

MINTRA[®]

INTERIM REPORT / H1 2022



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H1 highlights

Revenue NOK 124.6 million

EBITDA at NOK 41.5 million (33%)

20% increase in EBITDA in 1st half of 2022 to NOK 41.5 million

90% increase in Operational cash flow to NOK 55.6 million

Continued growth in target areas

- Contracts awarded at NOK 80 million in 1st half up from NOK 70 million same period in 2021
- Digital sales from direct channels such as Marketplace increased to NOK 24 million up from NOK 19 million last year
- 25 per cent increase in number of Trainingportal active users compared to 2021
- 8 per cent YOY growth on eLearning
- 14 per cent YOY increase in Asia Pacific revenues

Optimization and profitability

- Improved revenue mix towards higher margin services together with rightsizing of the organization has improved profits
- Growth of the Annualized recurring revenue which is now at NOK 120 million up from NOK 108 in the beginning of the year
- Successful growth in longer term content subscriptions
- Increased Industry recognition and presence

Key figures – IFRS (unaudited)

Selected P&L items

Figures in NOK million	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	124.6	121.8	62.6	61.8
Cost of sales	(16.0)	(15.3)	(8.2)	(7.7)
Gross profit	108.6	106.5	54.3	54.1
Gross margin	87%	87%	87%	88%
Operating expenses	(67.1)	(78.1)	(30.2)	(36.0)
EBITDA	41.5	28.4	24.1	18.1
Nonrecurring	0.0	6.4*	0.0	2.0
Adjusted EBITDA	41.5	34.8	24.1	20.1
EBITDA Margin	33.3%	28.6%	38.5%	32.6%

*Cost related to the acquisition of Safebridge in 2021

Revenue by business segment

Figures in NOK million	H1 2022	H1 2021	Q2 2022	Q2 2021
eLearning	67.9	62.7	34.7	32.4
Software	37.7	39.9	19.4	20.6
Consultancy	15.3	15.3	6.5	6.4
Other	3.7	3.9	2.0	2.4
Total	124.6	121.8	62.6	61.8

Geographic distribution of revenue

Figures in NOK million	H1 2022	H1 2021	Q2 2022	Q2 2021
Norway	59.6	55.7	28.7	27.5
Rest of Europe	43.4	46.0	22.0	25.4
Americas	3.7	4.4	2.1	2.3
ME & Asia	18.0	15.7	9.8	6.6
Total	124.6	121.8	62.6	61.8

Half year summary

Mintra revenue amounted to NOK 124.6 million for the first half of 2022, increasing from NOK 121.8 million in the first half of 2021. EBITDA for the period increased by 20 per cent to NOK 41.4 million compared to 34.8 million in the same period in 2021. This corresponds to a margin of 33 per cent for the 6 months period. Gross margins remained stable at 87 percent.

The improved revenue mix towards higher margin services together with rightsizing of the organization has improved profits significantly for the first half of 2022 with second quarter EBITDA reaching 38.5 per cent. This is further underpinned through the growth of the Annualized recurring revenue which is now at NOK 120 million up from NOK 108 in the beginning of the year. The increase is driven by the successful growth in longer-term content subscriptions while software subscriptions remain steady.

“It is exciting to see the range of opportunities in Mintra’s target markets and our recent contract wins feature customers from both maritime and energy sectors and include the full spectrum of Mintra’s offering. Steadily increasing sales and revenues are now underpinned by a more optimized and profitable infrastructure and by our newly strengthened commercial team,” said Kevin Short, CEO of Mintra.

Mintra has a strong sales pipeline and was awarded contracts valued at NOK 80 million in the 1st half of 2022, up 14 per cent from NOK 70 million in the corresponding period in 2021. Mintra succeeded with multimillion contracts across all business segments and strengthened its position in e-learning within both the Maritime and Energy industries compared to its competitors with several landmark wins. At the same time the company intensified efforts to increase its direct distribution and increased e-learning sales through the marketplace offering and online channels to NOK 24 million in the first half representing 33 per cent of the revenue in the business segment which achieved 8 per cent YOY growth.

