IFRS 16 was 14.1% (22.8%).

Dividend

The Annual General Meeting on 25 May 2021 approved the Board's proposal for an ordinary dividend payment of NOK 0.25 per share and authorised the Board to decide on the payment of an additional dividend later in the year. The share went ex-dividend on 26 May 2021.

Significant risks and uncertainties

Itera's activities are influenced by several different factors, both within and outside of the company's control. As a service company, Itera faces business risks associated with competition and pressure on prices, project overruns, recruitment, loss of key employees, customers' performance, and bad debts. Market-related risks include risks related to the business cycle. Financial risks include currency fluctuations against the Norwegian krone (NOK), principally in relation to the Danish krone (DKK), the US dollar (USD) and the euro (EUR). In addition, interest rate changes will affect the returns earned by Itera on its bank deposits, as well as leasing costs and the cost of credit facilities.

Itera is exposed through its nearshore activities in Ukraine to additional risk factors such as country risk, data security and corruption. Itera has a zero-tolerance policy on corruption and therefore does not deliver services to the public or private sectors in Ukraine.

More information about risks and uncertainties can be found in Itera's annual report for 2020.

Outlook

The company's overall strategy of developing large, long-term customer relationships, increasing the number of project deliveries which involve the full range of Itera's services, using distributed teams of Nordic and nearshore resources and focusing on operational efficiency remains unchanged. Itera will further accelerate its expansion into more asset-intensive industries through partnerships with Cognite, DNV and others.

In the first half of 2021, Itera has invested heavily in setting up a world class Cloud Centre of Excellence in partnership with Microsoft and will in the second half of 2021 migrate or terminate its remaining on-premise data centre operations. In anticipation of this, some of the largest customers have exited the data centres during the first half of 2021. This substantial reduction of business volume has a short-term impact on profitability as the associated cost base is partially needed to service the remaining portfolio until the full transition is finalised, which is expected to take until the end of 2021.

The Cloud Centre of Excellence will be the foundation of our Delivery Factory at Scale for the group's delivery of its full range of services and capabilities across borders with high scalability, and with Itera taking end-to-end responsibility.

Next interim report

The interim report for the third quarter will be published and presented on 27 October 2021.

Statement by the Board of Directors and Chief Executive Officer

The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the Itera Group for the six months ended 30 June 2021, including the comparisons with the corresponding period in 2020.

The Board has based its declaration below on reports and statements from the Group's CEO, on the results of the Group's activities, and on other information that is essential to assessing the Group's position.

To the best of our knowledge:

- The consolidated condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with IFRS as adopted by EU and IAS 34 (Interim Financial Reporting) and the additional disclosure requirements pursuant to the Norwegian Securities Trading Act.
- The information provided in the financial statements gives a true and fair portrayal of the Itera Group's assets, liabilities, profit, and overall financial position as of 30 June 2021.
- The information provided in the report for the first half of 2021 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing the Itera Group.

