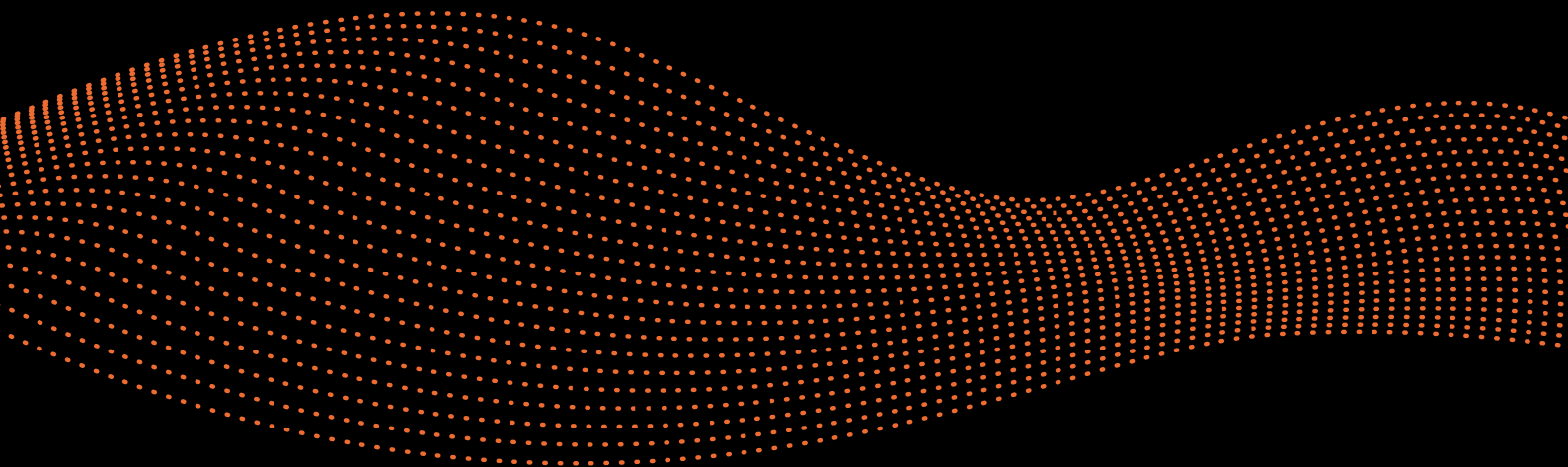


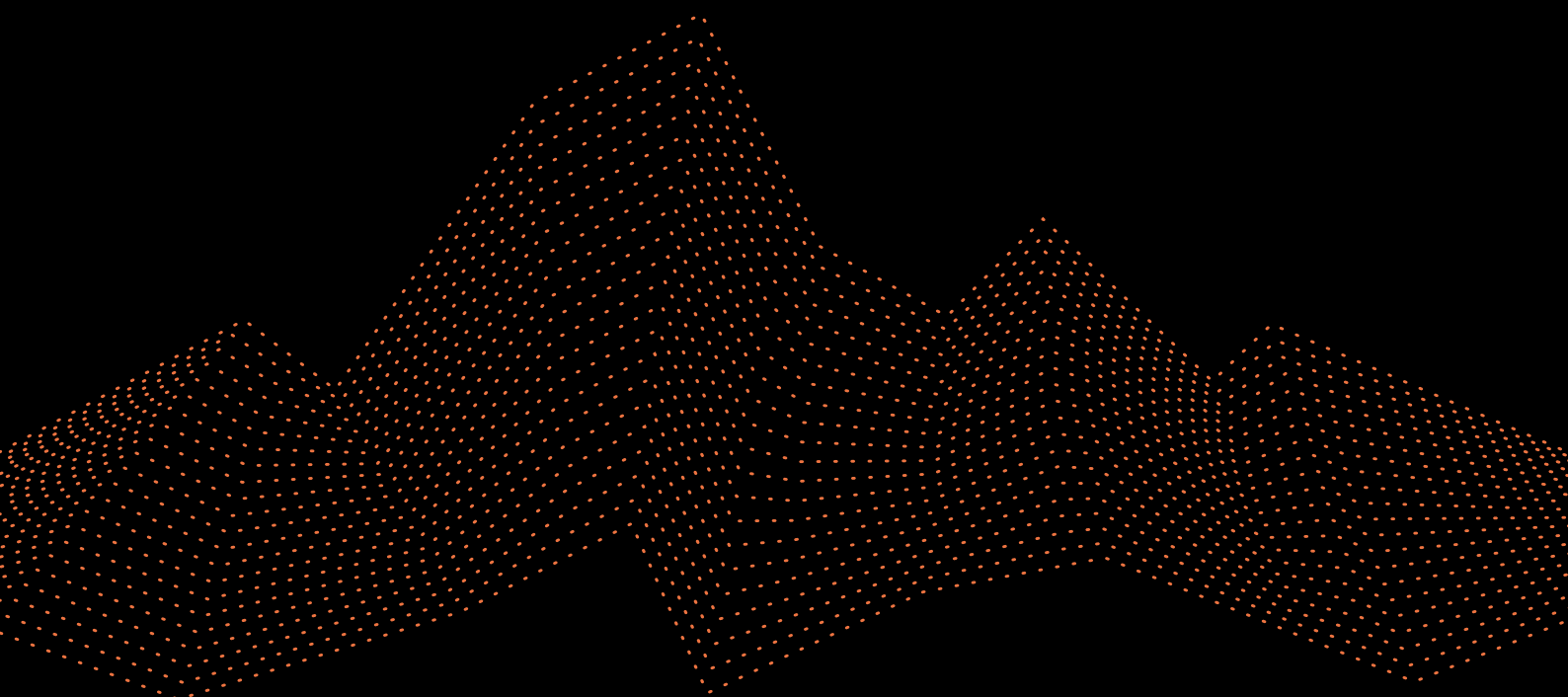
# CHIP BIDCO AS – A Cegal Group company

INTERIM REPORT Q4 2019



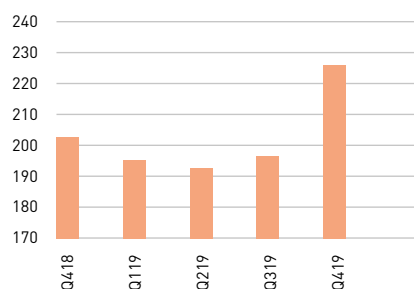
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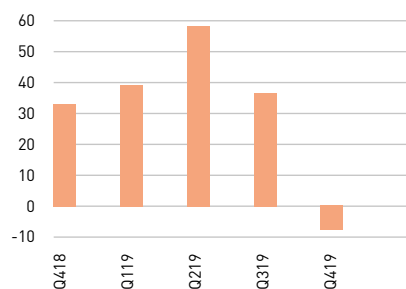
## Q4 2019 HIGHLIGHTS

Operating revenue  
MNOK



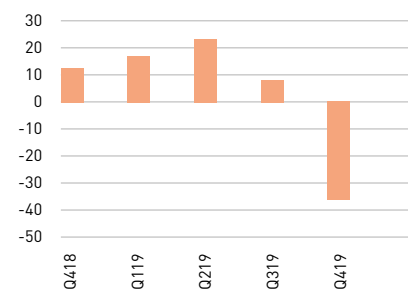
- 11.5% revenue increase from Q4 2018 to Q4 2019.
- The increase in revenues is mainly related to Cloud, Cloud Services and Business Consulting following several contract wins and a general increase in demand for our services.
- Strong order backlog of NOK 2.6 billion following several international contract wins this year with the Wintershall Dea/Atos contract as the most prominent one.

EBITDA  
MNOK



- Q4 2019 EBITDA was NOK -7.4 million compared to NOK 33.0 million in the same period last year. The reduction in EBITDA is predominantly related to NOK 56.6 million in non-recurring transaction costs following the acquisition of Cegal Group AS.
- Adjusted EBITDA excluding all non-recurring cost items amounted to NOK 49.2 million compared to NOK 33.0 million in the same period last year.
- EBITDA on a pre IFRS16 format was NOK -13.6 million and adjusted EBITDA for non-recurring items on this format was NOK 43.0 million.

EBIT  
MNOK



- Q4 EBIT decreased by NOK 49.7 from same period last year which is related to NOK 56.6 million in transaction costs as described under EBITDA comments. In addition, depreciations and amortizations increased by NOK 9.3 million due to a higher asset base following increased investments in 2018 compared to previous years.

