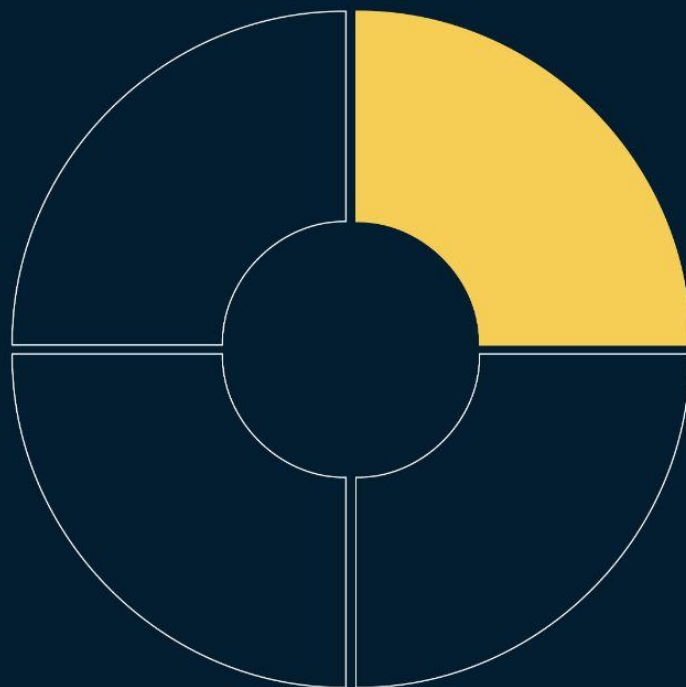


Q1 2023 Interim report



Highlights of the first quarter 2023

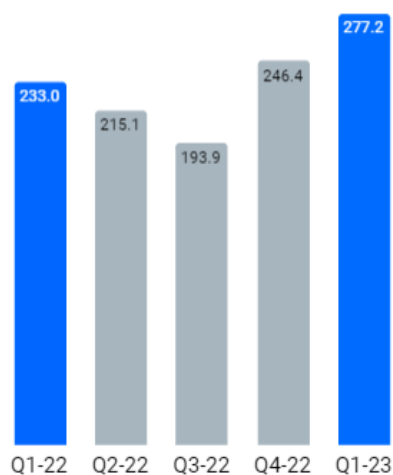
Strong growth in revenues | Stable EBIT | 65 more employees

(All amounts in brackets are comparative figures for 2022 unless otherwise specifically stated.)

- Revenues Q1:
 - Group **NOK 277.2 (233.0) million (+19.0%)**
 - Norway **NOK 237.6 (202.2) million (+17.5%)**
 - Sweden **NOK 39.5 (30.8) million (+28.3%)**
- EBIT Q1:
 - Group **NOK 25.2 (23.9) million (+5.6%)**
 - Norway **NOK 22.4 (20.9) million (+7.3%)**
 - Sweden **NOK 2.8 (3.0) million (-6.1%)**
- Number of employees end of Q1:
 - Group **557 (492) employees (+13.2%)**
 - Norway **455 (410) employees (+11.1%)**
 - Sweden **102 (82) employees (+24.4%)**
- Annual general meeting held in May 2023
 - Dividend of NOK 1.70 per share approved by the general meeting
 - Resolution to extend the Board of Directors to constitute of 7 members, with 5 new directors endorsed by the general meeting
- Employee engagement survey confirms a strong and proud culture
 - Employee Satisfaction- and Loyalty Index on the same level as last year
 - Results higher than Netigate's benchmark for all question areas

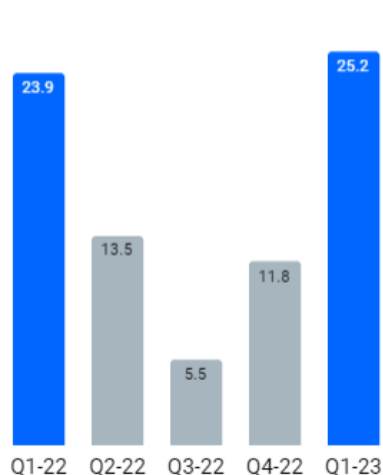
Operating revenues

NOKm



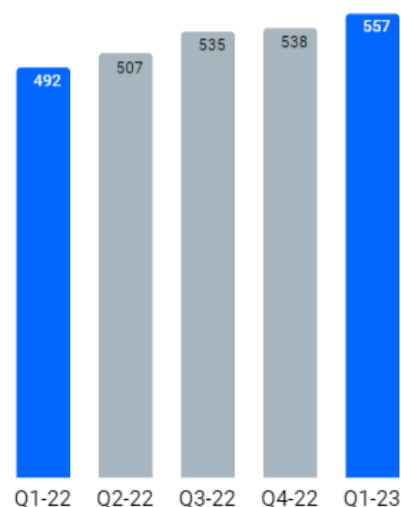
Operating profit (EBIT)

NOKm



Number of employees

End of Period



Q1 2023

Letter from the CEO



Strong quarter, steady focus and new opportunities

As we move beyond the first quarter, I can announce a significant increase in revenue growth and a growing workforce at Webstep. However, our EBIT has decreased slightly to 9.1% (from 10.3%) related to time lag between projects and lower utilization during the seasonal transition to a new year. Overall, our continued efforts to enhance profitability have resulted in a positive trend within the organization and have had a beneficial impact on cost management and sales activities.

Continued focus

We are not yet complacent and continue to prioritize profitability and cost management for sustainable growth in the upcoming quarters. We maintain close monitoring of operational activities to ensure a comprehensive understanding of our business.