The Asia Pacific market achieved revenue growth of 14 per cent in the first half of 2022 compared with the same period in 2021. There were two new strategic partnerships signed in second quarter supporting Mintra’s geographic expansion into this market. First to sign was IBS Software in Dubai, a leading SaaS solutions provider for the travel and logistics industry. This was followed by Kineo in Australia, a global workplace learning company. These relationships provide new access and opportunities to cross sell Mintra’s products and services into the Asia Pacific region.

Business segment review

Mintra supports customers operating in safety-critical industries. For over 30 years, Mintra's products have helped customers with eLearning, competence management, HR, planning, payroll, and crew rotation across sectors such as energy, maritime, construction, and fishing.

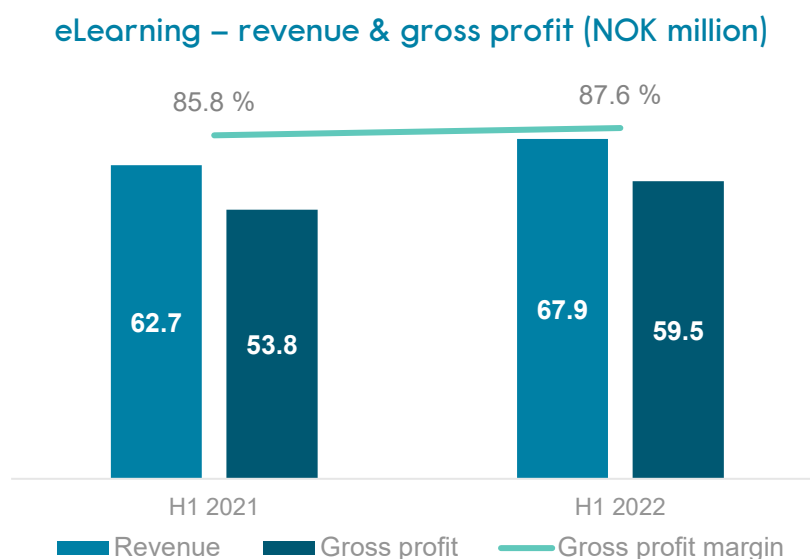
Mintra focus on four key areas of growth:

- Responding to the ever-increasing need for compliance and accreditation in the maritime and energy industry
- Expanding third party content and establishing high-quality partnerships
- Increasing system usage and the number of users accessing Mintra's systems
- Expanding the company's global footprint by entering new geographic territories

Mintra is divided into three business segments: eLearning, human capital management (HCM) software and consultancy services. The majority of customers operate within the maritime and energy sectors. The geographical centre of gravity is located around the North Sea basin with a growing presence in the rest of Europe, the Middle East and Asia.

eLearning courses

The eLearning business segment provides digital distribution of training courses to safety-critical industries such as maritime and energy. Courses are sold individually or in multiyear bundles to corporations with stringent competence and compliance requirements and are delivered through Trainingportal. Typically, several thousand workers around the world complete a course delivered by Mintra every day.



In the eLearning business segment, Mintra booked revenues of NOK 67.9 million in the first half of 2022 compared to NOK 62.7 million in 2021 continuing the positive trend from quarter one 2022 with an 8 per cent YOY growth from 2021.

Strong order income for subscription-based content services adding NOK 10 million to the ARR for the company. Contracts include a NOK 2.5 million ECDIS (Electronic Charts and Display) contract from the Safebridge portfolio and 10 other contracts larger than NOK 1 million.