Oslo, 19 August 2021

The Board of Directors and CEO of Itera ASA

Morten Thorkildsen
Chairman

Marianne Killengreen
Board Member

Jan-Erik Karlsson
Board Member

Gyrid Skalleberg Ingerø
Board Member

Andreas Almquist
Board Member

Anne Nyseter Perez
Board Member

Arne Mjøs
CEO



Core digital business

financial information

I T E R A

Core digital business financial information

Amounts in NOK thousand	2021 4-6	2020 4-6	change %	2021 1-6	2020 1-6	change %	2020 1-12
Sales revenue	150 825	121 582	24 %	295 275	252 320	17 %	497 634
Operating expenses							
Cost of sales	12 284	8 370	47 %	24 306	17 392	40 %	35 640
Gross Profit	138 541	113 212	22 %	270 969	234 928	15 %	461 995
<i>Gross Margin</i>	91.9 %	93.1 %	-1.3 pts	92 %	93 %	-1.3 pts	92.8 %
Personnel expenses	100 705	81 461	24 %	196 223	165 734	18 %	331 694
Other operating expenses	9 144	8 259	11 %	17 752	19 230	(8 %)	39 993
Depreciation and amortisation	6 390	7 939	(20 %)	12 639	15 720	(20 %)	31 131
Total operating expenses	128 525	106 030	21 %	250 919	218 076	15 %	438 457
EBITDA	28 691	23 492	22 %	56 994	49 964	14 %	90 308
<i>EBITDA margin</i>	19.0 %	19.3 %	-0.3 pts	19.3 %	19.8 %	(3 %)	18.1 %
EBIT	22 301	15 552	43 %	44 356	34 244	30 %	59 177
<i>EBIT margin</i>	14.8 %	12.8 %	2 pts	15.0 %	13.6 %	1.5 pts	11.9 %
Employees							
Number of employees at the end of the period	539	463	16 %	539	463	16 %	504
Average number of employees	532	462	15 %	528	459	15 %	472
Operating revenue per employee	284	263	8 %	559	550	2 %	1 053
Gross profit per employee	261	245	6 %	513	512	0 %	978
Personnel expenses per employee	189	176	7 %	371	361	3 %	702
Other operating expenses per employee	17	18	(4 %)	34	42	(20 %)	85
EBITDA per employee	54	51	6 %	108	109	(1 %)	191
EBIT per employee	42	34	25 %	84	75	13 %	125

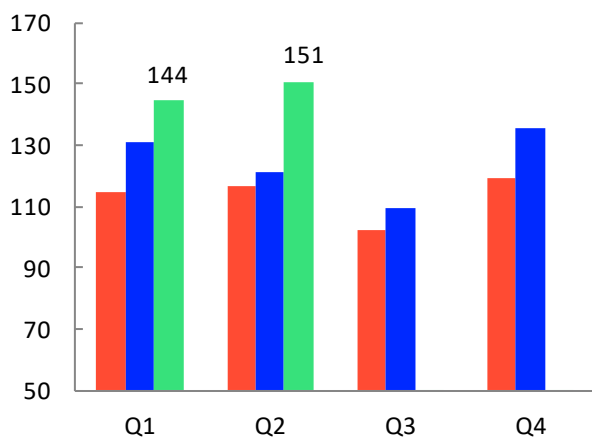
For the full consolidated financial statements, see pages 16-22.

