

## Quarterly Report Q4-2005



**Mamut ASA**

# Mamut ASA – Q4 2005

Mamut ASA increased its operating revenues by 24% to MNOK 51.8 in 4Q05 compared to MNOK 41.8 in 4Q04. Operating profit (EBIT) for 4Q05 was MNOK 2.7, compared to MNOK -0.6 for 4Q04. The company increased its operating revenues by 25% to MNOK 180.1 in 2005 compared to MNOK 144.2 in 2004. Operating profit for 2005 was MNOK 6.5, compared to MNOK 6.3 for 2004. Mamut improved its operating profit from existing markets with MNOK 14.6 in 2005 and reached break-even in the Netherlands in 4Q05. During 2005, Mamut introduced the company's all-inclusive business software in Denmark and Ireland.

## Highlights Q4

- Operating revenues of MNOK 51.8 in 4Q05, up from MNOK 41.8 in 4Q04, a 24% growth
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of MNOK 6.2 in 4Q05 compared to MNOK 3.4 in 4Q04
- Continued growth in all existing markets, over 30% of revenues from international operations.
- More than 2,000 new customers added in 4Q05 and over 11,000 in 2005
- Positive results in Norway and Sweden, reached break-even in the Netherlands
- Introduction of Mamut Business Software in Denmark and Ireland
- New partner agreement with Findexa in Norway
- New partner agreement with eircom in Ireland
- Continued roll out of Mamut Open Services and Mamut Online Backup in all markets
- Launched Mamut daTax Software, version 6
- Won the Accountancy Age Award 2005 for best Small Business Software Package in the UK for the second consecutive year

## Financials

Mamut ASA increased its operating revenues by 24% to MNOK 51.8 in 4Q05 compared to MNOK 41.8 in 4Q04. Operating profit before depreciation (EBITDA) for 4Q05 was MNOK 6.2, compared to MNOK 3.4 in 4Q04. EBIT for 4Q05 was MNOK 2.7, compared to MNOK -0.6 in 4Q04. Profit before tax for 4Q05 was MNOK 2.6, compared to MNOK -0.9 in 4Q04.

For 2005 operating revenues amounted to MNOK 180.1, compared to MNOK 144.2 in 2004, a growth of 25%. EBITDA of MNOK 17.7 in 2005, compared to MNOK 14.1 in 2004. EBIT of MNOK 6.5 in 2005, compared to MNOK 6.3 in 2004.

Cash and cash equivalents were MNOK 83.3 at the end of 2005, compared with MNOK 43.4 at 31.12 2004. Equity ratio was 83% and deferred revenues reached MNOK 14.3. Diluted earnings per share (EPS) were NOK 0.02 for 4Q05, compared with NOK -0.02 in 4Q04.

Mamut software licence sales and service agreements amounts to 90% of total revenues in 4Q05 and 93% for 2005.

At 31.12.2005, the Company had 199 employees compared to 169 at the end of 2004 and 198 at the end of 3Q05.

## Markets

Operating revenues from Norway reached MNOK 36.4 in 4Q05, up from MNOK 31.0 in 4Q04, a 17% growth with EBIT margin of 29%, reaching MNOK 10.5.

Operating revenues from Sweden reached MNOK 6.7 in 4Q05, up from MNOK 6.1 in 4Q04, a 10% growth. EBIT in 4Q05 was MNOK 1.1 in Sweden.

Operating revenues from the Netherlands and the UK reached MNOK 7.5 in 4Q05, up from MNOK 4.6 in 4Q04. EBITDA in 4Q05 was MNOK -1.3 in NL and UK, with NL reaching break-even.

Operating revenues from other markets, including Denmark, Ireland and Mamut Open Services reached MNOK 1.1 in 4Q05, up from MNOK 0.0 in 4Q04. Total operating expenses in other markets were MNOK 7.2 in 4Q05, compared with MNOK 1.9 in 4Q04.

Mamut added over 2,000 customers in 4Q05 and 11,000 in 2005.

## Business Update

Mamut introduced the company's all-inclusive business solutions in Ireland and Denmark in 4Q05.

Mamut has signed new partner agreements with leading national telecom company eircom in Ireland and media company Findexa in Norway.

Mamut won the Accountancy Age Award 2005 for best Small Business Software Package of the Year for a second year running.

The new version of Mamut daTax Software (version 6) has been introduced in Norway in 4Q05.

The company continues preparations for launch of additional products and services and initiatives with local technology partners in all markets.

Mamut continues to develop Mamut Open Services and will introduce several new solutions in all markets during 2006.