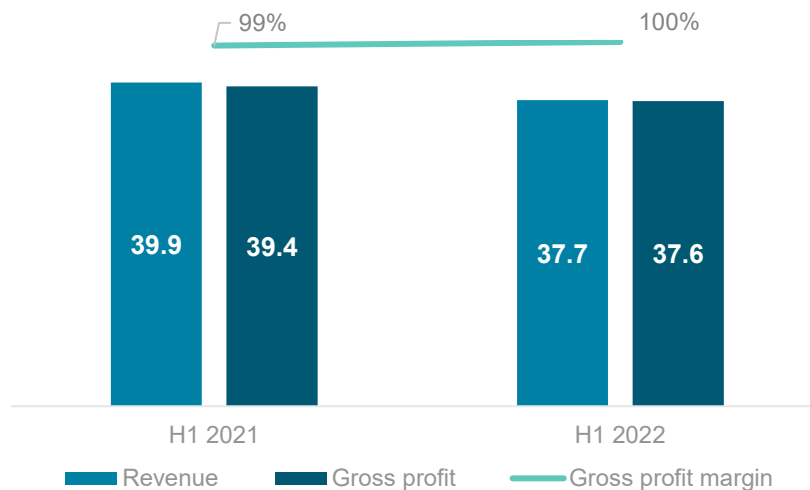
Increased competition has seen an increased focus on proper accreditation and quality for the e-learning content. Mintra remains competitive and with its strong content team has produced 56 eLearning courses and over 4,000 minutes of new digital content. For the second consecutive year, The Nautical Institute awarded Certificates of Recognition to eight of Mintra’s maritime training products, including two ECDIS titles, combining 38 courses and assessments overall.

The addition of Kineo in Australia to the Marketplace partner network in June brings business leadership, health and wellbeing, disability and aged care courses to Mintra’s Trainingportal platform. Over five million learners’ access Kineo’s courses globally and rate their experience an average of 4.5 out of 5 stars.

Human Capital Management (HCM) software

The HCM software segment includes Mintra’s crew management system, OCS HR as well as the learning and competency management system, Trainingportal – available in both online and offline versions. Customer may buy the systems separate or integrated.

OCS HR & Trainingportal – revenue & gross profit (NOK million)



The HCM software business line delivered NOK 37.7 million in the first half of 2022 vs NOK 39.9 million in 2021. Gross margins however increased from 98.6 per cent to 99.6 per cent.

As indicated in the first quarter report, part of the reduction in the first half is due to reclassification of some training portal contracts as content subscriptions based on usage rather than software fees. However, order income for the segment in both first and second quarter has been improving.

Trainingportal

Despite experiencing some competitive pressure and churn, Mintra was awarded several larger contracts during the first half in addition to securing the existing customer base. The software revenue remains stable, but content usage and number of users accessing the platform are steadily increasing. More than 115,000 users completing 223,000 courses completed on Trainingportal in the second quarter an increase of 25 per cent compared to the same period in 2021. A key priority for Mintra is to monetize these active users with additional paying services. subscription-based revenues.

OCS HR

Mintra was awarded a landmark contract for Maritime HR software and services with a major Central European offshore contractor. The SAAS contract including implementation valued at NOK 4.5 million of which NOK 2.2 million are annual subscription fees. In addition, Mintra renewed and upgraded its services to several of its core clients.

Mintra continues to migrate clients from on-premises solutions to SAAS based services, offering new and improved products to its maritime and energy clients.

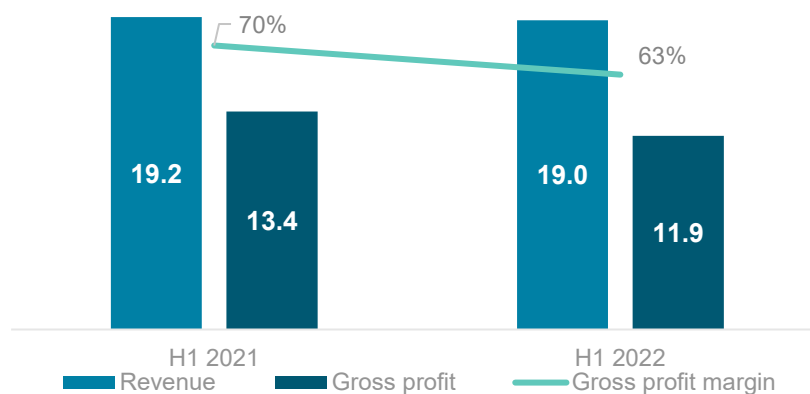
Consultancy services

Mintra’s consultancy segment serves three main functions:

- External consultancy services to support implementation of OCS HR clients
- Bespoke content development for external customers
- In-house content development, enhancing Mintra’s eLearning offering

The segment also includes other pass-through revenue items such as sublease agreements and third-party classroom booking.

