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Annual Report 2022

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Annual Report for the year ending 31 December 2022

Published 14 March 2023

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Letter to our stakeholders

2022 has been a reasonable good year in ECIT, although a year affected by macroeconomic and other challenges. ECIT has delivered revenue of NOK 2.8 billion, with 21.9% revenue growth, including 10.0% organic growth and a 2022 EBITDA of NOK 418 million with a 14.8% margin, slightly above last year's 14.6%.

In 2022 further steps have been taken to build ECIT.

***Integration & consolidation* –** "Building a group – not a group of companies" is an ECIT key priority. Four large units were formed through mergers (late 2021/early 2022), comprehending more than a third of the business. The integration process progressed in 2022 and although not completed, the affected parts of the organisation gradually absorb the effects to form stronger core ECIT units.

***Strengthening the organization* -** Investing in our employees, organisational structure, and management team is another key ECIT priority. 2022 focus areas have been: Group support functions (Group Services = GS). The internal education programme; ECIT Academy, ECIT Talent, and ECIT Associate. A new divisional management team has been appointed to strengthen the operational management of the three divisions (F&A, IT, and Tech) and supported by GS. All appointed in this team of managing directors come from and have a long history with the ECIT organisation.

***Tech development* –** The software division ('Tech') is aimed for ECIT to take part in the digital transformation within the Accounting- (IT-) industries. During 2022 we have acquired and built software products that enable ECIT to offer almost a complete suite of products to our customers within our three key product lines: Payroll, Accounting, and Office support. As well ECIT provides a few other support products. It is very positive that several of our products are gaining traction, providing revenue growth, and gradually building profitability as well. In the long term, the Tech division is to secure that ECIT is taking an active role in the digital development that is transforming the accounting industry these years.

Financial review

2022 full-year revenue at NOK 2,826 million (2021: 2,318), with revenue growth at 21.9% (2021: 30.1%), including 10.0% organic growth (2021: 5.5%). Currency affected growth by minus 1.1% (2021: minus 3.2%).

Based on a revised decision from the IFRS interpretations committee, ECIT has changed its IFRS accounting policy from 1 January 2022 to recognize revenue from software vendors with specific characteristics on a net income basis.

The 2022 revenue impact to the IT division was minus NOK 78 million (2021: -58), representing ~3% (2021: ~3%) of the total revenue. EBITDA, gross profit, profit after tax, balance sheet, and cash flow statement are unchanged.

Revenue recognition in a certain part of the tech division was also changed from gross to net with a 2022 revenue impact of minus NOK 25 million (NOK -7 million), representing ~1% (2021: ~0,3%) of the total revenue.

More information regarding the impact of the accounting policy change can be found in note 1.4.

2022 full-year EBITDA at NOK 418 million (2021: 339) with a margin of 14.8% (2021: 14.6%) and an EBIT of NOK 217 million (2021: 164), plus 32.2% compared to last year. Considering the investments in integration & consolidation, organisational development and other ECIT projects in 2022, management considers the EBITDA margin improvement reasonable.

Free cash flow was NOK 221 million compared to NOK 154 million. However, figures would have been NOK 222 million in 2022 and NOK 187 million last year if adjusted for Covid-19 prolonged payments.

F&A division: Full-year revenue was NOK 1.543 million (2021: 1.298) and an EBITDA of NOK 263 million (2021: 225). The F&A division had improved organic revenue growth compared to last year despite Q1 2022 Covid-19 effects.

IT division: Full-year revenue was NOK 1.260 million (2021: 1.047) and an EBITDA of NOK 164 million (2021: 140). The fourth quarter of 2022 was affected by the delivery of a significant part of the postponed IT equipment, enabling delayed customer projects to move on. As well this affected organic growth in the IT division as it affected Group figures. Across all IT segments, there has been a stable demand for services and solutions in 2022 from existing and new customers, which has supported good revenue growth in the IT division.

Tech division: Full-year revenue was NOK 143 million (2021: 97). The Tech division delivered revenue growth at 46.9%

(2021: 37.1%). Whereas ARR growth (core software revenue) was realised at 20.5%. Demand is coming from the F&A division and from external customers.

Profit for the year 2022 ended at NOK 177 million (2021: 115).

EPS for 2022 ended at NOK 0.23 (2021: 0.12) – a combination of improved profit and a higher share of ownership in our subsidiaries explains the development.

Our net interest-bearing debt ('NIBD'), excluding IFRS16 lease accounting, ended the year at NOK 124 million (2021: net cash of 99), and the financial leverage ratio (NIBD/EBITDA) was at 0.8x (2021: 0.4x) – below the ratio limit at 2.5x NIBD/EBITDA.

Low net interest-bearing debt position in combination with good cash flow, gives ECIT a strong financial position and the ability to invest in business development, organic growth, margin improvement and continued M&A activity.

Acquisitions

ECIT has a record of acquiring and integrating companies, with more than +130 completed transactions. Acquisitions are an integrated part of the business model, adding volume, capacity, competence, products & services, technology and geography to ECIT.

Ten acquisitions were completed in 2022, representing NOK +300 million in annualized revenue. Across the three divisions, the new companies have strengthened our position and added new software systems. The addition of CataCloud AS (ERP) and Verismo AB (HR) has enabled ECIT to offer our customers a full range of software products.

F&A and IT markets remain fragmented, with many potential acquisition targets. The acquisition pipeline for 2023 is as good as ever and we expect to continue the acquisition pace.

We will continue to focus on delivering high-quality services to support our customer's business development enabling ECIT to grow with our customers.

Sustainability in ECIT

In 2022 important steps have been made to gain data and knowledge to be able to track our own environmental impact. Tracking and reporting on electricity and power usage in general and energy effectiveness in our datacentres (own and colocations) has started and will continue in 2023.

The work to improve our social and governance areas has continued. In 2022 a Code of Conduct was established. ECIT has become a member of the United Nations Global Compact and we have continued our emphasis on people development and learning through our internal education programme ECIT Academy, ECIT Talent and ECIT associate.

Although we have work to improve, including setting targets for the environmental impact, we have started to measure in certain areas, as mentioned, to benchmark our development year over year – to gradually reduce our environmental impact.

2023

Inflation did not have a material impact on ECIT figures in 2022. However, inflation will affect our cost-base in 2023, hence prices have been adjusted as of 1st January 2023 in order to mitigate inflation effects. We expect to closely monitor cost inflation and adjust our prices accordingly throughout 2023.

As 2022 has been challenging to navigate, 2023 as well could be a year with effects coming from the geopolitical situation in Eastern Europe, inflation, volatile energy prices and perhaps starting signs of a recession.

However, as the fundament of ECIT is to support the two most important administrative areas for most companies, Accounting and IT, we expect our business to be less exposed to effects coming from macroeconomic changes including inflation.

Based on that and based on the investments in business development we continuously do, in order to mitigate the challenge from the on-going digital transformation and other changes, we are optimistic about the future for ECIT also for 2023.

ECIT will continue to deliver high-quality services, solutions and systems in order to support the business of our customers.

Peter Lauring, CEO

Financial Highlights 2022

(NOKm)	2022	2021	2020
Condensed Income Statement			
Revenue	2,826	2,318	1,782
EBITDA	418	339	256
EBIT	217	164	121
Transaction and restructuring costs	-13	-9	-1
Financial items, net	11	-14	44
Profit for the year	177	115	121
Adjusted profit for the year	159	118	80
Profit for the year attributable to			
ECIT AS' shareholders, NOKm	105	49	67
Non-controlling interests, NOKm	72	66	54
ECIT AS' shareholders, %	59.2%	42.6%	55.3%
Non-controlling interests, %	40.8%	57.4%	44.7%
Financial position			
Total assets	3,045	2,576	2,108
ECIT shareholdes' share of equity	1,288	1,217	876
Non-controlling interest	364	223	230
Net working capital	-23	-53	-85
Net Interest-bearing debt ex. IFRS 16	124	-99	-156
Net interest-bearing debt (NIBD)	350	137	45
Net debt to EBITDA (Leverage ratio)	0.8x	0.4x	0.2x
Solvency ratio, %	39.7%	46.9%	46.1%

(NOKm)	2022	2021	2020
Cash Flow			
Operating activities	327	249	259
Free cash flow	221	154	173
Investing activities	-315	-319	-109
Financing activities	-94	95	-64
Cash flow for the period	-83	25	86
CAPEX in % of revenue	0.7%	0.8%	1.1%
Software development in % of revenue	2.0%	1.1%	1.5%
Key figures			
Total revenue growth, %	21.9%	30.1%	32.3%
Total organic revenue growth, %	10.0%	5.5%	4.6%
Total M&A revenue growth, %	13.0%	27.8%	25.7%
EBITDA margin, %	14.8%	14.6%	14.4%
EBIT margin, %	7.7%	7.1%	6.8%
Effective tax rate, %	23.0%	23.6%	26.1%
Avg. majority share, %	68.2%	68.2%	55.3%
Other financial ratios			
Recurring & repeat revenue share	77.0%	71.0%	n/a
Proforma revenue	3,026	2,493	2,009
Proforma EBITDA, last 12 months	467	359	290
Proforma EBITDA-%	15.4%	14.4%	14.4%
Full-time workforce (FTEs)	2,371	2,221	1,515
Stock-related key figures			
Diluted EPS, NOK	0.23	0.12	0.18
Adjusted diluted EPS, NOK	0.21	0.13	0.07
Total number of shares issued ('000)	452,050	445,455	388,224
Total number of treasury shares ('000)	2,737	1,179	7,971

Notes:
EBITDA is shown before transaction and restructuring costs
Recognized income/expenses related to earn-out assessment is excluded in the adjusted profit for the year, see the definition segment for further details.
For definitions of APM's and other ratios, please refer to the section "Definition of Financial Highlights and Ratios"

ECIT in short

Services
ECIT provides services within key business areas of IT, Finance & Accounting and Tech across sectors and industries.

Knowledge-based services
Our knowledge-based services assist our customers in realizing their business potential.

Market position
We improve our market position through organic growth, selected acquisitions and partnerships.

Efficiency unlocked
Efficiency is unlocked by integrating acquisitions in multi-competence centers to leverage scale and synergies.

Leading provider
of business process outsourcing in the Nordics within IT, Finance & Accounting and Tech across sectors and industries.

Our values
describe what drives us as an organization. Integrity, courage, entrepreneurship and open communication.

+130 acquisitions
and +50 mergers of subsidiaries have been completed since the establishment of ECIT in 2013, making ECIT a M&A compounder.

~ 250 partners
with minority ownership of local subsidiary. The ownership is reflected in the consideration, care and pride attached to everything we do.

+100 locations
across 9 countries give ECIT the benefit of being a local partner to customers while developing as an international group.

+2,300 employees
who contribute with knowledge and important insights from a variety of sectors and industries to our customers' service.

Geographical footprint

Since the beginning in 2013, ECIT has grown in numbers and in size, now being present in:

9 countries*
+100 locations

The focus in 2022 has been on consolidating the business and acquiring new companies to strengthen our position within the countries where we are present.

In 2021 we expanded the business to several new countries with the Norian acquisitions. Norian has nearshoring centers in Poland and Lithuania.

Norway
58 locations
1,188 FTEs

Sweden
26 locations
357 FTEs

Denmark
15 locations
295 FTEs

Finland
2 locations
23 FTEs

Poland
1 locations
168 FTEs

United Kingdom
1 location
23 FTEs

Germany
1 location
13 FTEs

Lithuania
1 location
301 FTEs

Romania
1 location
3 FTEs

F&A division
76 local offices · 1,700 FTEs

Revenue of NOK
2022: 1,543m (2021: 1,298m)

IT division
23 local offices · 527 FTEs

Revenue of NOK
2022: 1,269m (2021: 1,055m)

Tech division
6 local offices · 102 FTEs

Revenue of NOK
2022: 134m (2021: 89m)

* The nearshoring center in Serbia has been closed down in late 2022.

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Unique One-stop-shop concept

ECIT offers a wide range of services within key business areas of:

Finance & Accounting (F&A)

IT-services

Software solutions (Tech)

As most companies need these key business functions, these divisions complement each other and ECIT serves as a strategic partner for the customer.

Through knowledge-based services we assist our customers to adapt to change and to grow stronger, and to realize their business potential.

Finance & Accounting offerings.

Accounting

Outsourcing of accounting processes

- Accounting
- AR&AP
- Reporting/BI
- Budgeting
- Annual reporting/Tax

F&A mgmt. support

Decision support and competence-based services

- Advisory Services
- VAT/Tax
- Compliance
- Company establishment
- Interim Services
- International Subsidiary support

Payroll and HR

Support for payroll and HR functions

- Regulation and compliance
- HR templates and framework
- Payroll
- Support
- Incentive schemes
- Recruiting
- Interim Services

Debt Collection

Debt collection

- Debt collection systems
- General advisory
- Payment follow-up

- **Full Service for small to large organisations**
- **Hybrid Nearshore / Onshore delivery models**
- **Multi country Service model**
- **Robot and AI supported automation**
- **Cross delivery with ECIT IT-Consulting and Managed Services**

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Case study F&A: Jagger

Jagger about ECIT:" ECIT is a champion within administration and bookkeeping"

The modern and quality-conscious fast-food chain in Denmark, Jagger, has been collaborating with ECIT since its foundation back in 2015. The partnership is based on an outsourcing solution, where ECIT is responsible for handling Jagger's finance function. Read this article where CEO at Jagger, Christian Brandt, elaborates on the choice of ECIT as their outsourcing partner, and explains the importance of the partnership.

Facts about Jagger

- Establishment: 2015
- Employees: +350
- Location: Area of Copenhagen
- Industry: Hospitality

Full story at www.ecit.com

This is an extract from a case story made in collaboration with Jagger. You can read the full story on our website www.ecit.com!

A partnership based on acquaintance and knowledge

"ECIT has been our partner right from the beginning. I knew ECIT and their services from former employment and I had no doubt that I wanted them to be part of this project as well. So, from the very first day we opened our doors in April 2016, ECIT has been part of the team." – Christian Brandt, CEO at Jagger.

"ECIT is a champion within administration and bookkeeping, which I am not." - Christian Brandt, Jagger

The foundation of a good partnership often relies on open dialogue between the respective parties and, most important, mutual business understanding. Two factors that definitely apply to the partnership between Jagger and ECIT.

"I would like to emphasize the daily collaboration-routine we have with ECIT. The consultants who are connected with Jagger are really skilled people, who I can always call and ask questions, and they are proactive when they encounter something that stands out. It is great to be backed by such helpful and competent consultants, who are ready to respond to whatever need we have." – Christian Brandt, CEO at Jagger.

Christian Brandt, CEO at Jagger

IT service offerings.

End-to-end coverage, simplifying IT operations and outsourcing for customers

Hybrid Multi Cloud.

- Combining Cloud Services and Datacentre back office operations to Customer tailored Solution.

Digitalization.

- Helping customers transforming workloads into Digital Era using technologies such as ERP, CRM, Robotics, AI/ML/BI.

Network Services.

- All types of Network Connectivity as a Managed Service.

Endpoint Device Management.

- Procurement, Service and Operation of Customer Endpoints as well as Output devices as a Managed Service.

One phone number for all IT needs

One point for procurement

One provider, no integration

Pick and choose from a broad range of services

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Case study IT: Active Brands

Active Brands about ECIT: "It has been a great success outsourcing both IT operations and IT security to ECIT"

The partnership between ECIT and Active Brands started in 2020, when Active Brands was looking for a partner that could deliver and operate their network. Since then, they have deepened their relationship and increased IT outsourcing in several years. The two parties have established a solid foundation in their partnership, based on good communication and understanding.

Facts about Active Brands

- Establishment: 2009 in Norway
- Employees: 300
- Location: Norway, Sweden, Finland, Denmark, USA, and China
- Industry: Retail of clothing and equipment

Full story at www.ecit.com

This is an extract from a case story made in collaboration with Active Brands. You can read the full story on our website www.ecit.com!

From capital expenditure to a flexible IT solution
"At Active Brands, we quickly became aware that we had challenges with our IT operations. It was an old setup that was built for operation based on on-premise servers, where the interaction between the systems were not efficient enough. This meant that IT operations became more and more unstabile and costly to maintain. We had already moved some of our data to cloud services, but we needed an IT partner that could help us to quickly move and integrate the rest of our platforms."

Active Brands was looking for a partner that could manage their IT-setup with a SDWAN-solution, and they decided to put their trust in ECIT.

Throughout the years the partnership has changed its foundation and it is now to a greater extent focused on IT and Cloud operations in a broader context.

"It has been a great success outsourcing both IT operations and IT security to ECIT" - Gøran Langgård, Active Brands

"As we have developed our business and faced new challenges, we have expanded our collaboration with ECIT. They delivered a good and secure network solution, and therefore it was a natural choice for us to hand over the responsibility of our IT-security to them as well. Today, ECIT are responsible for our network operation and security, in addition to assisting us with patch management, server monitoring and backup"

Gøran Langgård, IT Infrastructure and Operations Manager at Active Brands

Tech offerings_

The ECIT portfolio offers product portfolios for customers needs

Payroll line_

- Travel & expense
- Time & project
- Payroll & HR
- Mileage

Office Support line_

- Sign
- KYC
- Documents
- Board management
- Communication portal

Accounting line_

- Invoice
- Approval
- Payments
- Reporting
- ML - AI - Robotics

One provider, no third-party integration

One point for procurement

Implementation, Development and Support

Cross delivery with F&A Services

Case study Tech: Mercell

Mercell about ECIT: "It is a pleasure cooperating with ECIT Digital to retrieve structured data from invoices, as well as simplifying the support and integration of our work"

ECIT Digital provides solutions that use artificial intelligence to automate incoming invoices. ECIT Digital is built on a scalable cloud-platform where machine learning contributes to handle and automate processes. Through utilizing innovative and modern technology, customers can extract the essential parts of an invoice to be entered directly into the accounting system.

Facts about Mercell

- Establishment: 1999
- Employees: 600
- Location: Denmark, Eesti, Latvia, Lithuania, Netherlands, Norway, Finland, Sweden, UK & Ireland
- Industry: Source to Pay (S2P)

Full story at www.ecit.com

This is an extract from a case story made in collaboration with Mercell. You can read the full story on our website www.ecit.com!

A competent and experienced service

For more than 20 years quality and reliability have been key factors to the delivery of Mercell services. Mecell have decided to continue with the excelling experience embodied in the ECIT delivery of invoice and document interpretation and data capture services.

"Mercell receives close to one million invoices a year that flows through ECIT Digital. Mercell has first line support, so that basically every error is a burden on our support team and increases our cost base. Therefore, it is essential that the data quality of the delivery lives up to the agreed level of 99,8 %, and that the cooperation including corrections work smoothly. Apart from reasonable pricing, those two factors have been essential for us choosing ECIT as a supplier of these services"

“With Mercell as a customer, we are constantly challenged to be innovative and develop our services even further” - Rune Skåren, ECIT Digital

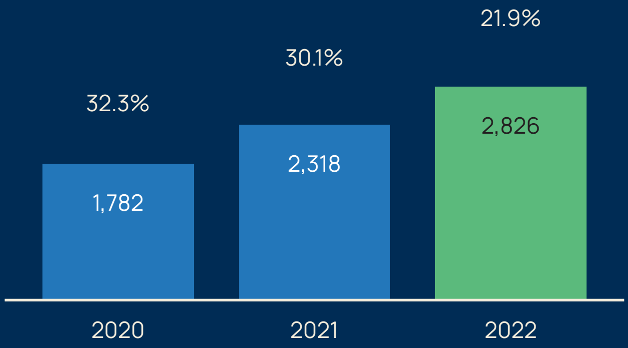
ECIT Digitals technology largely includes machine learning. We have a dedicated team in Romania that continuously are developing and training the technology to improve the reading of documents. This contributes to improve automation in the workflow for customers. When invoices are received in paper or PDF-format, the service automatically captures the structured information together with the PDF-presentation of the invoices. This is a solution that Mercell supplies for its customers in collaboration with ECIT.

Oddvar Lone, Customer Success Manager at Mercell

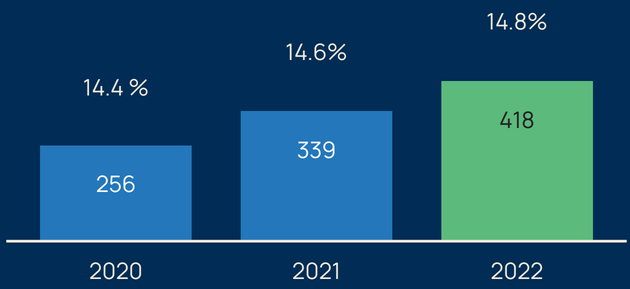
Performance, Financial Targets and Growth strategy

Performance Highlights 2022

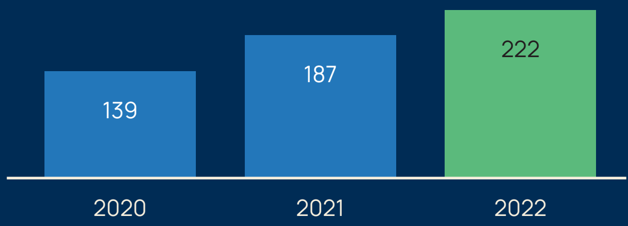
Net revenue (NOKm)



EBITDA (NOKm)



Free cash flow (NOKm)



2,826 NOK million
Net revenue

21.9%
Total revenue growth

418 NOK million
EBITDA

14.8%
EBITDA-margin

222 NOK million
Free cash flow incl. Covid-19

124 NOK million
Net interest bearing debt ex. leases

- ECIT continues with high revenue growth exceeding our financial target of 15%.
- High organic growth of 10% came from strong demand from existing as well as new customers.

