

## Quarterly Report Q4-2004



**Mamut ASA**

# Mamut ASA – Q4 2004

Mamut ASA increased its operating revenues by 31% to MNOK 41.8 in 4Q04 compared to MNOK 31.9 in 4Q03. Operating profit before depreciation (EBITDA) for 4Q04 was MNOK 5.5, compared to MNOK 2.3 for 4Q03. The company increased its operating revenues by 25% to MNOK 144.2 in 2004 compared to MNOK 115.8 in 2003. Operating profit before depreciation (EBITDA) for 2004 was MNOK 14.1, compared to MNOK 8.2 for 2003. Mamut has successfully launched Mamut Business Software in the Netherlands and the UK in 2004.

## Highlights

- Operating revenues of MNOK 41.8 in 4Q04, up from MNOK 31.9 in 4Q03, a 31% growth.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 5.5 in 4Q04 compared to MNOK 2.3 in 4Q03.
- Mamut has made preparations for launch of Mamut Business Software in additional European markets in 2005.
- The company introduced an OEM version of Mamut Business Software in cooperation with Swedish subsidiary of Wolters Kluwer (Norstedts Juridik AB).
- Mamut Business Software was awarded "Small Business Software Package of the Year" by Accountancy Age in the UK.
- Mamut Business Software won "CRM Best in Test" award in Swedish magazine IT Pro.

## Financials

Mamut ASA has taken all effects of IFRS (IAS) allowed by Norwegian General Accepted Accounting Principles (N GAAP) into the 2004 accounts. This means that Mamut ASA has changed principles and is capitalizing R&D and expenses employees' options at fair value rather than intrinsic value. Also included in 4Q04 Report are IFRS 2004 Profit and loss statement and IFRS Balance sheet at 01.01.2004 and 31.12.2004. The main effects of IFRS for Mamut beside capitalization of R&D, employees' options expensed at fair value, are that goodwill will not be subject to depreciation under IFRS. As this is not allowed under N GAAP, the reduction in depreciation is the only difference between the 2004 P&L under N GAAP and IFRS.

Mamut ASA increased its operating revenues by 31% to MNOK 41.8 in 4Q04 compared to MNOK 31.9 in 4Q03. Operating profit before depreciation (EBITDA) for 4Q04 was MNOK 5.5, compared to MNOK 2.3 in 4Q03. EBIT for 4Q04 was MNOK -0.1, due to write down of goodwill with MNOK 2.3. Profit before tax for 4Q04 was MNOK -0.4, compared to MNOK 1.0 in 4Q03.

For 2004 operating revenues amounted to MNOK 144.2, compared to MNOK 115.8 in 2003, a growth of 25%. EBITDA of MNOK 14.1 in 2004, compared to MNOK 8.2 in 2003. EBIT of MNOK 5.1 in 2004, compared to MNOK 3.4 in 2003.

Cash and cash equivalents were MNOK 43.4 at the end of 2004, compared with MNOK 8.9 at 31.12.03. Equity ratio was 74% and deferred revenues reached MNOK 12.0. Diluted earnings per share (EPS) was NOK -0.03 for 4Q04, compared with NOK 0.02 in 4Q03.

At the end of 2004, the Company had 169 employees compared to 138 at the end of 2003 and 161 at the end of 3Q04.

The Company expects a moderate organisational growth in 2005 to serve new markets and fast growing customer base.

Mamut software licence sales and service agreements amounts to 91% of total revenues in 4Q04 and 93% in 2004.

## Markets

Mamut experienced strong growth in all markets in 4Q04 as a result of launch of new products and services and new partner agreements.

Operating revenues from Norway reached MNOK 31.0 in 4Q04, up from MNOK 26.9 in 4Q03, a 16% growth with EBITDA margin of 26%, reaching MNOK 8.1. Operating revenues from Sweden reached MNOK 6.1 in 4Q04, up from MNOK 4.9 in 4Q03, a 24% growth. EBITDA in 4Q04 was MNOK 2.1 in Sweden. Operating revenues from the Netherlands and the UK reached MNOK 4.6 in 4Q04, up from MNOK 0.1 in 4Q03. EBITDA in 4Q04 was MNOK -2.8 in NL and UK.

## Business update

In 4Q04, Mamut has initiated its cooperation with Swedish Wolters Kluwer unit Norstedts Juridik and developed an OEM version for use in new and existing markets. Mamut was awarded "Best in test" by Swedish Magazine It Pro.

Mamut has launched Small Business Concierge in cooperation with Microsoft in four markets. The initiative might be extended with new partners in additional markets in 2005.

Mamut has increased its market activities and customer base in the Netherlands and the UK during 4Q04. Mamut Business Software was awarded "Small Business Software Package of the Year" in the UK by Accountancy Age on November 10<sup>th</sup>.

During 4Q04, Mamut has made preparations for introduction of Mamut Business Software in additional European markets by 2005.

## Outlook

Mamut is well positioned for further growth in its existing markets and several new products and services will be launched during 2005. The Company is working actively to build and develop strategic partnerships with international partners in order to extend its distribution of Mamut Business Software in new and existing markets.

