

ECIT | INTERIM REPORT | Q1 2022



ecit

Management report – Q1

Financial performance

Revenue growth at 28.1% (24.8%) with a group revenue at NOK 710 million (554). Organic growth at 6.5% (5.5%) and acquired growth at 22.8% (20.1%). Currency effects affected growth with minus 1.2% (minus 0.7%).

EBITDA* at NOK 87 million (NOK 66 million) with a margin at 12.3% (11.9%).

Adjusted Free Cash Flow at NOK 58 million (24). However, last year figures would have been at NOK 44 million versus 24 if adjusted for Covid-19 related payments (VAT, tax and other).

Activity in the F&A Division (Finance & Accounting) is almost back to the pre-Covid level, however affected by a higher than normal level of employee sick leave due to Covid-19. Increased sick leave in combination with internal consolidation effects (merger processes) are the main factors behind a reduced organic revenue growth in the F&A division.

The IT division continues to experience solid demand for both services and solutions being the main contributor to organic growth in the quarter. Still revenue growth has been affected by postponed IT deliveries (global supply chain challenges). It seems as if the supply challenges could continue for some time which could impact growth rates somewhat going forward.

With 42.5% (47%) the Tech division continues to deliver strong revenue growth. The growth is a result of gradual implementation of ECIT owned software as well as increased external demand for of the different software solutions offered by the division.

ECIT invests to develop the three Tech solution business lines; Accounting, Payroll and Office support, which gradually will serve a bigger part of both internal and external markets.

At group level the combined recurring- and repeatable revenue represent 73% (69%). The increase is coming from a gradual change towards fixed price contracts as well as from acquisitions.

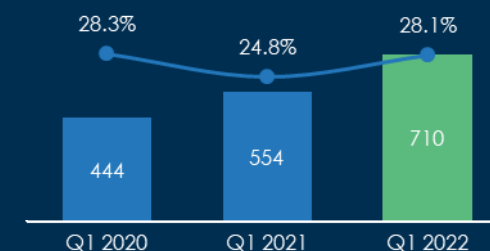
The financial results were not impacted by the tragic war in Ukraine. Offices and employees geographically close to the conflict are closely monitored in case of escalation of the current situation.

Considering a revenue growth at 28% and the effects from consolidation processes within both the F&A- and IT division, mainly coming from the four large mergers completed late 2021 / Q1 2022, management is pleased that the EBITDA-margin has improved compared to last year.

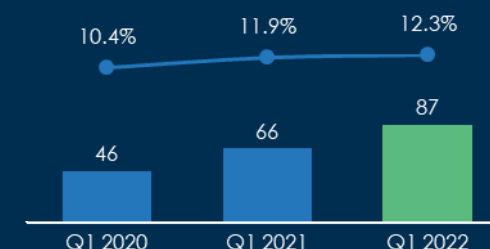
ECIT had a net interest-bearing debt of NOK 184 million (79). The financial gearing ratio (NIBD/EBITDA) was 0.5x at 31 March 2022, compared to 0.3x Q1 2021 year which is well below the ratio limit of 2.5x NIBD/EBITDA.

ECIT Performance

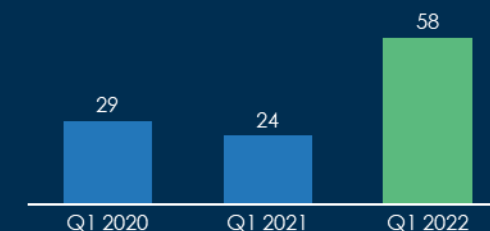
Total revenue (NOKm)



EBITDA* (NOKm)



Adjusted free cash flow** (NOKm)



*) Before special items

**) Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items

M&A activities

During first quarter ECIT acquired two companies: XACCT Accounting AS (XACCT) and CataCloud AS representing an acquired annualized revenue of NOK 50 million.

XACCT is a Norwegian F&A company with a 2021 revenue of approx. NOK 50 million and plus 40 employees. The company strengthens ECIT's position in the medium to larger customer segment. The combination of XACCT and Norian (acquired by in 2021) will potentially form one of the largest X-ledger partners in Norway.

CataCloud is a Norwegian software company offering a modern ERP system to customers within the SME segment. Adding an ERP system to the Tech product portfolio is a big step towards the ambition to offer a full range of software products to the SME segments of F&A businesses.

The process of consolidating the more than 20 companies being part of the four large mergers is going as planned. Such mergers are important in all our divisions since the large units being formed will benefit from scale (i.e. cost synergies) and strengthening ECIT's position towards larger customers.

ECIT ownership in subsidiaries

By the end of Q1 2022 the ownership share was at 67.9% compared to a 68.2% at the end 2021,

The average ownership share is measured through a 50 / 50 weighted average of revenue and EBITDA in the local subsidiaries, hence affected by fluctuations in local revenue and EBITDA as well affected by acquisitions. The process of increasing the average ownership share in subsidiaries through purchase of minority shares (partly exercising the options to acquire minority shares) is ongoing.

Lock-up for certain shareholders (employed in ECIT at listing) ends at 20th May 2022

When ECIT became listed the 20th May 2021 a lock-up period for all existing shareholders were established.

A 6-month lock-up period for non-employed shareholders expired at 20th November 2021 whereas shareholders employed in ECIT had a 1-year lock-up period. The latter lock-up, comprehending approx. 225 million shares, will expire at 20th May 2022.

Still approx. 10 million shares will be comprehended by different lock-up agreements after 20th May 2022.

Subsequent events

Changes to the Board of Directors

The Board of Directors were changed in April 2022 as three new board members were appointed at the Annual General Meeting.

Thomas Plenborg was appointed new Chairman of the Board. Mr. Plenborg has extensive experience from serving as Chairman in multinational companies, including DSV, listed on the Danish stock exchange and one of the world's leading freight forwarders.

Linda Forberg (former entrepreneur now operational responsible for the F&A sub-division in Norway) and Espen Karlsen, board member of the capital fund Varner Kapital, with experience from various board positions, were both appointed.

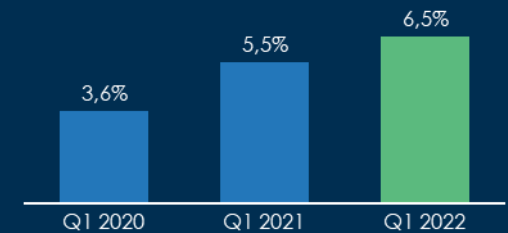
The new Board of directors will hold the competence and experience necessary to continue to build profitable growth in ECIT.

Dividend

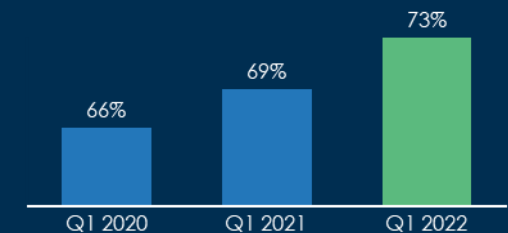
Dividend for 2021 amounts to NOK 0.04 per share, and was paid out to the shareholders in April 2022.

