

INTERIM REPORT Q1 2023

INDUCT AS

Highlights

- Platform revenues increased by 15,6 % from Q1 2022 to Q1 2023, from NOK 4,5 million to NOK 5,2 million.
- A stable and high gross margin on platform revenues at 94,9 % in Q1 2023.
- Total revenues increased by 11,3 % from Q1 2022 to Q1 2023, from NOK 5,3 million to NOK 5,9 million.
- Due to a more conservative activation practice in OSINT Analytics, our EBITDA has been reduced by NOK 1,1 million from NOK 2,8 million to NOK 1,7 million in Q1 2023, compared to NOK 2,7 million in Q1 2022.
- Ad revenues generated from 140 countries in Q1 2023.
- Grantway had more than 170 000 funding opportunities available across 186 countries on March 31st, 2023.



We continue delivering growth. If we exclude the winding down of sales and operations in Spain, it is a strong growth. Platform revenues are up by 15,6% from MNOK 4,5 in Q1 2022 to MNOK 5,2 in Q1 2023. Total revenues are up by 11,3% from MNOK 5,3 in Q1 2022 to MNOK 5,9 in Q1 2023.

The platform revenues and professional services offered by Induct SEA (Spain) was deeply impacted by COVID-19 and has struggled to recover. Yearly revenues have decreased from NOK 7M in 2019 to NOK 1M in 2022. The total revenue growth from Q1 2022 to Q1 2023 would have been 17,0 %, compared to 11,3 % without the reduced revenues in Spain.

In Q1, we made it possible for Grantway users to access all funding opportunities without having to register as a user. The new version was launched on 9th February 2023 and the response was immediate. In just 6 days, Grantway had more than 60,000 visitors. Our current daily visits are at an average of +/- 10k, and we have a

steady growth in the number of visitors who return to Grantway. Continued tuning of our advertising campaigns, and stronger organic growth as a result of being indexed by search engines makes us confident that we will achieve our target of 1M visits per month in Q3 2023.

Global eCPM was NOK 11,10 in Q1, with a variance of NOK 0,69 - NOK 69,13 from lowest to highest paid market.

Our Q1 results are reduced due to depreciation and appreciation that have been made in accordance with the applicable accounting standard for Induct and subsidiaries. In Q1 2023 the company reduced the activation of platform costs in the subsidiaries, which results in higher employee cost of NOK 1,1 million. Hence, this will reduce future depreciation and appreciation if compared with if the earlier practices in acquired companies had continued.

Alf Martin Johansen
CEO

Operational Review

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

From a product development and growth perspective, in Q1 we published several important updates to our Grantway product. The first update was done on the 9th of February and made it possible for all users to search for funding opportunities in Grantway without having a user account. The update also gave users the option to save searches and their favorite funding opportunities. This important update makes it possible for us to make all Grantway content available for indexing by search engines. This means that every grant, scholarship, and fellowship available in Grantway will be shown to users who search for funding opportunities in search engines such as Google – thereby increasing our ability to achieve strong organic growth.

To maximize the benefit of being indexed, we adjusted our search engine optimization (SEO) further. These improvements were included in our second update during the quarter.

The third update contained several improvements to our Grantway product for mobile users, ensuring that they benefit from the same functionality as web users.

We are continuously looking for ways to fine tune our ads, and the third update contained adjustments to our mobile ads – aimed at further improving the fill rate.

By making Grantway content available for indexing by search engines, we are laying the foundation for organic growth. It is therefore very important that we do this in the correct way and in the right order. We therefore engaged SEO specialists to support us in identifying the most important actions we needed to take. Indexing of our content will start at the very beginning of the second quarter.

We have two portals in the market where we offer users access to funding opportunities: Tilskuddsportalen from OSINT Analytics and Grantway. These portals have different content management systems. At the beginning of the first quarter, we started an internal project to merge these systems into one. This merger will be completed in the second quarter and project benefits include the streamlining of both technical operations and content management.

In Q1, we signed 9 new subscription agreements and lost 5.