- Margin development is in line with expectations since a large part of the business has been through a merger process during 2022.
- 2022 was also a year where important investments were made to strengthen ECIT's organisation further.

- Low net-interest-bearing debt, in combination with a solid cash flow, gives ECIT an good financial position to continue the M&A activity in the future.
- Cash flow in 2022 was positively affected by higher EBITDA and offset by an increase in net working capital, explained by high revenue growth in the fourth quarter of 2022.

M&A – Acquisitions in 2022

Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenue: NOK 50m	**Revenue:** NOK 12m	**Revenue:** NOK 69m	**Revenue:** NOK 171m
EBITDA: NOK 9m	**EBITDA:** NOK 2m	**EBITDA:** NOK 10m	**EBITDA:** NOK 25m
Employees: ~39	**Employees:** ~6	**Employees:** ~54	**Employees:** ~136
XACCT	Isonor IT	Tandem	Argus Kreditt
Catacloud		Prosys	Intunor
		AutoFlow	Agidon
		Verismo	

Note: Verismo Systems AB is an associated company and is not consolidated in the group annual accounts.

Key financial targets

Mid-to-long-term targets were introduced in connection with the listing of ECIT on Euronext Growth. In 2022, we took significant steps to strengthen the business of ECIT through consolidation and investments. Such steps are essential for the continuing development of ECIT and key prerequisites for our ability to meet the mid-to-long-term targets.

Our financial targets in connection to the mid-to-long-term ambitions remain unchanged in 2022.

To illustrate the impact of changed accounting principles reducing the revenue of NOK 103 million (2021: 65), an overview has been made showing the impact of the adjustments to the reported financials for 2022.

Since software license resale only represents a small part of our Group revenue and neither is expected going forward, we have decided not to change our mid-to-long-term targets for revenue growth and EBITDA margin.

The strategic objectives of ECIT are translated into the following targets and are based on the assumption of stable global economic development during the period.

Revenue growth

The mid-to-long-term revenue growth targets include organic growth of a minimum of 5.5% and total growth of minimum 15.0%. Total growth comprises organic growth and growth from acquisitions.

Price increases will impact organic revenue growth in 2023 to offset the effect of cost inflation. Thus, since financial targets cover mid-to-long-term periods, we have not changed organic revenue growth targets.

Although we did not meet the M&A target of NOK 350 million in 2022 in annualised acquired revenue, the revenue growth targets are based on the principal assumption that we will execute the M&A target of NOK 350 million in annualised revenue.

Combined recurring/repeatable revenue

A large part of ECIT's total revenue comes from recurring or repeatable revenue. Our IT and Tech division has a high share of recurring revenue, whereas the F&A division, to a great extent, has repeatable revenue due to the nature of its business (long and stable customer relationship).

In 2022 we increased the share of combined recurring and repeatable revenue to 77% (2021: 71%) due to changed price models and acquisitions.

EBITDA margin

We target 17.0% margin on adjusted EBITDA (excluding the impact of large acquisitions). As we further develop the business through consolidation, cost efficiency initiatives, and operating leverage from higher revenue, we expect that margins will improve over time, meeting the financial target.

Leverage ratio (NIBD / EBITDA)

As of December 2022, the gearing rate was 0.8x NIBD/EBITDA, well below the ratio limit at 2.5x NIBD/EBITDA.

ECIT has a revolving credit facility with its primary bank of NOK 800 million. On 31 December 2022, the undrawn amount totalled NOK 423 million.

Key Financial targets	FY 2022 ex. Adj.	FY 2022 incl. Adj.	Mid-to-long term targets
Growth			
Total revenue growth	22,9%	21,9%	> 15.0%
Organic revenue growth	11,2%	10,0%	> 5.5%
Recurring & repeatable revenue	77,0%	77,0%	> 75.0%
Earnings			
EBITDA-margin	14,3%	14,8%	> 17.0%
Leverage			
Leverage ratio (NIBD / EBITDA)	0.8x	0.8x	< 2.5x
Mergers & acquisitions			
M&A acq. revenue, NOKm	302	302	350

Growth strategy

Growth strategy

ECIT has a growth strategy where the combination of acquisitions and organic growth will secure our future progress.

This is a well-known territory to ECIT and has been the strategy since our inception in 2013.

Organic and acquisition growth supports the ambition of achieving a minimum of 15.0% revenue growth every year.

Organic growth

Core of the ECIT growth strategy is growth in the existing business.

What makes ECIT unique is the de-centralized business model, where the day-to-day decision-making and commercial agenda are anchored locally within each subsidiary, whereas the strategic direction and cooperation across subsidiaries are supported centrally.

ECIT has several organic growth opportunities, including

- Cross-sell / upsell
- Attract new customers
- Medium to larger customer segments

Acquisition growth

Acquisitions are a key part of ECIT's growth strategy as they add volume, competence, capacity, products & services, technology and geographical presence – and accelerate growth.

ECIT benefits from a fragmented market with many potential acquisition candidates covering the F&A and IT business segments.

ECIT applies a dual ownership model where it acquires companies and has a call option to acquire the remaining non-controlling stake.

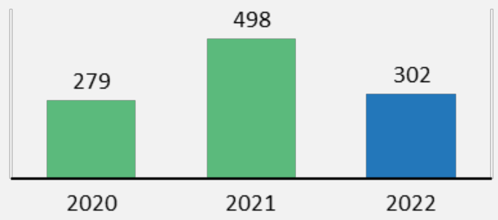
Therefore, ECIT is an attractive platform for entrepreneurs that want to grow and develop their businesses.

Through the dual ownership model, founders can leverage their business on the benefits of being part of the platform. Being acquired by ECIT entails many attractive opportunities.

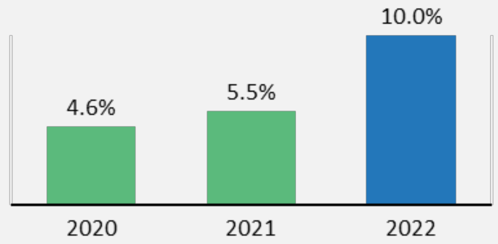
Subject to a range of criteria being fulfilled, we may consider low-performing candidates that can be merged with existing subsidiaries in geographies with sizeable and well-performing operations.

Acquisitions remain high on the strategic agenda in 2023.

Acquired annualised revenue (NOKm)



Organic revenue growth



Buy & Build

ECIT has a buy & build strategy referred to as the 'ECIT way'.

Integration of companies and later merging these into larger units to enable and strengthen profitable growth is a key part of the ECIT way.

The acquisition targets are typically low-complexity deals following a dual ownership model where ECIT acquires the majority part of the company with an option on the remaining share.

This tailored acquisition structure (dual ownership) reduces M&A risk since it incentivises entrepreneurs to stay with ECIT and make a strong commitment to continue to run the business and realise synergies within ECIT.

Common synergies include cross-sale opportunities and scale benefits enabling cost reductions and efficiency improvements and building organisational strength.

Phased-in synergies are handled through a clear plan that includes the pooling of targets to form multicompetence centres.

The ambition is to build a group, not a group of companies.

Straight forward process to create multicompetence centers

1 Acquisition
Partnership between ECIT and owner(s) through dual ownership.

2 Relocation
Co-location (if located in same area) to realize revenue and cost synergies.

3 Integration (mergers)
As the acquired entity pulls on more ECIT group resources, it becomes natural to merge with other entities.

4 Multicompetence center
Accounting + Payroll + Consulting + Development + Solutions

- Operational scale
- Pooling competencies
- Organizational strength

Board of Directors Report

Board of Directors Report

Results for the year

2022 was an eventful year with unforeseen external changes and challenging market conditions.

Despite the challenges, ECIT delivered revenue growth at 21.9% (2021: 30.1%) with a group revenue of NOK 2,826 million (2021: 2,318). Organic growth at 10.0% (2021: 5.5%) and acquired growth at 13.0% (2021: 27.8%). Currency effects affected revenue growth by minus 1.1% (2021: minus 3.2%).

Most of the 10.0% organic growth came from the IT and Tech divisions. Both divisions had a high demand for services and solutions from existing and new customers in 2022.

Despite being negatively impacted by Covid-19 during the first quarter of the year, the business climate within the F&A division normalised, and 2022 ended with improved organic revenue growth compared to last year.

Acquired growth of 13.0% comes partly from last year's acquisitions (full-year impact in 2022) and partly from the ten acquisitions completed during 2022, adding NOK 302 million in annualised revenue.

The largest division in ECIT, the F&A division, delivered revenue of NOK 1,543 million (2021: 1,298), corresponding to a revenue growth of 19.3%. Four acquisitions were completed in the F&A division, adding skilled professionals and delivery capabilities to the F&A organization.

Revenue in the IT division came out at NOK 1,260 million (2021: 1,047), representing revenue growth of 20.4%. Despite supply-chain challenges in the first half year of 2022, the IT division delivered solid organic growth.

The Tech division continues the high revenue growth in 2022, delivering 46.9% and revenue of NOK 143 million (2021: 97). In 2022, the focus in the Tech division has been two-fold. Focus has been on the development of current and new products as well as investments in the organisation.

ECIT operates in 9 countries, whereas Norway was the most significant contributor to revenue representing approx. 67% (2021: 65%). The second largest country was Sweden representing approx. 15% (2021: 17%).

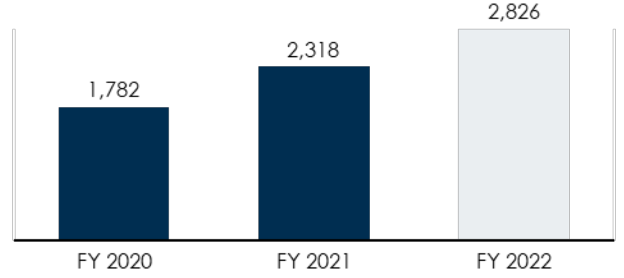
EBITDA before transaction and restructuring costs came out at NOK 418 million in 2022 compared to NOK 339 million last year, representing an increase of 23.1%.

Approximately a third of the total business measured in revenue was through mergers in 2022. Substantial consolidation processes affect the profitable growth as large mergers require time and cost before integration is completed.

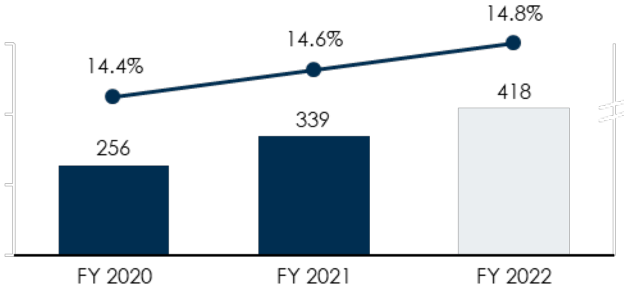
EBIT came out at NOK 217 million in 2022 compared to NOK 164 million last year, representing an increase of 32.2%.

The financial items totaled a net income of NOK 11 million for 2022 compared to a net financial expense of NOK 14 million last year. Net income comprises mainly a gain of NOK 24 million related to the divestment of the associated company, 'Cloud Connection AS', and the F&A subsidiary, 'ECIT Invent AS'.

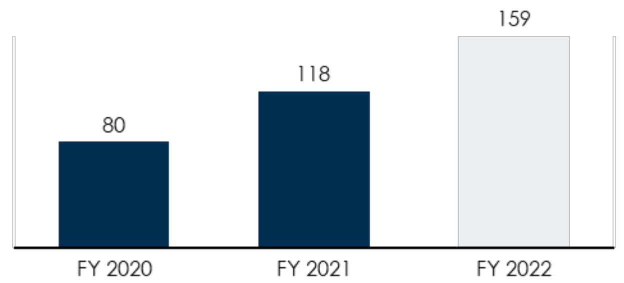
Revenue



EBITDA & Margin



Adjusted profit for the period



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Profit for the year is NOK 177 million compared to NOK 115 million last year.

Excluded the one-off items specified in the table, profit for the year amounts to NOK 159 million compared to NOK 118 million last year, corresponding to an increase of 35.1%.

(NOKm)	2022	2021
Profit for the year	**177**	**115**
Transaction & restructuring costs	13	9
IPO costs	0	6
Earn out adjustment	-7	-12
Divestment profit	-24	0
One-off items, total	**-18**	**3**
Adjusted profit for the year	**159**	**118**
Attributeable to:		
Shareholders in ECIT AS, NOKm	94	52
Non-controlling interests, NOKm	66	66
Shareholders in ECIT AS, %	58.8%	43.7%
Non-controlling interests, %	41.2%	56.3%
Diluted EPS, NOK 1	0.23	0.12
Adj. diluted EPS, NOK 1	**0.21**	**0.13**

The shareholders of ECIT's adjusted profit share have increased to 58.8% (2021: 43.7%) due to the increase in the average ownership in the subsidiaries.

The improved profit and increased subsidiary ownership positively impact adjusted diluted earnings per share. The adjusted diluted earnings per share, where one-off items have been excluded, represent NOK 0.21 compared to NOK 0.13 last year, corresponding to an increase of 66.3%.

Cash flow statement

Cash flow from operating activities in 2022 came out at NOK 327 million compared to NOK 249 million in 2021 representing an increase of 31.3%.

Cash flow was positively affected by higher EBITDA before transaction & restructuring costs but offset by an increase in net working capital.

The increase in net working capital can mainly be explained by high revenue growth in Q4 2022 (particularly in December) compared to last year, explaining the increase in trade receivables as of December 2022.

The amount of overdue trade receivables has not changed compared to last year.

Cash flow from investing activities was negative by NOK 315 million compared to negative NOK 319 million in 2021.

Acquired subsidiaries are the most significant components of cash flow from investing activities, amounting to negative NOK 251 million in 2022 (2021: negative 279). The acquisition of Norian in 2021 impacted the cash flow investing activities of the previous year.

Free cash flow (adjusted for transaction & restructuring costs, net investments, tangible assets, and IFRS16) represents NOK 221 million compared to NOK 154 million last year. Thus, last year's figures would have been at NOK 187 million if adjusted for prolonged COVID-19 payments, which were paid in 2021.

Cash from financing activities was negative by NOK 94 million compared to positive 95 million last year. Cash flow from financing activities in 2022 consists mainly of debt financing (acquisitions) and repayment of lease liabilities.

The capital increase explains last year's positive cash flow as part of the listing of ECIT on Euronext Growth.

(NOKm)	2022	2021
Cash flow from operations	327	249
Cash flow from investing	-315	-319
Cash flow from financing	-94	95
Cash flow for the year	**-83**	**25**
Cash flow from operations	**327**	**249**
Transaction & restructuring costs	13	9
Net investments, tangible assets	-20	-20
Repayment of lease liabilities	-98	-84
Free cash flow	**221**	**154**
Covid-19 impact on NWC	1	33
Free cash flow incl. Covid-19	**222**	**187**

Capital structure and allocation

As of 31 December 2022, ECIT AS shareholders' equity share was NOK 1,288 million (2021: 1,217).

ECIT's portfolio of treasury shares was 2,737,168 shares on 31 December 2022 (1,178,842 shares as of 31 December 2021).

The net interest-bearing debt amounts to NOK 350 million in 2022 compared to NOK 137 million last year.

The financial gearing ratio (NIBD/EBITDA) was 0.8x as of 31 December 2022, compared to 0.4x last year.

Leasing liabilities (IFRS16 lease accounting) have a material impact on the interest-bearing debt of ECIT, which consists mainly of office rentals. Excluding IFRS16 lease accounting, net interest-bearing debt will represent NOK 124 million compared to net cash of NOK 99 million last year.

ECIT has the option to acquire the minority shares in the partly owned subsidiaries within an agreed period. Most options can be utilised at a price based on last year's EBITDA multiplied by a fixed factor. The minority option obligation (i.e., the price to exercise all options to 100%) as of 31st December 2022 is estimated to be NOK ~463 million compared to NOK ~458 million as of 31st December 2021. The option obligation is not part of the NIBD statement.

Share buy-back

In 2022 ECIT initiated two share buy-back programs. The share buy-backs were made in accordance with the authorization granted to the Board of Directors by the Company's annual general meeting held on 8th April 2022. Under the programs, 1,748,352 shares were acquired at an average price of NOK 6.86.

The share buy-back program's purpose was to acquire shares that can be used as a settlement in the ECIT's incentive plan for employees, management, and board members. Furthermore, shares acquired under the program may be applied as part of settlement measures in ECITs acquisitions of companies and to other general corporate purposes.

Incentive plan

In August 2022, ECIT decided to implement an incentive plan for employees, management, and board members of ECIT and its subsidiaries. The overall purpose of the incentive plan is to ensure an aligned interest with shareholders and to reward long-term and dedicated work deemed valuable to ECIT and its shareholders.

The incentive plan comprises a maximum of 5,500,000 incentive units and consists of a warrants plan and a share purchase plan. The incentive plan is expected to be covered partly by using the Board's authorization to increase the share capital and partly by treasury shares.

The value of the incentive plan to be recognized based on International Financial Reporting Standards (IFRS) accounting principles is approximately NOK 3 million per full vesting year.

The 2022 financials have not been impacted since the incentive units were granted in 2023.

Disposition of the profit for the year

In 2022, ECIT AS posted a comprehensive income of NOK 121 million. The Board of Directors proposes the following allocation:

- Proposed dividend NOK 18 million
- Transferred from equity NOK 103 million

As of 31 December 2022, ECIT AS had total equity of NOK 1,480 million (2021: 1,341). The Board of Directors has determined that ECIT AS had adequate equity and liquidity at the end of 2022. The Board of Directors proposes to pay an ordinary dividend of NOK 0.04 per share for the 2022 financial year.

Capital allocation policy

Executive Management and the Board of Directors monitor the capital structure to ensure that ECIT's capital resources support the strategic goals and maximize shareholder returns.

The capital allocation policy below outlines the priority for the allocation of free cash flow:

1. Repayment of NIBD in periods when the financial gearing is above the limit range,
2. Value-adding investments, acquisitions, or development of existing business,
3. Distribution to shareholders, including dividends and share buy-backs.

Risk factors

ECIT is exposed to risks and uncertainty factors that may affect some or all group activities. The company is exposed to financial, market & operational risks, as well as liquidity & credit risks.

The Board of Directors is careful to secure systematic and concerted management risk in all parts of the business and regards this as critical for long-term value creation.

Financial risks

ECIT is exposed to financial risk in different areas, especially interest and exchange rate risk.

Although ECIT has limited interest-bearing debt as of December 2022, ECIT is exposed to interest risks mainly from a long-term floating-rate loan (credit facility). To hedge against interest rate risks, ECIT has an interest rate swap contract representing NOK 100 million, corresponding to ~30% of its interest exposure, excluding IFRS16 lease accounting. ECIT continuously evaluates the interest risk and its hedging.

ECIT has subsidiaries in Norway, Denmark, Sweden, the UK, Poland, Finland, Germany, Lithuania and Romania and is exposed to currency fluctuations against DKK, SEK, EUR, PLN, and GBP. Approximately 33% of the ECIT's revenue in 2022 came from countries outside Norway. ECIT does not hedge net currency positions but conducts ongoing assessments of currency risk.

Market & operational risk

ECIT operates in a competitive market subject to changing technologies and shifting customer needs and expectations. Like all companies, ECIT is exposed to the general economic climate in the countries where the company operates.

ECIT's exposure to market & operational risks is limited by the following:

Resilient business model - since accounting and IT capabilities are vital parts of ECIT's customers' underlying operations, ECIT is less exposed to economic downturns.

The number of customers – ECIT has more than 50,000 customers across different countries and business segments, lowering the exposure to events affecting individual countries or segments.

Large product suite – across the three divisions, ECIT offers customers a wide range of products, providing up-selling and cross-selling opportunities that lower the risk of churn.

Investment in technology – significant investments are made in the Tech division to develop further the solutions offered to external and internal customers within the F&A business segment.

'Net promoter Score' – customer satisfaction through "Net Promoter Score" research is an integrated part of customer follow-up procedures in ECIT.

Liquidity & credit risk

ECIT is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which mainly include trade payables, other payables, and the credit facility.