ECIT Performance

Organic revenue growth

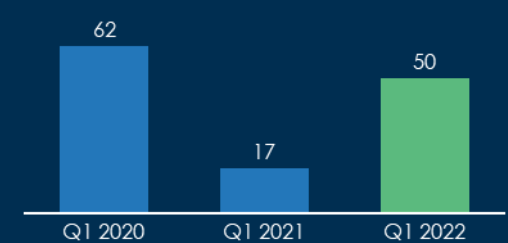


Recurring & repeat revenue



Recurring and repeat revenue in percent of total revenue.

M&A acquired revenue (NOKm)



Yearly revenue in acquired companies prior to the acquisition.

Financial Highlights

(NOKm)	Q1 2022	Q1 2021	(NOKm)	Q1 2022	Q1 2021
Condensed Income Statement			Key figures		
Revenue	710	554	Total revenue growth, %	28.1%	24.8%
EBITDA*	87	66	Total organic revenue growth, %	6.5%	5.5%
EBIT*	42	32	Total M&A revenue growth, %	22.8%	20.1%
Special items, net	-4	0	EBITDA margin*, %	12.3%	11.9%
Financial items, net	3	-3	Effective tax rate, %	22.7%	25.0%
Profit for the quarter	32	22	Avg. majority share***, %	67.9%	57.4%
Adjusted profit for the quarter	25	22	Solvency ratio, %	48.8%	52.6%
Attributeable to ECIT AS' shareholders	15	12	CAPEX in % of revenue	0.6%	1.1%
Attributeable to minorities	10	10	R&D in % of revenue****	1.3%	0.7%
Financial position			Recurring & repeat revenue share	73%	69%
Total assets	2,747	2,028	Proforma revenue*****	720	557
ECIT shareholders' share of equity	1,199	796	Proforma EBITDA, last 12 months*****	360	276
Non-controlling interest	207	166	Stock-related key figures		
Net working capital	-63	-66	EPS, NOK	0.04	0.03
Net interest-bearing debt (NIBD)	184	79	Diluted EPS, NOK	0.04	0.03
Net debt to EBITDA* (Gearing ratio)	0.5x	0.3x	Adjusted diluted EPS, NOK	0.03	0.03
Cash Flow			Total number of shares issued ('000)	448,330	392,195
Operating activities	80	49	Total number of treasury shares ('000)	1,137	7,899
Adjusted free cash flow**	58	24	ESG data		
Investing activities	-105	-41	Employees (FTE)	2,236	1,567
Financing activities	56	-33	Gender diversity (female/male)	59%/41%	56%/44%
Cash flow for the quarter	31	-25	Gender diversity, managerial (female/male)	45%/55%	43%/57%
			Employee engagement score (EES)	83	80

*) Before special items

**) Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items

***) Average majority share is calculated as a simple average of the majority share of revenue and EBITDA on behalf of the ownership as of 31 March 2022

****) Measured excluding additions through business combination

*****) Proforma figures are including companies which are part of ECIT at the time of measurement

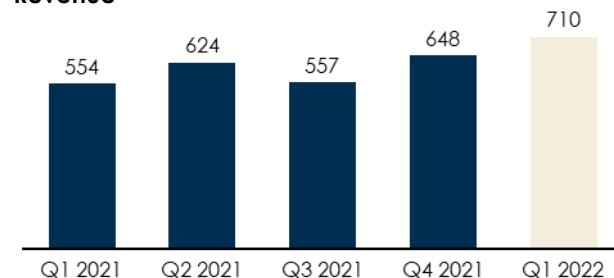
A person's hands are shown typing on a laptop keyboard. The laptop is open, and the screen displays some text. The background is a blurred office environment. The entire image has a blue overlay. The text "ECIT Performance" is centered over the image.

ECIT Performance

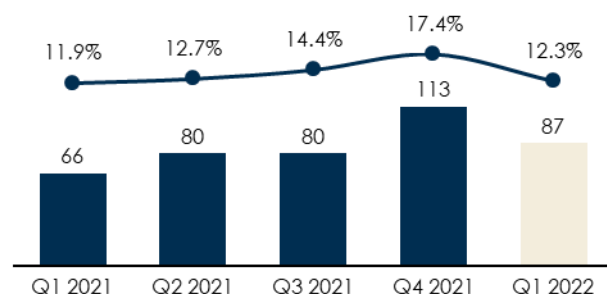
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Financial Review – Group Performance

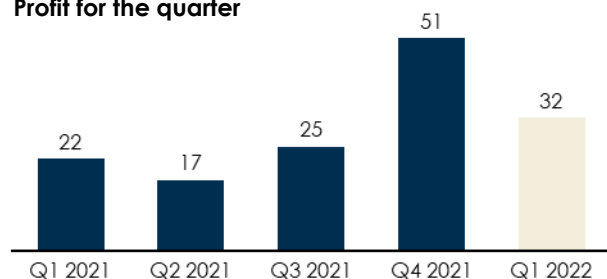
Revenue



EBITDA* & Margin



Profit for the quarter



Results for the quarter

Revenue

For the first three months of 2022, revenue was NOK 710 million, compared to NOK 554 million in Q1 2021, representing an increase of 28.1% in total growth of which 6.5% was organic growth (5.5%).

The M&A growth is representing 22.8% (20.1%) and is mainly coming from last year acquisitions including Norian (acquired in April 2021).

The impact from the development in foreign exchange rates was minus 1.2% for Q1 2022 (minus 0.7%).

Norway is the largest market ECIT operates in and represents approx. 66% in 2022 (66%) of the total revenue in Q1 2022. The second largest market is Sweden representing approx. 16% in 2022 (18%).

Revenue per division compared to Q1 2021 is specified below. All operational divisions delivered positive revenue growth.

Revenue (NOKm)	Q1 2022	Q1 2021
F&A division	390	299
IT division	316	266
Tech division	32	22
Group & eliminations	-28	-33
Total	710	554

EBITDA before special items

For the Group, EBITDA before special items came out at NOK 87 million in Q1 2022 compared to NOK 66 million in Q1 2021 representing an increase of 33.1%.

EBITDA before special items per division compared to same period last year is specified below.

EBITDA* (NOKm)	Q1 2022	Q1 2021
F&A division	61	52
IT division	33	21
Tech division	-2	-2
Group & eliminations	-5	-5
Total	87	66

Special items

Special items consist of costs which by nature are not related to the Group's ordinary.

Special items incurred in the first three months of the year consist mainly of transaction costs related to acquisitions. Special items equal a cost of NOK 4 million compared to NOK 0 last year.

Amortizations and depreciations

The amortization and depreciations for Q1 2022 amounts to NOK 45 million compared to NOK 34 million for the same period last year. The increase in amortizations and depreciations are coming from acquisitions hence an increase in amortizations on customer contracts.

Financial items

The financial items totalled a net income of NOK 3 million for Q1 2022 compared to a net financial expense of NOK 3 million for the same period last year.

Q1 2022 financial income comes from a profit of NOK 10 million related to the sale of the associated company; Cloud Connection AS. Interest expenses have increased due to increased borrowings compared to Q1 2021. Exchange rate expenses has increased due to exchange rate fluctuations.

(NOKm)	Q1 2022	Q1 2021
<i>Financial income:</i>		
Interest income	2	0
Exchange rate income	1	1
Profit on disposal of associated company	10	0
Income from associated companies	1	0
Other financial income	0	0
Total financial income	14	1
<i>Financial expenses:</i>		
Interest expenses	-6	-3
Exchange rate expenses	-4	-1
Other financial expenses	-1	0
Total financial expenses	-11	-4
Financial items, net	3	-3

Tax on profit for the period

Effective tax rate for the first quarter of 2022 is 22.7% (2021: 25.0%).