The people company

Being a people company Webstep depends on our employees enjoying their work, developing themselves, and constantly confirming their choice of Webstep as their preferred employer and career path. This year's internal, best of breed employee survey, confirms that we are on a good path. Compelling results are reported by Netigate survey analysts:

- Very high results, considerably higher than Netigate's benchmark in all aspects. No questions receive a lower score compared to benchmark in all aspects
- Employee Satisfaction Index (ESI) is at 91 on a total level. This is higher than Netigate's benchmark (69).
- Employee Loyalty (eNPS) is at 63 on a total level. This is higher than Netigate's benchmark (-5).

AI insights and overview

AI has rapidly developed in recent months and become a hot topic throughout markets and societies. ChatGPT and Copilot are now part of everyday language, and discussions about how AI will impact markets and business operations are taking place everywhere. In parallel with AI already being a part of our service portfolio, including deliveries within compliance software, the car industry and in the energy sector, our employees have quickly gained insights and knowledge about the new tools.

Our expertise in system development and related areas enables us to identify and take advantage of the benefits and opportunities of AI technology, while being mindful of its challenges and limitations. We strive to enhance our proficiency in this field and become a trusted AI guide, partner, and supplier for our clients.

Webstep general operations

There has been some tension in the Norwegian consulting industry after the Norwegian authorities tightened regulations around hiring of labor. However, after the Norwegian employer organization for technology companies, Abelia, was successful in ensuring that the hiring of IT specialist expertise is exempted, Webstep has received good support that our operations are safely within areas that should not be affected. Our increasing share of project and Team as a Service assignments further strengthens us in this area.

A strong first quarter down, three more to go

We are pleased to deliver the first quarter leaving Webstep in a strong position in the Norwegian market. We also appreciate that our Swedish operation has shown capacity to develop new business opportunities.

As we approach the second quarter, we are confident and

express our gratitude to our valuable employees and customers for their essential contributions.

Furthermore, in this year's Webstep Annual General Meeting, five new members entered the Webstep board of directors.

I warmly welcome our new board members and I am excited to collaborate with them closely going forward.



Save Asmervik
Webstep ASA CEO

Key figures

Group	Q1	Q1		FY
NOK million	2023	2022	Change	2022
Sales revenues	277.2	233.0	19.0%	888.4
EBITDA	30.4	28.7	6.1%	76.2
EBITDA margin	11.0%	12.3%	(1.3 pts)	8.6%
EBIT	25.2	23.9	5.6%	54.6
EBIT margin	9.1%	10.3%	(1.2 pts)	6.2%
Net profit	18.8	17.8	5.3%	38.4
Net free cash flow	16.2	20.5	(20.8%)	63.3
Equity ratio	54.9%	59.2%	(4.4 pts)	57.9%
Earnings per share (NOK)	0.68	0.65	4.0%	1.40
Earnings per share, fully diluted (NOK)	0.67	0.65	4.6%	1.39
Number of employees, average (FTE)	555	481	15.3%	512
Number of employees, end of period	557	492	13.2%	538
Operating revenue per employee	499	484	3.2%	1,736
EBIT per employee	45.5	49.6	(8.4%)	106.8

Segments

Norway	Q1	Q1		FY
NOK million	2023	2022	Change	2022
Revenues	237.6	202.2	17.5%	761.6
EBIT	22.4	20.9	7.3%	47.7
EBIT margin	9.4%	10.3%	(0.9 pts)	6.3%
Number of employees, average (FTE)	453	401	13.0%	425
Number of employees, end of period	455	410	11.1%	444
Operating revenue per employee (NOKt)	524	504	4.0%	1,792

Sweden	Q1	Q1		FY
NOK million	2023	2022	Change	2022
Revenues	39.5	30.8	28.3%	126.9
EBIT	2.8	3.0	-6.1%	6.9
EBIT margin	7.1%	9.7%	(2.6 pts)	5.5%
Number of employees, average (FTE)	102	80	28.0%	86
Number of employees, end of period	102	82	24.4%	95
Operating revenue per employee (NOKt)	388	387	0.2%	1,468

Financial review

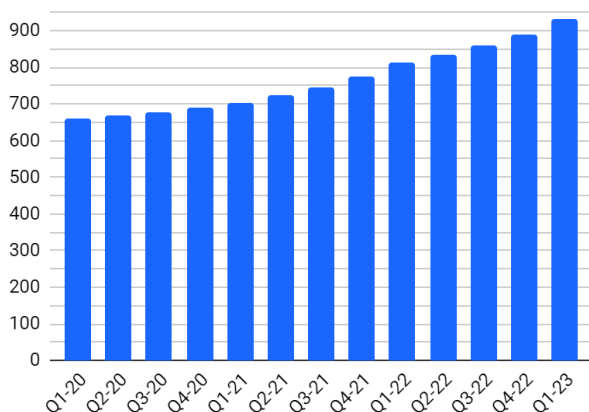
(All amounts in brackets are comparative figures for 2022 unless otherwise specifically stated.)

Operating revenues

First quarter consolidated revenues were NOK 277.2 million (NOK 233.0 million), up 19.0 percent from the same quarter last year. Webstep's revenue model is primarily based on hourly fees, with revenue capacity dependent on the number of consultants, number of workdays and hourly rates. The average number of employees in the quarter was 555 (481) and the quarter had one less working day compared to the same quarter previous year. The revenue growth is driven by an increased number of consultants and hourly rates.

Rolling 12 month operating revenues

NOK million



Operating costs

Cost of services and goods sold, primarily related to use of subcontractors, amounted to NOK 24.5 million (NOK 16.6 million) for the first quarter 2023.