## BASIS FOR CONSOLIDATION

- This interim report comprise the first consolidated interim financial statements issued by Chip Bidco AS following the acquisition of Cegal Group AS with its subsidiaries on 20 December 2019.
- The Group applies the International Financial Reporting Standards (IFRS) and use IFRS16 on financial leased assets such as office rental which was adopted on 1 January 2018.
- All figures on the profit and loss and cash flow statements are prepared on a pro forma basis as if Chip Bidco Group existed from 1 January 2019. In December 2018 Cegal Group AS acquired Avito Consulting AS. Hence, 2018 figures are reported figures and not proforma for Avito Consulting AS.
- All figures on the balance sheet statement are prepared on an unaudited pre purchase price allocation (PPA) basis. Hence, balance sheet items are tentative and subject to further analysis, impairment testing and valuation.
- The accounting principles applied for preparing consolidated financial statements and final PPA figures will be disclosed in more detail when the annual report for fiscal year 2019 is published.

## ABOUT CEGAL

Cegal is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business, geoscience, and data management for the energy industry.

Our employees are working from offices in Stavanger (HQ), Oslo, London, Aberdeen, Dubai, Houston, Calgary and Kuala Lumpur.

The combination of IT and geoscience domain expertise makes us a unique IT and geoscience solutions provider to the energy industry.

We have a business model based on the delivery of scalable and recurring As a Service solution. This enables our energy customers to scale costs easily. With significant investments in our product and services portfolio over the last years, we now have a unique offering and are well positioned for the future.

## SUMMARY

### Q4 2019

*(Figures in brackets refer to the corresponding period of 2018).*

Revenues for the fourth quarter amounted to NOK 225.8 million (202.5) with strong Cloud, Cloud Services and Business Consulting (new business line) growth. EBITDA amounted to NOK -7.4 million (33.0) for the fourth quarter in 2019 which is lower compared to same period last year due to NOK 56.6 million in non-recurring transaction costs as described above.

In addition being a global provider of software and software services we have international growth ambitions for our cloud solutions, cloud services and data management solutions. We are investing in technology development and have established global partnerships to expand our global reach. In 2019, Cegal Malaysia Sdn. Bhd. was established, further cementing the Group's global footprint.

Year to date 2019 revenue is NOK 809.5 million (642.4) giving a revenue growth at 26% from 2018 to 2019. EBITDA year to date 2019 is NOK 125.3 million (128.3). Once again, NOK 57.6 million in non-recurring transaction costs is the reason why the Group is not outperforming year to date figures last year. Net salaries increased by NOK 37.7 million dominated by NOK 21.4 million in non-recurring transaction payments. Other operating costs increased by NOK 34.0 million which is dominated by NOK 36.3 million in non-recurring transaction costs. Adjusted year to date EBITDA excluding all non-recurring cost items amounted to NOK 182.9 million compared to NOK 136.7 million (unaudited) in the same period last year. Year to date 2019 EBITDA margin is 15.5% (20.0%). EBITDA margin in 2019 is exclusive of the non-recurring costs is 22.5%.

Year to date EBITDA on a pre IFRS16 format was NOK 100.5 million and adjusted EBITDA for non-recurring items on this format was NOK 158.1 million in year to date.

The Group is increasing its recurring revenue base on has a very strong backlog of NOK 2.6 billion following several international contract wins this year with the Wintershall Dea/Atos contract as the most prominent one.

In Q4 2019 Cegal invested 25.0 million (29.0) in equipment on behalf of customers and internal investments on our Cloud platform. In addition, Cegal invested 5.0 million (7.0) in development of new software products and Cloud solutions. By the end of the quarter, the number of employees were 368 (323). Cegal was in compliance with all requirements by the time of bond issue.

### BALANCE SHEET AND LIQUIDITY

Total assets (unaudited) as at 31 December 2019 were NOK 1 874 million compared to NOK 778 million as at 31 December 2018. Consolidated equity as at 31 December 2019 was NOK 608.4 million compared to NOK 14.6 million as at 31 December 2018.

Cash flow from operating activities was NOK 115.8 million (97.1). As at 31 December 2019 the Group had bank deposits amounting to NOK 89.7 million.

### BUSINESS SEGMENTS

#### Cloud

Cegal's cloud-based solutions provides high performance IT systems and customized software solutions to more than 13 500 end users. We support more than 1 300 applications, and our support center offers a single point of contact for all IT related questions.

We have customized our offering for the energy sector, in particular with respects to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices.

In Q4 2019, Cloud represented 47.0% of the Group's total revenues of which almost all is long term recurring revenue.

### Software

Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management.

In addition, we offer the development of high-quality customized software solutions. In Q4 2019, software represented 14.2% of our revenues.