## Outlook

Mamut is well positioned for further growth and several new products and services will be launched during the next 12 months. 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 12 2005  
The Board of Directors  
Mamut ASA

## PROFIT AND LOSS STATEMENT

(All figures in NOK 1.000)

	IFRS Q4 2005	IFRS Q4 2004		IFRS 2005	IFRS 2004		N GAAP Q4 2004
<b>Operating revenues</b>	<b>51 791</b>	<b>41 774</b>	<b>24 %</b>	<b>180 143</b>	<b>144 225</b>	<b>25 %</b>	<b>41 774</b>
Cost of goods sold	3 123	2 912	7 %	10 501	9 634	9 %	2 912
Personnel costs	26 360	23 155	14 %	94 977	77 502	23 %	20 844
Other operating expenses	16 145	12 322	31 %	56 951	42 962	33 %	12 558
<b>Total operating expenses</b>	<b>45 628</b>	<b>38 389</b>	<b>19 %</b>	<b>162 429</b>	<b>130 098</b>	<b>25 %</b>	<b>36 314</b>
<b>EBITDA</b>	<b>6 163</b>	<b>3 386</b>		<b>17 714</b>	<b>14 127</b>		<b>5 460</b>
Ordinary depreciation	3 500	1 753		11 255	5 537		3 006
Goodwill dep./writedown	-	2 263		-	2 263		2 563
<b>EBIT</b>	<b>2 663</b>	<b>(631)</b>		<b>6 459</b>	<b>6 327</b>		<b>(110)</b>
Net financial items	(76)	(300)		520	70		(300)
<b>Profit before tax</b>	<b>2 586</b>	<b>(930)</b>		<b>6 979</b>	<b>6 397</b>		<b>(410)</b>
Tax	1 786	107		2 948	2 901		996
<b>Net profit</b>	<b>800</b>	<b>(1 038)</b>		<b>4 031</b>	<b>3 495</b>		<b>(1 405)</b>
<i>EBITDA - margin</i>	<i>12 %</i>	<i>8 %</i>		<i>10 %</i>	<i>10 %</i>		<i>13 %</i>
<i>EBIT - margin</i>	<i>5 %</i>	<i>-2 %</i>		<i>4 %</i>	<i>4 %</i>		<i>0 %</i>
EPS (NOK)	0,02	(0,02)		0,08	0,08		(0,03)
EPS diluted (NOK)	0,02	(0,02)		0,08	0,08		(0,03)
Outstanding shares (mill.)	48,05	42,12		48,05	42,12		48,05
<b>No. of employees</b>	<b>199</b>	<b>169</b>		<b>199</b>	<b>169</b>		<b>169</b>

## REVENUES DISTRIBUTION

	IFRS Q4 2005	IFRS Q4 2004		IFRS 2005	IFRS 2004		N GAAP Q4 2004
<b>Norway / HQ</b>	<b>36 425</b>	<b>31 042</b>	<b>17 %</b>	<b>134 153</b>	<b>115 529</b>	<b>16 %</b>	<b>31 042</b>
Operating revenues	24 384	23 878	2 %	92 043	81 499	13 %	22 977
Operating expenses	<b>12 041</b>	<b>7 164</b>	<b>68 %</b>	<b>42 110</b>	<b>34 030</b>	<b>24 %</b>	<b>8 065</b>
EBITDA	1 534	1 246	23 %	5 133	4 213	22 %	2 173
Depreciation	<b>10 507</b>	<b>5 918</b>	<b>78 %</b>	<b>36 976</b>	<b>29 817</b>	<b>24 %</b>	<b>5 892</b>
<b>EBIT</b>							0
<b>Sweden</b>	<b>6 739</b>	<b>6 145</b>	<b>10 %</b>	<b>22 029</b>	<b>18 640</b>	<b>18 %</b>	<b>6 145</b>
Operating revenues	5 274	5 025	5 %	19 294	19 370	0 %	4 038
Operating expenses	<b>1 465</b>	<b>1 120</b>		<b>2 735</b>	<b>(730)</b>		<b>2 107</b>
EBITDA	396	2 507		1 389	2 946		2 755
Depreciation	<b>1 069</b>	<b>(1 387)</b>		<b>1 346</b>	<b>(3 677)</b>		<b>(648)</b>
<b>EBIT</b>							0
<b>NL / UK</b>	<b>7 512</b>	<b>4 587</b>	<b>64 %</b>	<b>22 744</b>	<b>10 056</b>	<b>126 %</b>	<b>4 587</b>
Operating revenues	8 816	7 561	17 %	34 095	26 337	29 %	7 375
Operating expenses	<b>(1 304)</b>	<b>(2 974)</b>		<b>(11 351)</b>	<b>(16 281)</b>		<b>(2 788)</b>
EBITDA	948	177		2 938	427		427
Depreciation	<b>(2 252)</b>	<b>(3 151)</b>		<b>(14 289)</b>	<b>(16 708)</b>		<b>(3 215)</b>
<b>EBIT</b>							-
<b>DK / IE / Other Markets / Open Services</b>	<b>1 115</b>	<b>-</b>		<b>1 217</b>	<b>-</b>		<b>-</b>
Operating revenues	7 154	1 924		16 997	2 891		1 924
Operating expenses	<b>(6 039)</b>	<b>(1 924)</b>		<b>(15 780)</b>	<b>(2 891)</b>		<b>(1 924)</b>
EBITDA	622	88		1 794	214		214
Depreciation	<b>(6 661)</b>	<b>(2 012)</b>		<b>(17 574)</b>	<b>(3 105)</b>		<b>(2 138)</b>
<b>EBIT</b>							-
<b>Revenues Source</b>							
Software Licenses	29 106	22 950	27 %	93 395	72 213	29 %	22 950
Software Service Agreements	17 694	14 860	19 %	74 493	61 361	21 %	14 860
Other Products & Services	4 991	3 964	26 %	12 256	10 651	15 %	3 964
<b>Total</b>	<b>51 791</b>	<b>41 774</b>	<b>24 %</b>	<b>180 143</b>	<b>144 225</b>	<b>25 %</b>	<b>41 774</b>