Consultancy & other services– revenue & gross profit (NOK million)



Revenues for Consultancy were NOK 19.0 million in the first half of 2022, compared to NOK 19.2 million in the first half of 2021. Gross margins decreased from 70 percent to 63 per cent.

After a promising start for the year, the second quarter developed slower than anticipated.

Bespoke content is down, with lower order income, but as indicated above, Mintra has focused rightsizing the organization while maintaining a key capability in a competitive market to ensure quality and accreditation of key content. It is a key capability for Mintra as an eLearning business.

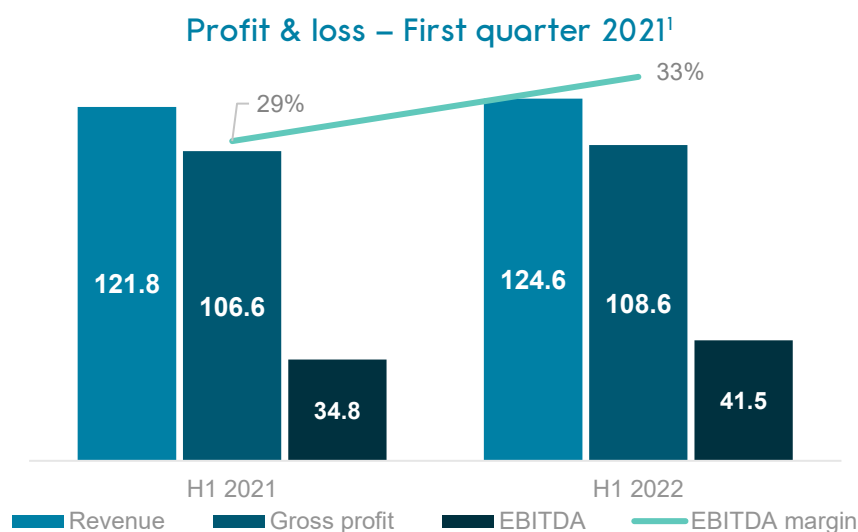
Utilization in the other parts of the consulting organization is good, however part of the normally billable work on one of the larger OCS contracts is added to the subscription fees rather than billed directly. This delays this revenue and spreads it over the first year of the contract period.

Financial review

Accounting principles

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The information contained in this statement has not been audited and may be subject to change (although any reference to 2021 outturn reflects the audited financial statements of 2021, which were signed by the auditors on 28 of April 2022). The interim financial statements are presented in NOK.



Group revenue in the first half of 2022 amounted to NOK 124.6 million, compared to NOK 121.8 million for the same period last year.

Gross profit in the first half of 2022 was NOK 108.6 million compared to NOK 106.6 million for the same period last year.

EBITDA in the first half of 2022 was NOK 41.5 million compared to NOK 28.4 million for the same period last year. Adjusted for non-recurring acquisition costs, the comparable number for 2021 was NOK 34.8 million.

Adjusted EBITDA margin in the first half of 2022 of 33.3 per cent for compared to 28.6 percent for the same period last year.

Cash flow

Cash flow generated from operating activities was a net inflow of NOK 55.6 million in the first half, Cash flow generated from operations in H1 2021 was NOK 29.5 million.

Net cash flow from investing activities was negative with NOK 7.3 million in the first half 2022 of which NOK 7.2 million was capitalized R&D related to software and content development. In first half 2021, Mintra reported NOK 69.3 million of investments made, of which NOK 8.1 million was R&D, and NOK 60.8 million related to the Safebridge acquisition.