Profit for the period

Profit for Q1 2022 was NOK 32 million, up from NOK 22 million for Q1 2021.

Profit for the quarter is impacted by two one-off items including special item costs and the profit from the sale of the associated company Cloud Connection. No one-off items were included in Q1 2021.

An adjusted profit for the quarter has been made to illustrate the impact of the one-off items.

(NOKm)	Q1 2022	Q1 2021
Profit for the period	32	22
Special items	4	0
Disposal associated company, profit	-10	0
Adjusted profit for the period	25	22
<i>Attributeable to:</i>		
Shareholders in ECIT AS	15	12
Non-controlling interests	10	10
Shareholders in ECIT AS	57.6%	56.1%
Non-controlling interests	42.4%	43.9%

Profit for the period attributable to the Shareholders of ECIT are similar impacted by the one-off items. Adjusted for one-off items the shareholders share of profit for the quarter is NOK 15 million compared to NOK 12 million same period last year.

Shareholders in ECIT AS holds 57.6% (56.1%). Compared to our average ownership measured at revenue and EBITDA of 67.9% on 31 March 2022, the majority ownership measured at profit of the quarter is at 57.6%.

The explanation behind the difference is due to the high share of amortizations/depreciations and financial

expenses coming from companies with high ownership percentage. Among those is the parent company of ECIT.

Diluted adjusted earnings per share

The main explanation to the increase of shares at 31 March 2022 to last year is the capital increase made as part of the IPO in May 2021, hence the impact on earnings per share.

A separate specification has been added to the overview to illustrate the impact of the previous mentioned one-off items and the effect to the earnings per share.

(NOKm)	Q1 2022	Q1 2021
Profit of the period	32	22
Shareholders in ECIT AS	18	12
Non-controlling interests	14	10
Adjusted profit of the period*	25	22
Shareholders in ECIT AS	15	12
Non-controlling interests	10	10
(⁰⁰⁰ shares)		
Average number of shares	446,893	390,209
Average number of treasury shares	-1,158	-7,935
Diluted average number of shares in circulation	445,735	382,774
(NOK 1)		
EPS	0.04	0.03
Diluted EPS	0.04	0.03
Adjusted EPS	0.03	0.03
Adjusted diluted EPS	0.03	0.03

*) Earnings per share adjusted for special items and one-off gain on disposal of an associated company in 2022

Cash flow & Net working capital

Cash flow

Cash flow from operating activities in Q1 2022 came out at NOK 80 million compared to NOK 49 million for Q1 2021. The development in the cash flow from operating activities is explained by increased EBITDA and positive change in net working capital mainly due to holiday provision build up.

Net working capital last year was affected by payments of prolonged Covid-19 credits NOK 20 million. Almost all prolonged payments of VAT, tax and other duties have been paid throughout 2021.

Last year's cash flow from operations would have been at NOK 69 million if adjusted for the Covid-19 impact.

(NOKm)	Q1 2022	Q1 2021
Cash flow from operations	80	49
Cash flow from investing	-105	-41
Cash flow from financing	56	-33
Cash flow for the period	31	-25

Cash flow from investing activities was a cash outflow of NOK 105 million in the first quarter compared to NOK 41 million in Q1 2021. The development is mainly explained by acquisitions, whereas a net cash investment of NOK 107 million is the most significant item in Q1 2022.

Cash flow from financing activities ended at NOK 56 million (positive) compared to a minus NOK 33 million last year, caused by increased borrowings through the credit facility of NOK 85 million to finance acquisitions.

Exercised option agreements related to the increase in ownership amounts to cash outflow of NOK 9 million. Exercised option agreements were paid partly with cash and partly with shares.

Adjusted free cash flow (cash flow from operations less investments in tangible assets & IFRS 16 leases and before special items) is NOK 58 million compared to NOK 24 million last year.

When adjusting for the 2021 Covid-19 impact, the adjusted cash flow last year would have been at NOK 44 million.

(NOKm)	Q1 2022	Q1 2021
Cash flow from operations	80	49
Special items	4	0
Net investments in tangible assets, total	-4	-6
Repayment of lease liabilities	-22	-19
Adjusted free cash flow	58	24
Covid-19 impact	1	20
Adj. free cash flow before Covid-19 impact	59	44

Net working capital

Changes in net working capital for Q1 2022 ended at NOK 27 million compared to NOK 8 million for Q1 2021.

As mentioned, Covid-19 explains a large part of the development in net working capital compared to last year.

Last year change in accounts receivable and payable can be explained by high IT hardware sales in

December 2020 which subsequently were collected/paid during Q1 2021.

The net working capital can fluctuate due to acquisitions. For companies acquired in Q1 2022 the total effect on net working capital amounts to NOK 2 million (minus NOK 1 million, Q1 2021).

When a company is acquired by ECIT, part of the integration is to improve their net working capital.

Change in NWC (NOKm)	Q1 2022	Q1 2021
Accounts receivables	2	25
Accounts payable	2	-15
Delayed payments. Covid-19	-1	-20
Other change in NWC	24	18
Total change in NWC	27	8
Delayed payments. Covid-19	1	20
Adjusted change in NWC	28	28
DSO	44.6	42.5

Capital structure & finances

ECIT shareholder's share of equity

On 31 March, ECIT AS shareholders' share of equity is NOK 1,199 million (2021: NOK 796 million). The development is primarily due to the capital increase made in connection with the IPO last year.

On 31 March 2022, the ECIT's portfolio of treasury shares are 1,136,816 shares (7,898,756 shares on 31 March 2021).

The decrease in treasury shares are subject to part-payments of new subsidiaries and exercising of options towards existing subsidiaries.

The solvency ratio including non-controlling interest is 48.8% at 31 March 2022 against 52.5% for the same period last year.

Net interest-bearing debt ('NIBD')

Consolidated net interest-bearing debt amounts to NOK 184 million on 31 March 2022 (NOK 79 million).

The financial gearing ratio (NIBD/EBITDA) is 0.5x per 31 March 2022 compared to 0.3x per 31 March 2021 which is below the financial gearing ratio limit of 2.5x NIBD/EBITDA.

The leverage ratio has increased mainly due to financing large acquisitions within the last 12 months.

Leasing liabilities (IFRS16 lease accounting) has a material impact to the financial liabilities of ECIT.

The increase compared to last year is mainly explained by the acquisitions made in the last 12 months and their share of leasing. Lease liabilities consist mainly of office rentals.

(NOKm)	Q1 2022	Q1 2021
Borrowings	320	167
Lease liabilities	217	184
Total interest bearing liabilities	537	351
Interest bearing receivables	61	57
Cash and cash equivalents	292	215
Total interest bearing assets	352	272
Net debt / Net cash (-)	184	79
EBITDA*, LTM	360	276
Debt leverage	0.5x	0.3x

ECIT has an option to acquire the minority shares in the partly owned subsidiaries within an agreed period. The option allows ECIT to acquire the remaining minority shares at a price model based on last year's EBITDA multiplied with a fixed factor.

The minority option obligation per 31 March 2022 is estimated to NOK 469 million compared to NOK 458 million as per 31 December 2021.

The obligation has increased which is mainly explained by the option calculated model which is based on last year EBITDA performance. Since many of the companies have improved their earnings compared to last year option debt has consequently increased.