Salaries and personnel costs include salaries and benefits, pension, tax, vacation pay and other items. A high proportion of salary is variable and correlates with revenues. Salaries and personnel costs amounted to NOK 206.7 million (NOK 176.9 million) for the quarter. The change is explained by increased revenues and higher number of employees. In addition comes an effect from higher costs related to culture building activities due to a periodic shift when compared to

corresponding quarter last year, as this was partly held in the second quarter of 2022.

Other operating expenses amounted to NOK 15.5 million (NOK 10.8 million) for the quarter. The change is mainly due to office locations, external services and more travel activities compared to the corresponding quarter last year. In addition to this, a provision for loss on accounts receivable has been made with isolated effect on the quarter.

Depreciation and impairment for the quarter amounted to NOK 5.2 million (NOK 4.8 million). The increase is primarily explained by equipment and inventory related to new office locations.

Operating profit

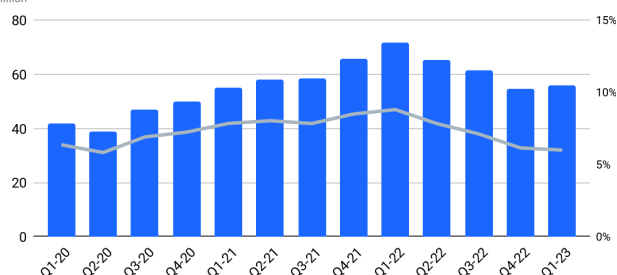
Total consolidated EBITDA for the quarter amounted to NOK 30.4 million (NOK 28.7 million).

Total consolidated EBIT for the quarter amounted to NOK 25.2 million (NOK 23.9 million). EBIT margin for the quarter is 9.1 % (10.3 %).

EBIT is stable although affected by weakened utilization, in addition to higher costs related to culture building activities due to a periodic shift when comparing to first quarter 2022 and provision of loss on accounts receivable.

Rolling 12 month operating profit (EBIT) and EBIT margin

NOK million



Net financial costs were NOK 1.2 million (NOK 1.1 million) and income tax amounted to NOK 5.2 million (NOK 5.0 million) for the quarter. Net profit for the quarter was NOK 18.8 million (NOK 17.8 million).

Financial position

Total assets at the end of the quarter amounted to NOK 764.5 million (NOK 694.3 million). Non-current assets were NOK 486.7 million (NOK 454.4 million) and consisted mainly of intangible assets. Intangible assets amounted to NOK 384.1 million (NOK 380.8 million), and comprise primarily of acquisition-related goodwill of NOK 383.0 million. Currently, there are no indications that impairment is required for any of the reporting units. Right-of-use assets related to office rentals and car leases have been recognized in the balance sheet at the total amount of NOK 86.0 million (NOK 60.1 million).

Total current assets of NOK 277.8 million (NOK 239.9 million) consisted of trade receivables, other current receivables and cash and short-term deposits. Trade receivables amounted to NOK 186.4 million (NOK 158.6 million). Other current receivables were NOK 14.6 million (NOK 14.0 million). Cash and short-term deposits amounted to NOK 76.8 million (NOK 67.2 million).

Total equity on 31 March was NOK 419.5 million (NOK 411.3 million). The change is mainly related to earnings generated. Non-current liabilities amounted to NOK 74.0 million (NOK 48.3 million) and consisted mainly of non-current leasing liabilities of NOK 72.5 million (NOK 47.0 million). Current liabilities of NOK 271.0 million (NOK 234.8 million) consisted of current leasing liabilities, trade payables, tax payables, social taxes and VAT and other short-term liabilities.

Cash flow from operations amounted to NOK 17.9 million (NOK 23.6 million) for the quarter. The change in cash flow from operations in the first quarter is primarily explained by change in profit, other receivables as well as trade and other liabilities.

The Webstep Group has a credit facility with SpareBank1 SR-Bank of NOK 110 million and SEK 5 million with SEB. The Group has not been in breach with the covenants during the quarter.

Segment information

The Group's activities are organized in two geographical segments, Norway and Sweden. Revenues and results are recorded in the entity where they occur and hence reported in the segment, in which the legal entity belongs. Segment performance is evaluated on the basis of revenue and EBIT performance. Assets and liabilities are not allocated between the segments.

Norway is the largest segment, accounting for 85 percent of the consolidated operating revenues in the quarter.

Norway

Webstep Norway is headquartered in Oslo and has offices in Bergen, Stavanger, Trondheim, Kristiansand and Haugesund. The Group provides high-end IT consultancy services to around 250 public and private clients across the country.

Total operating revenues for the quarter came to NOK 237.6 million (NOK 202.2 million), up 17.5 percent from the same period in 2022. The revenue growth is driven by an increased number of consultants in addition to hourly rates, offset by lower utilization compared to the corresponding quarter last year.

Revenues from subcontractors for the quarter came to NOK 18.4 million (11.8 million), up 55.5 percent.

Revenue breakdown

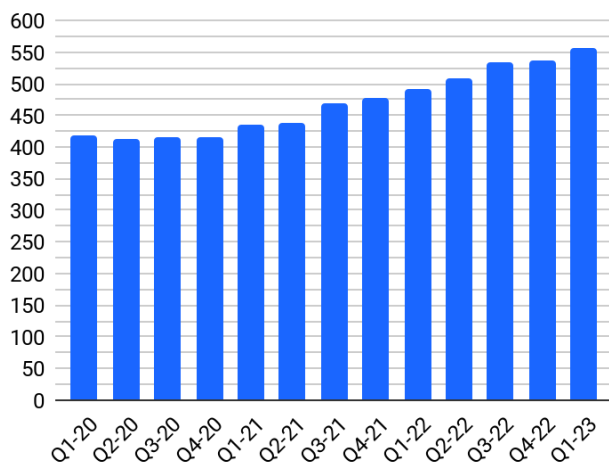
NOK million	Q1 2023	Q1 2022	Y/Y change	FY 2022
Oslo	100.3	84.9	18.0%	324.7
Regional offices	119.9	106.0	13.2%	393.7
Subcontractors	18.4	11.8	55.5%	45.7
Other / eliminations	(1.0)	(0.5)	100.0%	(2.4)
Total	237.6	202.2	17.5%	761.6

EBIT for the quarter came to NOK 22.4 million (NOK 20.9 million).