### Consulting

Cegal offers highly experienced on-site consultants and expert geomodelers. We provide consulting services including seismic interpretation, electromagnetic integration, structural modeling, geomodeling, well planning, volume calculations, flow simulation, data room, drilling decisions, Tracker services and data management.

The Cegal IT consultancy group provide onsite IT infrastructure services and support for both short- and long-term assignments, in addition to ad-hoc based technical work. Several of our consultants hold an offshore certificate and have experience from both domestic and international customer assignments.

In Q4 2019, consulting represented 19.6% of our revenues.

### Business Consulting

Cegal Business Consulting consists of multi skilled consultants, organized in teams and in individual engagements providing value-adding services to our clients. Our service areas are Operator Readiness, Business Improvement Services and Business Professionals for hire.

We have core competencies within program/project management, change management, process management and enterprise architecture. We typically provide specialized advisory roles within areas such as information security management, information management, test management, information management, application management, business intelligence and data science.

In Q4 2019, Business Consulting revenue represented 5.6% of our revenues.

### 3rd party resale/other sales

In Q4 2019, 3<sup>rd</sup> party resale and other sales represented 13.6% of our revenues.

### OUTLOOK

Cegal is well positioned as a full-service, independent technology company focused on the energy sector. Cegal is a professional partner delivering cloud solutions, software and consultancy within IT, geoscience and data management. We have a business model based on delivery of scalable and recurring As a Service solutions. This enables our customers to scale costs easily.

The high pace of merger and acquisitions among the players in our customer segment has created several business opportunities for Cegal. Substantial international contracts have been entered into following such activities demonstrating public cloud and hybrid cloud demand in the energy industry. In order to deliver on these contracts, Cegal has recruited during the quarter, and will continue to do so.

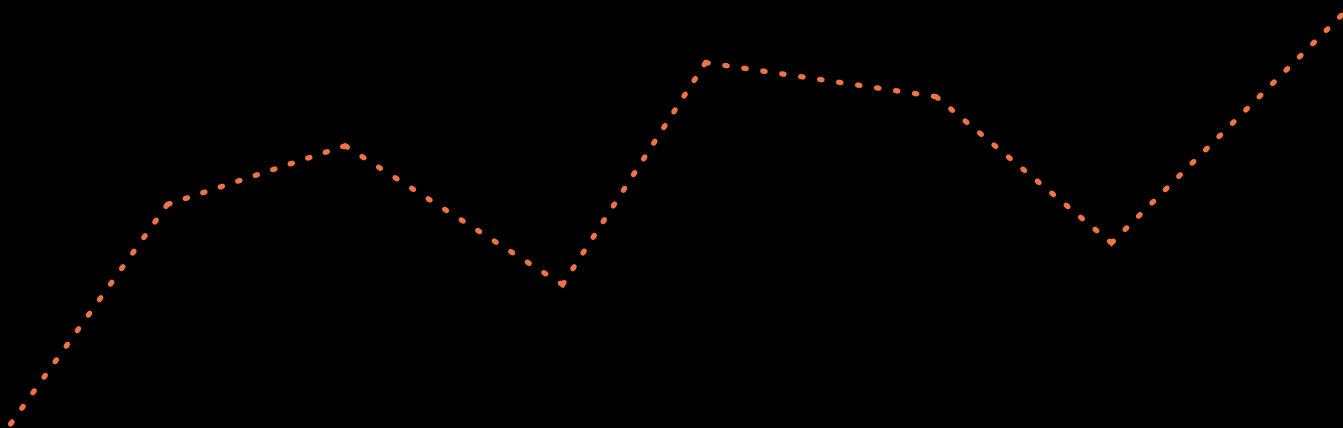
During Q4 2019 Norvestor V signed an agreement to divest Cegal Group AS. The buyer of the company is the newly formed fund vehicle Norvestor SPV I Holding AS with funds managed by the private equity team of DWS and Argentum acting as cornerstone investors. Following a structured sales process which produced several offers, a consortium of investors proposed a structure whereby Norvestor SPV I owns 74.2% of the new holding company and the company's management and employees holding the remaining part. This transaction creates a very solid platform and momentum for utilizing the technology that has been invested heavily in over the last years.

The outlook for 2020 is subsequently positive. During the start of 2020 Cegal has released GeoCloud on Azure in close collaboration with Microsoft and GeoCloud is now available as an app on Azure marketplace, demonstrating the assertiveness in Cegal's business model and organization.

