



# Interim report

Q1 2024

Induct AS

## Highlights

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- Total revenues of NOK 5,7 million in Q1 2024 compared to NOK 5,9 million in Q1 2023.
- Platform revenues of NOK 5,0 million in Q1 2024 compared to NOK 5,2 million in Q1 2023.
- Gross margin on platform revenues at 96,2%.
- EBITDA up by 39,4% from NOK 1,7 million in Q1 2023 to NOK 2,4 million in Q1 2024.

Induct



## CEO COMMENTS

### Streamlining Operations to Increase Efficiency and Enable Better Capitalization on Investments

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The EBITDA has increased by almost 40% from Q1 2023 to Q1 2024, illustrating that we have products in our portfolio that deliver a solid profit margin such as Tilskuddsportalen with a 10% YoY growth. The increase was estimated in Q4 2023 and due to efficiency and productivity initiatives that have been completed. We expect that our EBITDA will remain stable throughout the year, with an incremental increase being realistic.

Our core day-to-day operations remain stable and our gross margin on platform revenues increased from 94,9% in Q1 2023 to 96,2% in Q1 2024.

After the approval from Portsmouth University Hospitals NHS Trust to contain and manage patient data in our platform, we have worked closely with their severe asthma clinical team and research team to ensure the transition to Induct was in accordance with best practices. The team are very pleased with the solution and have already reported several productivity and quality benefits. They have reduced administrative work with the equivalent of two full time positions, quality management is improved as the solution provides full overview of each patient and key metrics per patient, and the specialist team are able to treat a larger number of severe asthma patients. The results are impressive considering the short amount of time the solution has been live with patient data.

On the 14<sup>th</sup> and 15<sup>th</sup> May we spent two days with the Portsmouth team to discuss how best to fast track the implementation of the solution at each of the network hospitals.

Furthermore, we are exploring a potential partnership with an international pharmaceutical company that have expressed interest in the severe asthma solution and being a partner for expanding our offering both geographically and to other clinical pathways (e.g. diabetes).

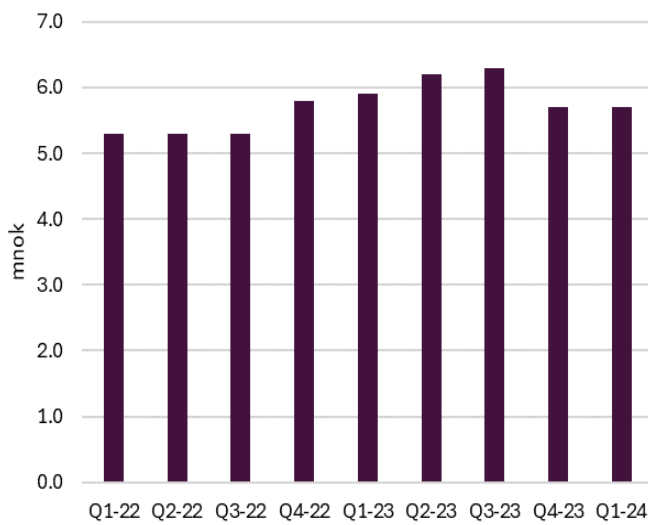
As previously communicated, the restructuring and streamlining of the company has taken both time and resources. This internal efficiency project to improve operational productivity and reduce costs has continued in the first quarter and are necessary to ensure that we have an efficient and effective organization moving forward. We expect the project to complete during the Q2 2024 and financial improvements to be visible late H2.

On April 15<sup>th</sup>, I became CEO of Induct. Alf Martin Johansen founded the company in 2007 and has worked relentlessly ever since to create an innovative company that offer products and solutions that are disruptive to their respective markets. Our focus going forward is to capitalize on the work that has been done, in a focused and structured manner. Alf Martin will continue to play an important role in the company. He will be responsible for delivering results on strategic initiatives such as the NHS, and for ensuring that our product development pipeline delivers as much value as possible.