¹Adjusted for M&A expense

Net cash flow from financing activities was an outflow of NOK 16 million in the first half of 2022. This includes interest paid on bank loan of NOK 1.6 million, finance lease repayments relating to right of use assets of NOK 0.9 million, borrowing repayments related to the Nordea loans of NOK 13.9 million and interest received of NOK 0.4 million. In first half 2021 it was also an outflow, totalling NOK 16.3. Included in the total was interest paid on bank loan of NOK 1.7 million, finance lease repayments relating to right of use assets of NOK 3.6 million, borrowing repayments related to the Nordea loans of NOK 11.0 million.

Cash and cash equivalents stood at NOK 204.3 million at the end of first half, an increase of NOK 32.2 million from NOK 172.1 million at the end of 2021, and an increase of NOK 7.8 million from NOK 196.5 million at the end of the first quarter of 2022.

Financial position & liquidity

Assets

Total intangible assets amounted to NOK 714.0 million at the end of first quarter 2022 (including NOK 652.7 million in goodwill).

R&D assets were NOK 57.4 million at the end of the first half of 2022. Additions in the quarter related to NOK 3.7 million of assets under construction and NOK 0.3 million of fixed assets. The remaining net decrease of NOK 5 million relates predominately to 2022 amortisation expenses.

The movement in right of use assets – an increase of NOK 7.4 million is related to the renewal of the Bergen lease and amortisation expense in 2022.

Total tangible assets at the end of the first half of 2022 amounted to NOK 5.1 million including UK-based property and office fixtures, fittings, and equipment, compared to NOK 5.3 million. The period-on-period decrease of NOK 0.2 million is due primarily to the balance relating to retranslation of non-NOK denominated assets at the resultant exchange rates at end of first half of 2022, less depreciation charge expensed in the period of NOK 0.4 million.

Total accounts receivables amounted to NOK 49.7 million at the end of the first half of 2022, compared to NOK 64.8 million in the first half of 2021. A reduction from the end of 2021 of NOK 49.1 million from NOK 98.7 million.

Equity & liabilities

Mintra had total equity of NOK 762.3 million at the end of the first half, an increase of NOK 25.7 million from the end of 2021, being the retained profit for the year to date of NOK 27.7 million and a loss on translation of non-NOK denominated balances totalling NOK 2 million.

Total long-term liabilities amounted to NOK 15.5 million, a reduction from the end of 2021 of NOK 83.2 million from NOK 98.7 million. Long-term debt included part of debt to Nordea, however the outstanding loans are now included within current liabilities due to the remaining term now being within one year. Also included is the long-term portion of finance lease liabilities relating to right of use assets amounting to NOK 15.5 million, an increase of NOK 5.4 million from the end 2021 balance of NOK 10.1 million.

Total current liabilities were NOK 192.1 million at the end of the first half of 2022, an increase of NOK 46.6 million from the end of 2021 of NOK 145.5 million. The increase is related to the reclassification of the Nordea loans from long term to current. Other differences between the periods are directly related to increased invoicing taking place in the fourth quarter of 2021 for HCM subscription revenue for the coming year.

Outlook

Mintra is well positioned to take advantage of the mega trends within digitalization of training and workforce management in our target sectors. The company continues to improve its solutions to retain customers and will launch several new modules to capture customer needs.

Mintra will invest more in its Channel and Partnership program to further grow our distribution and establish us as a global provider. The program will secure a larger geographical presence and is expected to generate continued growth on the number of eLearning resellers by the end of 2022.

The company will also put more emphasis on cross selling opportunities benefiting from the more than 2,000 client relations expecting a larger share of wallet for all our key products.

As a result, the positive momentum experienced in the first half of 2022 is expected to continue. Mintra has a solid sales pipeline that is expected to generate further growth in 2022 with the company already in strong contention for several landmark contracts.