Synnøve Jacobsen
COO

Induct Group offering

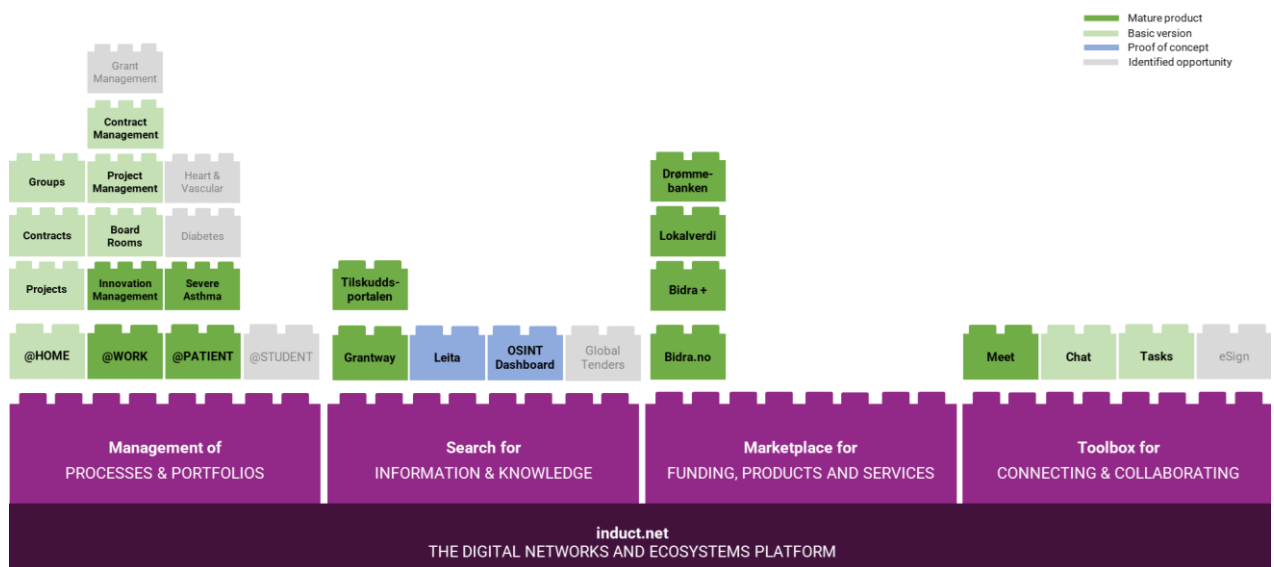
The Induct Groups offerings are divided into four (4) segments, each containing products and services.

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

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

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

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



Management of Processes & Portfolios

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

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

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

@WORK

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

@WORK support organizations need for governance by providing dedicated governance rooms for everything from managing internal operations and administration, to policies, general meetings, and investor relations.

Governance rooms are access controlled workrooms that offer team chats, task management and unlimited document storage.

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

@WORK market focus

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

@HOME

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

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

@HOME is available for all registered users and can be turned on or off as desired.

Users of @HOME can create as many workrooms as they need to manage their projects, agreements and contracts, and collaborate in groups.

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

@HOME market focus

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

@PATIENT

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

NHS England – Severe Asthma pathway

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

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

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

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

In November 2021, we published the first version of the severe asthma care pathway module for clinical, research and administrative staff members at Portsmouth Hospitals University NHS Trust. In phase two we are making the care pathway available to clinical, research and administrative staff members at four other hospitals + related health care services. In phase three we will be looking at expanding the care pathway to other severe asthma networks in NHS England, in addition to involving and engaging severe asthma patients in the care pathway.

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

@PATIENT market focus

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

Eco-systems and networks

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

Healthcare Innovation Network

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

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

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

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



The Oxygen Soother

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

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

National SME Ecosystem

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

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

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

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

Search for Information & Knowledge

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

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

Grantway

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

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

On the 9th of February, we gave users the ability to search for funding opportunities without having to register for an Induct user account. On the same date, we started an ad marketing campaign targeting English speaking people across 10 countries, and within 6 days Grantway had more than 60,000 visits. We have learned how to attract users to Grantway. However, there is a job to be done to ensure that our ad campaigns attract the most valuable users as cost efficiently as possible. Our current daily visits are at an average of +/- 10k, and we have a steady growth in the number of visitors who return to Grantway to search for funding opportunities. We've had days with 35-40k visits and know how to achieve our target of 1M visits per month in Q3 2023. In addition, we are tuning the rules for ads in our platform to ensure the best possible combination of eCPM and fill-rate for each country and device (i.e. mobile, tablet and computer). Returning visitors is an important indicator that the portal meets the high expectations of users and find our offering compelling.

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

Grantway growth strategy

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

We want to increase our revenue stream from advertisement (user volume + time spent on the portal = increased ad impressions). In addition, we would like to add a subscription-based revenue stream by integrating Grant Management modules for funding providers (@WORK) and self-publishing of funding opportunities in Grantway. This functionality is available in our Innovation Management module offering used by the Norwegian hospitals, where the share innovations and ideas in a network structure similar to Grantway. Both Induct and Bidra have Grant Management modules and we have knowledge and insight into both the customer need and functionality required to develop such modules.

Activities underway to support growth

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

By increasing the number of visitors who sign up for an Induct account to benefit from additional functionality (saving searches and favourites), and other Induct products (Meet@Induct), we increase the number of impressions viewed per user per visit. We expect to reach our 1M visitors per month target in Q3 2023. As the visitor base grows, we must ensure consistent and good usability, high speed and an overall good user experience.