ECIT ensures adequate liquidity by managing cash flow forecasts and close monitoring of cash inflows and outflows. In addition to cash flow from operations, the ECIT's liquidity position is secured through committed credit facilities with ECITs primary bank. On 31st December 2022, the undrawn amount of committed credit facilities totalled NOK 423 million.

ECIT's credit risk mainly relates to trade receivables and is not dependent on customer segments or specific customers. The Board of Directors deems credit risk to be at an acceptable level.

Insurance for the Executive Board and Board of Directors

ECIT AS has liability insurance for the Board and executive management covering any indemnity for financial loss arising from personal managerial liability, including personal liability for the company's debts arising from any claim first made against the company.

Going concern

Following the Accounting Act § 3-3a, the Board of Directors confirms that the annual financial statements for 2022 are presented according to the going concern principle. As a result, the conditions for operation as a going concern exist.

Investment activities

Acquisitions

In 2022 ECIT completed ten acquisitions of new subsidiaries, representing annualised revenue of NOK 302 million.

Of the ten acquisitions completed, four were F&A companies, four were IT companies, and two were in the Tech division.

The acquisitions completed across the three divisions have strengthened ECIT's competence base, industry position, and geographical presence.

ECIT will continue to look for suitable M&A candidates subsequent to ensure a focus on delivering high-quality services to customers.

Mergers

Mergers are an important element of ECIT's strategy of forming a Group – as opposed to a group of companies – since the consolidation of the Group will provide synergies and enable ECIT to attract skilled employees as well as a larger customer segment.

In late 2021 and the beginning of 2022, four large mergers within the IT and F&A division was completed. Altogether, 20 companies have been merged into four, representing approximately NOK 1 billion in revenue combined and 422 FTEs.

Other investments

Other investment comprises companies acquired with ownership of less than 50%.

In 2022 ECIT acquired a minor part of the shares in Verismo Systems AB, which is a Swedish HR-software specialist with an own developed HR system supporting and automating processes within recruitment, onboarding, employee development, pay roll and employee benefits.

A well, minor part of the shares in ZTL Payment Systems AS was acquired in 2022. ZTL provides an API payments platform to build better customer payment products.

ZTL can support several platforms within the Tech division with an effective payment platform for existing customers.

Investments in software development

ECIT has software development activities primarily in the Tech division, which covers software solutions within Payroll, Accounting, and Office Support.

ECIT will continue to improve and invest in software to ensure all solutions are aligned with the current market trends to provide the best customer experience.

A total of NOK 147 million (2021: NOK 113 million) has been capitalized as software in the balance sheet on 31st December 2022. There have not been any research and development costs charged through the income statement.

Sustainability / Corporate governance

Our approach to sustainability is first and foremost social (S) oriented, considering our business's nature. However, Environmental (E) and Governance (G) aspects are becoming increasingly important, and ECIT is committed to support the development– together with customers and suppliers.

In 2022, The Transparency Act entered into force, making it mandatory for certain Norwegian companies to conduct a due diligence assessment on human rights in value chains. The assessment results will be published on www.ECIT.com no later than 30th June 2023.

Healthy work environment

Providing safe and healthy working conditions for its employees is a priority for ECIT. The Group has a direct and indirect ability and responsibility to minimize the risks for health issues etc.

ECIT's newly established Code of Conduct covers various areas such as human rights, gender equality, business ethics, supplier relationships, labor standards, and environmental responsibility.

In 2021 ECIT started to monitor employee satisfaction through employee engagement score (EES) surveys and reached a score of 83. In 2022 the same survey was completed with the same result as in 2021.

Diversity, inclusion, and equal opportunities

Society is increasing its expectations of companies' corporate actions and transparency about diversity and equal employment opportunities. ECIT is, by its Code of Conduct, committed to build a highly skilled workforce and ensuring that recruitment processes actively foster equal opportunities and diversity. The company prohibits discrimination in any form, whether based on political views, union membership, sexual orientation, disability, or age.

ECIT has net employed 150 new employees during 2022, and the total workforce is 2,371. The gender composition in ECIT is made of approx. 59% women and 41% men. The share of women in managerial positions is 55% and men 45%.

Business ethics and integrity

ECIT has zero tolerance for corruption. The Group does not operate in any countries with a higher perceived corruption risk according to the Corruption Perception Index (CPI).

Climate

ECIT supports the United Nations Global Compact principle of a precautionary approach to environmental challenges. ECIT started in 2022 to monitor the energy consumption from the different locations and Power Usage Effectiveness from data centres, allowing comparison across companies. This is an important step in improving sustainability management. For further information, refer to the sustainability report 2022 on page 31. In 2023 ECIT will continue building on the data fundament collected for 2022. Additional steps will be taken to enhance data validation, allowing us to use data for decision-making processes and set future ESG targets.

Expectations to 2023

In 2023, ECIT will continue to focus on delivering profitable growth through organic and acquisition growth. Although 2023 – like 2022 – seems to be a challenging year with uncertainties related to macroeconomic conditions, the Board of Directors is optimistic about the future and expects growth in revenue and earnings according to our mid-to-long-term targets,

Events after the balance sheet date

In August 2022, a new share-based incentive scheme was announced. The program's purpose is to reward long-time performance and loyalty to ECIT. The incentive was launched in January 2023, and a total of 5.5 million shares will be part of the program.

For further information related to events after the balance sheet date, please refer to note 7.5.

ECIT AS – Parent company

ECIT AS is the parent company of the ECIT Group and supplies and performs services for the Group’s other companies. In 2022, ECIT AS delivered a profit after tax of NOK 121 million (2021: 76). At year-end, ECIT AS had total assets of NOK 1,716 million (2021: 1,491). The equity ratio was 86.2% (2021: 89.9%). The gender composition in ECIT AS is approx. 23% women and 77% men (4 FTE in total)

Board of Directors report approval

Oslo, 13 March 2023

Executive Board

Peter Lauring
CEO

Oslo, 13 March 2023

Board of Directors

Thomas Plenborg Chairman of the board	Pedro Fasting Deputy Chairman	Klaus Jensen Board member	Linda Forberg Board member
Cato A. Holmsen Board member	Espen Karlsen Board member		

Divisional overview

F&A Division Highlights

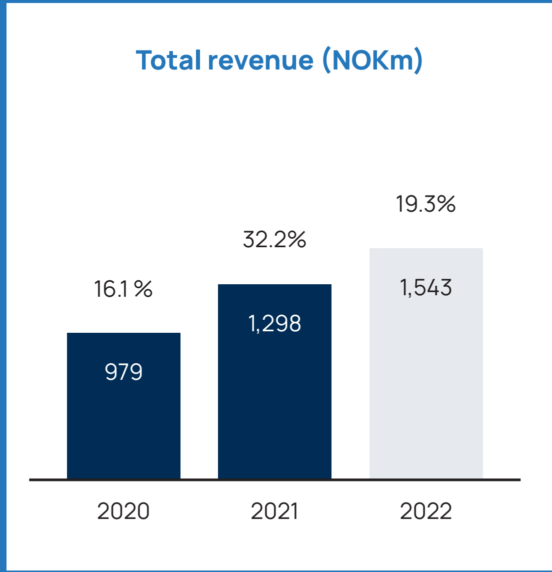
M&A activity during 2022, including the acquisition of Xacct Accounting AS, Tandem AS, Argus Kreditt AS and Intunor Services AS, representing NOK 229 million in annual revenue.

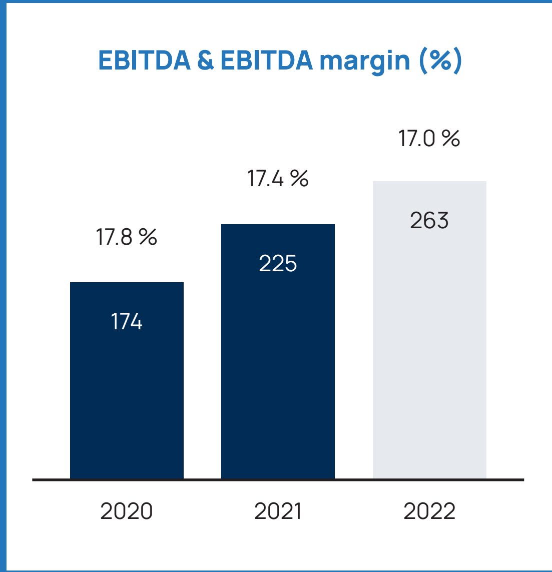
Although 2022 started with a high sick leave-% due to Covid-19, the business climate changed during the year and ended with improved organic revenue growth.

EBITDA margin at 17.0% (17.4%) is in line with management expectations. Margin development compared to previous periods will fluctuate because of acquisitions and investments in consolidation. Even though the margins of Norian Group improved compared to last year, the Norian business operates in 2022 with lower margins than the average of other F&A businesses.

During 2022 several subsidiaries have started projects implementing nearshoring in their production set-up. It is an area that will continue to grow over the coming years.

Consolidation of businesses acquired remains high on our agenda. Implementation of the late 2021 merger of seven Norwegian F&A entities has continued in 2022 and is gradually showing results through organic growth and margin improvement.





(NOKm)	Q4 2022	2022 %	Q4 2021	2021 %	FY 2022	2022 %	FY 2021	2021 %
Revenue growth	29.2%		22%		19.3%		32.2%	
EBITDA growth	22.9%		14.5%		16.8%		28.6%	
Revenue	410	100%	316	100%	1,543	100%	1,298	100%
COGS	-33	8.7%	-12	3.0%	-114	7.4%	-81	6.2%
Gross Profit	**382**	**99.3%**	**304**	**97.4%**	**1,429**	**92.6%**	**1,217**	**93.8%**
Personnel expenses	-254	66.1%	-200	67.1%	-948	61.4%	-828	63.8%
Other operating costs	-51	13.1%	-41	12.2%	-218	14.1%	-164	12.6%
EBITDA	**77**	**18.6%**	**63**	**19.9%**	**263**	**17.0%**	**225**	**17.4%**
EBITDA-%	18.6%		19.9%		17.0%		17.4%	

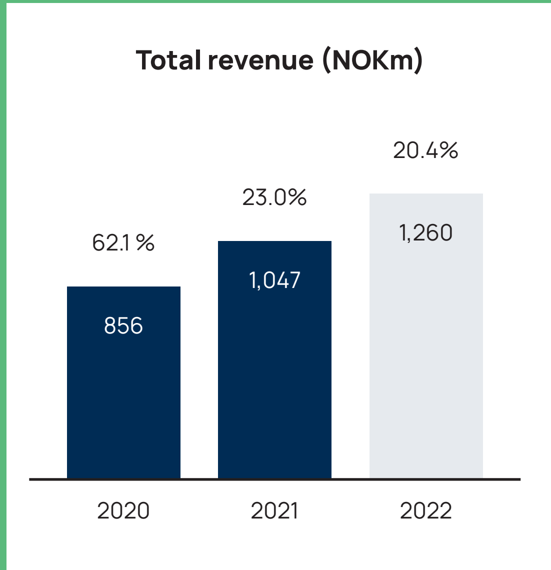
IT Division Highlights

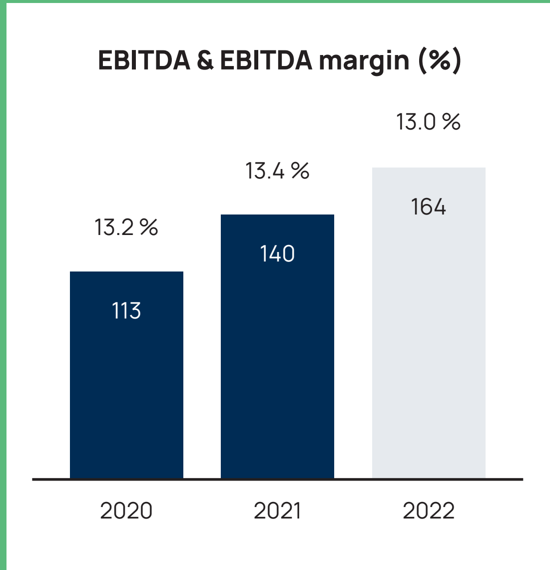
The revenue growth came from upselling additional services and products to existing customers as well as gaining new customers in the IT division, manifesting good demand for services that enable further innovation and digitalization across sectors and industries.

The revenue growth in the IT division stems from three focus areas. First, keeping customers satisfied to ensure low churn. Secondly, continuously developing and improving services to match customers changing demands and needs. Finally, ECIT continues to alter the market and sales efforts with IT, resulting in further revenue growth.

Consolidation of the IT division in both Norway and Denmark was focus areas in 2022. Total revenue of approx. NOK 700 million and more than 200 FTEs were involved in mergers where 13 companies became three. Although the consolidation process has progressed as planned, the EBITDA margin in 2022 has been affected as large mergers require time before integration is fully done and affect business focus.

In our main Nordic markets, there is a high level of M&A activities, meaning fewer IT providers remain to serve the important customers in ECITs main customer segment, which again equals fewer competitors striving for the same clients. This is a market opportunity for ECIT, providing some room and possibility to continue growth within our IT Division in 2023.





(NOKm)	Q4 2022	2022 %	Q4 2021	2021 %	FY 2022	2022 %	FY 2021	2021 %
Revenue growth	18.8%		13.8%		20.4%		23.0%	
EBITDA growth	-6.6%		19.1%		17.1%		23.9%	
Revenue	365	100%	307	100%	1,260	100%	1,047	100%
COGS	-120	32.9%	-100	32.7%	-406	32.2%	-368	35.1%
Gross Profit	**245**	**67.1%**	**207**	**67.3%**	**854**	**67.8%**	**679**	**64.9%**
Personnel expenses	-170	46.5%	-133	43.3%	-601	47.7%	-467	44.6%
Other operating costs	-23	6.3%	-18	5.8%	-89	7.1%	-72	6.9%
EBITDA	**52**	**14.3%**	**56**	**18.2%**	**164**	**13.0%**	**140**	**13.4%**
EBITDA-%	14.3%		18.2%		13.0%		13.4%	

Note: Personnel expenses include cost to external consultants

Tech Division Highlights

The growth in the Tech division is a result of the gradual implementation of ECIT-owned software and increased the various solutions and services offered by the division.

The annual recurring revenue (ARR) represents a lower growth rate compared to the total division since non-recurring revenue has increased at a higher rate. Non-recurring revenue covers consulting and services in connection with use of our software.

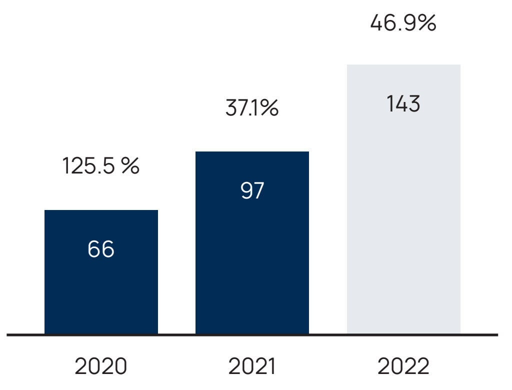
We continue to make progress in developing and inventing products and services utilizing machine learning and robotic process automation. ECIT Digital, our invoicing machine learning solution introduced in 2021, has proven to be a successful offering in this space.

During 2022 continued investments in the division have been made, increasing the number of employees and further strengthening the IT development expertise as well as the areas of business support and sales.

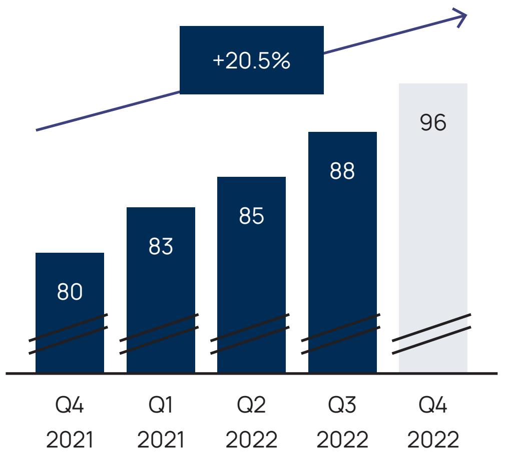
The amount of capitalized software has increased as we further develop our software solutions within the product lines of Payroll, Accounting, and Office support.

The focus in 2023 will remain to develop the products and solutions within our three product lines. Implement the products on the existing customers and to gain new customers.

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q4 2022	2022 %	Q4 2021	2021 %	FY 2022	2022 %	FY 2021	2021 %
Revenue growth	33.3%		39.6%		46.9%		37.1%	
Revenue	46	100%	34	100%	143	100%	97	100%
COGS	-14	30.0%	-12	35.9%	-39	26.9%	-21	21.6%
Gross Profit	**32**	**70.0%**	**23**	**67.0%**	**105**	**73.1%**	**76**	**78.9%**
Personnel expenses	-10	21.9%	-12	35.0%	-66	45.8%	-55	56.8%
Other operating costs	-16	35.0%	-7	20.4%	-33	23.0%	-23	23.5%
EBITDA	**6**	**13.4%**	**4**	**11.7%**	**6**	**4.0%**	**-2**	**-2.1%**
Capitalized software	-18	39.4%	-8	23.3%	-50	34.9%	-21	21.7%
EBITDA-%	13.4%		11.7%		4.0%		-2.1%	

Note: ARR = Annual recurring revenue (ARR) refers to revenue, normalised on an annual basis

ESG & Shareholder information

ESG and sustaina-bility in ECIT

ECIT furthered its sustainability agenda in 2022. Our approach to sustainability includes environmental, social, and governance (ESG) impacts and the chosen UN Sustainability Development Goals (SDGs) important to ECIT and to where ECIT will have an effect.

Focus areas through 2022 have been to improve our sustainability reporting, through reporting on our environ-mental impact, in the form of electricity usage across Group and Power Usage Effectiveness from our datacentres (own and co-locations).

We continue to work on improving our social and governance areas, and during 2022 established a Code of Conduct, became members of the United Nations Global Compact, and continued our emphasis on development and learning.

Although we have yet to set targets for sustainability results, we have started to measure areas of importance to benchmark development year over year, as a recognition of that you cannot manage what is not measured.

The first ESG scorecard shows performance in 2022 in environmental, social, and governance areas.

ECIT will continue to improve the sustainability approach in the future and continue to create value for shareholders, employees, and society.

Environmental data	**Unit**	**2022**	**2021**	**2020**
Scope 2, direct emissions				
Location based approach				
Electricity, KWh consumption*	KWh	4,532	x	x
Electricity, tCo2 consumption	tCo2	197	x	x
Electricity, KWh consumption/FTE**	KWh/FTE	1,9	x	x
Electricity, tCo2 consumption/FTE	tCo2/FTE	0,08	x	x
Energy effciency of data centers***	PUE (range)	1,16-2,00	x	x
Social data				
Full time workforce	FTE	2,371	2,221	1,515
Gender diversity (female/male)	%	59% / 41%	59% / 41%	56% / 44%
Gender diversity, Management (female/male)	%	54% /46%	50% / 50%	42% / 58%
Employer Engagement Score measure	EES	83	83	x
Governance data				
Whistle-blower-number of incidents reported	Times	0	0	x
Gender diversity, BoD (female/male)	%	17%/83%	0%/100%	0%/100%

* KWh in thousand

** KWh per FTE in thousand

*** PUE range from lowest to highest for own and co-located

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Environmental aspects ('E')

ECIT supports the United Nations Global Compact principle of a precautionary approach to environmental challenges.

Environmental data, such as emission equivalents and Power Usage Effectiveness from data centers, allow comparisons across companies, which is important in improving sustainability management.

The first ESG scorecard of ECIT includes energy usage (kWh), emissions in the form of CO2 equivalents, and data center efficiencies in the form of Power Usage Effectiveness.

Energy

ECIT is reporting according to Scope 2 Greenhouse Gas (GHG) emissions. Scope 2 represents one of the largest sources of GHG emissions globally.

A large part of the energy consumption in ECIT comes from the many office locations across countries (including heating and electricity usage).

The data input covers the majority of our locations. Some of our subsidiaries have electricity usage included in their rental agreements and have no electricity usage that can be reported separately. However, the share of the companies not being able to report represent a small percentage of the total amount. Consequently, we have concluded that the data is representative and can be reported.

Energy usage measures our total kWh consumption (in thousand) and kWh per FTE. Further, input has been calculated into GHG emissions using the GHG protocol emissions calculation tool (location-based).

The total amount of kWh consumption in 2022 amounts to 4,532 thousand and 1,9 thousand per FTE.

Total emissions of 197 kg CO2 equivalents were identified for 2022, representing 0,08 per FTE.

PUE-efficiency Datacenters

A metric widely used to measure the energy efficiency of a data center is Power Usage Efficiency- PUE.

The PUE is a way to describe our environmental footprint and is an accepted method for comparing environmental footprint using data centers.

PUE is determined by dividing the amount of power entering a data center by the energy used to run the computer infrastructure.