I T E R A

Quarterly development 2019-2021 for the core digital business

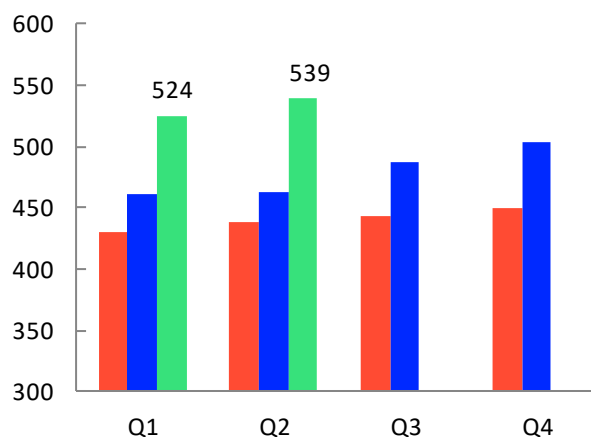
Revenues
NOK million

2019 2020 2021



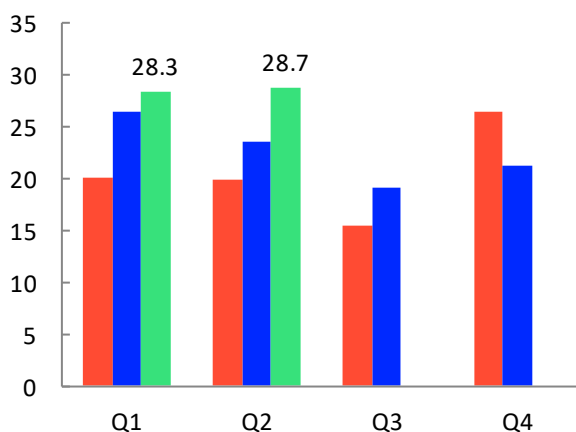
Employees
End of period

2019 2020 2021



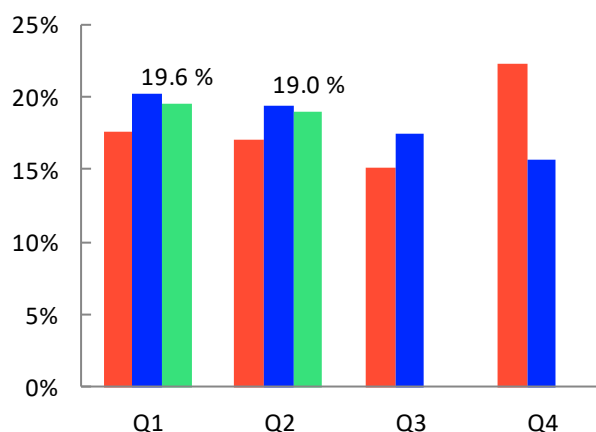
EBITDA
NOK million

2019 2020 2021



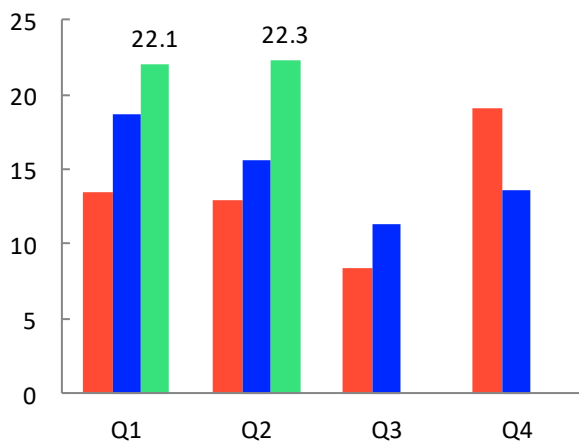
EBITDA margin
%

2019 2020 2021



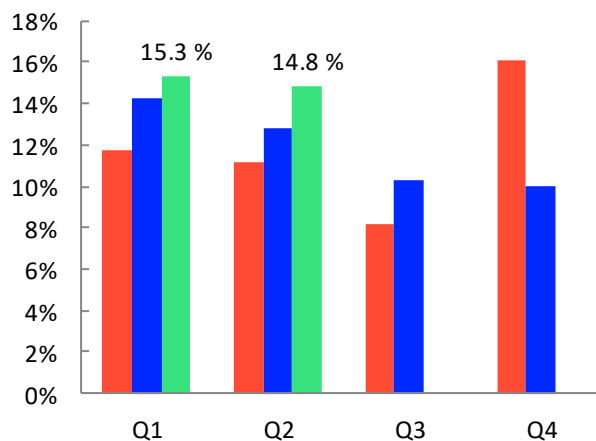
EBIT
NOK million

2019 2020 2021



EBIT margin
%

2019 2020 2021





Interim condensed financial information

I T E R A

Consolidated statement of comprehensive income*

Amounts in NOK thousand	2021 4-6	2020 4-6	change %	2021 1-6	2020 1-6	change %	2020 1-12
Sales revenue	161 092	149 851	8 %	317 816	310 804	2 %	615 392
Operating expenses							
Cost of sales	16 892	18 238	(7 %)	33 814	38 045	(11 %)	71 820
Gross Profit	144 200	131 613	10 %	284 002	272 759	4 %	543 572
<i>Gross Margin</i>	90 %	88 %	1.7 pts	89 %	88 %	1.6 pts	88 %
Personnel expenses	109 499	96 214	14 %	213 894	195 643	9 %	388 731
Other operating expenses	10 657	9 589	11 %	20 281	22 033	(8 %)	46 047
Depreciation and amortisation	7 429	9 962	(25 %)	14 820	20 028	(26 %)	42 505
Total operating expenses	144 478	134 957	7 %	282 809	277 609	2 %	549 103
Operating profit	16 614	15 848	5 %	35 007	35 055	(0 %)	62 573
Other financial income	1 921	1 141	68 %	3 322	3 800	(13 %)	6 448
Other financial expenses	2 234	2 669	(16 %)	3 848	2 972	29 %	7 236
Net financial income (expenses)	(314)	(1 528)	79 %	(526)	828	(164 %)	(788)
Profit before taxes	16 301	14 320	14 %	34 481	35 883	(4 %)	61 785
Income taxes	3 520	3 042	16 %	7 452	7 976	(7 %)	13 152
Net income	12 781	11 278	13 %	27 029	27 907	(3 %)	48 633
Earnings per share	0.16	0.14	14 %	0.33	0.34	(3 %)	0.60
Fully diluted earnings per share	0.16	0.14	14 %	0.33	0.34	(3 %)	0.60
Translation differences on net investment in foreign operations	210	(835)	125 %	298	2 858	(90 %)	79
Total comprehensive income	12 991	10 443	24 %	27 327	30 764	(11 %)	48 276
Total comprehensive income attributable to:							
Shareholders in parent company	12 991	10 443	24 %	27 327	30 764	(11 %)	48 712

*) See note 4 for key financial figures by reporting segment.