Oslo, January 13 2005  
The Board of Directors  
Mamut ASA

## PROFIT AND LOSS STATEMENT

(All figures in NOK 1.000)

	N GAAP Q4 2004	N GAAP Q4 2003	N GAAP 2004	N GAAP 2003	IFRS 2004
<b>Operating revenues</b>	<b>41 774</b>	<b>31 916</b>	<b>144 225</b>	<b>115 811</b>	<b>144 225</b>
Cost of goods sold	2 912	2 331	9 634	7 560	9 634
Personnel costs	20 844	18 275	77 502	64 830	77 502
Other operating expenses	12 558	9 026	42 962	35 183	42 962
<b>Total operating expenses</b>	<b>36 314</b>	<b>29 632</b>	<b>130 098</b>	<b>107 573</b>	<b>130 098</b>
<b>EBITDA</b>	<b>5 460</b>	<b>2 284</b>	<b>14 127</b>	<b>8 237</b>	<b>14 127</b>
Ordinary depreciation	3 006	929	5 537	3 448	5 537
Goodwill depreciation	300	360	1 200	1 439	-
Goodwill writedown	2 263	-	2 263	-	2 263
<b>EBIT</b>	<b>(110)</b>	<b>996</b>	<b>5 127</b>	<b>3 351</b>	<b>6 327</b>
Net financial items	(300)	-	70	50	70
<b>Profit before tax</b>	<b>(410)</b>	<b>996</b>	<b>5 197</b>	<b>3 401</b>	<b>6 397</b>
Tax	996	393	2 565	1 066	2 901
<b>Net profit</b>	<b>(1 406)</b>	<b>603</b>	<b>2 631</b>	<b>2 336</b>	<b>3 495</b>
<i>EBITDA - margin</i>	<i>13 %</i>	<i>7 %</i>	<i>10 %</i>	<i>7 %</i>	<i>10 %</i>
<i>EBIT - margin</i>	<i>0 %</i>	<i>3 %</i>	<i>4 %</i>	<i>3 %</i>	<i>4 %</i>

## REVENUES DISTRIBUTION

	Q4 2004	Q4 2003	2004	2003
<b>Norway / HQ</b>				
<b>Operating revenues</b>	<b>31 042</b>	<b>26 867</b>	<b>115 529</b>	<b>101 549</b>
Operating expenses	22 977	20 674	81 499	72 553
<b>EBITDA</b>	<b>8 065</b>	<b>6 193</b>	<b>34 030</b>	<b>28 996</b>
Depreciation	2 173	1 226	5 413	4 639
<b>EBIT</b>	<b>5 892</b>	<b>4 967</b>	<b>28 617</b>	<b>24 357</b>
<b>Sweden</b>				
<b>Operating revenues</b>	<b>6 145</b>	<b>4 943</b>	<b>18 640</b>	<b>13 895</b>
Operating expenses	4 038	3 856	19 370	17 924
<b>EBITDA</b>	<b>2 107</b>	<b>1 087</b>	<b>(730)</b>	<b>(4 029)</b>
Depreciation	2 755	63	2 946	248
<b>EBIT</b>	<b>(648)</b>	<b>1 024</b>	<b>(3 676)</b>	<b>(4 277)</b>
<b>NL / UK</b>				
<b>Operating revenues</b>	<b>4 587</b>	<b>107</b>	<b>10 056</b>	<b>367</b>
Operating expenses	7 375	5 102	26 337	17 096
<b>EBITDA</b>	<b>(2 788)</b>	<b>(4 995)</b>	<b>(16 281)</b>	<b>(16 729)</b>
Depreciation	427	-	427	-
<b>EBIT</b>	<b>(3 215)</b>	<b>(4 995)</b>	<b>(16 708)</b>	<b>(16 729)</b>
<b>Other Markets</b>				
<b>Operating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating expenses	1 924	-	2 891	-
<b>EBITDA</b>	<b>(1 924)</b>	<b>-</b>	<b>(2 891)</b>	<b>-</b>
Depreciation	214	-	214	-
<b>EBIT</b>	<b>(2 138)</b>	<b>-</b>	<b>(3 105)</b>	<b>-</b>
<b>Revenues Source</b>	<b>Q4 2004</b>	<b>Q4 2003</b>	<b>2004</b>	<b>2003</b>
Software Licenses	22 950	18 213	72 213	60 349
Software Service Agreements	14 860	10 205	61 361	46 019
Other Products & Services	3 964	3 499	10 651	9 443
<b>Total</b>	<b>41 774</b>	<b>31 916</b>	<b>144 225</b>	<b>115 811</b>

## KEY FIGURES

	Q4 2004	Q4 2003	2004	2003
Operating revenues	41 774	31 916	144 225	115 811
EBITDA	5 460	2 284	14 127	8 237
EBIT	(110)	996	5 127	3 351
Total assets	160 306	107 239	160 306	107 239
Total equity	119 160	73 068	119 160	73 068
Equity ratio	74 %	68 %	74 %	68 %
EPS (NOK)	(0,03)	0,02	0,06	0,07
EPS diluted (NOK)	(0,03)	0,02	0,06	0,06
Outstanding shares	42 124 750	33 510 000	42 124 750	33 510 000
No. of employees	169	138	169	138

Note: The quarterly financial statement is based on the same principles as the annual accounts.  
All accounts are made in accordance with NRS 11.