2. Funding provider self-registration and publishing

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

3. Modules for managing the full grant lifecycle

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

Leita – the open access search engine

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

However, the same challenge persists.

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

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

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

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

Marketplace for Funding, Products & Services

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

In Norway, Sparebanker and Sparebank foundations donate NOK 2,5 mrd every year. Bidra AS was the first company to develop and launch a comprehensive digital solution that combines donations with donation reinforcement, crowdfunding capabilities and CRM functionality.

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

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

Toolbox for Collaboration & Connections

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

Meet@Induct

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



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

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

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

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

Chat@Induct

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

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

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

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

eSign@Induct (coming)

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

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

Revenue Models

Platform revenues

Platform revenues consist of these 3 main revenue streams:

- subscriptions
- advertisement
- transaction fees

Subscription

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

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

Advertisement

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

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

Example:

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

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

We receive ads directly from Google's AdExchange, and we have experimented with selling ad campaigns directly to advertisers to maximize the eCPM. This will be more important going forward as our number of ad impressions increase.

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

Transaction fees

Transaction fees are revenues generated by transactions carried out on the platform. Bidra has transaction revenues as a percentage of the raised amounts of the donations, project financing or sale of products through the platform. The eSign offering is another example of this type of revenue where Induct will receive an amount for each signed document.

Professional services

Professional services consist of:

- implementation projects
- training
- courses and seminars

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

During Q1 Induct increased the number of user visits significantly. We will continue to invest time and resources into tuning the fill rate of ads served to user visits and test various strategies for maximizing the eCPM.

Induct opened up Grantway on the 9th February 2023 and within 5 days of the launch, more than 60,000 user visits on Grantway. This shows our capabilities to increase the number of user visits.

When we find the right tuning within the Google Ad Manager set up, we will increase the number of visits up to our target of 1 million visits per month.

About Induct

Our history

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

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

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

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

A new step on our journey

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

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

Moving the world forward

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

The Induct Group

The Induct Group includes Induct AS and its 100% owned subsidiaries Induct Solutions UK Ltd. (UK), Induct Software Inc. (US), Induct SEA S.L (Spain), Induct R&D S.L (Spain), OSINT Analytics AS (Norway) and Bidra AS (Norway).

Induct AS

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

Mergers and acquisitions

In Q1 2023, Induct initiated the merger of Induct SEA S.L and Induct R&D S.L This is a consequence of the breakdown of the Spanish Innovation Management market during COVID-19, where Induct S.L revenues has decreased from NOK 7 mill per year in 2019 to about NOK 1 mill per year in 2022.

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



Income Statement

	Unaudited Q1 2023	Unaudited Q1 2022	Unaudited FY 2022	Audited FY 2021
Revenues				
Sales revenue – platform	5 162	4 530	18 928	12 878
Sales revenue – consulting	270	417	976	1 701
Research grant	488	314	1 468	630
Total Revenues	5 920	5 260	21 392	15 209
Cost of sales				
Cost of sales – platform	261	228	993	451
Cost of sales – consulting	198	287	996	1 316
Total Cost of sales	459	515	1 989	1 767
Gross Margin	5 461	4 745	19 403	13 443
<i>Gross Margin Platform</i>	<i>94,9%</i>	<i>96,5%</i>		
<i>Gross Margin Consulting</i>	<i>26,7%</i>	<i>4,1%</i>		
Personnel costs	3 028	1 668	8 211	6 424
Other operating costs	703	375	1 451	1 576
Total Operating Costs	3 731	2 043	9 662	8 000
EBITDA	1 730	2 702	9 741	5 443
Platform depreciations	2 556	2 118	9 104	5 222
Amortization of acquisitions	678	611	2 510	611
Total Depreciations & Amort.	3 234	2 729	11 614	5 833
Financial items				
Financial income	33	10	59	38
Financial costs	548	705	2 609	1 940
Total Financial items	- 515	- 695	- 2 550	- 1 902
Extraordinary Cost	0	0	0	258
Net Profit before Taxation	- 2 018	- 721	- 4 423	- 2 550
Corporate Tax	0	0	- 10	0
Net Profit after Taxation	- 2 018	- 721	- 4 413	- 2 550

