

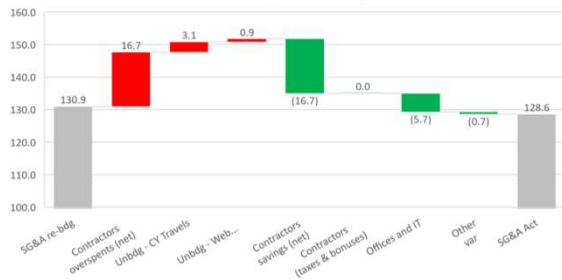
Management accounts

P&L 2023 (\$k)

OCTOBER

	OCT-23		% k\$		YTD-23		% k\$	
	ACT	re-BDG	ACT vs BDG		ACT	re-BDG	ACT vs re-BDG	
Total FTE	240	550	-56%	(310)	542	556	-3%	(14)
Sales	208	428	-51%	(219)	4,470	4,383	2%	87
Cost of Sales	82	171	-52%	(89)	1,659	1,676	-1%	(17)
Gross Margin	126	257	-51%	(131)	2,811	2,707	4%	104
As % of sales	61%	60%	0%	-	63%	62%	1%	-
Direct PEX	13	29	-54%	(16)	245	264	-7%	(19)
Contribution Margin	113	227	-50%	(115)	2,566	2,443	5%	123
As % of sales	54%	53%	1%	-	57%	56%	2%	-
Total SG&A	129	131	-2%	(2)	1,352	1,307	3%	45
As % of sales	62%	31%	31%	-	30%	30%	1%	-
Administration costs	126	128	-2%	(2)	1,266	1,236	2%	30
Sales & marketing	3	3	-13%	()	86	71	21%	15
EBITDA	(16)	96	-116%	(112)	1,214	1,136	7%	77
As % of sales	-8%	23%	-30%	-	27%	26%	1%	-
CAPEX	0	3	-100%	(3)	12	13	-9%	(1)
Provisions	1	1	-40%	()	15	15	0%	()
EBIT & PBT	(17)	92	-118%	(109)	1,187	1,108	7%	79
As % of sales	-8%	22%	-30%	-	27%	25%	1%	-
CIT	(2)	9	-119%	(11)	117	110	7%	8
NET PROFIT	(15)	83	-118%	(98)	1,069	998	7%	71
As % of sales	-7%	19%	-27%	-	24%	23%	1%	-

SG&A Bdg-to-Act bridge



SG&A: Marginally lower than in the re-bdg (-\$2k).

Unfavorable

-> \$16,7k - overspends mostly in the management & few other departments (sales & 1C Team) on existing positions; \$3,1k - Travel to Cyprus (ME & CEO) out of re-bdg; \$0,9k - web site costs out of Mindy, included to Oct.

Favorable

-> \$7k - savings on admin positions (HR / IT / Fin and others); \$5,5k - savings on taxes (PE benefits from gov are continuing), bonuses (mainly sales/bizdev related); \$5,7k - office & IT related savings (re-opening of offices has been postponed).

OTHER:

- no significant items

Sales Bdg-to-Act bridge



SALES:

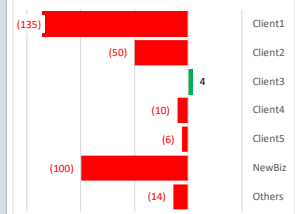
Worse than the re-bdg in sales, -\$219k (-51%) and -310 ftes.

For Pix, we had lower volumes than expected (-135 ftes or - \$105k) @ rates were the same as in re-bdg, OCR share was 43% of total hours, higher than bdded). Pixoline share in sales = 73%.

Volumes vs re-bdg (ftes) -310ftes: Atlatec (Bosch)(+4) / Alegion(-6) / Other DA(-14) / UnderstandAI(-50) / NewBiz(-100) / Pixoline(-135).

4 of 9 Clients (or 44%) had invoices lower than 5ftes per month (ave inv=\$1,3k with \$5,14 per hr rate).

FTEs, var to re-Bdg



GM Bdg-to-Act bridge



GM:

Worse than in the re-bdg by -\$131k (-51%) in \$ terms and higher in % at 61%, +1pp vs re-bdg. 2,8 ftes are produced in India. 25% of Oct production (or 31 ftes) are contractors at the reduced-rate (share is slightly growing).

GM of Pixoline = 69% (+6pp vs re-bdg): Adjusted GM = 63% (adjusted for invoice cut off), on track with bdg.

Atlatic @ 51% >> +1pp vs re-bdg combined effect of better costs & FX effects. YTD GM is stable=54%.

Alegion @ 2% >> Adjusted GM is 61% (adj for GA bonuses missed in Sep & invoice cut off). YTD GM is 55%.

Other DA @56% >> +2pp vs re-bdg client mix

Superb, UnderstandAI >> no production

DA New Biz @ 64% >> +5pp vs re-bdg, details below.

DC (data collection) New Biz @ 46% >> project for SO Development.

Contribution margin:

Lower than the bdg by -\$115k or -50% @ 54% (+1pp to re-bdg).

Direct PEX in the line with business volume. CM per FTE is strong \$470 in OCT (\$473 in YTD -better than in re-bdg).

NEWBiz: Total sales from new Biz = \$13k / GM = \$8k (@ 62%) / 15 ftes (lower vs re-bdg, -100 ftes).

No new clients in OCT.

Average rate for DA new biz = \$5/ hr (slightly higher than re-bdg). BizDev P&L generates \$6k loss in Oct (\$150k loss in YTD).

SO Development (data collection) production is not included into FTE numbers (sales YTD = \$4.8k and GM = 39%, the project is over).

New Biz dynamic - 2023