Webstep Norway had 455 employees on 31 March 2023 (410 employees). The average number of employees in the quarter was 453 (401).

Employees

Webstep had 557 employees at the end of the quarter, an increase of 16 employees the last quarter and an increase of 65 employees the last twelve months. The employees are distributed across the regional offices in major cities in Norway and Sweden. Webstep believes in the power of local business and the decentralized model is based on strong local presence. The regional offices provide expertise and capacity to local clients, while leveraging the full organizational capacity.

Number of employees (end of quarter)

Webstep's consultants have on average more than 10 years of relevant experience. This creates a solid foundation for a strong professional environment and high-quality deliveries. The Webstep work culture is driven by the values of being skilled, innovative, generous and uncomplicated.

Webstep endeavors to assign its consultants interesting and challenging projects that ensure personal development and contentment. By constantly developing the consultants' skill sets, Webstep services as such are also improved. The incentive model for consultants is designed to attract and motivate highly experienced experts. The salary model for consultants has been a pillar in Webstep ever since inception in 2000.

Work Environment

The employees are Webstep's most important asset, and the Group therefore put a lot of emphasis and effort into building a strong company culture and a healthy work environment across the Company's segments and locations. In order to follow up on the employees satisfaction, the Group runs annual employee surveys in order to constantly find and implement areas of improvement regarding the work environment.

The areas of measures are work environment, personal development, culture and leadership. All areas show very satisfying results and have higher results than Netigate's benchmark for all question areas (Netigate being a recognized survey supplier).

Data from the survey conducted in January 2023 shows a score of 90 in the Employee Satisfaction Index (ESI 0-100 index). Employee Loyalty Index (eNPS (-100 to +100 index)) shows a score of 62. Both numbers are on the level of last year. More than 90% of employees agree that they are proud to work at Webstep.

Market update

Markets and customers are facing a changing macroeconomic environment. Geopolitical instability, energy crisis, high interest rates and supply disruptions, can affect buying behavior in certain segments. But the long term trend of digitalisation has not changed.

Even though the market conditions are changing rapidly, we still see that Webstep consultants are considered key in delivering services supporting customers' digital journey.

In fact, IT expertise combined with industry knowledge is more than ever important to change business models and provide value-producing opportunities for our customers.

There is still fierce competition in the recruitment market, but Webstep has succeeded in attracting highly skilled senior IT consultants. The growth in number of employees has ensured increased capacity fueling several of our team deliveries.

To provide large and digitally mature clients with hand-picked technology experts, who in an efficient and effective manner help to solve the client's challenges, is the traditional Webstep go-to-market model. The projects are normally run and managed by the clients. The experts employed by Webstep handle a broad range of technology platforms and disciplines - from the traditional programming languages such as .Net and Java, to highly sought-after services such as project management, cloud migration, advanced data analytics and machine learning.

Webstep continues to deliver full scale developer teams ("team-as-a-service") or projects and end-to-end solutions that are managed and executed by their IT service vendors. What distinguishes this delivery from the traditional Webstep delivery model, is that Webstep will provide the client with full scale development teams as opposed to single consultants in expert roles.

The two delivery models Team-as-a-service and Project and solutions provide the consultants with security and predictability, and are making Webstep more attractive as an employer. These two delivery concepts also give ambitious IT experts the opportunity to work closely with other colleagues on technically challenging and interesting projects.

Outlook

Uncertain times and changing macroeconomic environments has not changed the long term trend of digitalisation, representing an ever more important engine of innovation, competitiveness and economic growth.

The need for reliable, experienced support and deep IT competence is still key to deliver on the promise of digitalisation, and we know that digitalisation is helping our customers become more resilient businesses. Webstep is a strong player in this game.

The ongoing projects and renewed trust from existing clients is a solid foundation in uncertain times. Successful recruitment in the last quarters, and an expected 559 employees by the end of second quarter 2023 is promising. Further headcount growth will be balanced against profitability.

Sales and utilization is key for the upcoming quarter of 2023 and going forward. Strong local presence and collaboration between regions has proven significant for sales. Webstep will continue to work on the Company's sales activities to be even further optimized, boosting the ability to succeed in today's markets.

The Webstep go-to-market-model is an important part of the company's growth strategy. Over the last two years Webstep has proven its capacity and expertise to deliver teams and comprehensive projects. Several team deliveries have proven Webstep to be a trusted partner in the enterprise market.

We strongly believe that firm focus on optimizing sales and ensuring utilization, together with strengthened capacity, will lead to substantial market opportunities and results going forward. We therefore expect to see a scaling effect and improved profitability. Our long term target for EBIT margin is above 10%.