The option obligation is not part of the NIBD statement.

Credit facility

The utilization of the credit facility is specified below.

As of March 2022, NOK 287 million of the credit facility has been utilized, and total available amount is NOK 463 million.

The leasing facility has been utilized by NOK 12 million and total available amount is NOK 38 million.

(NOKm)	Q1 2022	Q1 2021
Revolving facility gross	750	475
Revolving facility utilized	-287	-103
Net revolving facility available	463	372
Leasing facility gross	50	21
Leasing facility utilized	-12	-10
Net leasing facility available	38	11

F&A Division

Business Review

The F&A business delivered a revenue growth of 30.0% (20.0%). Growth is mainly coming from acquisitions and will vary depending on when companies are acquired during the year.

EBITDA margin ended at 15.7% (17.0%) which is in line with management expectations since margin development will fluctuate affected by acquisitions.

Although the general activity levels within the F&A business is almost back to pre-Covid levels, increased sick leave (Covid-19) among employees have had impact on the financial performance in Q1 2022.

Q1 2022 revenue growth is also impacted from consolidation efforts by integrating acquired companies and consolidate the F&A division through mergers.

In Q1 2022 the M&A growth rate can mainly be explained by large acquisitions completed last year (Norian).

In Q1 2022, Norwegian based XACCT Accounting was acquired which will strengthen ECIT's position to serve medium to larger customers with a highly qualified offering. The combination of XACCT and Norian will potentially form one of the largest X-ledger partners in Norway.

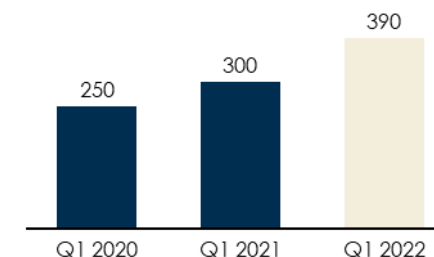
The revenue growth of 30.0% (20.0%) is mainly coming from M&A activity.

Increased sick leave in combination with internal consolidation effects (merger processes) are the main factors behind a reduced organic revenue growth in the F&A division.

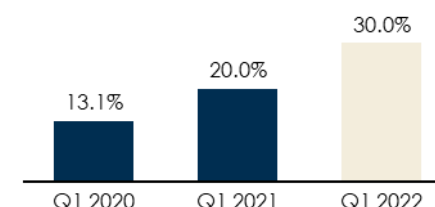
The EBITDA margin development compared to last year is mainly explained by acquisitions.

(NOKm)	Q1 2022	Q1 2021
Revenue	390	300
COGS	-34	-21
Gross Profit	356	278
Personnel expenses	-237	-191
Other operating costs	-58	-36
EBITDA*	61	51
Total revenue growth	30.0%	20.0%
EBITDA-%*	15.7%	17.0%

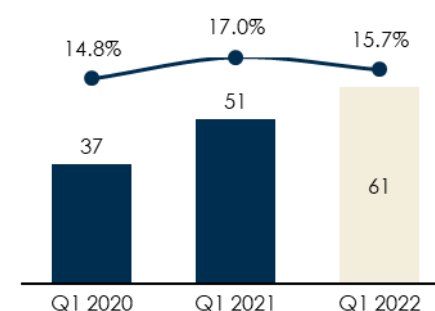
Total revenue



Total revenue growth (%)



EBITDA & EBITDA margin (%)*



*) Before special items

IT Division

Business Review

Despite the continuing global supply-chain challenges for certain product groups, the activity level in the IT division remained high in the first quarter of the year with increased demand for our services both from existing customers as well as new customers.

All main markets including Norway and Denmark experienced revenue growth.

Continued focus on optimization and consolidation of the IT businesses are the main explanation behind the EBITDA margin increase compared to last year. Our Swedish activities are a result of this process since they have moved from negative EBITDA to positive EBITDA in 2022.

Within the last 6 months, 13 companies in total have been merged into 3 large companies representing a total revenue of approx. NOK 700 million and more than 200 FTEs. The process of consolidating the companies into 3 units is progressing as planned.

The overall demand for skilled employees in the IT industry is high. Measures are taken to keep our personnel satisfied in order to attract new talents but equally important to keep the existing talents within the division.

The IT division is facing continuing global supply-chain challenges, which mainly explains the lower revenue growth of 19.0% compared to 34.3% last year.

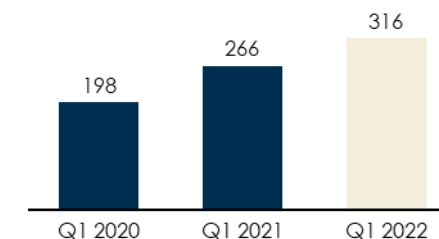
Despite the challenges, the margin improved from 7.9% last year to 10.5% in Q1 2022.

(NOKm)	Q1 2022	Q1 2021
Revenue	316	266
COGS	-111	-109
Gross Profit	206	157
Personnel expenses*	-151	-117
Other operating costs	-22	-18
EBITDA**	33	21
Total revenue growth	19.0%	34.3%
EBITDA-%**	10.5%	7.9%

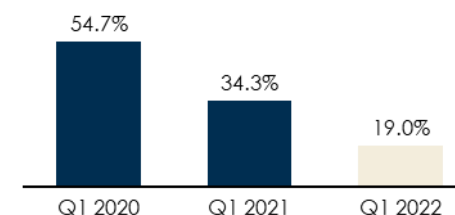
*) Personnel expenses include cost to external consultants

**) Before special items

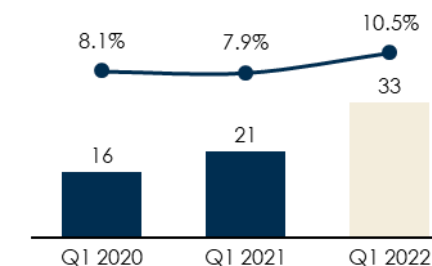
Total revenue



Total revenue growth (%)



EBITDA & EBITDA margin (%)**



Tech Division

Business review

In the first quarter of 2022, the Tech division came out with a revenue growth at 42.5% (46.7%).

Total number of customers within the Tech division continues to increase with a total year-on-year growth of 35.4%, which is to some extent explained by the higher demand due to broader offering.

The acquisition of CataCloud AS and the addition of an ERP system to the Tech product portfolio is a big step towards our ambition to offer close to a full range of products for the SME segment of Finance & Accounting businesses.

Further developing our Accounting, Payroll and Office support products are enabling ECIT to gradually serve a bigger part of both internal and external markets.

The Tech division is further developing towards acting as one division, meaning integrating our products and services together and thereby being able to solve a continuously larger part of the issues for our customers.

Further investments in the development of our applications are made to deliver a quality-based product portfolio. Investments are subsequently made to integrate the newly acquired applications with the existing product portfolio to improve the range offered to our customers.

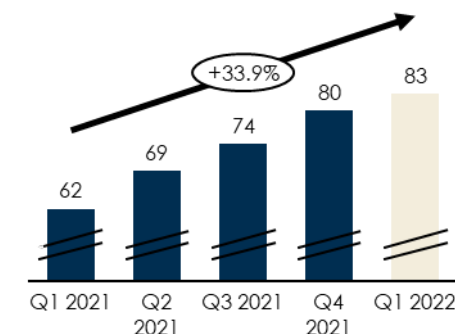
The Tech division is continuing with further growth in revenue at 42.5% (46.7%)

Further investments are made in developing the product portfolio including the acquisition of the ERP-system CataCloud.