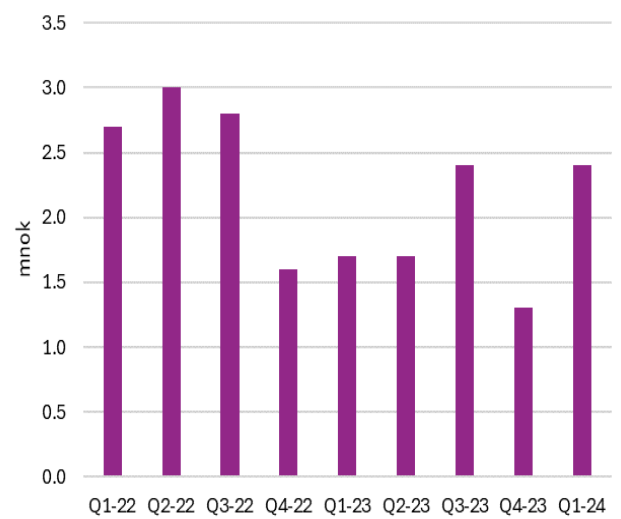
Over the last year we have continuously worked to reduce the number of products and initiatives in our portfolio. This is necessary to achieve a higher delivery speed. Our focus has been to secure our current revenue streams and identify our strategic investment areas: healthcare and grant management solutions.

**Synnøve Jacobsen**  
CEO

## Revenue development



## EBITDA



## KPI reporting

To further align with industry standards and provide our investors and the market in general better insight into our operations, we are preparing to share selected SaaS-KPIs going forward. To mark the starting point for this, we wanted to share some important KPIs for our business.

## About Induct

The speed of technology development and digitalization is fast, and the Covid-19 pandemic clearly illustrated how we can utilize digital platforms, solutions, and tools to work more productively and effectively than before. The world has always evolved through humanities willingness, eagerness, and desire to move forward. Induct will continue to develop and deliver digital platforms and ecosystems that foster productivity and enable effectiveness for individuals, teams, organizations, and society. Our vision is to be a facilitator of knowledge empowerment and future readiness.

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 both within, 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 engagement and realizing the benefits of innovation.

Our Innovation Management module has been on the market since 2009 and is used by organizations including Hewlett Packard (HP), the Norwegian Business Registry, international healthcare providers and more than 92% of Norwegian healthcare trusts.

In the Norwegian healthcare sector, we have connected healthcare trusts and international healthcare providers in a sharing network – a digital ecosystem for healthcare innovation. This means that great ideas and powerful innovations can more easily be shared, adopted, and implemented to maximize reach and benefit.

In the Norwegian public sector, we have enabled cross-departmental and industry collaboration, resulting in new and more effective ways of working. As a result, applying for a mortgage is now easier, faster and more cost effectively for both citizens and mortgage providers.

In 2020, we launched a new digital platform – induct.net – our next generation platform for productive work and effective collaboration. By removing unnecessary and unhelpful barriers to collaboration, the platform is a unique facilitator of knowledge development, knowledge sharing and knowledge 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 with multiple revenue streams. By incorporating advertisement in selected areas of the induct.net platform, we offer parts of the core platform free of charge, and without unnecessary restrictions.

We are an ambitious company. We aim high and work hard every day to create value for our customers and shareholders.

# Our Offerings

At the core of our business is a technical platform that enables us to build and offer a comprehensive product and services suite, whilst at the same time being very secure and stable. By building components that can be leveraged in modules and services across the platform, and offer product bundles, we will reduce our time-to-market and offer improvements to larger parts of our customer base. Put simply, functionality developed in one module can be incorporated into other modules faster and more easily.

Our offerings are divided into four (4) core segments.

## 1 Finding Information & Knowledge

This 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, when it is scattered around the web in thousands of different databases and websites.

With our search portals Tilskuddsportalen and Grantway, we find, analyze, structure and present data in a way that enable organizations and individuals to benefit from it.

### Tilskuddsportalen

Tilskuddsportalen.no is a market leader in Norway, offering a comprehensive database of grants available to municipalities, NGOs, voluntary organizations and local teams. With a market share of over 50% and a stable 10% growth per year, Tilskuddsportalen provide a solid ARR foundation for the company.

### 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.

Our plan is to add a subscription-based revenue stream by integrating Grant Management modules aimed at funding providers (@WORK).

### Leita

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 - how to find relevant research information when articles and datasets are scattered around the web in thousands of databases.

Based on our extensive expertise in data mining and preparing data for further usage, we are developing a search portal capable of returning results from an unlimited number of sources, including PubMed, Unpaywall, Researchgate, and Doaj.

Leita is currently a Proof of Concept (POC) product, and we are investigating how to best develop the portal into a scalable product.

## 2 Managing 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 society, organizations and individuals in managing and leveraging knowledge. To do this, we create the digital structures and networks needed to manage data, information, and knowledge productively and effectively.

### Healthcare

We currently have two (2) core healthcare products in our offering, Innovation Management and @PATIENT.