Statement by the Board of directors and the CEO

We confirm to the best of our knowledge that: the consolidated financial statements for the period ended 31 March 2023 have been prepared in accordance with IAS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the board of directors' report gives a true and fair view of the development, performance and financial position of the Group, and includes a description of the material risks that the board of directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

The Board of directors and CEO
WEBSTEP ASA

OSLO, 15 May 2023

Kjetil Bakke Eriksen

Chair of the board

Siw Ødegaard

Board member

Kari Mette Toverud

Board member

Anna Söderblom

Board member

David Bjerkeli

Board member

Bendik Nicolai Blindheim

Board member

Save Asmervik

Chief Executive Officer

Financial statements

Consolidated statement of comprehensive income

NOK'000	Q1 2023	Q1 2022	FY 2022
Sales revenues	277,178	233,004	888,439
Total revenues	277,178	233,004	888,439
Cost of services and goods	(24,535)	(16,555)	(74,713)
Salaries and personnel cost	(206,750)	(176,946)	(686,728)
Depreciation and impairment	(5,218)	(4,795)	(21,580)
Other operating expenses	(15,452)	(10,818)	(50,769)
Total operating expenses	(251,955)	(209,114)	(833,790)
Operating profit(loss)	25,223	23,889	54,649
Net financial items	(1,235)	(1,078)	(4,374)
Profit before tax	23,988	22,811	50,274
Income tax expenses	(5,218)	(4,979)	(11,838)
Profit for the period	18,769	17,832	38,436
Earnings per share (NOK)	0.68	0.65	1.40
Earnings per share, fully diluted (NOK)	0.67	0.65	1.39
Other comprehensive income:			
Currency translation differences	6,081	(3,101)	(2,589)
Other comprehensive income for the period, net of tax	6,081	(3,101)	(2,589)
Total comprehensive income for the period, net of tax	24,850	14,731	35,848
Attributable to:			
Shareholders in parent company	24,850	14,731	35,848

Consolidated statement of financial position

NOK'000	31-Mar 2023	31-Mar 2022	31-Dec 2022
ASSETS			
Intangible assets	384,129	380,784	380,054
Fixed assets	14,318	11,928	14,447
Right-of-use assets	86,023	60,089	65,060
Non-current financial assets	2	-	2
Deferred tax assets	2,193	1,619	2,193
Total non-current assets	486,664	454,420	461,756
Trade receivables	186,367	158,579	145,742
Other current receivables	14,647	14,045	9,129
Cash and short-term deposits	76,818	67,239	62,340
Total current assets	277,832	239,864	217,211
Total assets	764,497	694,284	678,967
EQUITY			
Total equity	419,464	411,259	393,400
LIABILITIES			
Non-current leasing liabilities	72,486	46,983	52,933
Deferred tax	1,529	1,280	1,451
Total non-current liabilities	74,015	48,262	54,384
Current leasing liabilities	14,237	12,311	13,153
Trade and other payables	25,376	19,768	15,215
Tax payable	3,147	9,581	11,879
Social taxes and VAT	89,781	77,510	81,524
Other short-term debt	138,477	115,594	109,411
Total current liabilities	271,018	234,763	231,182
Total liabilities	345,033	283,026	285,566
Total liabilities and equity	764,497	694,284	678,967

Consolidated statement of change in equity

NOK'000	Issued capital	Treasury shares	Share premium	Foreign currency translation reserve	Retained earnings	Total earned equity	Non-controlling interest	Total equity
1 January 2022	27,323	(54)	172,775	10,284	183,365	393,693	-	393,693
Profit for the period					38,436	38,436		38,436
Sales of treasury shares		24	432			456		456
Other comprehensive income/(loss)				(2,589)		(2,589)		(2,589)
Share incentive program					3,606	3,606		3,606
Dividends					(46,489)	(46,489)		(46,489)
Share issue	306		5,982			6,288		6,288
31 December 2022	27,628	(29)	179,190	7,695	178,919	393,400		393,400
Profit for the period					18,769	18,769		18,769
Sales of treasury shares								0
Other comprehensive income/(loss)				6,081		6,081		6,081
Share incentive program					424	424		424
Dividends								0
Share issue	42		746			789		789
31 March 2023	27,671	(29)	179,935	13,776	198,113	419,464		419,464

Consolidated statement of cash flows

NOK'000	Q1 2023	Q1 2022	FY 2022
Operating activities			
Profit/(loss) before tax	23,988	22,811	50,274
Adjustments for:			
Depreciation of property, plant and equipment	5,218	4,795	21,580
Net change in trade and other receivables	(46,143)	(28,425)	(10,673)
Net change in other liabilities	47,228	35,199	28,477
Net foreign exchange differences	1,556	(694)	(456)
Income tax expenses	(13,908)	(10,115)	(15,209)
Net cash flow from operating activities	17,939	23,571	73,993
Investing activities			
Payments for R&D initiative			
Purchase of property and equipment	(1,703)	(3,065)	(10,724)
Net cash flow from investing activities	(1,703)	(3,065)	(10,724)
Financing activities			
Repayments of lease liabilities	(2,971)	(2,793)	(11,480)
Sale of treasury shares	424	1,253	4,062
Change in bank overdraft	-		-
Net proceeds from equity	789	1,583	6,288
Payment of dividends			(46,489)
Net cash flows from financing activities	(1,758)	43	(47,619)
Net increase/(decrease) in cash and cash equivalents	14,477	20,549	15,650
Cash and cash equivalents at the beginning of the period	62,340	46,690	46,690
Cash and cash equivalents at the end of the period	76,817	67,239	62,340

Notes to the consolidated financial statements

Note 1 Significant accounting principles

Basis for preparation

The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

Statements

These condensed consolidated interim financial statements for the first quarter have been prepared in accordance with IAS 34 as approved by the EU (IAS 34). They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should consequently be read in conjunction with the consolidated financial statements for 2022. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2022, which are available on www.webstep.com and upon request from the Company's registered office at Universitetsgata 2, 0164 Oslo, Norway.

These condensed consolidated interim financial statements for the first quarter 2023 were approved by the Board of Directors and the CEO 15 May 2023.

Accounting policies

The Group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS) and the Norwegian Accounting Act. References to IFRS in these accounts refer to IFRS as approved by the EU. The date of transition was 1 January 2016. The accounting policies adopted are consistent with those of the previous financial year. Changes to IFRSs which have been effective from 1 January 2021 have had no material impact on the Group's financial statements.