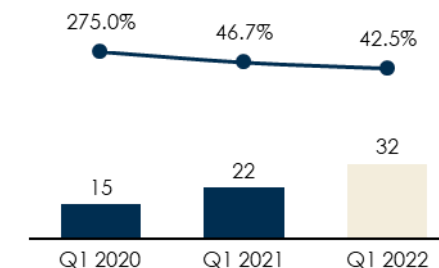
(NOKm)	Q1 2022	Q1 2021
Revenue	32	22
COGS	-9	-4
Gross Profit	23	18
Personnel expenses	-17	-15
Other operating costs	-8	-5
EBITDA*	-2	-2
Capitalized R&D	-10	-4
Total revenue growth	42.5%	46.7%
EBITDA-%*	-7.1%	-10.7%

*) Before special items

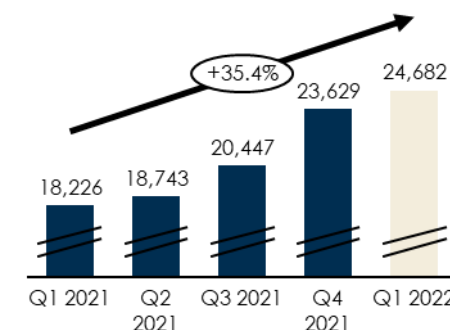
Annual recurring revenue



Total revenue & revenue growth



Number of customers





Shareholder information

Shareholder information

Share capital

The total share capital on 31 March 2022 consists of 448,330,101 shares of nominal NOK 1 each. There are three share classes whereas the B-shares are subject to trade on the Euronext Growth stock exchange.

Treasury shares

On 31 March 2022 1,136,816 shares were held as treasury shares, corresponding to 0.3% of the share capital.

A total of 42,026 treasury shares were sold during the quarter.

Shareholders

ECIT has the philosophy that local ownership will create a stronger group, which reflects the many minority owners in the Group. Another and equally important philosophy is that if the local management, as well as employees also own part of the Group, this will create an even better unity across the Group.

The philosophy is visible in the composition of shareholders in the Group. More than 60% of the shares are owned by employees and management, with the top management representing 18% and employees and partners within the group representing more than 42% of the shares.

When ECIT became listed 20 May 2021 a lock-up period for certain shareholders was established.

A 6-month lock-up period for selected shareholders expired 20 November 2021 whereas certain shareholders employed in the Group had a 1-year lock-up period which will expire 20 May 2022.

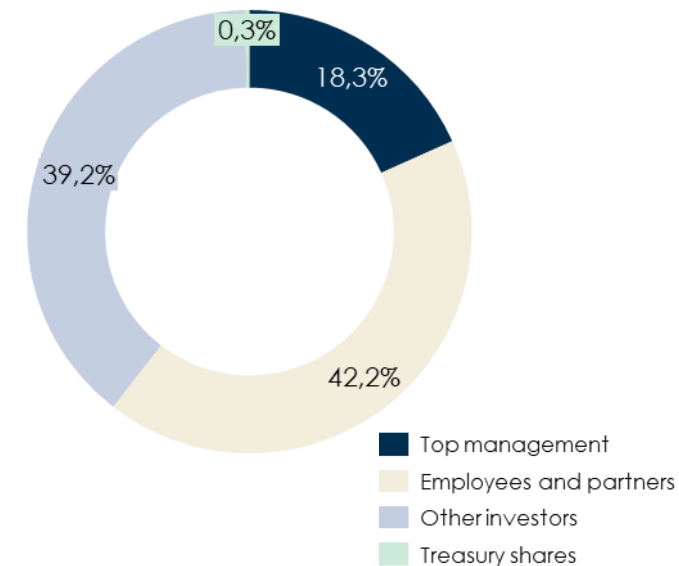
Our shareholders are mainly located in the Nordic countries in Europe with two-thirds of our shareholders being in Norway.

CEO Peter Luring holds however 49.9% of the voting shares of the Group.

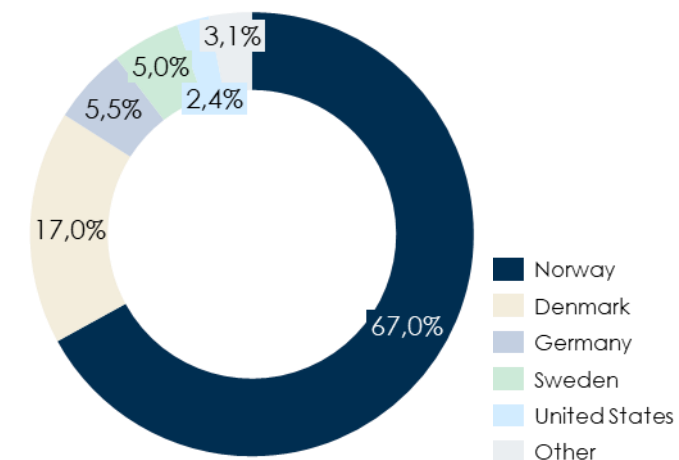
Dividends

Dividend for 2021 amounts to NOK 0.04 per share, and was paid out to the shareholders during April 2022.

Shareholders per type



Shareholders per country





Condensed Consolidated Interim Financial Statements

ecit

Income statement

(NOKm)	Note	Q1 2022	Q1 2021
Revenue	2.1	710	554
COGS		-148	-131
Gross Profit		561	424
Personnel expenses		-421	-326
Other operating costs		-53	-31
EBITDA*		87	66
Amortizations and depreciations		-45	-34
EBIT*		42	32
Special items, net	2.2	-4	0
Financial items, net		3	-3
Profit before tax		41	28
Tax on profit for the period	2.3	-9	-7
Profit for the year		32	22
Attributeable to:			
Shareholders in ECIT AS		18	12
Non-controlling interests		14	10

Statement of Other comprehensive income

(NOKm)	Note	Q1 2022	Q1 2021
Profit for the year		32	22
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments of subsidiaries		-15	-28
Other comprehensive income		-15	-28
Total comprehensive income		17	-6
<i>Attributable to:</i>			
Shareholders in ECIT AS		7	-11
Non-controlling interests		10	4
(NOKm)	Note	Q1 2022	Q1 2021
Earnings per share			
Earnings per share (NOK)	3.2	0.04	0.03
Diluted earnings per share (NOK)	3.2	0.04	0.03
Adjusted earnings per share**			
Adjusted earnings per share (NOK)	3.2	0.03	0.03
Adjusted diluted earnings per share (NOK)	3.2	0.03	0.03