Balance Sheet

	Unaudited Q1 2023	Unaudited Q1 2022	Unaudited FY 2022	Audited FY 2021
Non-current assets				
Intangible assets	63 460	75 951	63 010	74 267
Fixed assets	210	200	214	200
Total non-current assets	63 670	76 151	63 224	74 467
Current assets				
Receivables	4 990	7 180	7 142	7 761
Bank accounts	3 978	2 556	5 193	4 593
Total Current assets	9 868	9 737	12 335	12 355
Total assets	72 638	85 888	75 559	86 822
Shareholders Equity and Debt				
Paid-in capital				
Share capital	1 885	1 515	1 737	1 326
Non-registered share capital increase	-	5 000	8 365	18 878
Share premium reserve	41 964	26 630	36 008	6 372
Total paid-in capital	43 849	33 145	46 110	26 576
Retained earnings				
Uncovered loss	- 12 782	- 5 805	- 8 933	- 8 402
Total retained earnings	- 12 782	- 5 805	- 8 933	- 8 402
Total shareholder's equity	31 067	27 340	37 177	18 173
Debt				
Long-term debt	24 555	26 289	24 280	28 152
Short-term debt	7 864	25 527	6 574	33 613
Deferred revenues	9 156	6 731	7 528	6 883
Total debt	17 020	58 548	38 382	68 648
Total shareholder's equity and debt	72 641	85 888	75 559	86 822

Number of shares

Number of issued shares per 31.12.2022	18 848 652
Pending rights issue 1)	622 729
Pending share issue – acquisitions 2)	331 000
Convertible Loans 3)	1 383 333
Potential shares to be issued to OSINT shareholders 4)	1 887 820
Potential shares to be issued to Bidra shareholders 5)	400 000
Number of shares - fully diluted	23 473 534

- 1) The strike price for 310,000 options is NOK 4 per share.
The strike price for 312,729 options is NOK 5,5 per share.
- 2) Pending share issue relates to the acquisition of subsidiaries in Brazil, Spain, and India.

In addition to the 331,000 shares mentioned above, the purchase agreements include a performance based earn-out element, with a total cap of an additional 1,1 million shares based on aggressive growth performance over a 3-year period from the acquisition date. No shares are earned as of 31.3.2022.

- 3) Convertible loan of NOK 0,5M issued to Intelco AS. A total of 50,000 shares.
Convertible loan of NOK 10M issued to NPP Capital AS with conversion price of NOK 7,5 per share. A total of 1,333,333 shares.
- 4) Part of the purchase price for 100 % of the OSINT Analytics AS shares is to issue 1 887 820 shares to the shareholders in OSINT which chose to convert their OSINT shares to Induct shares. In addition, NOK 18 878 200 will be converted to shares in Induct when certain criteria are met. The conversion price is the weighted average share price of the month prior to meeting the criteria for conversion with a minimum of NOK 10 per share.
- 5) Part of the purchase price for 100 % of the Bidra AS shares is to issue 400 000 shares to the shareholders in Bidra. In addition, NOK 4 000 000 will be converted to shares in Induct when certain criteria are met. The conversion price is the weighted average share price of the month prior to meeting the criteria for conversion with a minimum of NOK 10 per share.

Financial Results

The group's platform revenue in Q1 2023 amounts to NOK 5.2 million, which is an increase of 15,6 % compared to Q1 2022. Consulting revenue in Q1 2023 amounted to NOK 0.3 million which is down from NOK 0.4 million in Q1 2022.

Operating costs in Q1 2023 is NOK 3.7 million, which is up from NOK 2,0 million in Q1 2022.

Financial costs are mainly interest on convertible loans.

EBITDA for Q1 2023 is NOK 1.7 million compared to NOK 2.7 million in Q1 2022.

Platform depreciations for Q1 2023 is NOK 2.6 million, compared to NOK 2.1 million in Q1 2022. Goodwill of the acquisitions of OSINT and Bidra is amortized with NOK 0.7 in Q1 2023. The goodwill is calculated as the difference between purchase price and booked value (equity) of the companies and will be amortized over 10 years.

Net Profit before taxation in Q1 2023 is NOK minus 2.0 million compared to NOK minus 0.7 million in Q1 2022.

The booked equity is NOK 31.1 million by the end of Q1 2023, compared with NOK 27.3 million in Q1 2022.

The group's interest- bearing debt by end of Q1 2022 amounts to NOK 22.5 million, which primarily consists of convertible loans from NPP Capital AS and Intelco AS, and regular bank loan to OSINT Analytics AS from Sparebanken 1 Østlandet.

Deferred revenue amounting to NOK 9.2 million by the end of Q1 2023, up from NOK 6.7 million in Q1 2022.

Cash Situation and Funding

The cash situation is satisfactory for the company. However, the management and board strive to provide the most beneficial financing alternatives to its shareholders.

Oslo, 16 May 2023



Henning Petersen
(sign.)
Board Member



Karl-Anders Grønland
(sign.)
Chairman



Hans Martin Nakkim
(sign.)
Board Member



Ole Jørgen Karud
(sign.)
Board Member



Øystein Tvenge
(sign.)
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