Note 2 Estimates, judgments and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2022 and as described in note 3 to the 2022 statements.

Note 3 Seasonality or cyclical nature of interim operations

The Group's net operating revenues are affected by the number of workdays within each reporting period while employee expenses are recognized for full calendar days. The number of workdays in a month is affected by public holidays and vacations. The timing of public holidays during quarters and whether they fall on weekdays or not impact revenues. In both Norway and Sweden, the first quarter of 2023 had one workday more than the first quarter of 2022.

Note 4 Earnings per share

	Q1 2023	Q1 2022	FY 2022
NOK'000 (except number of shares in thousand)			
Profit for the period	18,769	17,832	38,436
Average number of shares (excl. treasury shares)	27,613	27,294	27,391
Average number of shares, fully diluted (excl. treasury shares)	27,811	27,636	27,663
Earnings per share (NOK)	0.68	0.65	1.40
Earnings per share, fully diluted (NOK)	0.67	0.65	1.39

Based on the number of share options outstanding, the strike price of the options, the average share price during the first quarter 2023, and the remaining vesting period of the options, the dilution effect of the long-term incentive program accounts for 155,548 shares.

Note 5 Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.

Note 6 Alternative performance measures

Webstep discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Webstep believes that the alternative performance measures provide useful supplemental information to management, investors, equity analysts and other stakeholders. These measures are commonly used and are meant to provide an enhanced insight into the financial development of Webstep's business operations and to improve comparability between periods.

- **EBITDA** is short for Earnings before Interest and other financial items, Taxes, Depreciation and Amortization and is a term commonly used by equity analysts and investors.
- **EBIT** is short for Earnings before Interest and other financial items and Taxes and is a term commonly used by equity analysts and investors.
- **Net free cash flow** is calculated as net cash flow from operating activities plus net cash flow from investing activities.
- **NIBD** is short for Net Interest Bearing Debt and is defined as interest bearing debt minus unrestricted cash and cash equivalents.
- **NIBD/EBITDA** is calculated as Net Interest Bearing Debt divided by Earnings before Interest and other financial items, Taxes, Depreciation and Amortization (EBITDA). The ratio is one of the debt covenants of the Company and it is based on the rolling twelve months EBITDA. If the Company has more cash than debt, the ratio can be negative. The covenant requires a Group NIBD/EBITDA ratio of maximum 3.
- **Equity ratio** is defined as the total consolidated equity of the Group divided by total assets. The covenant requires a Group equity ratio of minimum 0.3.

Profit measures - EBITDA

NOK'000	Q1 2023	Q1 2022	FY 2022
EBITDA (Earnings Before Interest Tax Depreciation and Amortization) 			
Operating profit	25,223	23,889	54,649
Depreciation	5,218	4,795	21,580
EBITDA	30,441	28,684	76,229

Net interest bearing debt (NIBD)

NOK'000	31 Mar 2023	31 Mar 2022	31 Dec 2022
NIBD (Net Interest Bearing Debt)			
Cash and cash equivalents (minus indicates positive amount)	(76,818)	(67,239)	(62,340)
Restricted cash	1,608	1,553	1,697
Debt to credit institutions	0	0	0
Leasing liabilities (non-current and current)	86,723	59,293	66,086
NIBD	11,513	(6,393)	5,444

Group equity ratio

NOK'000	31 Mar 2022	31 Mar 2021	31 Dec 2022
Total equity	419,464	411,259	393,400
Total assets	764,497	694,284	678,967
Group equity ratio	0.55	0.59	0.58

NIBD/EBITDA

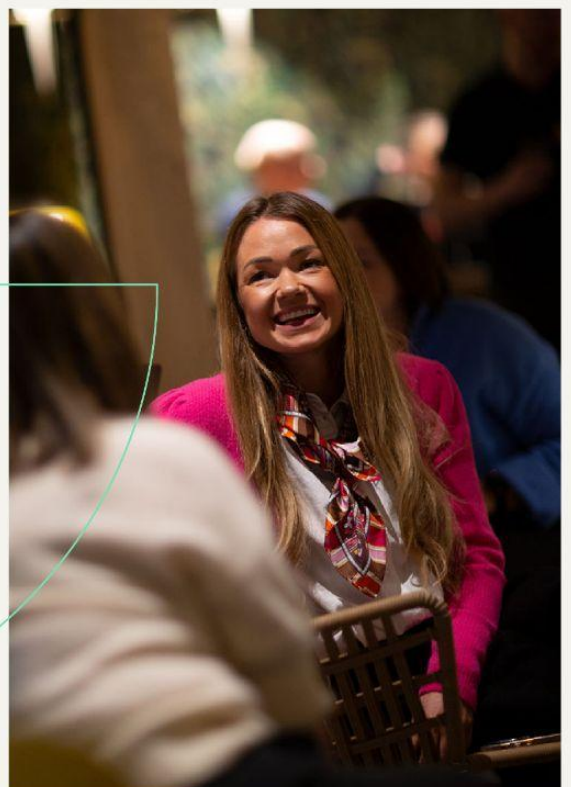
NOK'000	31 Mar 2022	31 Mar 2021	31 Dec 2022
EBITDA rolling 12 months	77,986	88,213	76,229
NIBD	11,513	(6,393)	5,444
NIBD/EBITDA (rolling 12 months)	0.15	(0.07)	0.07
NIBD/EBITDA (rolling 12 months)*	(0.96)	(0.74)	(0.80)

*Effects related to IFRS 16 (leasing) are excluded.