*) Before special items

**) Earnings per share adjusted for special items and one-off gain on portfolio investment in 2022

Cash Flow Statement

(NOKm)	Note	Q1 2022	Q1 2021	(NOKm)	Note	Q1 2022	Q1 2021
Profit before tax		41	28	Repayment of lease liabilities		-22	-19
Amortizations & Depreciations		45	34	Loans and credit facilities		96	-3
Financial items		-3	3	Financial items, net		-7	3
Operating profit before amortizations, depreciations and financial items (EBITDA)		84	66	Capital increase		0	0
Corporation tax, paid		-31	-25	Sale and purchase of treasury shares		0	3
Change in net working capital (NWC)		27	8	Transactions with minorities		-2	-12
Cash flow from operating activities (A)		80	49	Dividends distributed		-9	-5
Investments in tangible assets		-4	-6	Cash flow from financing activities		56	-33
Investments in Research & Development		-9	-4	Cash flow for the period		31	-25
Investments in subsidiaries	4.1	-107	-29	Cash and cash equivalents 1 January		265	246
Investments in other activities		0	0	Cash flow for the period		31	-25
Gain on other activities		15	-4	Currency translation adjustments		-4	-7
Change in other financial assets		0	3	Cash and cash equivalents end of period		292	215
Cash flow from investing activities (B)		-105	-41				
Cash flow from operating and investing activities (A+B)		-25	8				

Balance Sheet

(NOKm)	Note	31 MAR 2022	31 MAR 2021	31 DEC 2021
Goodwill		1,066	721	955
Customer contracts		340	269	335
Research & development		117	80	113
Deferred tax assets		28	15	31
Total intangible assets		1,552	1,085	1,434
Land, buildings and equipment		46	67	50
Right-of-use assets		207	178	226
Total tangible assets		253	245	276
Other financial assets		123	77	112
Total non-current assets		1,928	1,407	1,822
Inventories		14	11	12
Trade receivables		329	243	325
Other receivables		185	152	153
Cash and cash equivalents	3.3	292	215	265
Total current assets		819	621	754
Total assets		2,747	2,028	2,576

(NOKm)	Note	31 MAR 2022	31 MAR 2021	31 DEC 2021
Share capital	3.1	448	392	445
Treasury shares		-1	-8	-1
Reserves and retained earnings		752	412	754
ECIT AS shareholders share of equity		1,199	796	1,198
Non-controlling interest		207	166	165
Total equity		1,407	962	1,363
Lease liabilities	3.3	146	126	160
Borrowings	3.3	304	156	181
Provisions		38	37	26
Other non-current liabilities		8	0	7
Deferred tax liabilities		76	59	78
Total non-current liabilities		572	377	451
Lease liabilities	3.3	71	58	76
Borrowings	3.3	15	11	36
Provisions		2	0	5
Tax payables		42	21	59
Trade payables		113	84	111
Other current liabilities		524	524	475
Total current liabilities		768	689	762
Total equity and liabilities		2,747	2,028	2,576

Statement of Changes in Equity 2022

(NOKm)	Share Capital	Not reg. Capital increase*	Share premium	Treasury shares	Retained earnings	Total	Non- controlling interests	Total equity
Equity at 1 January	445	12	722	-1	20	1,198	165	1,363
Profit for the year	0	0	0	0	18	18	14	32
Net exchange differences recognized in OCI	0	0	0	0	-11	-11	-4	-15
Other comprehensive income	0	0	0	0	-11	-11	-4	-15
Total comprehensive income	0	0	0	0	7	7	10	17
<i>Transactions with shareholders:</i>								
Capital increase registered	3	-23	20	0	0	0	0	0
Capital increase approved not registered	0	32	0	0	0	32	0	32
Dividends distributed	0	0	0	0	0	0	-1	-1
Sale and purchase of treasury shares	0	0	0	0	0	0	0	0
Addition of non-controlling interests, customer contracts	0	0	0	0	0	0	3	3
Addition of non-controlling interests, goodwill	0	0	0	0	0	0	19	19
Addition of non-controlling interests, net assets	0	0	0	0	0	0	3	3
Transactions of shares with non-controlling interests	0	0	0	0	-36	-36	9	-27
Other adjustments	0	0	0	0	-2	-2	-1	-3
Total transactions with shareholders	3	9	20	0	-38	-6	33	27
Equity at 31 March	448	21	742	-1	-11	1,199	207	1,407

*) All capital increases are registered within three months

Statement of Changes in Equity 2021

(NOKm)	Share Capital	Not reg. Capital increase*	Share premium	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	388	4	371	-8	55	811	161	972
Profit for the year	0	0	0	0	12	12	10	22
Net exchange differences recognized in OCI	0	0	0	0	-23	-23	-5	-28
Other comprehensive income	0	0	0	0	-23	-23	-5	-28
Total comprehensive income	0	0	0	0	-11	-11	4	-6
<i>Transactions with shareholders:</i>								
Capital increase registered	4	-4	0	0	0	0	0	0
Capital increase approved not registered	0	1	0	0	0	1	0	1
Dividends distributed	0	0	0	0	0	0	0	0
Sale and purchase of treasury shares	0	0	0	0	2	3	0	3
Addition of non-controlling interests, customer contracts	0	0	0	0	0	0	2	2
Addition of non-controlling interests, net assets	0	0	0	0	0	0	0	0
Transactions of shares with non-controlling interests	0	0	0	0	-9	-9	-1	-10
Other adjustments	0	0	0	0	1	1	0	1
Total transactions with shareholders	4	-3	0	0	-5	-4	1	-3
Equity at 31 March	392	1	371	-8	39	796	166	962

*) All capital increases are registered within three months



Notes to the Condensed Consolidated Financial Statements

1. Basis for preparation

General information

ECIT (the Group) consists of ECIT AS (the Company) and its subsidiaries. The head office is located in Oslo, Norway.

ECIT's condensed consolidated interim financial statements for the first quarter of 2022 were authorized for issue by the board of directors on 12 May 2022.

experience and other factors that management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect.

As a result of the uncertainties inherent in connection to the above, periodic adjustments may occur.

Basis for preparation

The condensed consolidated interim financial statements for the three months ended 31 March 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting with requirements according to Norwegian GAAP "Forenklet IFRS". The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

Reference is made to ECIT Group's 2021 Annual Report for a description of accounting policies.

The condensed consolidated interim financial statements are unaudited.

In preparing the condensed consolidated interim Financial statements, management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the Group's assets, liabilities, income and expenses. The estimates and judgements made are based on historical

2. Profit for the year

2.1 Segments information

Operating segments are defined by the operational and management structure of ECIT, which is derived from the type of services we deliver. Our operating segments is reflecting our division and Group reporting used for management decision-making.

Operating divisions

Our business operations are carried out by three divisions, forming our segment reporting.

Finance & Accounting

The Finance & Accounting division improves customers' efficiency through delivering vital administrative services in a more effective and productive way.

IT

ECIT offers IT services based on business understanding, and our more than 400 IT-experts are ready to help our customers operate and optimize their IT setup.

Tech

The Tech division develop software applications primarily used within Finance & Accounting.

Segment income/expenses comprise the items directly attributable to the individual segment as well as the items that may be allocated to the individual segment on a reliable basis.

Income and expenses relating to Group functions, investing activities, etc. are managed at Group level. These items are not included in the statement of segment information but are presented under 'Group & Elim.'.

Measurement of earning by segment

Our business segments are measured and reported down to EBITDA before special items. Segment results are accounted for in the same way as in the consolidated financial statements.