PUE is expressed as a ratio, with overall efficiency improving as the quotient decreases toward 1.

PUE numbers for ECIT, including owned and rented facilities, vary from 1.16 to 2.00 in 2022.

Environmental – 2023 focus

ECIT's goal is to create higher transparency on the Group's level of Carbon Emissions.

In 2023 we will continue building on the data fundament achieved for 2022 concerning our energy consumption.

Further steps will be taken to enhance data quality, allowing us to use data for decision-making processes and set future targets.

Relevant Certifications

Several of our subsidiaries are certified in The Eco-Lighthouse and certified according to ISO 14001:2015 Environmental management systems.

Also, the subsidiary ECIT Solutions One AS has complete HP and Lenovo sustainability certifications and dedicated personnel certified in sustainability.

Certificates are available upon request.

Social aspects ('S')

ECIT is a people's business, and our employees are central to everything we do, and their dedication and talent are the main assets of the Group.

Our business model is rooted in an entrepreneurial mindset, decentralization of operations, and cooperation across entities.

ECIT is committed to securing a safe workplace, ensuring employee engagement, limiting employee turnover, and providing talent-based advancement opportunities for all employees on an equal basis.

Learning and development

Suitable and structured training and development are key to attracting and retaining skilled employees, and in ECIT, unlocking personal potential is a key focus area.

Through 2022 we have continued developing our internal training programs, including ECIT Academy, ECIT Talent, and ECIT Associate.

ECIT Academy operates across countries and divisions and is a combination of courses and case-solving, including personal development plans in close cooperation with managers.

ECIT Associate is specialized for our accounting division. The first Group of 17 Associates is graduating in spring 2023, and a new group of 42 Associates will graduate later, covering employees from over 20 local offices.

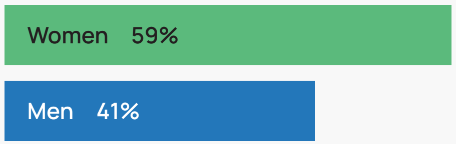
ECIT Talent is a program for employees who have worked in ECIT for some years, and the first group graduated by the end of 2022.

ECIT Leadership is a program designed for our managers, with a planned start in spring 2023. The program is held over four courses in six months.

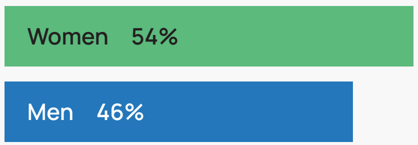
Gender Equality

The gender composition in ECIT comprises 59% women (59%) and 41% men (41%). The total number of employees is 2.371. In managerial positions, the share of women is 54% (50%), and the share of men is 46% (50%).

Gender composition in ECIT

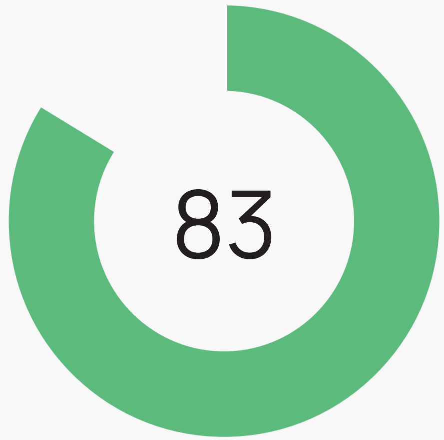


Gender composition in ECIT managers



EES score

In 2021 we started to monitor employee satisfaction through employee engagement score (EES) surveys and reached a score of 83. In 2022 we completed the same survey and were happy to note that we have reached the same high level as in 2021.



One of our values in ECIT is 'open communication'. We openly present and discuss the results with our employees to find improvement areas and identify means of addressing them.

In the health, environment, and safety area, zero reported accidents occurred in 2022.

Governance aspects ('G')

Responsible behavior is part of ECIT's core values, and customers and other stakeholders expect ECIT to conduct business responsibly.

ECIT's new Codes of Conduct towards employees and subcontractors form the basis of all actions and activities in ECIT's name.

Code of Conduct

In 2022, ECIT established a Code of Conduct which covers various areas such as human rights, gender equality, supplier relationships, labor standards, and environmental responsibility.

The Code of Conduct is our foundation and is an essential part of our work to ensure responsible business practices following the Ten Principles of the United Nations Global Compact and OECD`s guidelines for responsible business conduct. The Code is incorporated into onboarding and our management training.

We consider compliance training of our employees as an important step in minimizing the risk of violating various rules, including rules on corruption and human rights. ECIT will continue this work in 2023 and further integrate our Codes of Conduct into our operations. That will happen through additional training and awareness measures in the organization through online training.

The Transparency Act (Åpenhetsloven)

In 2022, The Transparency Act entered into force, making it mandatory for certain Norwegian companies to conduct due diligence on human rights in value chains.

ECIT supports the new legislation and has carried out several measures to ensure Group and relevant subsidiaries are compliant.

Appointing Group responsibilities, establishing systems for Information requests from the public, performing due diligence of suppliers, and embedding responsible business conduct into policies and management systems, are part of the measures implemented.

Board representation

The Board of Directors comprises six members, one female director, and five male directors. In April 2022, ECIT appointed the first woman to the board of ECIT, Linda Forberg.

Whistle-blower system

In 2021, ECIT implemented a whistle-blower system, which allows people to anonymously report serious or suspected offenses that might impact either an individual or the ECIT Group.

Similar to last year, no incidents through our whistle-blower system were reported during 2022.

Governance – 2023 focus

During 2022, a number of steps were taken to enhance the ECIT governance model.

Focus on governance will continue in 2023 to secure continuing compliance with regulatory requirements across countries.

Having high governance on our agenda enables our employees to conduct business in a respectable manner that benefits our customers and business partners

ECIT partners:

United Nations Global Compact

FAR

IKT Norge

Medlem Regnskap Norge

TechSverige

University of South-Eastern Norway

Shareholder information

Share price development

The ECIT share started the year at a price of NOK 8.00 and closed the year at NOK 7.36, which equals a development of minus 8.0%.

During the same period, the Euronext Growth index decreased by 24.8%.

The lowest closing price in 2022 was NOK 5.76 on 16th June 2022, and the highest closing price was NOK 7.93 on 19th January 2022.

At the year-end of 2022, the market capitalization of ECIT was NOK 3.3 billion.

According to data from Euronext Oslo, the average daily trading volume of ECIT was 143,126 shares in 2022, corresponding to an average daily turnover of NOK 0.9 million.

Share capital

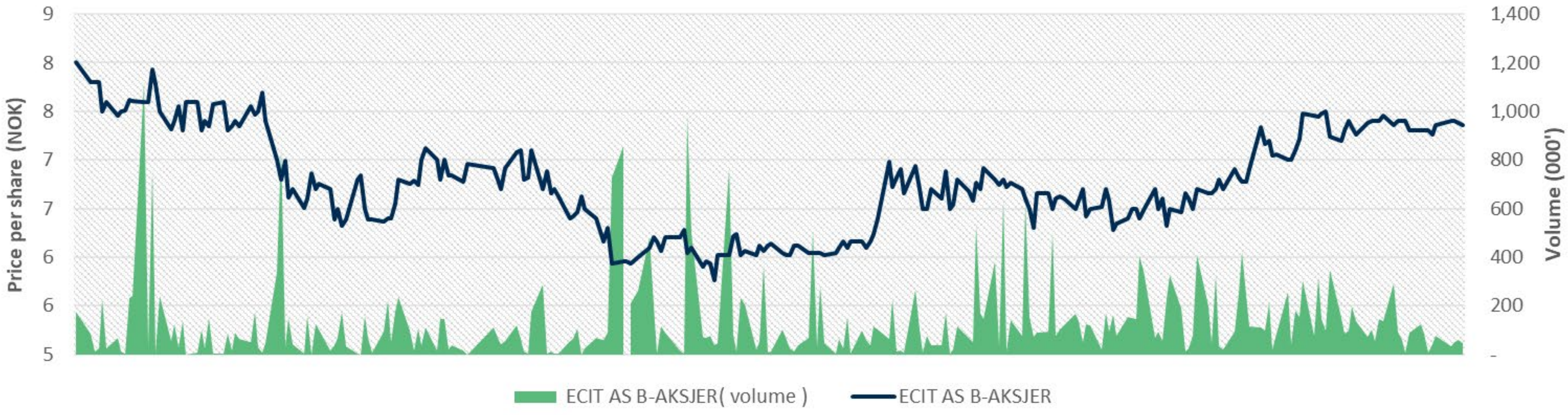
The total share capital on 31 December 2022 consists of 452,050,494 shares of nominal NOK 1 each.

There are three share classes, whereas the B-shares are subject to trade on the Euronext Growth stock exchange.

A-shares are not subject to listing but carry ten votes per share and are all owned by Peter Lauring through holding companies. A-shares are to be converted to B-shares when Peter Lauring is no longer a part of ECIT or in case of a sale to a third party or listing of the A-shares. C-shares are not subject to listing and carry one vote per share.

Number of shares in three classes per December 2022:

- A-shares: 41,336,068
- B-shares: 343,031,470
- C-shares: 67,682,956



Shareholders

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

More than 62% of the shares are still owned by employees and management, with the top management representing 19% and employees and partners within the group representing more than 43% of the shares.

ECIT AS has no majority shareholders at the time of publication of this annual report. Peter Lauring holds 49.9% of the voting shares of the Group.

Share-buy-backs and treasury shares

ECIT initiated two share buyback programs during 2022.

The first was initiated on the 23rd of August 2022 and ended on the 16th of November 2022. A total of 1,204,672 shares have been bought at an average price of NOK 6.64.

The second share buyback program was initiated on the 17th November 2022, and ended on the 13th December 2022. A total of 543,680 shares have been bought at an average price of 7.36.

The purpose of the share buyback programs is to acquire shares that could be used as a settlement in the ECITs incentive plan.

Furthermore, shares acquired under the program may be applied as a partial settlement measure in ECITs acquisitions of companies and for general corporate purposes.

On 31 December 2022, ECIT held 2.7 million shares as treasury shares corresponding to 0.6% of the share capital.

Dividend

Proposed dividend for 2022 amounts to NOK 0.04 per share. A similar level was paid out as an ordinary dividend last year.

Shares with lock-up

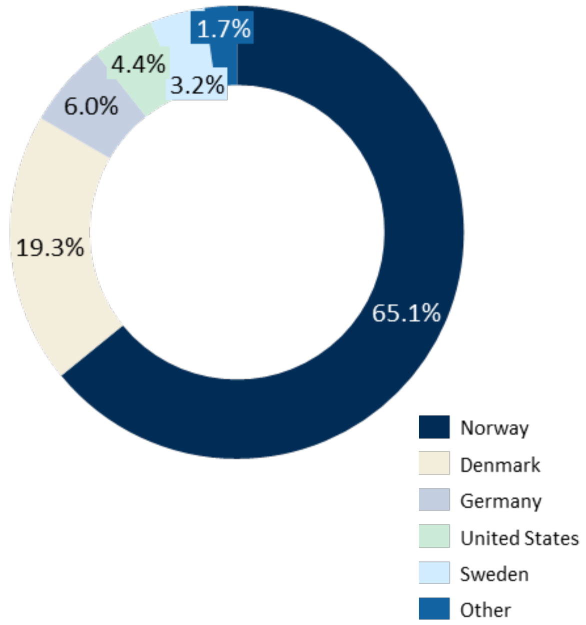
The lock-up period for active shareholders expired in May 2022. Remaining B-shares subject to a lock-up period represents 8 million (1.8% of total shares)

Investor relations

We aim to maintain an open and active dialogue with shareholders, investors, analysts, media, and the general public to contribute to ensuring equal and timely dissemination of information to all market participants and fair pricing of the shares.

This includes hosting quarterly investor presentations and participation in investor conferences and one-on-one and group meetings with analysts and investors. Our investor relations policy stipulates a 30 calendar silent period before the publication of any full-year or interim financial report.

Geographical distribution of our shareholders



Financial calendar

The financial calendar for 2023 is as follows:

Annual report 2022	**14 Mar 23**
Annual General Meeting 2023	**28 Mar 23**
Interim financial report Q1 2023	**10 May 23**
Interim financial report H1 2023	**24 Aug 23**
Interim financial report Q3 2023	**09 Nov 23**

Governance model

Management structure

Together, the Board of Directors and the Executive management team form the governing body of ECIT.

A division management team was established in 2022 with the responsibility of the three divisions of ECIT; F&A, IT, and Tech.

All the appointed division responsible managing directors come from and have a long history with the ECIT organization.

Board of directors

Responsible for the overall management and strategic direction of the Group, including:

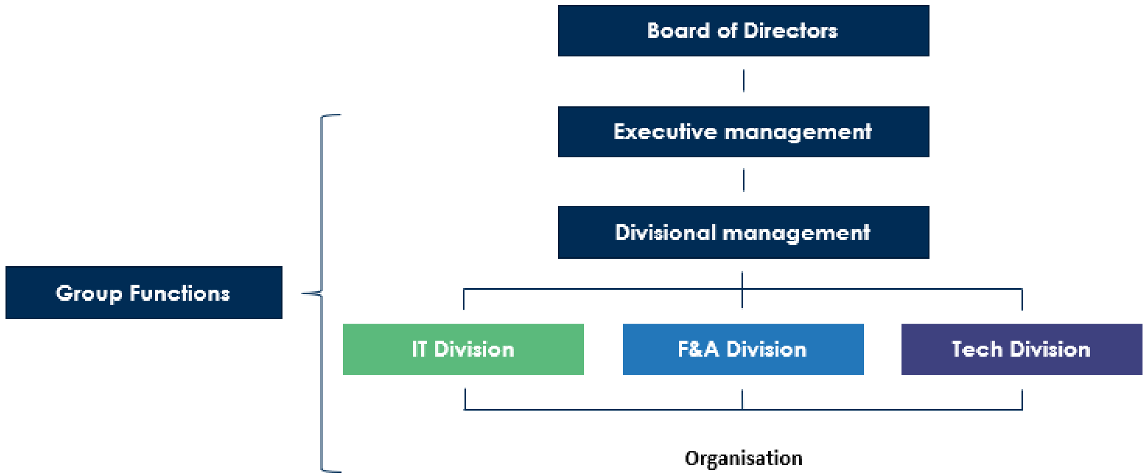
- Strategy plan and annual budget
- Supervising the activities of the Group
- Reviewing the financial position and capital resources to ensure that these are adequate
- Risk management and internal controls

The Board receives financial reports and is briefed on important matters in between board meetings.

Executive management

Responsible for the day-to-day management of the Group, including:

- Strategic initiatives and Group policies
- Organisational structure
- Group performance
- Mergers & acquisitions
- Assessing on an ongoing basis whether the Group has adequate capital resources and liquidity to meet its existing and future liabilities
- Risk management and internal controls



Divisional management team

Responsible for the day-to-day management of the operational activities of the three divisions in ECIT, supported by the centralised group functions

- Implementation of the ECIT strategy and business model on a division level
- Business performance of the divisions
- Run business in accordance with Group policies and procedures as well as local legislation and practice of each country
- Risk management and internal controls
-

Quarterly financial overview

TOTAL (NOKm)	FULL YEAR	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FULL YEAR	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	2,826	792	645	704	685	2,318	629	541	607	541
EBITDA	**418**	**135**	**99**	**97**	**87**	**339**	**113**	**80**	**80**	**66**
Total revenue growth	21.9%	25.9%	19.2%	16.1%	26.6%	30.1%	22.7%	35.4%	40.3%	23.8%
EBITDA-%	14.8%	17.0%	15.3%	13.7%	12.8%	14.6%	18.0%	14.9%	13.1%	12.3%

F&A DIVISION (NOKm)	FULL YEAR	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FULL YEAR	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	1,543	410	340	403	390	1,298	316	313	369	300
EBITDA	**263**	**77**	**53**	**71**	**61**	**225**	**63**	**52**	**59**	**51**
Total revenue growth	19.3%	29.2%	9.5%	9.2%	30.0%	32.2%	22.0%	42.5%	47.4%	20.0%
EBITDA-%	17.0%	18.6%	15.5%	17.6%	15.7%	17.4%	19.9%	16.7%	16.1%	17.0%

IT DIVISION (NOKm)	FULL YEAR	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FULL YEAR	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	1,260	365	302	293	299	1,047	307	233	252	255
EBITDA	**164**	**52**	**48**	**31**	**33**	**140**	**56**	**35**	**28**	**21**
Total revenue growth	20.4%	18.8%	29.5%	16.6%	17.6%	23.0%	13.9%	19.1%	30.1%	32.7%
EBITDA-%	13.0%	14.3%	15.9%	10.6%	11.0%	13.4%	18.2%	15.0%	11.1%	8.3%

TECH DIVISION (NOKm)	FULL YEAR	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FULL YEAR	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	143	46	33	39	25	97	34	22	21	20
EBITDA	**6**	**6**	**2**	**0**	**-2**	**-2**	**4**	**0**	**-4**	**-2**
Total revenue growth	46.9%	33.3%	52.1%	86.1%	24.2%	37.1%	39.6%	35.0%	36.3%	36.2%
EBITDA-%	4.0%	13.4%	6.0%	0.0%	-7.9%	-2.1%	13.1%	0.0%	-19.2%	-9.8%

Definition of Financial Highlights and Ratios

The Management provides selected financial ratios and key figures in the report to allow the reader to understand the Group's underlying performance better. The alternative performance 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 is not comparable 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 = consists of interest-bearing debt less interest-bearing assets. Interest-bearing debt consists mainly of bank loans (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 exchange rate changes.

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

Free Cash Flow = Cash flow from operating activities less repayment of lease liabilities and before transaction and restructuring costs 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.

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

Repeatable revenue = Repeatable revenue is defined as somewhat predictable revenue (but can vary) and likely to continue due to the long customer relationships. Revenue is somewhat derived from a per payslip or per invoice charge.

$$\text{Gross margin} = \frac{\text{Gross profit x 100}}{\text{Net revenue}}$$

$$\text{EBITDA margin} = \frac{\text{EBITDA, before transaction \& restructuring costs x 100}}{\text{Net revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity end of reporting period x 100}}{\text{Total assets end of reporting period}}$$

$$\text{Capital expenditure in \% of revenue} = \frac{\text{Cash investment in tangible assets x 100}}{\text{Net revenue}}$$

$$\text{Leverage ratio} = \frac{\text{Net interest-bearing debt}}{\text{Proforma EBITDA, before transaction \& restructuring costs, last twelve months}}$$

Transaction and restructuring costs = 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 the items included.

PAT = Profit after tax or net income.

FTE = Calculated full-time employees.

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

The majority share of revenue and operating profit before amortization and depreciation and transaction and restructuring costs (EBITDA) = Shareholders of ECIT AS' share of revenue and operating profit before amortizations and depreciations (EBITDA) and transaction and restructuring costs. The percentage is calculated on legal figures for the last twelve months (LTM) and with the ownership as of the balance sheet date.

Adjusted profit for the year = Adjusted profit for the year equals profit for the year before transaction & restructuring costs, earn-out assessment, IPO costs and gain on portfolio investments. The Management uses adjusted profit for the year 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. The Management uses adjusted diluted earnings per share to measure the performance of the Group, excluding one-off items.

Gender diversity = Gender diversity is measured be-tween male, female and non-binary. Non-binary is not shown in the overview since the share of non-binary people in the Group is less than 1%.