I T E R A

Consolidated statement of financial position

Amounts in NOK thousand	2021 30 Jun	2020 30 Jun	change	change %	2020 31 Dec
ASSETS					
Non-current assets					
Deferred tax assets	4 806	3 062	1 745	57 %	4 916
Other intangible assets	36 792	20 629	16 162	78 %	24 225
Property, plant and equipment	14 533	32 438	(17 906)	(55 %)	15 403
Right-of-use assets	26 569	43 799	(17 229)	(39 %)	38 263
Lease receivable - long term	3 500	-	3 500		-
Total non-current assets	86 200	99 928	(13 728)	(14 %)	82 807
Current assets					
Work in progress	2 725	1 675	1 050	63 %	1 196
Contract costs	5 380	9 205	(3 825)	(42 %)	6 851
Lease receivable - short term	1 503	-	1 503		-
Accounts receivable	86 660	57 304	29 357	51 %	67 275
Other receivables	22 009	18 729	3 279	18 %	11 901
Cash and cash equivalents	15 388	47 851	(32 463)	(68 %)	54 399
Total current assets	133 665	134 764	(1 099)	(1 %)	141 621
TOTAL ASSETS	219 864	234 692	(14 828)	(6 %)	224 428
EQUITY AND LIABILITIES					
Equity					
Share capital	24 656	24 656	-	0 %	24 656
Other equity	(24 505)	(8 880)	(15 626)	(176 %)	(38 512)
Net income for the period	27 029	27 790	(761)	(3 %)	48 197
Total equity	27 179	43 566	(16 387)	(38 %)	34 341
Non-current liabilities					
Other provisions and liabilities	335	900	(565)	(63 %)	715
Lease liabilities - long-term portion	16 740	35 586	(18 846)	(53 %)	24 962
Total non-current liabilities	17 074	36 485	(19 411)	(53 %)	25 676
Current liabilities					
Accounts payable	28 096	16 933	11 162	66 %	23 169
Tax payable	9 776	13 837	(4 061)	(29 %)	12 733
Public duties payable	31 906	47 514	(15 608)	(33 %)	37 665
Contract liabilities	24 090	24 416	(327)	(1 %)	30 041
Lease liabilities	15 976	19 629	(3 653)	(19 %)	17 636
Other current liabilities	65 767	32 312	33 455	104 %	43 167
Total current liabilities	175 610	154 641	20 970	14 %	164 411
Total liabilities	192 685	191 126	1 559	1 %	190 087
TOTAL EQUITY AND LIABILITIES	219 864	234 692	(14 828)	(6 %)	224 428
Equity ratio	12.4 %	18.6 %	-6.2 pts		15.3 %