The Board of Directors of Chip Bidco AS  
Forus, February 24, 2020

## FINANCIAL STATEMENTS

- Profit & loss
- Balance sheet
- Cash flow statement



FINANCIAL STATEMENTS  
Amount in NOK million

PROFORMA PROFIT & LOSS	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Q4		YTD		Year
	2019	2018	2019	2018	2018
<b>Operating revenue</b>	<b>225.8</b>	<b>202.5</b>	<b>809.5</b>	<b>642.4</b>	<b>640.9</b>
Cost of goods sold	70.9	78.9	256.8	228.3	227.4
Salaries	111.3	73.6	343.0	250.2	254.2
Other operating costs	51.1	17.1	84.4	35.6	36.0
<b>EBITDA</b>	<b>(7.4)</b>	<b>33.0</b>	<b>125.3</b>	<b>128.3</b>	<b>123.3</b>
Depreciations	20.8	12.5	82.0	64.0	62.3
Amortisations	8.1	7.0	30.6	30.7	30.9
<b>EBIT</b>	<b>(36.3)</b>	<b>13.5</b>	<b>12.7</b>	<b>33.6</b>	<b>30.1</b>
Net financial items	(15.4)	(2.2)	(38.2)	(22.3)	(22.2)
<b>EBT (profit before tax)</b>	<b>(51.7)</b>	<b>11.2</b>	<b>(25.4)</b>	<b>11.3</b>	<b>7.9</b>
Tax	11.4	(2.7)	5.6	(4.0)	(1.3)
<b>Net profit</b>	<b>(40.3)</b>	<b>8.5</b>	<b>(19.8)</b>	<b>7.3</b>	<b>6.6</b>



FINANCIAL STATEMENTS  
Amount in NOK million

BALANCE SHEET	Unaudited 31.12.2019	Unaudited 31.12.2018	Audited 31.12.2018
<b>Assets</b>			
Intangible assets	1 404.2	302.7	367.2
Tangible fixed assets	208.2	212.8	221.2
Other assets	5.4	-0.4	1.3
<b>Total non-current assets</b>	<b>1 617.8</b>	<b>515.1</b>	<b>589.6</b>
Receivables	166.4	236.0	191.8
Bank deposits, cash and similar	89.7	26.7	35.4
<b>Total current assets</b>	<b>256.1</b>	<b>262.7</b>	<b>227.2</b>
<b>Total assets</b>	<b>1 873.9</b>	<b>777.8</b>	<b>816.8</b>
<b>Equity and liabilities</b>			
Paid-in capital	575.6	1.3	1.3
Other equity	32.8	13.3	63.1
<b>Total equity</b>	<b>608.4</b>	<b>14.6</b>	<b>64.4</b>
Interest-bearing long-term liabilities	912.5	412.7	324.7
Other long-term liabilities	92.1	95.2	145.8
<b>Total non-current liabilities</b>	<b>1 004.6</b>	<b>507.8</b>	<b>470.6</b>
Interest-bearing current liabilities	42.7	37.0	45.2
Other current liabilities	218.2	218.4	236.6
<b>Total current liabilities</b>	<b>260.9</b>	<b>255.3</b>	<b>281.8</b>
<b>Total liabilities</b>	<b>1 265.5</b>	<b>763.2</b>	<b>752.4</b>
<b>Total equity and liabilities</b>	<b>1 873.9</b>	<b>777.8</b>	<b>816.8</b>

FINANCIAL STATEMENTS  
Amount in NOK million

CASH FLOW STATEMENT	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Q4		YTD		Year
	2019	2018	2019	2018	2018
Profit before tax	-51.7	11.2	-25.4	11.3	7.9
Depreciation and write-downs	28.9	19.5	112.6	94.7	93.2
Change in net working capital	38.0	-109.1	28.7	-8.9	1.2
<b>Net cash flow from operations</b>	<b>15.2</b>	<b>-78.4</b>	<b>115.8</b>	<b>97.1</b>	<b>102.3</b>
Net cash flow from investment activities	-30.1	-36.0	-88.3	-307.1	-307.8
Net cash flow from financing activities	66.3	155.8	26.7	216.1	220.4
<b>Net change in cash and cash equivalents</b>	<b>51.4</b>	<b>41.4</b>	<b>54.2</b>	<b>6.2</b>	<b>14.9</b>
Cash and cash equivalents at start of period	38.3	-14.7	35.4	20.5	20.5
<b>Cash and cash equivalents at end of period</b>	<b>89.7</b>	<b>26.7</b>	<b>89.7</b>	<b>26.7</b>	<b>35.4</b>

**CEGAL**

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