From a macro perspective, the increased emphasis on energy security particularly in Europe, is expected to increase demand for Mintra services within this sector. There is uncertainty with regards to the general global macro-economic development and the consequences of the war in Ukraine, however, Mintra is very well funded and remains, in the opinion of management, well placed for future growth.

Interim statements

Interim consolidated statement of profit & loss

Figures presented in NOK millions

	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	124.6	121.8	62.6	61.8
Cost of sales	(16.0)	(15.3)	(8.2)	(7.7)
Gross Profit	108.6	106.5	54.3	54.1
Gross Margin	87%	87%	87%	88%
Operating expenses	(67.1)	(78.1)	(30.2)	(36.0)
EBITDA	41.5	28.4	24.1	18.1
Non-recurring*	-	6.4	-	2.0
				20.2
Adj. EBITDA	41.5	34.8	24.1	20.2
Adj. EBITDA Margin	33.3%	28.6%	38.5%	32.6%
Depreciation of tangible assets	0.4	0.4	0.2	0.1
Depreciation of intangible assets	11.9	13.3	6.3	6.3
Amortisation of goodwill	-	-	-	0.0
Total depreciation and amortisation	12.4	13.7	6.5	6.4
Earnings before interest & taxation	29.1	14.8	17.6	11.7
Net financial items	(1.3)	(4.6)	0.4	(2.4)
Profit before tax	27.8	10.2	18.0	9.3
Taxation	(0.1)	(2.1)	0.0	(2.0)
Earnings	27.7	8.1	18.0	7.3

*Cost related to the acquisition of Safebridge

Interim consolidated balance sheet statement

Figures presented in NOK millions

Fixed assets	At 30 Jun 2022	At 30 Jun 2021	At 31 Dec 2021
<i>Intangible assets</i>			
Research and development	41.2	60.1	59.0
Right of use assets	18.2	13.9	10.8
Deferred tax asset	1.9	3.1	1.9
Goodwill	652.7	639.3	641.6
Total intangible assets	714.0	716.4	713.3
<i>Tangible assets</i>			
Land, buildings and other real property	3.2	3.2	3.2
Fixtures, fittings, tools, office machinery etc,	1.9	3.0	2.1
Total tangible assets	5.1	6.2	5.3
<i>Financial assets</i>			
Other receivables	0.7	0.7	0.8
Total financial assets	0.7	0.7	0.8
Total fixed assets	719.8	723.4	719.4

Current assets

Receivables

Trade receivables	33.4	39.5	80.9
Other receivables	16.3	25.4	17.8
Total accounts receivable	49.7	64.8	98.7
Cash and cash equivalents	204.3	174.9	172.1
Total current assets	254.0	239.7	270.9
Total assets	973.8	963.0	990.3

Interim consolidated balance sheet statement, continued

Figures presented in NOK millions

Equity	At 30 Jun 2022	At 30 Jun 2021	At 31 Dec 2021
<i>Paid-in capital</i>			
Share capital	5.6	5.6	5.6
Share premium reserve	826.2	826.2	826.2
Total paid-in capital	831.8	831.8	831.8
<i>Retained earnings</i>			
Other equity	(69.5)	(103.4)	(96.5)
Total retained earnings	(69.5)	(103.4)	(96.5)
Total equity	762.3	728.4	735.3
Liabilities			
<i>Provisions</i>			
Deferred tax liability	3.9	5.4	10.2
Total provisions	3.9	5.4	10.2
<i>Other long-term liabilities</i>			
Liabilities to financial institutions	0.0	90.9	88.6
Other long-term liabilities	15.5	12.1	10.1
Total other long-term liabilities	15.5	103.0	98.7
<i>Current liabilities</i>			
Liabilities to financial institutions	88.5	10.0	13.1
Trade creditors	3.4	7.6	7.4
Tax payable	(0.2)	0.9	(0.4)
Public duties payable	7.7	7.6	17.3
Other short-term liabilities	9.6	100.1	108.7
Total current liabilities	192.1	126.3	146.1
Total liabilities	211.5	234.7	255.0
Total equity and liabilities	973.8	963.0	990.3