I T E R A

Consolidated statement of cash flow

Amounts in NOK thousand	2021 4-6	2020 4-6	change	2021 1-6	2020 1-6	change	2020 1-12
Profit before taxes	16 301	14 320	1 980	34 481	35 883	(1 402)	61 785
Income taxes paid	(96)	(201)	105	(5 558)	(4 594)	(963)	(9 374)
Depreciation and amortisation	7 429	9 962	(2 532)	14 820	20 028	(5 208)	42 505
Share option costs	404	-	404	-	-	-	(2 491)
Change in work in progress	498	(831)	1 328	(1 529)	(942)	(587)	(463)
Change in accounts receivable	(5 419)	22 199	(27 619)	(19 385)	(229)	(19 157)	(10 200)
Change in accounts payable	6 751	2 101	4 650	4 927	(6 905)	11 832	(669)
Change in other accruals	(1 362)	(8 543)	7 181	(1 349)	735	(2 085)	14 916
Effect of changes in exchange rates	(356)	637	(993)	(1 485)	3 164	(4 648)	3 167
Net cash flow from operating activities	24 149	39 644	(15 495)	25 326	47 140	(21 814)	99 178
Investment in fixed assets	(1 465)	(2 444)	979	(2 240)	(3 757)	1 518	(4 642)
Investment in intangible assets	(10 216)	(1 497)	(8 719)	(17 371)	(3 958)	(13 413)	(12 364)
Net cash flow from investing activities	(11 680)	(3 941)	(7 740)	(19 610)	(7 715)	(11 895)	(17 006)
Purchase of own shares	(23 522)	(17 666)	(5 856)	(23 522)	(18 242)	(5 280)	(18 242)
Sales of own shares	8 427	2 264	6 163	8 427	2 264	6 163	7 953
Principal elements of lease payments	(4 281)	(6 834)	2 553	(11 631)	(12 414)	783	(22 608)
Instalment of sublease receivable	895	-	895	1 798	-	1 798	-
Dividends paid to equity holders of Itera ASA	(19 798)	(16 270)	(3 528)	(19 798)	(16 270)	(3 528)	(47 963)
Net cash flow from financing activities	(38 279)	(38 506)	227	(44 725)	(44 662)	(63)	(80 860)
Effects of exchange rate changes on cash and cash equivalents	(0)	1	(1)	(1)	3	(4)	4
Net change in cash and cash equivalents	(25 811)	(2 802)	(23 009)	(39 011)	(5 234)	(33 777)	1 315
Cash and cash equivalents at the beginning of the period	41 198	50 652	(9 454)	54 399	53 085	1 314	53 085
Cash and cash equivalents at the end of the period	15 388	47 852	(32 464)	15 388	47 851	(32 463)	54 399
New borrowings related to leasing	-	1 291	(1 291)	-	1 924	(1 924)	2 440

I T E R A

Consolidated statement of changes in equity

Amounts in NOK thousand	Share capital	Own shares	Other paid in equity	Cumulative translation differences	Other equity	Total equity
Equity as of 1 Jan 2020	24 656	(231)	(8 933)	483	30 396	46 371
Net income for the period	-	-	-	-	48 633	48 633
Other comprehensive income for the period	-	-	-	79	-	79
Share option costs	-	-	(2 491)	-	-	(2 491)
Employee share purchase programme	-	172	5 517	-	-	5 689
Purchase and sale of own shares	-	(478)	(17 764)	-	-	(18 242)
Sale of own shares	-	156	2 108	-	-	2 264
Dividends	-	-	-	-	(47 963)	(47 963)
Equity as of 31 Dec 2020	24 656	(381)	(21 563)	563	31 066	34 341
Net income for the period	-	-	-	-	27 029	27 029
Other comprehensive income for the period	-	-	-	298	-	298
Share option costs	-	-	404	-	-	404
Employee share purchase programme	-	81	3 544	-	-	3 625
Purchase and sale of own shares	-	(518)	(23 005)	-	-	(23 522)
Sale of own shares	-	142	4 660	-	-	4 802
Dividends	-	-	-	-	(19 798)	(19 798)
Equity as of 30 Jun 2021	24 656	(676)	(35 959)	861	38 298	27 179