Note 7 Recognition of excess social security taxes in Norway

A new social security tax of 5% on individual employee's salaries exceeding 750 tNOK a year, was imposed in 2023. The Group would not recognise this expense in the profit and loss until the threshold of 750 tNOK is reached for each employee as a payable. Accordingly no income on cost-covered contracts with clauses allowing partly or fully invoicing the excess cost would be recognised until invoiced.

	Presented	With prov
EFFECTS TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Q1	Q1
(NOK'000)	2023	2023
Sales revenues	277,178	277,678
Cost of services and goods	(24,535)	(24,535)
Salaries and personnel cost	(206,750)	(208,750)
Depreciation and impairment	(5,218)	(5,218)
Other operating expenses	(15,452)	(15,452)
Operating profit for the period	25,223	23,723



Appendix

Key figures by quarter

Group	Q1	Q4	Q3	Q2	Q1
NOK million	2023	2022	2022	2022	2022
Sales revenues	277.2	246.4	193.9	215.1	233.0
EBITDA	30.4	18.5	10.7	18.4	28.7
EBITDA margin	11.0%	7.5%	5.5%	8.5%	12.3%
EBIT	25.2	11.8	5.5	13.5	23.9
EBIT margin	9.1%	4.8%	2.8%	6.3%	10.3%
Net profit	18.8	7.8	3.2	9.8	17.8
Net free cash flow	16.2	35.7	0.1	6.9	20.5
Equity ratio	54.9%	58.0%	60.3%	58.9%	59.2%
Earnings per share (NOK)	0.68	0.28	0.12	0.36	0.65
Earnings per share, fully diluted (NOK)	0.67	0.28	0.12	0.35	0.65
Number of employees, average (FTE)	555	539	524	503	481
Number of employees, end of period	557	538	535	507	492
Operating revenue employee (NOK thousand)	499	457	370	428	484
EBIT per employee (NOK thousand)	45	22	11	27	50

Segments

Norway	Q1	Q4	Q3	Q2	Q1
NOK million	2023	2022	2022	2022	2022
Sales revenues	237.6	210.2	165.7	183.5	202.2
EBIT	22.4	10.0	4.3	12.6	20.9
EBIT margin	9.4%	4.8%	2.6%	6.9%	10.3%
Number of employees, average (FTE)	453	445	436	419	401
Number of employees, end of period	455	444	445	422	410
Number of workdays, Norway	65	64	66	59	64

Sweden	Q1	Q4	Q3	Q2	Q1
NOK million	2023	2022	2022	2022	2022
Sales revenues	39.5	36.2	28.3	31.6	30.8
EBIT	2.8	1.8	1.2	0.9	3.0
EBIT margin	7.1%	4.9%	4.4%	2.8%	9.7%
Number of employees, average (FTE)	102	94	88	84	80
Number of employees, end of period	102	95	91	86	82
Number of workdays, Sweden	64	64	66	60	63

CONSOLIDATED INCOME STATEMENT

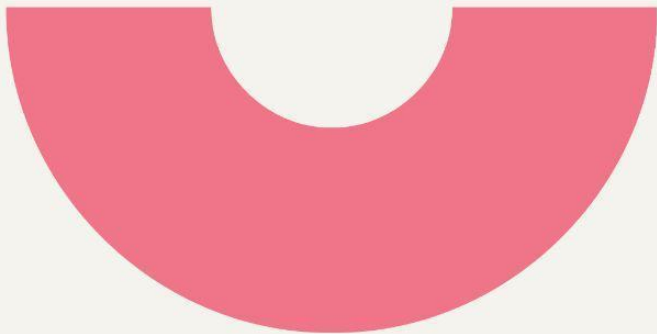
NOK'000	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Sales revenues	277,178	246,409	193,923	215,103	233,004
Total revenues	277,178	246,409	193,923	215,103	233,004
Cost of services and goods	(24,535)	(21,891)	(18,001)	(18,265)	(16,555)
Salaries and personnel cost	(206,750)	(191,019)	(152,908)	(165,855)	(176,946)
Depreciation and impairment	(5,218)	(6,695)	(5,186)	(4,904)	(4,795)
Other operating expenses	(15,452)	(15,030)	(12,313)	(12,609)	(10,818)
Total operating expenses	(251,955)	(234,635)	(188,408)	(201,632)	(209,114)
Operating profit(loss)	25,223	11,773	5,516	13,471	23,889
Net financial items	(1,235)	(1,016)	(1,377)	(903)	(1,078)
Profit before tax	23,988	10,757	4,139	12,567	22,811
Income tax expenses	(5,218)	(3,002)	(936)	(2,755)	(4,979)
Profit for the period	18,769	7,755	3,202	9,812	17,832

Consolidated statement of financial position

NOK'000	31-Mar 2023	31-Mar 2022	31-Dec 2022
ASSETS			
Intangible assets	384,129	380,784	380,054
Fixed assets	14,318	11,928	14,447
Right-of-use assets	86,023	60,089	65,060
Non-current financial assets	2	-	2
Deferred tax assets	2,193	1,619	2,193
Total non-current assets	486,664	454,420	461,756
Trade receivables	186,367	158,579	145,742
Other current receivables	14,647	14,045	9,129
Cash and short-term deposits	76,818	67,239	62,340
Total current assets	277,832	239,864	217,211
Total assets	764,497	694,284	678,967
EQUITY			
Total equity	419,464	411,259	393,400
LIABILITIES			
Non-current leasing liabilities	72,486	46,983	52,933
Deferred tax	1,529	1,280	1,451
Total non-current liabilities	74,015	48,262	54,384
Current leasing liabilities	14,237	12,311	13,153
Trade and other payables	25,376	19,768	15,215
Tax payable	3,147	9,581	11,879
Social taxes and VAT	89,781	77,510	81,524
Other short-term debt	138,477	115,594	109,411
Total current liabilities	271,018	234,763	231,182
Total liabilities	345,033	283,026	285,566
Total liabilities and equity	764,497	694,284	678,967