Our Idea and Innovation Management product has been on the market since 2009 and is used by both public and private sector organizations. In Norway, more than 92% of Norwegian healthcare trust use our product in their innovation efforts. In Norway, we have connected healthcare trusts in an innovation 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.

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 “one patient, one record”.

The Severe Asthma Service at Portsmouth Hospitals University NHS Trust is a specialist center 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 have created a clinical pathway module for managing severe and chronically ill severe asthma patient.

### @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. It is a facilitator of productive and effective work and knowledge sharing.

### @HOME

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

## **3 Marketplaces**

Marketplaces is where customers can find and access the funds, products and / or services they need, when they need it.

The acquisition of Bidra AS in 2022 represents the entrance into the crowdfunding and marketplace segment for the Induct Group. Bidra offers a tailor-made solution for crowdfunding in Norway and provide technology for crowdfunding as a subscription-based platform-as-a-service.

## 4 Effective Collaboration

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 effective collaborating, we are looking to remove unnecessary barriers for productive work.

### Meet@Induct

Meet is our video meeting solution that makes it easier to meet and connect with colleagues and partners, friends, and family. Meet@Induct is currently free to use, for organizations and individuals alike, and comes without annoying limitations on time or number of participants.

Meet@Induct can be used as a standalone video conferencing tool, as an integrated part of @WORK and @HOME, or be combined with other offerings from Induct, such as @PATIENT.

### 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.

Chat@Induct can be used as a standalone tool, as an integrated part of @WORK and @HOME or be combined with other offerings from Induct.

## Revenue Model

Our **platform revenues** consist of these 3 main revenue streams:

- subscriptions
- advertisement
- transaction fees

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.

Ad revenues have three key revenue drivers, (1) number of visits, (2) number of ad impressions per user visit (visit duration) and (3) revenue per thousand viewed ad impressions (eRPM).

eRPM is the amount advertisers are willing to pay for their ads to be shown to users on the Induct platform. The eRPM varies from country to country. Most of the ads presented in the Induct platform are currently received from Google's Ad Exchange Network.

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

Transaction fees 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.

Our **professional services revenues** consist of:

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

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



## The Induct Group

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

### Induct AS

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

### Mergers and acquisitions

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



## Income Statement

	Unaudited Q1 2024	Unaudited Q1 2023	Audited FY 2023	Audited FY 2022
<b>Revenues</b>				
Sales revenue – platform	4 972	5 162	20 556	18 928
Sales revenue – consulting	45	270	484	976
Research grant	688	488	2 414	1 468
<b>Total Revenues</b>	<b>5 705</b>	<b>5 920</b>	<b>23 454</b>	<b>21 392</b>
<b>Cost of sales</b>				
Cost of sales – platform	185	261	1 025	993
Cost of sales – consulting	38	198	342	996
<b>Total Cost of sales</b>	<b>227</b>	<b>459</b>	<b>1 367</b>	<b>1 989</b>
<b>Gross Margin</b>	<b>5 478</b>	<b>5 461</b>	<b>22 087</b>	<b>19 403</b>
<i>Gross Margin Platform</i>	<i>96,2%</i>	<i>94,9%</i>		
<i>Gross Margin Consulting</i>	<i>15,6%</i>	<i>26,7%</i>		
Personnel costs	2 288	3 028	10 805	8 211
Other operating costs	779	703	4 797	1 451
<b>Total Operating Costs</b>	<b>3 067</b>	<b>3 731</b>	<b>15 105</b>	<b>9 662</b>
<b>EBITDA</b>	<b>2 411</b>	<b>1 730</b>	<b>6 985</b>	<b>9 741</b>
Platform depreciations	2 918	2 556	10 791	9 104
Amortization of acquisitions	678	678	- 781	2 510
<b>Total Depreciations &amp; Amort.</b>	<b>3 596</b>	<b>3 234</b>	<b>10 010</b>	<b>11 614</b>
<b>Financial items</b>				
Financial income	24	33	67	59
Financial costs	1 205	548	2 030	2 609
<b>Total Financial items</b>	<b>- 1 181</b>	<b>- 515</b>	<b>- 1 963</b>	<b>- 2 550</b>
<b>Extraordinary Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit before Taxation</b>	<b>- 2 366</b>	<b>- 2 018</b>	<b>- 4 989</b>	<b>- 4 423</b>
Corporate Tax	0	0	0	- 10
<b>Net Profit after Taxation</b>	<b>- 2 366</b>	<b>- 2 018</b>	<b>- 4 989</b>	<b>- 4 413</b>