I T E R A

Key figures

Amounts in NOK thousand	2021 4-6	2020 4-6	change %	2021 1-6	2020 1-6	change %	2020 1-12
Profit & Loss							
Sales revenue	161 092	149 851	8 %	317 816	310 804	2 %	615 392
Gross profit	144 200	131 613	10 %	284 002	272 759	4 %	543 572
EBITDA	24 044	25 810	(7 %)	49 827	55 083	-10 %	108 868
<i>EBITDA margin</i>	14.9 %	17.2 %	-2.3 pts	15.7 %	17.7 %	-2 pts	17.7 %
Operating profit (EBIT)	16 614	15 848	5 %	35 007	35 055	0 %	62 573
<i>EBIT margin</i>	10.3 %	10.6 %	-0.3 pts	11.0 %	11.3 %	-0.3 pts	10.2 %
Profit before taxes	16 301	14 320	14 %	34 481	35 883	-4 %	61 785
Profit for the period	12 781	11 278	13 %	27 029	27 907	-3 %	48 633
Balance sheet							
Non-current assets	86 200	99 928	(14 %)	86 200	99 928	-14 %	82 807
Bank deposits	15 388	47 851	(68 %)	15 388	47 851	(68 %)	54 399
Other current assets	118 277	86 913	36 %	118 277	86 913	36 %	87 223
Total assets	219 864	234 692	(6 %)	219 864	234 692	(6 %)	224 429
Equity	27 179	43 566	(38 %)	27 179	43 566	(38 %)	34 341
Total non-current liabilities	17 074	36 485	(53 %)	17 074	36 485	(53 %)	25 676
Total current liabilities	175 610	154 641	14 %	175 610	154 641	14 %	164 411
<i>Equity ratio</i>	12.4 %	18.6 %	-6.2 pts	12.4 %	18.6 %	-6.2 pts	15.3 %
Current ratio	0.76	0.87	(13 %)	0.76	0.87	(13 %)	0.86
Cash flow							
Net cash flow from operating activities	24 149	39 644	(39 %)	25 327	47 141	(46 %)	99 178
Net cash flow	(25 810)	(2 802)	(821 %)	(39 011)	(5 234)	(645 %)	1 313
Share information							
Number of shares	82 186 624	82 186 624	0 %	82 186 624	82 186 624	0 %	82 186 624
Weighted average basic shares outstanding	80 733 553	80 923 299	(0 %)	80 825 521	81 153 724	(0 %)	80 982 799
Weighted average diluted shares outstanding	81 131 020	81 426 076	(0 %)	81 239 126	81 711 341	(1 %)	81 615 999
Earnings per share	0.16	0.14	14 %	0.33	0.34	(3 %)	0.60
Diluted Earnings per share	0.16	0.14	14 %	0.33	0.34	(3 %)	0.60
EBITDA per share	0.30	0.32	(7 %)	0.62	0.68	(9 %)	1.34
Equity per share	0.34	0.54	(37 %)	0.34	0.54	(37 %)	0.42
Dividend per share	0.25	0.20	25 %	0.25	0.20	25 %	0.60
Employees							
Number of employees at the end of the period	579	530	9 %	579	530	9 %	569
Average number of employees	573	529	8 %	571	524	9 %	538
Operating revenue per employee	281	284	(1 %)	557	593	(6 %)	1 143
Gross profit per employee	252	249	1 %	498	521	(4 %)	1 010
Personnel expenses per employee	191	182	5 %	375	373	0 %	722
Other operating expenses per employee	19	18	2 %	36	42	(15 %)	86
EBITDA per employee	42	49	(14 %)	87	105	(17 %)	202
EBIT per employee	29	30	(3 %)	61	67	(8 %)	123

Notes

Note 1: Transactions with related parties

There have been no material transactions with related parties during the reporting period 1 January 2021 to 30 June 2021.

Note 2: Events after the balance sheet date

There have been no events after 30 June 2021 that would have a material effect on the interim accounts.

Note 3: Alternative performance measures

In accordance with the guidelines issued by the European Securities and Markets Authority on alternative performance measures (APMs), Itera publishes definitions for the alternative performance measures used by the company. Alternative performance measures, i.e. performance measures not based on financial reporting standards, provide the company's management, investors and other external users with additional relevant information on the company's operations by excluding matters that may not be indicative of the company's operating result or cash flow. Itera has adopted non-recurring costs, EBITDA, EBITDA margin, EBIT, EBIT margin and equity ratio as alternative performance measures both because the company thinks these measures will increase the level of understanding of the company's operational performance and because these represent performance measures that are often used by analysts and investors and other external parties.

Non-recurring costs are significant costs that are not expected to reoccur under normal circumstances.

EBITDA is short for earnings before interest, tax, depreciation and amortisation. It is calculated as profit for the period before (i) tax expense, (ii) financial income and expenses and (iii) depreciation and amortisation.

EBITDA margin is calculated as EBITDA as a proportion of operating revenue.

EBIT is short for earnings before interest and tax and is calculated as profit for the period before (i) tax expense and (ii) financial income and expenses.

EBIT margin is calculated as EBIT as a proportion of operating revenue.

Note 4: Segment reporting

Itera's data centre operations are being transitioned to the cloud and will be sunset once the existing customers have been migrated to the cloud or terminated.