Consolidated statement of cash flows

NOK'000	Q1 2023	Q1 2022	FY 2022
Operating activities			
Profit/(loss) before tax	23,988	22,811	50,274
Adjustments for:			
Depreciation of property, plant and equipment	5,218	4,795	21,580
Net change in trade and other receivables	(46,143)	(28,425)	(10,673)
Net change in other liabilities	47,228	35,199	28,477
Net foreign exchange differences	1,556	(694)	(456)
Income tax expenses	(13,908)	(10,115)	(15,209)
Net cash flow from operating activities	17,939	23,571	73,993
Investing activities			
Payments for R&D initiative			
Purchase of property and equipment	(1,703)	(3,065)	(10,724)
Net cash flow from investing activities	(1,703)	(3,065)	(10,724)
Financing activities			
Repayments of lease liabilities	(2,971)	(2,793)	(11,480)
Sale of treasury shares	424	1,253	4,062
Change in bank overdraft	0		0
Net proceeds from equity	789	1,583	6,288
Payment of dividends			(46,489)
Net cash flows from financing activities	(1,758)	43	(47,619)
Net increase/(decrease) in cash and cash equivalents	14,477	20,549	15,650
Cash and cash equivalents at the beginning of the period	62,340	46,690	46,690
Cash and cash equivalents at the end of the period	76,817	67,239	62,340



Group departments

Webstep has 9 regional offices in major cities in Norway and Sweden. Webstep believes in the power of local business and the decentralized model is based on strong local presence. The regional offices provide expertise and capacity to local clients, while leveraging the full organizational capacity.

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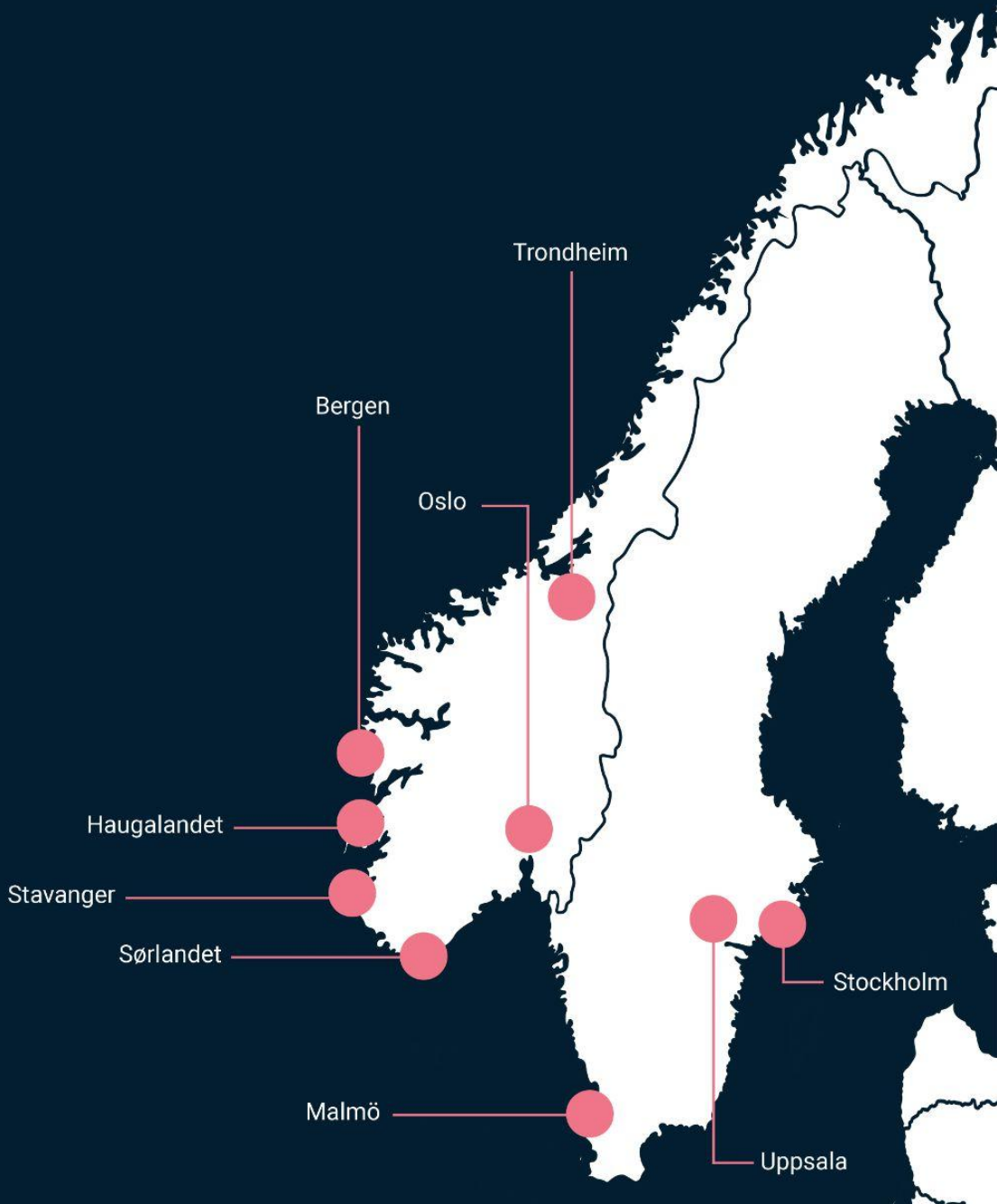
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