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

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

Consolidated Financial statements

Income statement

(NOKm)	Note	2022	2021
Revenue	2.1, 2.2	2,826	2,318
COGS	2.1, 2.3	-529	-441
Gross Profit		**2,297**	**1,877**
Personnel expenses	2.4, 4.7, 7.1	-1,677	-1,384
Other operating costs	2.5, 7.3	-203	-154
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		**418**	**339**
Restructuring & transaction costs	2.7	-13	-9
Operating profit before amortisation, depreciation		**405**	**330**
Amortizations and depreciations	2.6	-188	-166
Operating profit (EBIT)		**217**	**164**
Share of profit or loss of associates accounted for using the equity method	7.6	1	0
Financial income	2.8	49	27
Financial expenses	2.8	-38	-41
Profit before tax		**229**	**150**
Tax on profit for the period	2.9	-52	-35
Profit for the year		**177**	**115**
Attributeable to:			
Shareholders in ECIT AS		105	49
Non-controlling interests		72	66

Statement of Other comprehensive income

(NOKm)	Note	2022	2021
Profit for the year		**177**	**115**
Items that may be reclassified to the income statement:			
Foreign exchange adjustments of subsidiaries		5	-24
Value adjustments of hedging instruments		0	0
Other comprehensive income		**5**	**-24**
Total comprehensive income		**182**	**91**
Attributable to:			
Shareholders in ECIT AS		108	34
Non-controlling interests		74	57

(NOKm)	Note	2022	2021
Earnings per share			
Earnings per share (NOK)	5.2	0.23	0.12
Diluted earnings per share (NOK)	5.2	0.23	0.12

Cash Flow Statement

(NOKm)	Note	2022	2021
Profit before tax		**229**	**150**
Amortizations & Depreciations	2.6	188	166
Restructuring & transaction costs	2.7	13	9
Fair value adjustment of a contigent consideration	2.8	-7	-12
Financial income	2.8	-43	-15
Financial expenses	2.8	38	41
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		**418**	**339**
Restructuring & transaction costs	2.7	-13	-9
Corporation tax, paid		-58	-40
Change in net working capital (NWC)		-20	-42
Cash flow from operating activities (A)		**327**	**249**
Investments in tangible assets	4.3	-20	-20
Investments in software	4.2	-55	-27
Investments in subsidairies	6.2, 7.6	-251	-279
Proceeds from sale of subsidiaries		14	3
Investments in other activities		-29	-23
Proceeds from sale of other financial intstruments		25	20
Change in other financial assets		2	7
Cash flow from investing activities (B)		**-315**	**-319**

(NOKm)	Note	2022	2021
Cash flow from operating and investing activities (A+B)		**12**	**-70**
Repayment of lease liabilities	4.5	-98	-84
Loans and credit facilities		124	35
Interest received		6	30
Interest paid		-27	-51
Capital increase	5.1	0	382
Sale and purchase of treasury shares		-12	3
Transactions with minorities		4	-75
Dividends distributed		-92	-144
Cash flow from financing activities		**-94**	**95**
Cash flow for the period		**-83**	**25**
Cash and cash equivalents 1 January		265	246
Cash flow for the period		-83	25
Currency translation adjustments		1	-6
Cash and cash equivalents end of period		**183**	**265**

Balance Sheet

(NOKm)	Note	31 DEC 2022	31 DEC 2021	1 JAN 2021
Goodwill	4.1, 4.2	1,279	955	728
Customer contracts	3.2. 4.2	386	335	276
Software	4.2	147	113	83
Total non-current intangible assets		**1,811**	**1,403**	**1,087**
Land, buildings and equipment	4.1, 4.3	48	50	71
Right-of-use assets	4.1. 4.5	217	226	194
Total non-current tangible assest		**266**	**276**	**264**
Other financial assets	3.4	45	27	14
Investments in associates	7.6	51	37	1
Other receivables, interest bearing	3.3	50	34	49
Other receivables	3.3	7	14	11
Deferred tax assets	2.9	38	31	15
Total non-current financial assets		**191**	**143**	**90**
Total non-current assets		**2,268**	**1,822**	**1,440**
Inventories	4.4	12	12	10
Trade receivables	3.1. 5.4	407	325	288
Tax receivables	2.9	24	18	1
Other receivables, interest bearing	3.3	11	16	21
Other receivables	3.3	141	119	102
Cash and cash equivalents	3.5	183	265	246
Total current assets		**778**	**754**	**668**
Total assets		**3,045**	**2,576**	**2,108**

(NOKm)	Note	31 DEC 2022	31 DEC 2021	1 JAN 2021
Share capital	5.1. 5.3	452	445	388
Treasury shares	5.1. 5.3	-3	-1	-8
Reserves and retained earnings	5.1. 5.3	839	773	496
ECIT AS shareholders share of equity		**1,288**	**1,217**	**876**
Non-controlling interest	5.1. 5.3	364	223	230
Total equity		**1,652**	**1,440**	**1,106**
Lease liabilities	3.7, 5.4	145	160	139
Borrowings	3.7, 5.4	350	181	124
Provisions	4.6	39	26	40
Other non-current liabilites	3.7	4	7	0
Deferred tax liabilities	2.9	84	78	60
Total non-current liabilities		**623**	**451**	**363**
Lease liabilities	3.7, 5.4	80	76	62
Borrowings	3.7, 5.4	17	36	36
Provisions	4.6	23	5	17
Tax payables	2.9	68	59	38
Trade payables	3.6. 5.5	142	111	98
Contract liabilities	3.2	49	40	35
Other current liabilites	3.7	392	358	353
Total current liabilities		**770**	**685**	**639**
Total equity and liabilities		**3,045**	**2,576**	**2,108**

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Statement of Changes in Equity 2022

2022:

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reseves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	445	12	723	4	33	1,217	223	1,440
Profit for the year	**0**	**0**	**0**	**0**	**105**	**105**	**72**	**177**
Net exchange differences recognized in OCI	0	0	0	3	0	3	2	5
Value adjustments of hedging instruments	0	0	0	0	0	0	0	0
Other comprehensive income	**0**	**0**	**0**	**3**	**0**	**3**	**2**	**5**
Total comprehensive income	**0**	**0**	**0**	**3**	**105**	**108**	**74**	**182**
Transactions with shareholders:								
Capital increase registered	7	-6	46	0	0	47	0	47
Dividends distributed (note 5.1)	0	0	0	0	-18	-18	-77	-95
Sale and purchase of treasury shares (note 5.1)	0	0	0	-2	-9	-12	0	-11
Addition of non-controlling interests	0	0	0	0	0	0	131	131
Transactions of shares with non-controlling interests	0	0	0	0	-56	-56	19	-38
Other adjustments	0	0	0	0	2	2	-6	-4
Total transactions with shareholders	**7**	**-6**	**46**	**-2**	**-81**	**-37**	**67**	**30**
Equity end of period	**452**	**6**	**769**	**5**	**57**	**1,288**	**364**	**1,652**

Statement of Changes in Equity 2021

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	388	4	371	13	100	876	230	1,106
Profit for the year	**0**	**0**	**0**	**0**	**49**	**49**	**66**	**115**
Net exchange differences recognized in OCI	0	0	0	-16	0	-16	-9	-24
Other comprehensive income	**0**	**0**	**0**	**-16**	**0**	**-16**	**-9**	**-24**
Total comprehensive income	**0**	**0**	**0**	**-16**	**49**	**34**	**57**	**91**
Transactions with shareholders:								
Capital increase registered	57	8	378	0	0	443	0	443
Dividends distributed (note 5.1)	0	0	0	0	-65	-65	-76	-142
Sale and purchase of treasury shares (note 5.1)	0	0	0	7	32	39	0	39
Addition of non-controlling interests	0	0	0	0	0	0	39	39
Transactions of shares with non-controlling interests	0	0	0	0	-83	-83	-26	-109
IPO expenses	0	0	-26	0	0	-26	0	-26
Other adjustments	0	0	0	0	0	0	0	0
Total transactions with shareholders	**57**	**8**	**352**	**7**	**-116**	**308**	**-64**	**244**
Equity end of period	**445**	**12**	**723**	**4**	**33**	**1,217**	**223**	**1,440**

ecit

Financial statements board approval

Oslo, 13 March 2023

Executive Board

Peter Lauring
CEO

Oslo, 13 March 2023

Board of Directors

Thomas Plenborg
Chairman of the board

Pedro Fasting
Deputy Chairman

Klaus Jensen
Board member

Linda Forberg
Board member

Cato A. Holmsen
Board member

Espen Karlsen
Board member

Notes to the consolidated financial statements

1. Basis for preparation

This section provides an overview of the financial accounting policies and key accounting estimates applied in the preparation of the Group's consolidated financial statements.

The annual consolidated financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and represent the first financial statements of the Group in accordance with the IFRS. See note 1.2 for information related to the first-time adoption of IFRS.

The Annual Report for 2022 was approved by the executive Management and the board of directors on 13 March 2023. It will be presented for approval at the subsequent Annual General Meeting on 28 March 2023.

1.1 Accounting policies, estimates, and judgments

The Annual Report for the period 1 January – 31 December 2022 comprises the consolidated financial statements of the parent company ECIT AS and subsidiaries controlled by the parent company (the Group).

ECIT AS is a limited liability company registered in Norway. The Group's head office is located at Rolfsbuktveien 4 A, NO-1364 Fornebu, Norway. The Group's activities are accounting, payroll services, financial advisory services, IT and Tech sales and services, and debt collection services (other).

The financial statements apply principles based on historical cost, with the exception of liabilities related to contingent consideration for acquisitions that are measured at fair value. If specific valuation techniques and inputs are used, these are disclosed under each relevant chapter and sub-chapter.

The consolidated financial statements are prepared based on uniform accounting policies for equivalent transactions and events in otherwise similar circumstances.

Consolidation principles

The consolidated financial statements present the overall financial result and the overall financial position when the parent company ECIT AS and its controlling ownership interests in other companies are presented as one financial entity. Entities in which the Group directly or indirectly controls at least 20%, but not more than 50%, of the voting power are accounted for as associates and measured using the equity method. Investments with negative net asset values are recognised at NOK 0. The financial statements are prepared according to uniform principles in all group companies. All internal relations between the companies are eliminated.

Ownership interests in companies in which the Group alone has a controlling influence (subsidiaries) are consolidated 100 per cent line-by-line in the consolidated financial statements from the date on which the Group has control and are consolidated until the date on which such control lapses. The only exception is goodwill that is carried to the majority's interest. A company in which investment has been made is assessed to be controlled by the Group if the Group:

- exerts authority over the company,
- is exposed to or has rights to variable returns from its involvement in the company,
- has the opportunity to use its authority over the company to influence its return.

If the Group holds the majority of voting rights in a company, the company in question can be presumed to be a subsidiary of the Group. Suppose the Group does not hold the majority of voting rights. All relevant facts and circumstances are assessed to evaluate whether the Group controls the company in which investment has been made. It includes an assessment of ownership interests, voting shares, ownership structure, strength factors, options and shareholder agreements. These assessments are made for each investment.

If the Group has control but owns less than 100 per cent of the subsidiary, the other owners' interests are stated as non-controlling interests under the Group's equity.

Acquisitions and business mergers (consolidated financial statements)

The acquisition method is applied to the accounting of business mergers. Acquired assets and liabilities in connection with business mergers are measured at fair value at the time of acquisition. Companies are consolidated from the date on which the Group achieves control and are excluded from consolidation on the control lapse. In the Group, costs related to acquisitions are expensed as they are incurred.

Non-controlling interests are calculated as the non-controlling interests' share of identifiable assets and liabilities or at fair value. The choice of method is made for each business merger depending on the type of merger.

Goodwill is calculated at cost being the aggregate of the consideration transferred and the amount recognised of non-controlling interests, and the fair value of ownership interests previously held, with deduction of the net value of identifiable assets and liabilities calculated at the acquisition date. Goodwill is not amortised but is tested at least annually for impairment. Goodwill is allocated to the cash-flow-generating units expected to achieve synergies from the acquisition, irrespective of whether other assets and liabilities as part of the acquisition are attributable to these cash-flow-generating units.

Foreign currency translation

Functional and presentation currency

Items in the financial statements of each reporting entity of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of the parent company, ECIT AS, is NOK.

The financial statements are presented in Norwegian kroner (NOK), and all amounts have been rounded to the nearest million.

Transactions and balances

Transactions in foreign currency are translated at the exchange rate on the transaction date. Monetary items in foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate movements are recognised in the income statement on an ongoing basis during the accounting period within other financial items.

Foreign Group Entities

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each entity's balance sheet are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each entity's income statement are translated at average ex-change rates; and
- All resulting exchange differences are recognised directly in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Cash and cash flow statement

Cash and cash equivalents include cash, bank deposits and other short-term liquid positions. The cash flow statement is prepared according to the indirect method.

Changes in the Group structure on the acquisition and sale of subsidiaries are part of the investment activities. Concerning the acquisition and sale of subsidiaries, net cash payment is reported. Net cash payment corresponds to the cash payment for the shares, less cash holdings in the subsidiary, at the time of acquisition or sale.

The cash flow effect at the time of acquisition or sale is presented on a separate line under "Acquisition and sale of subsidiaries" and corresponds to net cash payment. The effect of the new subsidiary's balance sheet items is eliminated and has no impact on the cash flow items at acquisition.

Materiality

The financial statements separately present items which are considered individually material. Individually immaterial items are aggregated with other items of similar nature in the statements or the notes. All required disclosures by IFRS are presented unless the information is considered immaterial to the economic decision-making of the users of the financial statements.

Management judgements, estimates, and assumptions

In the preparation of the annual financial statements, the Management has applied judgements, estimates and assumptions that have affected assets, liabilities, income and costs, as well as unsecured assets and liabilities on the balance sheet date.

Judgements, estimates and assumptions are based on historical experience and other factors that Management considers reliable, but by their very nature, they are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The estimates and assumptions deemed most significant to the preparation of the consolidated financial statements are addressed below:

- Intangible assets, note 4.1 and 4.2
- Leases, note 4.5
- Earn out obligations, note 4.6
- Acquisitions of enterprises, note 6

Estimates may change as a consequence of future events. Changes in accounting estimates are recognised in the period in which the changes occur. If the changes also apply to future periods, the effect will be distributed in the current and future periods. Reference is made to the separate note for further details of estimates and assumptions included in this year's consolidated financial statements.

Key assumptions about the future and other sources of key estimation uncertainty at the end of the reporting period are disclosed and quantified if material. There are no such assumptions in 2022.

1.2 First-time Adoption of International Financial Reporting Standards

All amendments to the International Financial Reporting Standards (IFRS) effective for the financial year 2022 have been implemented as a basis for preparing the consolidated financial statements. Accordingly, these financial statements for the period ended 31 December 2022 are the first that ECIT has prepared in accordance with the IFRS adopted by the EU. The Group has prepared financial statements that comply with IFRS applicable 31 December 2021, together with the comparative period ended 31 December 2020. In preparing the financial statements, the Group's opening statement of financial position was prepared on 1 January 2021, the Group's date of transition to IFRS.

None of the implementations has had any material impact on the income statement, statement of other comprehensive income, cash flow statement and balance sheet presented. When converting to IFRS from its previous reporting framework, Section 3-9 of the Norwegian Accounting Act and the Regulation on Simplified IFRS (2020) were adopted by the Norwegian Ministry of Finance on 28 February 2020. Generally Accepted Accounting Principles in Norway ("IFRS Light") on 1 January 2021, as well as for the period ending 31 December 2021. The notes have been amended to reflect the increased disclosure requirement due to converting to IFRS.

1.3 Changes in accounting policies and disclosures

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The new and amended standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intend to implement the changes from their effective date. Adopting the standards not yet effective is not expected to have any material impact on the Group's financial performance or financial position.

Amendments to IAS 1 – Classification of liabilities as Current or Non-current

The amendments are effective for annual periods beginning or after 1 January 2023. ECIT specify the requirements for classifying liabilities as current or non-current.

Amendments to IAS 1 – Disclosure of Accounting Policies

The amendments are effective for annual periods beginning or after 1 January 2023. ECIT provides guidance and examples to help entities apply material judgements to disclosures of accounting policies.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments are effective for annual periods beginning or after 1 January 2023. ECIT clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, ECIT clarifies how entities use measurement techniques and input to develop accounting estimates.

IFRS 17 Insurance Contracts

IFRS 17 will be effective for annual periods beginning or after 1 January 2023. It covers recognition, measurement, presentation and disclosure for insurance contracts. Once effective, IFRS 17 will replace IFRS 4 Insurance contracts.

Amendments to IAS 12 – Deferred tax related to Assets and Liabilities arising from a Single Transaction

The amendments are effective for annual periods beginning or after 1 January 2023. The main change is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, this change narrows the scope of the initial recognition exemption, which no longer will apply to transactions in which equal amounts of deductible and temporary taxable differences arise on initial recognition.

1.4 Change in accounting policy due to Agenda Decision from IFRS Interpretations Committee: Application of principal/agent criteria in IFRS 15 revenue from contracts with a customer

On 20 April, the IFRS Interpretations Committee approved an Agenda Decision, which provides guidance on how a software reseller might apply the principal/agent criteria in IFRS 15, "Revenue from Contracts with Customers", to the resale of standard software to a customer.

The decision has implications for whether revenue from the resale of standard software is recognised on a gross or net basis under IFRS 15. The decision can also be applied to resale standard vendor services such as extended warranties.

In its historical accounts, ECIT has determined that it acts as a principal in the resale of standard software and vendor services. Revenue was recognised from these products and services on a gross basis (with gross invoiced sales reported as revenue and costs of the resold products reported as cost of goods).

Under the new guidance from the IFRS interpretations committee, ECIT has determined that it acts as an agent in the resale of selected standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". For this reason, ECIT has implemented a change to its accounting policy and recognised revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

The timing of revenue recognition in connection with new guidance have been concluded immaterial.

The change regarding resale of software has an impact to the IT division only.

In addition to reclassifying selected software licenses, ECIT has changed the recognition criteria related to specific activities within the Tech division where ECIT acts as an agent in the resale of certain event activities. For this reason, ECIT has implemented a change to its accounting policy and recognised revenue from these services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

The decision to change its accounting policy to conform with the Agenda Decision of the IFRS Interpretations Committee requires a restatement of prior years' accounts under IAS 8.

The change in accounting principles has been adjusted in our quarterly figures and the changes have been applied retrospectively.

The impact on ECIT's financial statements is:

- Revenue is reduced by NOK 103 million
- Cost of goods sold is reduced by NOK 103 million
- Gross profit, operating profit, profit for the year, balance sheet and cash flow statement are unchanged

	2022			2021		
Change in accounting policies (NOKm)	Before IFRS 15 assesment	IFRS assesment	Reported income statement	Before IFRS 15 assesment	IFRS assesment	Reported income statement
Group Level:						
Revenue	2,929	-103	2,826	2,383	-65	2,318
COGS	-632	103	-529	-506	65	-441
Gross Profit	**2,297**	**0**	**2,297**	**1,877**	**0**	**1,877**
EBITDA	**418**	**0**	**418**	**339**	**0**	**339**
EBITDA-%	**14.3%**	**0.5%**	**14.8%**	**14.2%**	**0.4%**	**14.6%**
IT Division:						
Revenue	1,338	-78	1,260	1,105	-58	1,047
EBITDA	**164**	**0**	**164**	**140**	**0**	**140**
EBITDA-%	**12.3%**	**0.8%**	**13.0%**	**12.7%**	**0.7%**	**13.4%**
Tech Division:						
Revenue	168	-25	143	104	-7	97
EBITDA	**6**	**0**	**6**	**-2**	**0**	**-2**
EBITDA-%	**3.6%**	**0.4%**	**4.0%**	**-1.9%**	**-0.1%**	**-2.1%**

Notes:
EBITDA = Operating profit before amortisation, depreciation and restructuring & transaction costs

2. Profit for the year

This section includes disclosures on components of consolidated profit for the year. The consolidated profit is based on the combined results of our three operating divisions Finance & Accounting, IT and Tech.

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 reflect our division and Group reporting used for management decision-making. The Executive management is considered the Chief Operating Decision Maker (CODM) in accordance with the International Financial Reporting Standards and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

There have been no changes to the reported segments compared to last year.

No customers during the year or during the previous year accounted for 10% or more of the Group's revenues.

Operating divisions

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

IT

Within IT services, ECIT provides full-stack solutions comprising managed services, hosting & hybrid cloud, IT consulting, and digitization (BI/AI/ML and Robotics) for SMEs and larger companies. ECIT's broad range of services allows for one point of contact for all customer IT needs and flexibility to meet a wide range of customer demands.

Finance & Accounting

ECIT's F&A segment provides end-to-end coverage of solutions within F&A services to SMEs and larger companies, offering basic accounting, F&A management support, payroll & HR, and debt collection. This broad service offering gives customers flexibility, expertise, and one point of contact.

Tech

ECIT's Technology division was founded in 2017 to provide customers with actionable financial insight into their business. ECIT eases customers' administrative processes through a customer-facing portal with user-friendly applications and automated workflows. The Technology division is also working to increase ECIT's F&A division's operational efficiency, allowing it to take full ownership of the customer experience and relationship.

Measurement of earnings by segment

Our business segments are measured and reported down to operating profit before amortisation, depreciation and restructuring & transaction costs. Segment results are accounted for in the same way as in the consolidated financial statements.

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.

Internal transactions between the operating segments are not eliminated, and there are no material differences in accounting policies between the operating segments and the group annual accounts.