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

	IFRS 31.12.05	IFRS 31.12.04	N GAAP 31.12.04
<b>Assets</b>			
<b>Fixed assets</b>			
Trademarks	-	-	1 442
Other intangible assets	23 572	8 459	8 459
Goodwill	14 711	14 711	13 511
Deferred tax assets	36 055	37 478	37 411
<b>Total intangible assets</b>	<b>74 339</b>	<b>60 648</b>	<b>60 823</b>
<b>Total tangible fixed assets</b>	<b>11 808</b>	<b>5 233</b>	<b>5 233</b>
<b>Total financial fixed assets</b>	<b>2 746</b>	<b>2 701</b>	<b>2 701</b>
<b>Total fixed assets</b>	<b>88 893</b>	<b>68 583</b>	<b>68 757</b>
<b>Current assets</b>			
Inventory	1 648	1 651	1 651
Accounts receivable	48 605	41 553	41 553
Other short-term receivables	4 723	4 368	4 368
Bank deposits, cash, etc.	83 294	43 976	43 976
<b>Total current assets</b>	<b>138 269</b>	<b>91 548</b>	<b>91 548</b>
<b>Total assets</b>	<b>227 162</b>	<b>160 132</b>	<b>160 306</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>188 699</b>	<b>118 985</b>	<b>119 159</b>
Deferred tax liability	133	125	125
<b>Current liabilities</b>			
Bank overdraft	-	529	529
Accounts payable	3 475	7 526	7 526
Tax payable	14	340	340
Public duties payable	17 393	17 122	17 122
Other short-term liabilities	3 161	3 474	3 474
Deferred revenue	14 285	12 029	12 029
<b>Total current liabilities</b>	<b>38 329</b>	<b>41 021</b>	<b>41 021</b>
<b>Total equity and liabilities</b>	<b>227 162</b>	<b>160 132</b>	<b>160 306</b>

**CASH FLOW STATEMENT**

	Q4 2005	Q4 2004	2005	2004
<b>Profit before tax</b>	<b>2 586</b>	<b>(930)</b>	<b>6 979</b>	<b>6 397</b>
Taxes paid	38	37	350	77
Depreciation	3 500	4 016	11 255	7 800
Changes in inventory, AR and AP	(8 106)	(4 709)	(11 099)	(7 892)
Calculated wages employee options	1 222	1 335	3 517	3 522
Changes in other balance sheet items	2 615	5 287	1 464	2 387
<b>Cash flow from operations</b>	<b>1 856</b>	<b>5 036</b>	<b>12 467</b>	<b>12 291</b>
Investments in tangible fixed assets	(1 111)	(1 049)	(11 296)	(3 884)
Investments in intangible fixed assets	(6 205)	(3 285)	(14 680)	(10 596)
Acquisition of technology	(150)	-	(6 990)	-
<b>Net cash flow from investments</b>	<b>(7 466)</b>	<b>(4 334)</b>	<b>(32 966)</b>	<b>(14 480)</b>
<b>Cash flow from financing activities</b>	<b>5 142</b>	<b>(2 972)</b>	<b>61 638</b>	<b>36 859</b>
Translation differences	(949)	(366)	(1 291)	(85)
<b>Net cash flow</b>	<b>(1 417)</b>	<b>(2 636)</b>	<b>39 848</b>	<b>34 585</b>
Cash and cash equivalents (beginning)	84 711	46 083	43 446	8 861
<b>Cash and cash equivalents (end)</b>	<b>83 294</b>	<b>43 446</b>	<b>83 294</b>	<b>43 446</b>

**MOVEMENT IN EQUITY**

	2005	2004
<b>Equity at 1st of January</b>	<b>118 985</b>	<b>71 256</b>
Share issue	68 034	46 737
Calculated wages employee options	3 517	3 522
Sale/Purc. own shares/exercised emp. opt.	(4 919)	(6 106)
Translation differences	(949)	81
Net profit/loss for the year	4 031	3 495
<b>Equity end of period</b>	<b>188 699</b>	<b>118 985</b>



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