(NOKm)	Q1 2022					Q1 2021				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	390	316	32	-28	710	300	266	22	-34	554
COGS	-34	-111	-9	6	-148	-21	-109	-4	3	-131
Gross Profit	356	206	23	-24	561	278	157	18	-29	424
Personell expenses	-237	-151	-17	-16	-421	-191	-117	-15	-3	-326
Other operating costs	-58	-22	-8	35	-53	-36	-18	-5	28	-31
EBITDA*	61	33	-2	-5	87	51	21	-2	-4	66
Total revenue growth	30.0%	19.0%	42.5%	17.6%	28.1%	20.0%	34.3%	46.7%	-78.9%	24.8%
EBITDA-%	15.7%	10.5%	-7.1%	17.9%	12.3%	17.0%	7.9%	-10.7%	11.8%	11.9%

*) EBITDA before special items

Geographical information

ECIT operates throughout the northern part of Europe and has activities in 10 countries. Our geographical information is presented as:

- Norway
- Sweden
- Denmark
- Other

Other includes United Kingdom, Germany, Finland, Poland, Lithuania, Serbia, and Romania.

Income/expenses are allocated to the geographical areas according to the country in which the individual entity is based.

Revenue (NOKm)	Q1 2022	Q1 2021
Norway	469	367
Sweden	114	98
Denmark	97	85
Other	30	5
Total	710	554

EBITDA* (NOKm)	Q1 2022	Q1 2021
Norway	50	37
Sweden	21	16
Denmark	14	12
Other	2	1
Total	87	66

Intercompany transactions are made on an arm's length basis and excluded in tables below.

2.2 Special items

Special items are used in connection with the presentation of profit or loss for the year to distinguish consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations.

Special items comprise:

- Transactions costs relating to acquisition and divestment of enterprises
- Restructuring costs, impairment costs, etc. relating to fundamental structural, procedural, and managerial reorganisations as well as any related gains or losses on disposals

Management judgements and estimates

In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

(NOKm)	Q1 2022	Q1 2021
Transactions costs	3	0
Restructuring costs	1	0
Total	4	0

2.3 Tax

Tax for the year

Tax for the year comprises current and deferred tax on profit or loss for the year, interest expenses related to pending tax disputes and adjustments to previous years, including adjustments due to tax rulings.

Tax for the year is recognised in the income statement, unless the tax expense relates directly to items included in other comprehensive income or equity.

(NOKm)	Q1 2022	Q1 2021
Profit before tax	41	28
Calculated tax on profit for the period	9.1	6.2
<i>Tax effect of:</i>		
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.1	-0.2
Non-deductible expenses/non-taxable income	0.8	0.4
Non-deductible losses/non-taxable gain on shares	-2.2	0.0
Temporary differences, net	1.4	0.2
Other tax adjustments	0.4	0.4
Tax of the period	9.4	7.0
Effective tax rate	22.7%	25.0%

*) EBITDA before special items

3. Capital and financial risk

3.1 Top 20 shareholders of ECIT AS

ECIT AS is owned through a multiple share class structure where Peter Luring, the CEO and Founder, is the largest owner holding 9.5% of the economic interest and 49.9% of the voting rights through CGL Holding AS and CGL Holding II AS.

Management and employees hold approx. 60.8% of the shares in ECIT AS.

('000)	A-shares	B-shares	C-shares	Total shares	Ownership in %	Voting share
CGL Holding AS & CGL Holding II AS*	41,336	1,212		42,548	9.5%	49.9%**
Varner Kapital AS		25,000		25,000	5.6%	3.0%
Ic Services 2 AS		24,423		24,423	5.4%	3.0%
Paradigm Capital Value Fund		16,267		16,267	3.6%	2.0%
Mikkel Walde Holding ApS		198	15,525	15,723	3.5%	1.9%
Y-Not ApS***		125	14,840	14,965	3.3%	1.8%
Bras Kapital AS		14,942		14,942	3.3%	1.8%
Mp Pensjon Pk		10,622		10,622	2.4%	1.3%
Anglo Supply AS		9,993		9,993	2.2%	1.2%
UBS AG (Private Banking)****		9,829		9,829	2.2%	1.2%
Deka Investment GmbH		8,500		8,500	1.9%	1.0%
Paradigm Capital Value LP		7,109		7,109	1.6%	0.9%
Veiby Invest AS		6,566		6,566	1.5%	0.8%
Pa Kompetens Lön Sverige AB		5,217		5,217	1.2%	0.6%
Loe Equity AS		4,714		4,714	1.1%	0.6%
Infolink Holding AS		4,503		4,503	1.0%	0.5%
Litu AS		4,261		4,261	1.0%	0.5%
Sewell AS		3,625		3,625	0.8%	0.4%
Job Gruppen AS		3,578		3,578	0.8%	0.4%
Bn Gruppen AS		3,553		3,553	0.8%	0.4%
Top 20 shareholder total	41,336	164,236	30,365	235,937	52.6%	73.5%
Other shareholders		177,817	34,576	212,393	47.4%	26.5%
Total number of shares	41,336	342,053	64,941	448,330	100.0%	100.0%

*) Consists of all shares held by Peter Luring, companies he has the majority of shares in and his relatives.

**) Adjusted for Peter Luring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

***) Consists of all shares held by Klaus Jensen, companies he has the majority of shares in and his relatives.

****) Nominee account including more than one shareholder. Due to non-disclosure regulations in Switzerland the shares cannot be specified.

3.2 Earning per share

Earnings per share (EPS) is calculated according to IAS 33.

Earnings per share is impacted by two one-off items including special item cost and the profit from the sale of the associated company Cloud Connection. No one-off items were included in Q1 2021.

(NOKm)	Q1 2022	Q1 2021
Profit of the period	32	22
Shareholders in ECIT AS	18	12
Non-controlling interests	14	10
Adjusted profit of the period*	25	22
Shareholders in ECIT AS	15	12
Non-controlling interests	10	10
('000 shares)		
Average number of shares	446,893	390,209
Average number of treasury shares	-1,158	-7,935
Diluted average number of shares in circulation	445,735	382,774
(NOK 1)		
EPS	0.04	0.03
Diluted EPS	0.04	0.03
Adjusted EPS	0.03	0.03
Adjusted diluted EPS	0.03	0.03

3.3 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce costs of capital.

Executive Management and the Board of Directors Monitor the share- and capital structure to ensure that the Group's capital resources support the strategic goals.

The debt leverage is monitored closely by the management in connection with the facility agreement with Nordea.

(NOKm)	Q1 2022	Q1 2021
Borrowings	320	167
Lease liabilities	217	184
Total interest bearing liabilities	537	351
Interest bearing receivables	61	57
Cash and cash equivalents	292	215
Total interest bearing assets	352	272
Net debt / Net cash (-)	184	79
EBITDA**, LTM	360	276
Debt leverage	0.5x	0.3x

*) Profit for the period adjusted for special items and one-off gain on divestment of an associated company in 2022

**) Proforma EBITDA before special items

4. Acquisitions of the Group

4.1 Acquisitions during the quarter

During the first quarter of 2022 ECIT has made two acquisitions, one in the F&A division and one in the Tech division.

Earnings impact

The two acquisitions made by the Group contributed with NOK 5.0 million to the Group's YTD revenue and NOK 0.6 million to the Group's EBITDA corresponding an EBITDA -margin of 11.0%.

Transaction costs

Total transaction costs related to the acquisitions amount to NOK 3 million. Transaction costs are accounted for in the income statement as special items.

Payments of acquisitions

The acquisitions have been paid partly with cash and partly with shares, through treasury shares or a capital increase.