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

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

Geographical information

ECIT operates throughout the northern part of Europe and has activities in 9 countries. Our geographical information is presented as follows:

- Norway
- Sweden
- Denmark
- Other

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

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

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

(NOKm)	2022 F&A Division	2022 IT Division	2022 Tech Division	2022 Group & Elim.	2022 Total	2021 F&A Division	2021 IT Division	2021 Tech Division	2021 Group & Elim.	2021 Total
Revenue	1,543	1,260	143	-120	2,826	1,298	1,047	97	-124	2,318
COGS	-114	-406	-39	30	-529	-81	-368	-21	-2	-441
Gross Profit	**1,429**	**854**	**105**	**-91**	**2,297**	**1,217**	**679**	**76**	**-126**	**1,877**
Personnel expenses	-948	-601	-66	-62	-1,677	-828	-467	-55	-4	-1,384
Other operating costs	-218	-89	-33	138	-203	-164	-72	-23	105	-154
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	**263**	**164**	**6**	**-15**	**418**	**225**	**140**	**-2**	**-24**	**339**
Total revenue growth	19.3%	20.4%	46.9%	-0.4%	21.9%	32.2%	23.0%	37.1%	-4.3%	30.1%
EBITDA-%	17.0%	13.0%	4.0%	12.8%	14.8%	17.4%	13.4%	-2.1%	19.6%	14.6%
Non-current assets	**1,042**	**590**	**252**	**384**	**2,268**	**761**	**535**	**173**	**352**	**1,822**

(NOKm)	2022 Norway	2022 Sweden	2022 Denmark	2022 Other	2022 Total	2021 Norway	2021 Sweden	2021 Denmark	2021 Other	2021 Total
Revenue	1,897	436	377	115	2,826	1,495	402	337	84	2,318
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	**259**	**69**	**69**	**21**	**418**	**197**	**66**	**61**	**15**	**339**
Non-current assets	1,658	203	319	88	2,268	1,270	220	235	97	1,822

2.2 Revenue

Revenue is recognised when it is likely that transactions will generate future financial benefits that will accrue to the Group, and the size of the amount can be reliably estimated. Revenue from services delivered is recognised based on the price specified in the contract with the customer. Revenue is measured excluding VAT and other tax collected on behalf of third parties, and any discounts are offset against the revenue. As a result of the lack of data availability, ECIT has not disclosed the timing of revenue recognition or quantitative amounts on each revenue stream. Revenues are disclosed per segment as described in note 2.1.

Revenue from the sale of services

ECIT mainly sells services. The Group calculates revenue from the sale of services over time, as the customer simultaneously receives and consumes benefits as these are offered by the Group. The Group recognises revenue over time on the basis of the degree of completion of the project, using an input or output data method. The method used is the one that best reflects the transfer of control.

Revenue from goods and services

The Group offers services that are either sold separately or as a package together with the sale of goods.

Contracts for the sale of packages of goods and services consisting of two delivery obligations, each of which comprises the sale of either goods or services, are recognised according to the principles described above. The transaction price is distributed on the two delivery obligations based on the relatively separate sales prices for the underlying goods and services.

Revenue from the sale of goods is usually recognised at the time of delivery of the goods, and services are recognised over time on the basis of the degree of completion.

Revenue from license fee

License fee consists of subscription fees for both external and internally developed systems. The material part of the Group's performance obligation is satisfied over time (as "right to access" licenses). The customer receives the right to access the system's intellectual property throughout the license period, for which revenue is recognised over the license period. The customer may only access the software through a network (cloud). The customer cannot take possession of the software/code and is not able to run the software on its own server. Revenue is recognised over the subscription period.

Under the new guidance from the IFRS interpretations committee, ECIT has determined that it acts as an agent in the resale of selected standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". For this reason, ECIT has implemented a change to its accounting policy and recognised revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

Implementation fee

At the time of delivery ECIT often provides certain services to the customer to allow the customer to access the license, including customisation to the relevant customer. These services are separated into pure setup services and implementation services.

Setup services consist of activities related to "activating" the software to enable the customer to access the software from its IT platform. These services do not provide any incremental benefit to the customer beyond permitting the customer to access and use the application and, therefore, are generally not considered to be distinct performance obligations. Implementation services that are used to significantly modify and customise the software for the customer's own use would also comprise one combined performance obligation together with the license.

These setup and implementation services are recognised over time together with the SaaS license. In addition, the Group provides implementation services related to solutions that are considered distinct performance obligations (i.e., accounted for separately) as these implementation services add value to the customer independently of the arrangements. These implementation services do not involve changing the software code and are, typically, "non-complex" services such as training of customer personnel, data conversion or migration, and similar, provided on-premise.

Contract balances

Contract assets are recognised for revenue earned from the delivery of services where the receipt of consideration is not yet invoiced, and the receipt of consideration is conditional on the successful completion of the services, and these are presented as other receivables in the balance sheet. Accounting policies for trade receivables and other receivables are presented in note 3.1.

Contract liabilities relate to remuneration received in advance for the license. The license is normally prepaid by the customer for 12 months or less. As such, the balance of the account at the end of the year represents the Group's deferred revenue related to performance obligations that will be satisfied within 12 months. The Group contract liabilities are disclosed in note 3.2.

2.3 COGS

Cost of goods sold (COGS) comprises costs incurred to achieve the financial year's revenue and primarily includes costs for IT hardware and software licenses.

2.4 Personnel expenses

Staff costs include salaries, bonuses, pensions, social security costs, vacation pay and other benefits.

Staff costs are recognised in the financial year in which the associated services are rendered by the employees. Costs related to long-term employee benefits, e.g., defined benefit pension plans, are recognised in the periods in which they are earned.

(NOKm)	2022	2021
Wages and salaries	1,395	1,138
Pension costs	71	61
Other social security costs	171	150
Other personnel expenses	39	35
Total	**1,677**	**1,384**
Average full time employees	**2,371**	**2,221**

Public subsidies

Public subsidies are recognised when there is reasonable assurance that the company will fulfil the conditions related to the subsidies and that the subsidies will be received. Subsidies are presented either as revenue on a separate line or as a cost reduction for comparison with the costs for which they are intended to compensate. Subsidies related to capitalised development costs are recognised as a reduction in book value.

Accounting of operating subsidies is recognised on a systematic basis over the subsidy period. ECIT did not receive any material public subsidies in 2022, as well as in 2021.

2.5 Other operating expenses

Other operating expenses include expenses related to renting (utilities), IT, training and education, travelling and other costs of operations and maintenance.

2.6 Amortisation and depreciation

Amortisation and depreciation related to the following fixed assets in the balance sheet:

(NOKm)	2022	2021
Research & Development	25	21
Customer contracts	52	42
Fixed tangible assets	24	24
Right-of-use assets	88	78
Total	**188**	**166**

Amortisation and depreciation profiles depend on the underlying assets; refer to:

- Intangible assets, note 4.2
- Property, plant and equipment, note 4.3
- Right-of-use assets, note 4.5

2.7 Restructuring & transaction costs

Restructuring and transaction costs are used in connection with the presentation of profit or loss for the year to distinguish consolidated operating profit from items, which by their nature are not related to the Group's ordinary operations or investment in future activities.

(NOKm)	2022	2021
Transactions costs	8	7
Restructuring costs	5	2
Total	**13**	**9**

Restructuring & transaction costs comprise:

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

Transaction costs are costs relating to the acquisition of companies that cannot be capitalized together with the shares. This applies to both completed and uncompleted acquisitions.

Restructuring costs consist mainly of one-time expenses relating to employee termination.

Management judgements and estimates

In the classification of restructuring and transaction costs, judgement is applied to ensure only items not associated with the ordinary operations of the Group are included.

	2022			2021		
Restructuring & transaction costs Bridge (NOKm)	Reported income statement	Restructuring & transaction costs	Adjusted income statement	Reported income statement	Restructuring & transaction costs	Adjusted income statement
Revenue	2,826	0	2,826	2,318	0	2,318
COGS	-529	0	-529	-441	0	-441
Gross Profit	**2,297**	**0**	**2,297**	**1,877**	**0**	**1,877**
Personnel expenses	-1,677	-5	-1,682	-1,384	-2	-1,386
Other operating costs	-203	-8	-211	-154	-7	-161
Operating profit before amortisation, depreciation and restructuring & transaction costs	**418**	**-13**	**405**	**339**	**-9**	**331**
Restructuring & transaction costs	-13	13	0	-9	9	0
Operating profit before amortisation, depreciation	**405**	**0**	**405**	**330**	**0**	**330**
Amortizations and depreciations	-188	0	-188	-166	0	-166
Operating profit	**217**	**0**	**217**	**164**	**0**	**164**
Share of profit or loss of associates accounted for using the equity method	1	0	1	0	0	0
Financial income	49	0	49	27	0	27
Financial expenses	-38	0	-38	-41	0	-41
Profit before tax	**229**	**0**	**229**	**150**	**0**	**150**

2.8 Financial items

Financial income and expenses comprise interest income and expenses, realised and non-realised capital gains/losses on transactions in foreign currency, amortisation of financial assets and liabilities etc.

(NOKm)	2022	2021
Financial income:		
Interest income	10	4
Exchange rate income	5	6
Earn out assessment	7	12
Gain on divestments	24	0
Profit from associates	1	0
Other financial income	2	5
Total	**49**	**27**
Financial expenses:		
Interest expense	-29	-18
Exchange rate expense	-9	-16
IPO cost	0	-6
Other financial expenses	0	-1
Total	**-38**	**-41**

2.9 Tax

Current tax

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on taxable income for previous years and for prepaid tax.

(NOKm)	2022	2021
Profit before tax	229	150
Calculated tax on profit for the year	50	33
Tax effect of:		
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	0	-1
Non-deductible expenses/non-taxable income	5	2
Non-deductible losses/non-taxable gain on shares	0	0
Temporary differences, net	-3	1
Other tax adjustments	0	0
Tax of the year	**52**	**35**
Effective tax rate	**23.0%**	**23.6%**

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)	2022	2021
Tax for the year is disaggregated as follows:		
Tax on profit for the year	52	35
Tax on other changes in equity	0	0
Tax on OCI	0	0
Total tax of the year	**52**	**35**
Tax on profit for the year is calculated as follows:		
Current tax	68	55
Deferred tax	-17	-21
Tax adjustments prior years	0	2
Total tax on profit for the year	**52**	**35**
Tax on OCI specifies as follows:		
Fair value, interest hedge	0	0
Total	**0**	**0**

Deferred tax

Deferred tax is recognised based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, properties and other items if disallowed for tax purposes, except at the acquisition of enterprises, if such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised as other non-current assets at the expected value of their utilisation, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

Deferred tax is adjusted for the elimination of unrealised intra-group gains and losses. Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries that will be effective under current legislation at the reporting date on which the deferred tax is expected to materialise as current tax.

Management judgements and estimates

Management applies significant estimates when recognising and measuring deferred tax assets.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised if it is assessed that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognised if likely to be utilised.

When considering tax and duties disputes, Management applies significant estimates of the likely outcome based on the knowledge available of the actual substance of the disputes, including opinions and estimates by external tax experts and case law, if available. The resolution of disputes may take several years, and the outcome is subject to considerable uncertainty.

Deferred tax not recognised in the balance sheet equals NOK 28 million (2021: 25). The amount corresponds tax loss carried forward.

(NOKm)	**2022**	**2021**
Intangible assets	350	327
Tangible assets	38	8
Other receivables	-9	-5
Other liabilities	-2	-16
Loss carry forwards	-169	-102
Total	**208**	**212**
Classifications:		
Deferred tax assets	38	31
Deferred tax liabilities	84	78
Reflected in the statement of financial position as follows:		
Deferred tax assets	38	31
Deferred tax liabilities:		
Continuing operations	84	78
Discontinued operations	0	0
Deferred tax liabilities, net	**46**	**47**

3. Financial assets and liabilities

This section provides information regarding the Group's financial instruments, including trade receivables and payables, other receivables and financial liabilities. Each category of financial asset and liability is disclosed with the method of measurement in their respective sections below.

The Group holds the following financial instruments:

(NOKm)	2022	2021
Financial assets:		
Trade receivables	407	325
Other financial assets	45	27
Other receivables	271	232
Cash and cash equivalents	183	265
Financial liabilities		
Borrowings	367	217
Lease liabilities	225	236
Trade and other payables	739	653

The Group's exposure to various risks associated with the financial instruments is presented in note 5.5. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

3.1 Trade Receivables

A receivable is the Group's unconditional right to consideration and is accounted for in accordance with IFRS 9. Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement on a short-term basis and therefore are classified as current.

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair value.

Expected credit losses

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(NOKm)	2022	2021
Trade receivables	423	337
Write-downs	-15	-12
Trade receivables net	**407**	**325**

3.2 Contract assets and liabilities

Contract assets

A contract asset is initially recognised for revenue earned from the rendering of services because the receipt of consideration is conditional on the successful completion of the services. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets are reclassified to trade receivables.

All of the Group's contracts with customers are generally prepaid 12 months or less in advance. Hence, the Group has no significant contract assets for the period presented, and the amount is presented in trade and other receivables, note 3.1.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract liabilities have a carrying amount of NOK 49 million (2021: 40).

The Group does not have any performance obligations with an original expected duration of more than 12 months recognised in the balance sheet.

3.3 Other receivables

Other receivables consist of receivables other than trade receivables. These other receivables generally arise from transactions outside the usual operating activities of the Group. The material part of the non-current part of other receivables consists of interest-bearing receivables and rental deposits, which are measured at costless repayments and impairment (amortised cost). Reference is made to note 5.6 regarding interest rate derivatives.

3.4 Other financial assets

Other financial assets comprise other equity investments than group companies.

Financial assets at fair value through profit or loss include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Financial assets not listed on the stock exchange are measured at cost price; hence the fair value of the equity shares is not to be valid determined.

For investments in associated companies, please refer to note 7.6.

3.5 Cash and cash equivalents

A minor part of cash and cash equivalents consists of employees' tax deduction accounts. On 31 December 2022, cash in employees' tax deduction accounts equals NOK 14 million (2021: 14).

Cash Pool account

The Group has established a Cash Pool account system in Nordea and DnB Bank ASA, which is administrated by the parent company and ECIT Midco Holding AS. The participants in the Cash Pool are jointly liable to the bank for the fulfilment of any obligations that might arise under the Group account agreement.

In the consolidated financial statements, the net Group account is presented as bank deposits.

	2022		2021	
(NOKm)	Carrying amount	Owner-ship in %	Carrying amount	Owner-ship in %
Wint Group AB	8	6.4%	8	6.4%
Visual Information Systems A/S	5	9.4%	3	6.9%
Siffer System AS	3	12.6%	1	6.1%
Luca Labs AS	1	3.1%	1	3.1%
Club United AS	0	n/a	9	20.5%
Adline Professional AS	3	5.0%	0	n/a
ZTL Payment Solutions AS	10	4.2%	0	n/a
Ofinda ApS	2	20.0%	0	n/a
Verismo AB	6	18.0%	0	n/a
Investments in listed securities	7	n/a	5	n/a
Total	**45**		**27**	

3.6 Trade and other payables

Trade payables represent liabilities for services provided to the Group prior to the end of the financial year, which are unpaid at the balance sheet date. The amounts are unsecured and are usually paid on a short-term basis. Trade and other payables are presented as current liabilities unless payment is due more than 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. Trade and other payables are not pledged through third-party credit enhancements.

3.7 Other financial liabilities

Other financial liabilities are measured at amortised cost, which, in all essentials, corresponds to the net realisable value.

Other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Group is exposed to certain risks relating to its ongoing business operations. On 31 December 2022, the Group had an interest rate swap agreement in place with a notional amount of NOK 0 million rounded (2021: 0). For further information, see note 5.5.

Other financial liabilities are, to some extent, pledged. Further information hereby is presented in note 7.4.

Lease liabilities are initially measured at the present value of future leasing payments under the contract, discounted using either the interest rate implicit in the contract or (if the implicit interest rate is not available) an incremental borrowing rate appropriate for the Group.

Subsequent to recognition, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is adjusted for any remeasurements or contract modifications. Lease payments are allocated between the reduction of liability and interest expenses. Interest expenses are charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. For a description of accounting policies and details related to right-of-use assets, including further disclosures in accordance with IFRS 16, refer to note 4.5.

Certain lease contracts include extension options with the intention of ensuring operational flexibility. The expected term of each lease contract is reflected in the recognised lease liability.

(NOKm)	Carrying amount	Interest rate	Duration (years)	Undrawn facility
Credit facility	328	n/a	3	423
Long-term loan I	7	Nibor 6m +2%	4	0
Long-term loan II	14	3.9%	4	0
Long-term loan III	1	0.0%	2	0
Total	**350**			**423**

	2022				2021			
(NOKm)	Carrying amount	0-1 year	1-5 years	>5 years	Carrying amount	0-1 year	1-5 years	>5 years
Borrowings	368	17	350	0	217	36	180	1
Lease liabilities	225	80	139	6	236	76	148	12
Trade and other payables	739	651	88	0	653	568	85	0
Total financial liabilities	**1,332**	**748**	**577**	**6**	**1,183**	**757**	**413**	**13**

Notes:

The interest rate for the credit facility is a product of NIBOR 3 months and a margin

Financing activities 2022 (NOKm)	1 January 2022	New loans	Down-payment	Interests	Non-cash change: Additions business combination	Non-cash change: Currency effects	Non-cash change: Other	31 December 2022
Loans and credit facilities	217	215	-89	14	11	0	0	368
Lease liabilities (current and non-current)	236	0	-98	7	79	2	-1	225
Total liabilities from financing activities	**453**	**215**	**-187**	**21**	**90**	**2**	**-1**	**593**
Other non-current liabilities	0	0	0	0	0	0	0	0
Total financial liabilities	**453**	**215**	**-187**	**21**	**90**	**2**	**-1**	**593**

Financing activities 2021 (NOKm)	1 January 2021	New loans	Down-payment	Interests	Non-cash change: Additions business combination	Non-cash change: Currency effects	Non-cash change: Other	31 December 2021
Loans and credit facilities	160	212	-171	6	20	-3	-7	217
Lease liabilities (current and non-current)	201	0	-84	7	115	-4	1	236
Total liabilities from financing activities	**361**	**212**	**-255**	**13**	**135**	**-7**	**-6**	**453**
Other non-current liabilities	0	0	0	0	0	0	0	0
Total financial liabilities	**361**	**212**	**-255**	**13**	**135**	**-7**	**-6**	**453**

Notes:
Other includes additions and remeasurement of financial liabilities.

4. Non-financial assets and liabilities

This section provides information related to the Group's invested capital that forms the basis of the business activities. Invested capital represents the Group's property and equipment, intangible assets and provisions.

The Group considers assets and liabilities to be current in the event they are expected to be fulfilled or is due within one year and non-current otherwise.

4.1 Impairment testing

Goodwill

The carrying amount of goodwill is tested for impairment at least annually, together with other non-current assets of the Group.

Impairment testing is performed for each cash-generating unit (CGU) to which consolidated goodwill is allocated, as defined by Group Management. The CGUs follow our divisional structure and are divided into three CGUs, Finance & Accounting (F&A), IT and Tech.

Goodwill is written down to its recoverable amount through the income statement if lower than the carrying amount. The recoverable amount is determined as the present value of the discounted future net cash flow from the cash-generating unit to which the goodwill relates. In calculating the present value, discount rates are applied, reflecting the risk-free interest rate with the addition of risks relating to the individual cash-generating units, such as geographical and financial exposure.

The sensitivity analysis shows the lowest possible growth rate or highest possible discount rate in percentage points by which the assumptions used can change before goodwill becomes impaired.

	2022				2021			
(NOKm)	F&A	IT	Tech	Total	F&A	IT	Tech	Total
Carrying amount of goodwill at 31 December	788	377	114	1,279	568	312	75	955
Budget period								
Annual revenue growth	7.6%	7.6%	14.1%	8.1%	5.5%	6.5%	24.3%	6.4%
Operating margin	16.1%	11.0%	13.6%	13.6%	12.9%	11.3%	10.8%	12.1%
Terminal period								
Growth	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-tax discount rate	7.0%	9.5%	7.0%	8.5%	9.7%	9.7%	9.7%	9.7%
Sensitivity analysis								
Growth in budget period - allowed decline (percentage points)	22.5%	27.0%	n/a	26.3%	14.3%	36.5%	n/a	28.0%
Discount rate - allowed increase (percentage points)	8.5%	11.5%	7.0%	8.0%	5.3%	11.8%	4.5%	9.6%

Other non-current intangible assets, property, plant and equipment

The carrying amount of other non-current assets are tested for impairment at least once a year. If the tests show evidence of impairment, the asset is written down to the recoverable amount through the income statement if lower than the carrying amount. The recoverable amount is the higher of the fair value of the asset, less the expected costs to sell and its value in use.

The value in use is calculated as the present value of expected future cash flows from the asset or the division of which the asset forms part.

Management judgements and estimates

For goodwill impairment testing, several estimates are made on the development in revenues, gross profits, operating margins, future capital expenditures, discount rates and growth expectations in the terminal period.

These are based on an assessment of current and future developments in the three cash-generating units and on historical data and assumptions of future expected market developments, including expected long-term average market growth rates.

No write-downs of intangible or tangible assets have been carried out during 2022. No write-downs of intangible or tangible assets were carried out during the year prior either.

In the event of impairment losses or reversal of impairment losses, this will affect the goodwill and other non-current intangible assets, property plant and equipment. No impairment losses or reversal of impairment losses have been performed during 2022.

The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

4.2 Intangible assets

Goodwill – accounting policies

Goodwill acquired in business combinations is recognised and measured as the difference between the total fair value of the consideration transferred and the fair value of the identifiable net assets, including customer contracts, on the date of acquisition. Goodwill is not amortised but tested at least annually for impairment.