Amounts in NOK million	4-6 2021			4-6 2020			Growth		
	Core digital business (94%)	Data centre operations (6%)	Total	Core digital business (81%)	Data centre operations (19%)	Total	Core digital business	Data centre operations	Total
Sales revenue	150.8	10.3	161.1	121.6	28.3	149.9	24.1 %	-63.7 %	7.5 %
Cost of sales	12.3	4.6	16.9	8.4	9.9	18.2	46.8 %	-53.3 %	-7.4 %
Gross profit	138.5	5.7	144.2	113.2	18.4	131.6	22.4 %	-69.2 %	9.6 %
Gross margin	91.9 %	55.1 %	89.5 %	93.1 %	65.1 %	87.8 %	-1.3 pts	-10 pts	1.7 pts
Personnel expenses	100.7	8.8	109.5	81.5	14.8	96.2	23.6 %	-40.4 %	13.8 %
Other operating expenses	9.1	1.5	10.7	8.3	1.3	9.6	10.7 %	13.8 %	11.1 %
Depreciation and amortisation	6.4	1.0	7.4	7.9	2.0	10.0	-19.5 %	-48.6 %	-25.4 %
Total operating expenses	128.5	16.0	144.5	106.0	28.0	134.0	21.2 %	-43.0 %	7.8 %
EBITDA	28.7	-4.6	24.0	23.5	2.3	25.8	22.1 %	-300.4 %	-6.8 %
EBITDA margin	19.0 %	-45.3 %	14.9 %	19.3 %	8.2 %	17.2 %	-0.3 pts	-53.5 pts	-2.3 pts
EBIT	22.3	-5.7	16.6	15.6	0.3	15.8	43.4 %	-2020.1 %	4.8 %
EBIT margin	14.8 %	-55.4 %	10.3 %	12.8 %	1.0 %	10.6 %	2 pts	-56.4 pts	-0.3 pts

I T E R A

	1-6 2021			1-6 2020			Growth		
Amounts in NOK million	Core digital business (93%)	Data centre operations (7%)	Total	Core digital business (81%)	Data centre operations (19%)	Total	Core digital business	Data centre operations	Total
Sales revenue	295.3	22.5	317.8	252.3	58.5	310.8	17.0 %	-61.5 %	2.3 %
Cost of sales	24.3	9.5	33.8	17.4	20.7	38.0	39.8 %	-54.0 %	-11.1 %
Gross profit	271.0	13.0	284.0	234.9	37.8	272.8	15.3 %	-65.6 %	4.1 %
Gross margin	91.8 %	57.8 %	89.4 %	93.1 %	64.7 %	87.8 %	-1.3 pts	-6.9 pts	1.6 pts
Personnel expenses	196.2	17.7	213.9	165.7	29.9	195.6	18.4 %	-40.9 %	9.3 %
Other operating expenses	17.8	2.5	20.3	19.2	2.8	22.0	-7.7 %	-9.8 %	-8.0 %
Depreciation and amortisation	12.6	2.2	14.8	15.7	4.3	20.0	-19.6 %	-49.4 %	-26.0 %
Total operating expenses	250.9	31.9	282.8	218.1	57.7	275.7	15.1 %	-44.7 %	2.6 %
EBITDA	57.0	-7.2	49.8	50.0	5.1	55.1	14.1 %	-240.0 %	-9.5 %
EBITDA margin	19.3 %	-31.8 %	15.7 %	19.8 %	8.8 %	17.7 %	-0.5 pts	-40.5 pts	-2 pts
EBIT	44.4	-9.3	35.0	34.2	0.8	35.1	29.5 %	-1252.6 %	-0.1 %
EBIT margin	15.0 %	-41.5 %	11.0 %	13.6 %	1.4 %	11.3 %	1.5 pts	-42.9 pts	-0.3 pts

I T E R A

*Make a
difference*

Arne Mjøs

CEO

Mobile +47 905 23 172

arne.mjøs@itera.com

Bent Hammer

CFO

Mobile +47 982 15 497

bent.hammer@itera.com

Itera ASA

Telephone +47 23 00 76 50

Nydalsveien 28

P. O. Box 4814 Nydalen

0422 Oslo, Norway

www.itera.com