Adjusted for the fair value of acquired cash, cash equivalents and paid out earn out for prior acquisitions of NOK 2 million, the net cash flow for new subsidiaries amounted to NOK 107 million (outflow) during the first quarter of 2022.

Paid earn out obligations are subject to prior acquisitions, the earn out obligation for the newly subsidiaries are not due within the next 12 months.

(NOKm)	Q1 2022	Q1 2021
Cash payment	-108	-12
Sales of subsidiaries	0	0
Paid earn out obligation	-2	-20
Majority share of cash***	3	2
Net investment in subsidiaries	-107	-29
<i>New subsidiaries:</i>		
Share payment	0	-1
Cash payment	-108	-12
Earn out obligation	-16	0
Investment in new subsidiaries	-123	-13

Acquired companies (NOKm)	Revenue 2021*	Revenue Q1 2022**	PAT Q1 2022**	FTE
XACCT Accounting AS, Norway, F&A	49.8	15.6	1.3	37
Catacloud AS, Norway, Tech	0.3	0.1	-0.1	2
Total	50.1	15.7	1.2	39

*) Proforma figures equal to figures presented in local annual report

**) Proforma figures calculated from 1 January to the end of the period

***) Majority share of cash equals the share of cash at the acquisition date owned by the Group

Fair value of acquired net assets and recognised goodwill

Provisional fair values of acquired assets and liabilities at the acquisition date are given in the table to the right.

The intangible assets mainly consist of Goodwill and is primarily related to synergy effects from integration with ECIT's existing business. Goodwill is non-deductible for tax purposes.

Integration of the acquired companies is still ongoing, and consequently net assets, including goodwill and other intangible assets, may be adjusted, and off-balance sheet items may be recognized for up to 12 months after the acquisition date in accordance with IFRS 3.

In the first quarter of both 2022 and 2021 no acquisitions where of a size where it could be defined as significant.

(NOKm)	Total 2022	Total 2021
Research & Development	0.4	0.0
Property, plant and equipment	0.2	0.3
Right-of-use assets	4.0	1.0
Deferred tax	0.1	0.0
Trade receivables	5.7	1.3
Other receivables	21.7	0.4
Cash and cash equivalents	3.3	3.0
Total Assets	31.4	4.9
Lease liabilities	4.0	1.0
Provisions	0.0	0.7
Long-term debt	1.5	0.0
Trade payables	0.8	0.6
Other payables	20.4	3.0
Total Liabilities	22.7	5.3
Non-controlling interest' share of acquired net assets	3.0	0.3
Acquired net assets	5.7	0.0
Cash payments	107.5	11.8
Share payments	0.0	1.2
Earn Out obligation	15.8	0.0
Goodwill and intangible assets arising from the acquisition	117.6	12.9

*) Only includes the majority share of goodwill and intangible assets.

Definition of Financial Highlights and Ratios

Selected financial ratios and key figures are provided by the management in the report to allow the reader to gain better understanding of the Group's underlying performance. The alternative performances measures provided may be defined or calculated differently than for other companies.

Key figures for financial performance

Net investments in subsidiaries = The comparative figures have been amended to reflect that acquisition and sale of subsidiaries must be reported based on net cash payment. Net cash payment corresponds to the cash payment for the shares, less cash holdings in the subsidiaries at the time of acquisition or sale. The effect of the new subsidiary's balance sheet is therefore eliminated.

Net working capital = Receivables and other current operating assets less trade payables and other current operating liabilities. Tax payable and earn out obligation are not included. Net working capital are not be compared to the change in net working capital in the cash flow statement since the entry values of acquired companies are eliminated in the cash flow statement.

Net-interest-bearing-debt = consist of interest bearing-bearing assets less interest-bearing debt. Interest bearing debt consist mainly of bank loan (credit facility) and

lease liabilities, whereas interest bearing assets mainly consist of cash and outstanding loans to minority shareholders.

Organic revenue growth = Growth in companies where ECIT Group legally had control in both the actual period and the comparison period. The organic growth is calculated on a monthly basis.

Acquisitions impact = The impact on the total growth which relies on new acquisitions during the period.

Currency translation = The impact on the total growth due to change in exchange rate changes.

Total revenue growth = Organic growth, acquisitions impact and currency translation in total.

Adjusted Free Cash Flow = Cash flow from operating activities less repayment of lease liabilities and before special items and net investments in tangible assets. Adjusted free cash flow as presented is a key performance measurement for the management of ECIT Group.

Proforma revenue = Proforma revenue equals revenue in the Group as all companies acquired within the year had been owned as of 1 January.

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
EBITDA margin	=	$\frac{\text{EBITDA, before special items} \times 100}{\text{Net revenue}}$
Solvency ratio	=	$\frac{\text{Equity end of reporting period} \times 100}{\text{Total assets end of reporting period}}$
Capital expenditure in % of revenue	=	$\frac{\text{Cash investment in tangible assets} \times 100}{\text{Net revenue}}$
Leverage ratio	=	$\frac{\text{Net interest-bearing debt}}{\text{Proforma EBITDA, before special items, last twelve months}}$

Recurring revenue = Recurring revenue is where the revenue is predictable, stable and likely to continue in the future. In general, it involves less risk but maximum revenue predictability.

Repeatable revenue = Repeated revenue is defined as revenue that is somewhat predictable (but can vary) and likely to continue due to the long customer relationships

Annualized recurring revenue (ARR) = Annual recurring revenue (ARR) refers to revenue, normalized on an annual basis, that is expected to be received from customers for providing them with products or services. Essentially, annual recurring revenue is a metric of predictable and recurring revenue generated by customers within the next twelve months.

EBITDA = Operating profit before amortizations, depreciations and financial items.

Special items = Exceptional items of income or expense which by nature are not related to the Group's ordinary operation or investments in future activities. See note 2.7 for additional details on items included

PAT = Profit after tax or net income.

Adjusted free cash flow = Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items.

DSO = Days sales outstanding (DSO) is a measure of the average number of days that it takes a company to collect payment for a sale. DSO is determined in number of

days. DSO is calculated based on proforma revenue last twelve months.

Number of customers = customers who have generated revenue for the group within the last twelve months.

FTE = Calculated full-time employees.

Leverage ratio = operating profit before amortizations and depreciations (EBITDA) are calculated on proforma figures in order to match the full impact from new acquisitions on net interest bearing debt.

Majority share of revenue and operating profit before amortizations and depreciations and special items (EBITDA) = Shareholders of ECIT AS' share of revenue and operating profit before amortizations and depreciations (EBITDA) and special items. The share is calculated on legal figures for the last twelve months (LTM) and with the ownership as of 31 December 2021.

Adjusted profit for the year = Adjusted profit for the year equals profit for the year before special items, IPO costs and gain on portfolio investments. Adjusted profit for the year is used by the management to measure the performance of the Group excluding one-off items.

Adjusted diluted earnings per share = Adjusted diluted earnings per share equals diluted earnings per share calculated at adjusted profit for the year. Adjusted diluted earnings per share is used by the management to measure the performance of the Group excluding one-off items.

Gender diversity = Gender diversity is measured between male, female and non-binary. Non-binary is not

showed in the overview since the share of non-binary people with the Group is less than 1%.

Gender diversity, managerial = Managerial level is defined by people within ECIT Group with responsible of employees or with tasks considered as management level.

Financial ratios and key figures provided are important for ECIT and to stakeholders as it illustrates the underlying performance of ECIT.