Customer Contracts – accounting policies

On initial recognition, customer relationships identified from business combinations are recognised in the balance sheet at fair value. Subsequently, customer relationships are measured at fair value less accumulated amortisation and impairment losses.

Customer relationships related to price purchase allocation are amortised over a period of ten years using the straight-line basis method. Other customer relationships are amortised on a straight-line basis over the asset's estimated useful life.

Software – accounting policies

Expenses related to software development activities are capitalised to the extent that the product or process is technically and commercially feasible and;

- the Group has sufficient resources and has the objective of completing the development,
- it is probable that future financial benefits will accrue to the Group, and
- the software costs can be measured reliably.

Capitalised software development costs are related to customer-oriented applications. Total earnings from ongoing development are expected to correspond to the total expenses involved. All software development expenses have been capitalised during the year, and no material software research expenses were incurred as expenses through the income statement in 2022.

Expenses capitalised in the balance sheet include costs of materials, direct payroll costs and a share of directly attributable joint expenses. Capitalised development costs are recognised in the balance sheet at acquisition cost less accumulated amortisation and impairment losses.

Capitalised software development costs are amortised on a straight-line basis over the asset's estimated useful life, which equals 5 to 10 years.

	2022				2021			
Intangible assets (NOKm)	**Goodwill**	**Customer Contracts**	**Software**	**Total**	**Goodwill**	**Customer Contracts**	**Software**	**Total**
Cost at 1 January	973	462	192	1,627	745	365	153	1,262
Additions for the year	0	0	55	55	0	0	27	27
Additions through business combinations	316	100	4	420	243	110	28	381
Remeasurement of price purchase allocation	0	0	0	0	3	0	0	3
Disposals at cost	0	1	-2	-1	-3	-3	-10	-17
Currency translation adjustments	7	2	3	12	-14	-10	-5	-29
Cost at 31 December	**1,296**	**564**	**252**	**2,113**	**973**	**462**	**192**	**1,628**
Amotizations at 1 January	0	-128	-79	207	0	-89	-70	-158
Amortizations for the year	0	-52	-25	-79	0	-42	-21	-63
Disposals during the year	0	3	0	3	0	1	10	11
Currency translation adjustments	0	-1	-2	-3	0	2	1	3
Amotizations at 31 December	**0**	**-178**	**-105**	**-283**	**0**	**-128**	**-79**	**-207**
Impairment at 1 January	-18	0	0	-18	-18	0	0	-18
Impairments for the year	0	0	0	0	0	0	0	0
Currency translation adjustments	0	0	0	0	0	0	0	0
Impairment at 31 December	**-18**	**0**	**0**	**-18**	**-18**	**0**	**0**	**-18**
Carrying amount at 31 December	**1,279**	**386**	**147**	**1,811**	**955**	**335**	**113**	**1,403**

4.3 Land, buildings and equipment

Property, plant and equipment are measured at acquisition cost, less accumulated depreciation and write-downs. When assets are sold or disposed of, the book value is deducted, and any loss or gain is recognised in the income statement.

The cost comprises the acquisition price and other directly attributable expenses of preparing the asset for its intended use. The present value of estimated expenses for dismantling and disposing of the asset as well as restoration expenses, are added to the cost of such expenses and are recognised as a provision.

Material borrowing costs directly attributable to the construction of the individual asset are also capitalised.

If an individual component of an asset has different useful lives, each component will be depreciated separately.

Depreciation is carried out on a straight-line basis over the expected useful lives of the assets, as follows:

- Land and buildings 20-50 years
- Equipment etc. 3-15 years

The basis of depreciation considers the residual value of assets and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and reassessed once a year. Depreciation will be halted if the residual value exceeds the carrying amount of the asset.

Management judgements and estimates

Judgement is applied in determining the depreciation period and a future residual value of the assets recognised and is generally based on historical experience. Reassessment is done annually to ascertain that the depreciation basis applied is still representative and reflects the expected life and future residual value of the assets.

	2022			2021		
(NOKm)	Land and buildings	Equip-ment, etc.	Total	Land and buildings	Equip-ment, etc.	Total
Cost at 1 January	15	182	197	34	174	208
Additions for the year	1	18	20	1	19	20
Additions through business combinations	5	1	6	0	3	3
Disposals at cost	0	-5	-4	-20	-10	-30
Currency translation adjustments	0	2	2	0	-4	-4
Cost at 31 December	**21**	**199**	**220**	**15**	**182**	**197**
Depreciations at 1 January	-9	-138	-147	-14	-124	-137
Depreciations for the year	-3	-21	-24	-2	-22	-24
Disposals during the year	0	2	2	8	5	12
Currency translation adjustments	0	-3	-2	0	2	3
Depreciations at 31 December	**-12**	**-160**	**-172**	**-9**	**-138**	**-147**
Impairment at 1 January	0	0	0	0	0	0
Impairments for the year	0	0	0	0	0	0
Impairment at 31 December	**0**	**0**	**0**	**0**	**0**	**0**
Carrying amount at 31 December	**9**	**39**	**48**	**6**	**44**	**50**

4.4 Inventories

Inventories are measured at the lowest of acquisition cost and net realisation value. Net realisation value is the estimated sales price on ordinary operations, less sales costs. Acquisition cost is allocated using the FIFO method and includes expenses incurred on the acquisition of the items and costs to bring the items to their current state and location. Inventories consist only of finished goods.

4.5 Leases

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use asset and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. Lease liabilities are measured at the present value of future lease payments, discounted by the Group's alternative borrowing rate if an interest is not implicit within the contract.

When determining the lease period, options are only included if it is reasonable; they will be utilised. At subsequent measurement, the right-of-use asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability.

Right-of-use assets are depreciated on a straight-line base over the expected lease period or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any re-measurements or modifications made to the contract.

The Group has chosen to exclude the recognition of right-of-use assets of low value (below USD 5,000) and lease agreements with a lease period of 12 months or less. For these lease agreements, the Group recognises the lease payments as other operating costs in the income statement as they accrue. The Group has no lease contracts with variable payments at 31 December 2022.

(NOKm)	2022 Buildings	2022 Equipment, etc.	2022 Total	2021 Buildings	2021 Equipment, etc.	2021 Total
Carrying amount at 1 January	210	16	226	181	13	194
Additions for the year	30	11	41	26	9	35
Additions from business combinations	38	0	38	77	2	79
Disposals during the year	-3	0	-3	0	0	0
Depreciations for the year	-76	-12	-88	-71	-7	-78
Currency translation adjustments	2	0	2	-3	-1	-4
Carrying amount at 31 December	**201**	**16**	**217**	**210**	**16**	**226**

Management judgements and estimates

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities.

Extension options are not included when measuring the IFRS 16 leases. The consolidation process of our companies entails extension options not being utilised. On 31 December 2022, the total amount of extension options was 36 MNOK (2021: 44).

The Group has used 3.0% as an appropriate incremental borrowing rate in cases where the interest rate is not stated in the leasing agreement. This reflects well the current borrowing rate for ECIT. This principle has not changed from the previous year.

Lease effects in profit or loss and cash flow (NOKm)	2022	2021
Profit and loss:		
Interest expenses	-7	-7
Short-term contracts	0	0
Low-value contracts	0	0
Income from subleasing	8	9
Cash flow items:		
Cash outflow lease principal	-91	-77
Cash outflow lease interests	-7	-7

Lease categories

Right-of-use assets classified as Land & Buildings mainly relate to office buildings, whereas assets recognised as equipment etc., mainly relate to IT hardware, company cars and other office equipment.

Building leases normally have a lease term of up to seven years, whereas leases of equipment, plant etc., normally have a lease term of up to five years.

Contractual maturity of lease liabilities (MNOK)	2022	2021
0-1 years	85	66
1-5 years	155	165
> 5 years	6	11
Total undiscounted lease liabilities at 31 December	**246**	**242**
Current/non-current classification (discounted):		
Current	80	76
Non-current	145	160

4.6 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are in all material aspects long term, and no interest expense due to the passage of time is recognised as an interest expense.

The Group's provisions are divided into two categories:

- Earn out obligation
- Pension provisions

The Group calculates contingent payments on the acquisition of subsidiaries. Contingent payments on the acquisition of subsidiaries must be settled by the issue of shares in ECIT AS or in cash.

The recognition of contingent payments (earn out) and annual assessment of expected payments are made based on the companies' earnings, specific earnings-influencing initiatives and historical experience.

In the preparation of the annual financial statements, the Group's Management has applied discretionary estimates that are assessed to be realistic. Situations or changes in market conditions may arise that might result in changes to estimates, thereby affecting the Group's assets, liabilities, equity and results. Earn-out provisions contain inherent uncertainty of outflows of economic benefit. The liability is due in accordance with the underlying agreement entered upon the acquisition of the individual subsidiary.

	2022			2021		
(NOKm)	Earn Out obligation	Pension provisions	Total	Earn Out obligation	Pension provisions	Total
Carrying amount at 1 January	28	3	31	57	0	57
Acquired through business combinations	42	0	42	0	3	3
Additional provisions recognized	0	1	1	3	0	3
Earn out assessment	-7	0	-7	-12	0	-12
Amounts used during the year	-5	0	-5	-20	0	-20
Carrying amount at 31 December	**58**	**4**	**62**	**28**	**3**	**31**
Non-current	35	4	39	23	3	26
Current	23	0	23	5	0	5

4.7 Pensions obligations

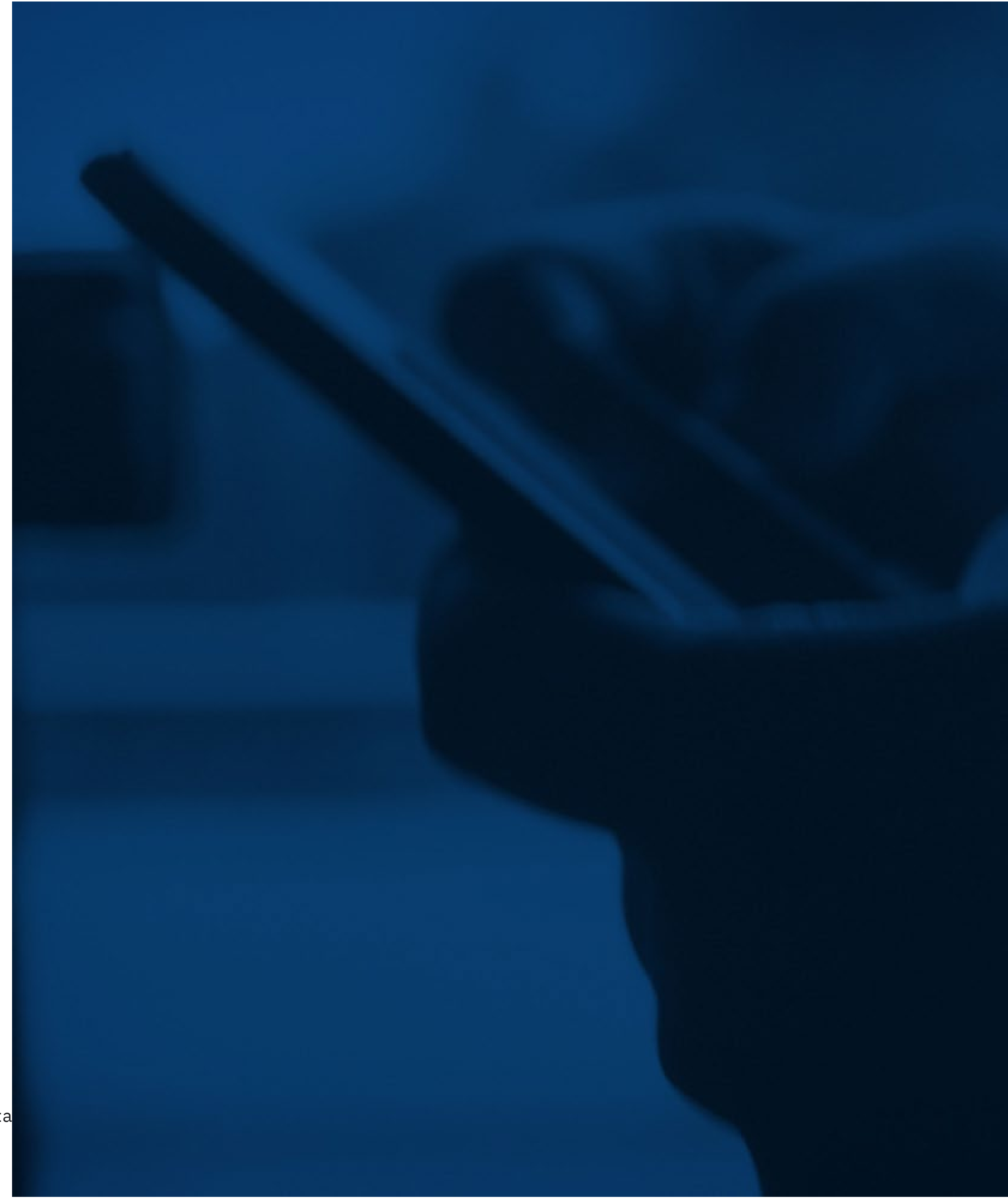
Pension obligations relating to defined contribution plans, under which the Group pays regular pension contributions to independent pension funds, are recognised in the income statement for the period in which they are earned. Contributions payable are recognised in the balance sheet under other current liabilities.

The Group has a defined contribution pension plan for its Norwegian employees that satisfies the statutory requirements in the Norwegian law on required occupational pensions.

Regarding defined benefit plans, an actuarial valuation of the present value of future benefits payable under the plan is made once a year. The present value is calculated based on various assumptions, including the future development in wage/salary levels, interest rates, inflation and mortality. The present value is only calculated for benefits to which the employees have become entitled during their employment with the Group. The actuarial calculation of the present value less the fair value of assets under the plan is recognised in the balance sheet under pension obligations. Pension costs for the year are recognised in the income statement based on actuarial estimates and the financial outlook at the beginning of the year.

Two subsidiaries hold employees with defined benefit plans. On 31 December 2022 total booked value of benefit plans equals NOK 4 million (2021: 3). In determining the pension obligations, Management makes use of external and independent actuaries as the basis for the estimates applied in measuring the obligation.

We continuously work to change our defined benefit plans in ECIT into defined contribution plans for the benefit of the Group and the employees.



5. Capital and financial risk

The section describes the shareholders' equity composition and capital management, including risks related to the financing structure of the Group.

5.1 Equity

Share Capital

On 31 December 2022, the share capital of ECIT AS equals NOK 452 million with a nominal value of NOK 1. The corresponding value the previous year was NOK 445 million with a nominal value of NOK 1.

During the year, minor capital increases were made in connection with new acquisitions with a total value of NOK 7 million.

In May 2021, ECIT AS was listed at the Euronext Growth Oslo Stock Exchange. The primary contained a capital increase of 50 million shares with a nominal value of NOK 1 each.

Shares consist of three share classes A, B and C-shares. As of 31 December 2022, total shares comprise:

- A shares: 41,336,068 (2021: 41,336,068)
- B- shares: 343,031,470 (2021: 339,178,000)
- C: Shares: 67,682,956 (2021: 64,941,000)

A-shares are not subject to listing but entail ten votes per share in accordance with the company's articles of association. The voting rights for A-shares are limited to 49,9% of the total voting rights.

B-shares entail voting rights equivalent to one vote per share. The B-shares a listed at Euronext Growth Oslo.

C-shares are not subject to listing and carry one vote per share. They are established to accommodate Danish shareholders owning ECIT shares through a holding company. All C-shares are subject to lock up for a period of 36 months after listing, except for 15%, which may be converted to B-shares and sold after 12 months. 25% of each holder's C-shares may be converted to B-shares in December of each year upon the board's consent. After 36 months, C-shares may be converted to B-shares in connection with the annual general meeting each year.

	2022				2021			
Other reserves specification (NOKm)	Treasury shares	Hedging reserve	Trans-lation reserve	Total	Treasury shares	Hedging reserve	Trans-lation reserve	Total
Other reserves at 1 January	-1	0	5	4	-8	0	21	13
Other comprehensive income net	0	0	3	3	0	0	-16	-16
Total comprehensive income	**0**	**0**	**3**	**3**	**0**	**0**	**-16**	**-16**
Transactions with owners:								
Purchase of treasury shares	-3	0	0	-3	-1	0	0	-1
Sale of treasury shares	1	0	0	1	6	0	0	6
Transfer of treasury shares as business combination consideration	0	0	0	0	2	0	0	2
Other reserves at 31 December	**-3**	**0**	**8**	**5**	**-1**	**0**	**5**	**4**

Share premium

The share premium represents positive differences between the nominal share capital and the amount paid by shareholders for newly issued shares.

The share premium is a distributable reserve.

Treasury shares

The reserve contains the nominal value of treasury shares, where any difference to the market price is recognised directly in retained earnings in equity.

A total of 878,539 treasury shares were sold in 2022. A total of 2,549,365 treasury shares were acquired in 2022.

On 31 December 2022, 2,737,168 shares were held as treasury shares (2021: 1,178,842). The reserve is a distributable reserve.

Hedging reserve

The hedging reserve comprises the fair value of hedging instruments qualifying for hedge accounting. The hedging instrument relates to interest rate instruments.

Translation reserve

Exchange differences arising on translation of foreign-controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Dividends

Dividends are recognised as a liability when the dividend is approved by the Annual General meeting.

The dividend proposed for the fiscal year 2022 is NOK 0.04 per share (2021: 0.04), equal to a total dividend of NOK 18 million (2021: 18).

The dividend is paid out to all shareholders of ECIT AS, and no shares have special rights in connection with the dividend payout.

5.2 Earning per share

Earnings per share (EPS) is calculated according to IAS33.

Earnings per share (NOKm)	2022	2021
Profit of the year	**177**	**115**
Non-controlling interests' share of consolidated profit for the year	72	66
ECIT AS shareholders' share of profit for the year	**105**	**49**
('000 shares)		
Total average number of shares	448,753	416,840
Average number of treasury	-1,958	-4,575
Diluted average number of shares in circulation	**446,795**	**412,264**
Earnings per share, NOK 1	0.23	0.12
Diluted earnings per share, NOK 1	0.23	0.12

Treasury share reserves specification (NOKm)	2022 Market Value	2022 % of share capital	2022 Nominal Value	2021 Market Value	2021 % of share capital	2021 Nominal Value
Portfolio 1 January	8	0.2%	1	17	2.1%	8
Purchase of treasury shares	13	0.6%	3	4	0.2%	1
Sale of treasury shares	-1	-0.2%	-1	-27	-1.3%	-6
Transfer of treasury shares as business combination consideration	-1	0.0%	0	16	-0.4%	-2
Value adjustment	1	0.0%	0	30	0.0%	0
Portfolio 31 December	**20**	**0.6%**	**3**	**8**	**0.2%**	**1**

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5.3 Top 20 shareholders of ECIT AS

ECIT AS is owned through a multiple-share class structure. Peter Lauring, the CEO and Founder, is the largest owner holding 9.4% of the economic interest and 49.9% of the voting rights through CGL Holding AS and CGL Holding II AS. Management and employees hold approximately 62% 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	1,112	0	42,448	9.4%	49.9%
Varner Kapital AS		25,000		25,000	5.5%	3.0%
IC Services 2 AS		24,423		24,423	5.4%	3.0%
Paradigm Capital Value Fund		16,953		16,953	3.8%	2.1%
Bras Kapital AS		16,000		16,000	3.5%	1.9%
Mikkel Walde Holding ApS		280	15,525	15,805	3.5%	1.9%
Y-Not ApS		175	14,840	15,015	3.3%	1.8%
Long Path Partners LP		11,959		11,959	2.6%	1.5%
Mp Pensjon Pk		10,622		10,622	2.3%	1.3%
Deka Investment GmbH		10,300		10,300	2.3%	1.2%
Anglo Supply AS		9,994		9,994	2.2%	1.2%
Paradigm Capital Value LP		7,861		7,861	1.7%	1.0%
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	1.0%	0.6%
Infolink Holding AS		4,503		4,503	1.0%	0.5%
Litu AS		4,261		4,261	0.9%	0.5%
Sewell AS		3,812		3,812	0.8%	0.5%
P H Mathiesen Holding af 2018 ApS		3,724		3,724	0.8%	0.5%
UBS AG (Private Banking)		3,659		3,659	0.8%	0.4%
Top 20 shareholder total	**41,336**	**171,135**	**30,365**	**242,836**	**53.7%**	**74.2%**
Other shareholders	0	171,897	37,318	209,215	46.3%	25.8%
Total number of shares	**41,336**	**343,031**	**67,683**	**452,050**	**100.0%**	**100.0%**

Notes:

CGL Holding AS & CGL Holding II AS consists of all shares held by Peter Lauring, companies he has the majority of shares in, and his relatives. Peter Lauring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

Y-Not ApS consists of all shares held by Klaus Jensen, companies he has the majority of shares in and his relatives.