**BALANCE SHEET***(All figures in NOK 1.000)*

	IFRS 2004	IFRS 2004	N GAAP 2004	N GAAP 2003
<b>Assets</b>				
<b>Fixed assets</b>	<b>31.12</b>	<b>01.01</b>	<b>31.12</b>	<b>31.12</b>
Trade marks	-	-	1 442	1 595
Other intangible assets	8 459	-	8 459	-
Goodwill	14 711	17 078	13 511	16 926
Deferred tax assets	37 478	36 357	37 411	35 851
<b>Total intangible assets</b>	<b>60 648</b>	<b>53 435</b>	<b>60 823</b>	<b>54 373</b>
<b>Total tangible fixed assets</b>	<b>5 233</b>	<b>4 595</b>	<b>5 233</b>	<b>4 595</b>
<b>Total financial fixed assets</b>	<b>2 701</b>	<b>2 653</b>	<b>2 701</b>	<b>3 526</b>
<b>Total fixed assets</b>	<b>68 583</b>	<b>60 683</b>	<b>68 758</b>	<b>62 494</b>
<b>Current assets</b>				
Inventory	1 651	1 156	1 651	1 156
Accounts receivable	41 553	31 237	41 553	31 237
Other short-term receivables	4 368	790	4 368	790
Bank deposits, cash, etc.	43 976	11 663	43 976	11 563
<b>Total current assets</b>	<b>91 548</b>	<b>44 846</b>	<b>91 548</b>	<b>44 745</b>
<b>Total assets</b>	<b>160 132</b>	<b>105 529</b>	<b>160 306</b>	<b>107 239</b>
<b>Equity and liabilities</b>				
<b>Total equity</b>	<b>118 985</b>	<b>71 256</b>	<b>119 160</b>	<b>73 068</b>
Deferred tax liability	125	102	125	-
<b>Current liabilities</b>				
Bank overdraft	529	2 702	529	2 702
Accounts payable	7 526	4 607	7 526	4 607
Tax payable	340	250	340	250
Public duties payable	17 122	12 935	17 122	12 935
Other short-term liabilities	3 474	4 058	3 474	4 058
Deferred revenue	12 029	9 619	12 029	9 619
<b>Total current liabilities</b>	<b>41 021</b>	<b>34 171</b>	<b>41 021</b>	<b>34 171</b>
<b>Total equity and liabilities</b>	<b>160 132</b>	<b>105 529</b>	<b>160 306</b>	<b>107 239</b>

**CASH FLOW STATEMENT**

	Q4 2004	Q4 2003	2004	2003
<b>Profit before tax</b>	<b>(410)</b>	<b>996</b>	<b>5 197</b>	<b>3 401</b>
Taxes paid	37	48	77	48
Write-down of fixed assets	-	65	-	65
Depreciation	5 570	929	9 000	4 887
Changes in inventory, AR and AP	(4 709)	(4 389)	(7 892)	(6 696)
Calculated wages employee options	3 522	162	3 522	162
Changes in other balance sheet items	7 686	7 553	2 387	3 287
<b>Cash flow from operations</b>	<b>11 696</b>	<b>5 363</b>	<b>12 291</b>	<b>5 154</b>
<b>Net cash flow from investments</b>	<b>(11 644)</b>	<b>(410)</b>	<b>(14 479)</b>	<b>(1 978)</b>
<b>Cash flow from financing activities</b>	<b>(2 973)</b>	<b>406</b>	<b>36 858</b>	<b>(501)</b>
Translation differences	384	117	(85)	(71)
<b>Net cash flow</b>	<b>(2 537)</b>	<b>5 476</b>	<b>34 585</b>	<b>2 605</b>
Cash and cash equivalents (beginning)	45 983	3 385	8 861	6 256
<b>Cash and cash equivalents (end)</b>	<b>43 446</b>	<b>8 861</b>	<b>43 445</b>	<b>8 861</b>

**MOVEMENT IN EQUITY**

	2004	2003
<b>Equity at 1st of January</b>	<b>73 068</b>	<b>69 966</b>
Share issue	46 737	1 467
Calculated wages employee options	3 522	162
Sale/Purchase of own shares/exercised emp. options	(6 106)	(1 228)
Translation differences	(693)	366
Net profit/loss for the year	2 631	2 336
<b>Equity end of period</b>	<b>119 160</b>	<b>73 068</b>



**Business Software**

**Main office:**

Mamut ASA, Pilestredet 75c, Box 5205 Majorstuen, 0302 Oslo, Norway  
Phone: +47 23 20 35 00 • e-mail: info@mamut.com