Interim consolidated cash flow statement

Figures presented in NOK millions

CASH FLOWS FROM OPERATING ACTIVITIES	H1 2022	H1 2021	FY 2021
Net profit / loss after taxation	27.7	0.8	16.8
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation and amortisation	12.4	13.7	28.5
Changes in deferred taxation	-	2.0	4.9
Changes in current tax liability	-	-	-
Unwinding of finance fees	0.7	0.8	1.5
Increase in fair value of financial instruments	-	(0.1)	-
Net foreign currency exchange rate differences	(2.6)	(0.1)	(0.6)
Changes in operating assets and liabilities			
Trade and other receivables	49.6	36.7	4.9
Trade and other payables	(32.8)	(35.4)	(17.1)
Net Interest expense	0.6	3.9	6.4
Net cash generated / (used) in operating activities	55.6	29.5	45.3
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary	-	(60.8)	(60.8)
Payments towards property and equipment	(0.2)	(0.3)	(0.5)
Payments towards research and development	(7.1)	(8.1)	(18.7)
Tax (paid) / refunded	-	(0.1)	(1.9)
Net cash used in investing activities	(7.3)	(69.3)	(81.9)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	-	-	-
Payments towards borrowings	(13.9)	(11.0)	(11.0)
Finance lease repayments	(0.9)	(3.6)	(7.0)
Net proceeds from issuance of capital	-	-	-
Arrangement fee paid	-	-	(0.2)
Interest paid	(1.6)	(1.7)	(3.8)
Interest received	0.4	-	0.0
Net cash provided by financing activities	(16.0)	(16.3)	(22.0)
Net increase / (decrease) in cash and cash equivalents	32.2	(56.1)	(58.6)
Cash and cash equivalents at beginning of year / period	172.1	229.6	229.6
Cash acquired on acquisition	-	1.7	1.7
Effects of exchange rate on cash and cash equivalents	-	(0.3)	(0.6)
Cash and cash equivalents at end of period	204.3	174.9	172.1

Shareholders

As of 01/07/2022

<i>Investor</i>	<i>Number of shares</i>	<i>% of top 20</i>	<i>% of total</i>
FERD AS	37,437,932	23.76	20.14
TJALDUR HOLDCO II AS	37,180,000	23.59	20.00
SKANDINAVISKA ENSKILDA BANKEN AB	22,064,698	14.00	11.87
HSBC TRINKAUS & BURKHARDT GMBH	8,848,392	5.61	4.76
SKANDINAVISKA ENSKILDA BANKEN AB	6,154,639	3.91	3.31
DZ PRIVATBANK S.A.	4,800,000	3.05	2.58
SKANDINAVISKA ENSKILDA BANKEN AB	4,695,281	2.98	2.53
SKANDINAVISKA ENSKILDA BANKEN AB	4,255,950	2.70	2.29
J.P. MORGAN SE	3,830,638	2.43	2.06
VERDIPAPIRFONDET NORDEA NORGE VERD	3,661,432	2.32	1.97
VIKTIL INVEST AS	3,427,989	2.18	1.84
KERR SCOTT IRVING	2,943,407	1.87	1.58
CARNEGIE INVESTMENT BANK AB	2,900,000	1.84	1.56
NORDNET BANK AB	2,686,659	1.70	1.44
DANSKE BANK A/S	2,599,819	1.65	1.40
VERDIPAPIRFONDET NORDEA AVKASTNING	2,371,134	1.50	1.28
JPMORGAN CHASE BANK	2,060,000	1.31	1.11
VERDIPAPIRFONDET NORDEA KAPITAL	1,958,763	1.24	1.05
SHORT KEVIN	1,955,753	1.24	1.05
BAKKEN BERG INVEST AS	1,758,617	1.12	0.95
Total number owned by top 20	157,591,103	100%	84.7%
Total number of shares	185,932,837		100%

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