## Balance Sheet

	Unaudited Q1 2024	Unaudited Q1 2023	Audited FY 2023	Audited FY 2022
<b>Non-current assets</b>				
Intangible assets – platform	40 352	40 151	38 942	37 202
Goodwill acquisitions	20 331	23 310	21 210	23 988
Fixed assets	205	210	169	214
<b>Total non-current assets</b>	<b>61 888</b>	<b>63 670</b>	<b>63 021</b>	<b>63 224</b>
<b>Current assets</b>				
Receivables	3 770	4 990	6 097	7 142
Bank accounts	654	3 978	900	5 193
<b>Total Current assets</b>	<b>4 424</b>	<b>9 868</b>	<b>6 997</b>	<b>12 335</b>
<b>Total assets</b>	<b>66 312</b>	<b>72 638</b>	<b>67 318</b>	<b>75 559</b>
<b>Shareholders Equity and Debt</b>				
<b>Paid-in capital</b>				
Share capital	1 885	1 885	1 885	1 737
Non-registered share capital increase	-	-	-	8 365
Share premium reserve	20 700	41 964	20 881	36 008
<b>Total paid-in capital</b>	<b>22 585</b>	<b>43 849</b>	<b>22 766</b>	<b>46 110</b>
<b>Retained earnings</b>				
Uncovered loss	- 2 366	- 12 782	0	- 8 933
<b>Total retained earnings</b>	<b>- 2 366</b>	<b>- 12 782</b>	<b>0</b>	<b>- 8 933</b>
<b>Total shareholder's equity</b>	<b>20 219</b>	<b>31 067</b>	<b>22 766</b>	<b>37 177</b>
<b>Debt</b>				
Long-term debt	30 738	24 555	28 128	24 280
Short-term debt	7 768	7 864	8 996	6 574
Deferred revenues	7 588	9 156	7 428	7 528
<b>Total debt</b>	<b>15 355</b>	<b>17 020</b>	<b>44 552</b>	<b>38 382</b>
<b>Total shareholder's equity and debt</b>	<b>66 312</b>	<b>72 641</b>	<b>67 318</b>	<b>75 559</b>

## Number of shares

Number of issued shares per 31.03.2024	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
Number of shares - fully diluted	23 073 534

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 31.03.2024.

3) Convertible loan of NOK 0,5M issued to Intelco AS. A total of 50,000 shares.  
Convertible loan of NOK 10M issued to NPP Capital AS with conversion price of NOK 7,5 per share. A total of 1,333,333 shares.

4) Part of the purchase price for 100 % of the OSINT Analytics AS shares is to issue 1 887 820 shares to the shareholders in OSINT which chose to convert their OSINT shares to Induct shares. In addition, NOK 18 878 200 will be converted to shares in Induct when certain criteria are meet. The conversion price is the weighted average share price of the month prior to meeting the criteria for conversion with a minimum of NOK 10 per share.

## Financial Results

The group's platform revenue in Q1 2024 amounts to NOK 5,0, which is a decrease of 3,7 % compared to Q1 2023.

Consulting revenue in Q1 2024 amounted to NOK 0,05 million which is a decrease of NOK 0,3 million in Q1 2023.

Operating costs in Q1 2024 is NOK 3,1 million, which is down from NOK 3,7 million in Q1 2023.

Financial costs are mainly interest on convertible loans.

EBITDA for Q1 2024 is NOK 2,4 million compared to NOK 1,7 million in Q1 2023.

Platform depreciations for Q1 2024 is NOK 2,9 million, compared to NOK 2,6 million in Q1 2023.

Goodwill of the acquisitions of OSINT and Bidra is amortized with NOK 0,7 in Q1 2024. 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 2024 is minus NOK 2,4 million compared to minus NOK 2,0 million in Q1 2023.

The booked equity is NOK 20,2 million by the end of Q1 2024, compared with NOK 31,1 million in Q1 2023.

The group's interest- bearing debt by end of Q1 2024 amounts to NOK 30,7 million, which primarily consists of convertible loans from NPP Capital AS and Intelco AS, and regular bank loan to OSINT Analytics AS from Sparebanken 1 Østlandet.

Deferred revenue amounting to NOK 7,6 million by the end of Q1 2024, down from NOK 9,2 million in Q1 2023.

## Cash Situation and Funding

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

Oslo, 15 May 2024



**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.)  
Board Member

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