UBS AG is a nominee and comprises more than one shareholder.

5.4 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. For further information, please refer to note 7.5.

(NOKm)	2022	2021
Borrowings	368	217
Lease liabilities	225	236
Total interest bearing liabilities	**593**	**453**
Interest bearing receivables	60	50
Cash and cash equivalents	183	265
Total interest bearing assets	**243**	**316**
Net debt / Net cash (-)	**350**	**137**

Capital allocation policy

Executive Management and the Board of Directors monitor the capital structure to ensure that the Group's capital resources support the strategic goals and maximise shareholder returns.

The capital allocation policy below outlines the priority for the allocation of free cash flow:

1. Repayment of NIBD in periods when the financial gearing is above the limit range,
2. Value-adding investments, acquisitions, or development of existing business,
3. Distribution to shareholders, including dividends and share buybacks.

5.5 Financial risks

The Group's finance functions manage financial risk at a centralised level. Thus, the Group's financial Management is aimed solely at managing and reducing the financial risks directly associated with the Group's operations and financing.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk relates to the long-term floating-rate loans raised by the Parent. These loans are partly converted to fixed-rate loans by using interest-rate swaps with a duration of up to 120 months. The Group's loans and credit facilities break down as shown in note 3.7.

Interest rate sensitivity

ECIT has limited interest-bearing debt as of December 2022 but is, to some extent, still exposed to interest rate risks, mainly from a long-term floating-rate loan (credit facility).

The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

On 31 December 2022, 27% (2021: 0%) of Group borrowings were partly secured through an interest rate swap contract. The duration of hedges relating to net borrowings of the Group was 114 months (2021: 0 months).

The weighted average interest rate on the Group's loans, credit facilities and interest rate hedging was 4.9% at the end of 2022.

A 1 percentage point increase in interest rates would increase profit for the year by NOK 2 million (2021: 1 million loss) and increase other comprehensive income by NOK 0 million (2021: 0), based on average net interest-bearing debt for 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of exposure will fluctuate because of changes in foreign exchange rates.

The Group's cross border business activities expose it to foreign exchange transaction risk and translation risk. The Group's risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenues and expenses denominated in a foreign currency), external financing through interest bearing liabilities and the Group's net investment in foreign subsidiaries.

The Group's presentation currency is NOK. Accordingly, changes in the value of the currencies in which it generated revenues and incurs costs in relation to NOK affect the Group's overall revenue, profit or loss and financial position.

Transactional risk arises when the Group's entities enter into transactions in currencies different than the entities' functional currencies. A significant part of revenues is denominated in NOK, with a smaller portion in EUR, SEK, DKK, PLN, GBP and RON. 33% of the Group's revenue in 2022 came from countries outside Norway, as opposed to 36% in 2021.

A large portion of the Group's operations are conducted in Norway, where transactions to a large extent is made in NOK and as such the Group has significant costs in NOK.

In case of unfavourable exchange rate fluctuations, such as a strong currency in the country of a supplier, and the Group due to competitive pressure being unable to raise its prices, the Group may face reduced gross margins leading to a decline in net results and a competitive disadvantage. Products and services provided and invoiced to the Group in markets with weaker local currencies may also lead to lower profit margins which could have an adverse effect on the Group's business, results of operations, financial condition and cash flow.

The Group does not hedge currency exposure with the use of financial instruments at the current time but monitors the net exposure over time.

Foreign currency sensitivity

The following table illustrates the sensitivity of the Group's financial instruments denominated in a foreign currency to a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant.

Foreign currency sensitivity (NOKm)	2022 Change in fx rate	2022 Impact on profit before tax	2022 Impact on OCI	2021 Change in fx rate	2021 Impact on profit before tax	2021 Impact on OCI
Increase in EUR/NOK	+10%	0	8	+10%	-1	10
Increase in SEK/NOK	+10%	4	36	+10%	4	28
Increase in DKK/NOK	+10%	4	31	+10%	4	20
Increase in PLN/NOK	+10%	0	1	+10%	0	0
Increase in GBP/NOK	+10%	1	1	+10%	0	1
Increase in RON/NOK	+10%	0	0	+10%	0	0

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurances. For an over-view of the expected credit losses recognised for trade receivables, refer to note 3.1.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities agreement to finance working capital and investments. The Group has flexible debt financing through a Revolving Credit Facility and may further draw funds or establish additional incremental revolving facilities if deemed necessary (see note 3.7). Additionally, the Group has a significant positive cash flow from operating activities which limits its liquidity risk.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 4.5.

5.6 Derivative financial instruments

Derivative financial instruments are recognised on the trade date and are measured at fair value. Positive and negative fair values are included in other current receivables or other current payables in the balance sheet. Positive and negative fair values are only offset if the Group has a right and an intention to settle several financial instruments net (by means of settlement of differences). Fair value is determined based on generally accepted valuation methods using available observable market data.

When entering into contracts for financial instruments, an assessment is made of whether the instrument qualifies for hedge accounting, including whether the instrument hedges recognised assets and liabilities or net investments in foreign entities. The effectiveness of recognised financial instruments is assessed on a monthly basis, and any ineffectiveness is recognised in the income statement.

Fair value changes which are classified as and fulfil the criteria for recognition as a fair value hedge are recognised in the income statement together with changes in the value of the part of the asset or liability that has been hedged.

Fair value changes in the part of the derivative which is classified as and qualifies for recognition as a future cash flow hedge and which effectively hedges against changes in the value of the hedged item are recognised in other comprehensive income as a separate hedging reserve.

When the underlying hedged item is realised, any gain or loss on the hedging transaction is transferred from equity and recognised together with the hedged item.

Fair value changes that do not meet the criteria for treatment as hedging instruments are recognised on an ongoing basis in the income statement under financials.

The Group has in 2022 entered a contract for interest rate hedging.

The Group has obtained long-term loans on a floating rate basis, implying that the Group is exposed to interest rate fluctuations.

The Group mainly uses interest rate swaps to hedge future cash flows relating to interest rate risks. Thereby, floating-rate loans are converted to fixed-rate financing.

The weighted average effective interest rate for existing interest rate instruments used as hedges of long-term loans was 3.1% at the reporting date (2021: none).

Fair value adjustment is low and rounding to nearest million results in a value of NOK 0 million in 2022 (2021: 0)

External hedging instruments (NOKm)	2022	2021
Contractual value	100	0
Maturity (year)	2032	n/a
Fair value		
Of which recognised in income statement	0	0
Of which recognised in other coprehensive income	0	0

5.7 Financial instruments – fair value hierarchy

ECIT Group has financial instruments measured at fair value based on all three levels in the fair value hierarchy:

- Level 1 - Quoted active market prices
- Level 2 - Significant observable inputs
- Level 3 - Significant unobservable inputs

Classification of the Group's financial instruments is presented in the matrix below.

There have been no transfers between levels in the fair value hierarchy in either 2022 or 2021.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount.

	2022				2021			
Financial intruments by category (NOKm)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value:								
Interest rate derivatives	0	0	0	0	0	0	0	0
Listed equity investments	7	0	0	7	5	0	0	5
Investments in associates	0	0	51	51	0	0	37	37
Non-listed equity investments	0	0	38	38	0	0	22	22
Total financial assets measured at fair value	**7**	**0**	**89**	**96**	**5**	**0**	**59**	**64**
Assets measured at amortised cost:								
Trade receivables	0	407	0	407	0	325	0	325
Other receivables	0	271	0	271	0	183	0	183
Cash and cash equivalents	0	183	0	183	0	265	0	265
Total financial assets measured at amortised cost	**0**	**861**	**0**	**861**	**0**	**773**	**0**	**773**
Financial liabilities measured at fair value:								
Contingent consideration liability	0	0	62	62	0	0	31	31
Total financial liabilities measured at fair value	**0**	**0**	**62**	**62**	**0**	**0**	**31**	**31**
Financial liabilities measured at amortised cost:								
Borrowings	0	368	0	368	0	217	0	217
Lease liabilities	0	225	0	225	0	236	0	236
Trade payables	0	142	0	142	0	111	0	111
Other liabilities	0	509	0	509	0	457	0	457
Total financial liabilities measured at amortised cost	**0**	**1 243**	**0**	**1 243**	**0**	**1 021**	**0**	**1 021**

6. Composition of the group

This section provides information on how the composition of the Group affects the financial position and performance for the year.

6.1 Acquisition and disposal of entities

When accounting for business combinations, the acquisition method is applied in accordance with IFRS 3.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Discontinued operations and assets held for sale are presented separately.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- Fair value of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interest issued by the Group

Identifiable assets, liabilities and contingent liabilities of the acquire are measured at fair value at the date of acquisition by applying relevant valuation methods. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax is recognised for identifiable tax benefits existing at the date of acquisition and from the perspective of the new combined Group in compliance with local tax legislation.

If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts. Measurement period adjustments to the provisional amounts may be done for up to 12 months following the date of acquisition. The effects of cross-period measurement period adjustments are recognised in equity at the beginning of the financial year, and comparative figures are restated.

After the end of the measurement period, goodwill is no longer adjusted. Transaction costs inherent from the acquisition are recognised in the income statement when incurred.

Goodwill and fair value adjustments arising from the acquisition of an acquire whose functional currency differs from the presentation currency of the Group are translated into the functional currency of the foreign entity using the exchange rate ruling at the date of acquisition.

Other than cross-period measurement period adjustments, comparative figures are not adjusted when acquiring or disposing of entities.

In 2022 the Group sold all shares in ECIT Invent AS and TodAi A/S. The divestments have no material effect on the group annual accounts. There have been no other losses of control in subsidiaries.

Management judgement and estimates

In applying the acquisition method of accounting, estimates are an integral part of assessing fair values of several identifiable assets acquired and liabilities assumed, as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition.

More significant estimates are typically applied in accounting for property, plant and equipment, customer relationships, trade receivables, deferred tax, debt and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

6.2 Acquisitions during the year

During 2022, ECIT has made ten acquisitions, four in the F&A division, two in the Tech division, and four in the IT division.

Catacloud AS

Catacloud is a Norwegian software company offering a modern ERP system for business administration and accounting. The platform enables integration through APIs to other systems. The acquisition strengthens ECIT's position within accounting software in Norway and is a good fit within ECIT's digital development.

50.1% of the shares in Catacloud AS were acquired on 25 March 2022.

Xacct Accounting AS

XACCT provides Accounting and Payroll services based on Xledger ERP, Microsoft ERP and other cloud-based ERP solutions. XACCT offers a portfolio of high-end solutions to a wide range of customers within technology, banking, finance, insurance and retail, including national companies and international subsidiaries.

100.0% of the shares in Xacct Accounting AS were acquired on 31 March 2022.

Isonor IT AS

Isonor is a Norwegian ERP consultancy company offering modern ERP systems for business administration and specialised industry solutions. The acquisition strengthens ECIT's position within process industry solutions regarding retail, food, and construction and will support the digital support capacity and competence within ECIT.

65.0% of the shares in Isonor IT AS were acquired on 25 May 2022.

Tandem AS

Tandem AS, located in Høvik, Norway, is a Norwegian finance and accounting company offering modern ERP systems for business administration and specialised industry solutions and advisory within real estate. The acquisition, including experienced employees and an attractive base of customers, strengthens ECIT's position in the greater Oslo area.

100.0% of the shares in Tandem AS were acquired on 5 July 2022.

Auto-Flow ApS

Auto-Flow ApS, located in Aarhus, Denmark, provides support and automates business processes using RPA software. The acquisition strengthens ECIT competence and customer deliveries within business process automation.

50.1% of the shares in Auto-Flow ApS were acquired on 8 July 2022.

Verismo Systems AB

Verismo Systems AB, located in Stockholm, Sweden, is a Swedish HR software specialist supporting and automating processes within recruitment, onboarding, employee development, payroll and employee benefits. The acquisition strengthens ECIT product portfolio with an HR system.

18% of the shares in Verismo Systems AB were acquired on 11 July 2022. The company is not consolidated in the Group financial accounts.

Acquired companies (NOKm)	Revenue 2021	Revenue 2022	PAT 2022	FTE
Catacloud, Norway, Tech	0	0	-1	2
Xacct Accounting, Norway, F&A	50	64	8	37
Isonor IT, Norway, IT	12	12	1	6
Tandem AS, Norway F&A	49	50	6	32
Auto-Flow ApS, Denmark IT	4	4	-3	11
Verismo Systems AB, Sweden Tech	6	n/a	n/a	7
Prosys ApS, Denmark IT	10	n/a	n/a	4
Argus Kreditt AS, Norway F&A	7	7	1	4
Intunor Group, Norway F&A	123	134	-35	110
Agidon, Denmark IT	40	39	5	22
Total	**302**	**310**	**-18**	**235**

Notes:
Revenue and profit after tax figures is equal to figures presented in local annual report
Verismo Systems AB is an other equity investment and is not consolidated in the group financial accounts.
Prosys ApS merged with other ECIT companies within the year and the full year revenue and profit after tax are therefore not showed

Prosys ApS

Prosys ApS, located in the Greater Copenhagen area, Den-mark, is a Danish Managed IT Services Provider supporting medium to large customers and their digital transformation through managed IT-services, and cloud- and network operations. The acquisition strengthens ECIT's IT and Cloud services portfolio and our position within managed services and IT advisory. Prosys ApS was in December 2022 merged with the ECIT subsidiary ECIT Solutions A/S.

100% of the shares in Prosys ApS were acquired on 15 August 2022.

Argus Kreditt AS

Argus Kreditt AS is a Norwegian debt collection company offering services within debt collection, invoice administration and credit management advisory. Argus Kreditt is a good add-on to ECIT's existing services within debt collection, invoicing services and credit management advisory, adding a new office location in Southern Norway.

90.0% of the shares in Argus Kreditt AS were acquired on 19 October 2022.

Intunor Group

Intunor is a Norwegian finance and accounting company offering services based on modern ERP systems for business administration, services for specialised industry solutions and advisory services. Intunor, with an experienced staff and an attractive portfolio of customers, will strengthen the geographical presence, industry position and competence base in ECIT.

The acquisition of Intunor Group was paid partly with cash and partly through a capital increase in the company, Intunor Services AS. The capital increase was used as a settlement of financial liabilities. The financial liabilities have subsequently been paid in December 2022 and are presented as part of the net investment in the company.

50.1% of the shares in Intunor Services AS was acquired on the 11 November 2022. Intunor Services AS own 100% of the shares in Intunor Finans AS, Intunor People AS, Intunor Software AS and Intunor Services Saltdal AS.

Agidon A/S

Agidon A/S is a Danish Consulting and digitalization company with a strong footprint within the fashion and production industry. The acquisition strengthens ECIT’s presence in western Denmark with competence and customer deliveries within digitalization and consulting division.

69.9% of the shares in Agidon were acquired on 15 December 2022

Earnings impact

The acquisitions made by the Group contributed NOK 112 million to the Group's YTD revenue and NOK 18 million to the Group's EBITDA, corresponding to an EBITDA margin of 16%.

Transaction costs

Total transaction costs related to the acquisition amount to NOK 8 million. Transaction costs are accounted for in the income statement as transaction & restructuring costs as presented in note 2.7.

Net investments in subsidiaries

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 5 million, the cash outflow for new subsidiaries amounted to NOK 258 million in 2022.

Cash amount paid in new subsidiaries includes cash payment in connection with capital increases in the subsidiary at closing. In the cash flow statement, those payments are eliminated.

Paid earn-out obligations are subject to prior acquisitions. The earn-out obligation for the new subsidiaries is due within the next 12 months.

(NOKm)	2022	2021
Cash payment	269	296
Sales of subsidiaries	-14	-3
Paid earn out obligation	5	20
Majority share of cash	-24	-37
Net investment in subsidairies	**237**	**276**
New subsidiaries:		
Share payment	8	48
Cash payment	269	296
Earn out obligation	42	0
Investment in new subsidiaries	**319**	**344**

The fair value of acquired net assets and recognised goodwill

The table below gives the principal fair values of acquired assets and liabilities at the acquisition date.

The intangible assets mainly consist of goodwill and are 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. Consequently, net assets, including goodwill and other intangible assets, may be adjusted. Off-balance sheet items may be recognised for up to 12 months after the acquisition date in accordance with IFRS 3.

Xacct Accounting AS, Tandem AS and Intunor Group is shown separately since the acquisitions are significant compared to the total acquisitions of 2022.

Other acquisitions include Catacloud, Isonor, Auto-Flow, Prosys, Argus Kreditt, Agidon, companies ECIT group acquired during 2022 and presented aggregated as they individually are not considered significant.

(NOKm)	Xacct	Tandem	Intunor Group	Other	Total 2022
Research & Development	0	0	0	3	4
Property, plant and equipment	0	0	5	1	5
Financial fixed assets	0	0	8	0	8
Right-of-use assets	4	7	24	3	38
Deferred tax	0	0	0	0	0
Inventories	0	0	1	0	1
Trade receivables	4	7	16	10	38
Other receivables	15	2	4	56	77
Cash and cash equivalents	3	9	10	-2	20
Total Assets	**28**	**25**	**68**	**70**	**191**
Lease libilities	4	7	24	3	38
Provisions	0	0	0	0	0
Long-term debt	0	0	10	8	18
Trade payables	1	1	3	5	9
Other payables	20	11	11	40	82
Total Liabilities	**25**	**19**	**48**	**56**	**147**
Non-controlling interest' share of acquired net assets	0	0	10	5	15
Acquired net assets	**3**	**7**	**10**	**10**	**29**
Cash payments					269
Share payments					8
Earn Out obligation					42
Goodwill and intangible assets arising from the acquisition					**290**

6.3 Acquisitions prior year

During 2021 ECIT has made nine acquisitions, whereas six are within the F&A division and three are within the IT Division.

ASK Outsourcing AB

Ask Outsourcing AB is a Swedish outsourcing company that manages and develops companies' operations within finance, Management, and IT. The company will strengthen the ECIT F&A business on the Swedish market.

60.0% of the shares in ASK Outsourcing AB were acquired on 15 February 2021.

Aktiv Kontroll AS

Aktiv Kontroll AS is a Norwegian company that specialises in debt collection, invoice management and credit services. Aktiv Kontroll is extending the debt collection business in ECIT and has merged with other debt collection companies within the Group after the acquisition.

100.0% of the shares in Aktiv Kontroll AS were acquired on 26 March 2021.

Norian Group

Norian Group is an international F&A company providing accounting, payroll, and automation services (robot technology) in six countries (Norway, Sweden, Finland, Germany, Poland, and Lithuania). Norian Group has established nearshoring centres in Lithuania and Poland, which will be in cooperated in the ECIT structure.

82.9% of the shares in Norian Group were acquired on 13 April 2021.

PC-System Senteret AS

PCSS is a co-owner of two other companies, Cloud Connection AS (50%) and Connect HRM AS (34%), which operate within the same technology areas as PCSS, but with a higher degree of specialisation. Cloud Connection AS also owns a part of Cloud Controller AS (40%), delivering qualified accounting and payroll services.

70.0% of the shares in PC-System Senteret AS were acquired on 1 June 2021.

Wlcom AS

Wlcom AS is a software and consulting company that develops and distributes on-premises and cloud-based software solutions, including industry verticals and specialized solutions based on modern technology and solid industry knowledge. The acquisition of Wlcom will strengthen the IT division in ECIT with its competent people with more than 25 years of experience within systems and processes.

70% of shares in Wlcom AS were acquired on 16 September 2021

Peritus AS

Peritus as a company is holding strong knowledge about adaption, implementation and training in business-critical software solutions. Peritus as a part of ECIT, will strengthen our expertise within implementation of ERP, CRM, and BI solutions.

50.1% of the shares in Peritus AS were acquired on 18 October 2021.

Credité Consulting AB

Credité Consulting AB is an accounting company which focuses on 24SevenOffice as an ERP platform. This acquisition represents a further strengthening of the 24SevenOffice expertise within ECIT and is further an important step being the first 24SevenOffice acquisition in Sweden.

80.0% of the shares in Credité Consulting AB were acquired on 25 November 2021.

Acquired companies (NOKm)	Revenue 2020	Revenue 2021	PAT 2021	FTE
ASK Outsourcing AB, Sweden, F&A	10	12	1	12
Aktiv Kontroll AS, Norway, F&A	7	n/a	n/a	10
Norian Group, International, F&A	265	273	0	550
PC-System Senteret AS, Norway, IT	18	21	3	15
WLCOM AS, Norway, IT	53	55	5	34
Value Group, Norway, F&A	77	86	10	83
Peritus AS, IT	25	28	4	10
Credité Consulting AB, F&A	13	13	0	15
Partner Regnskap AS, F&A	30	32	2	24
Total	**498**	**520**	**25**	**753**

Notes:
Revenue and profit after tax figures is equal to figures presented in local annual report
Aktiv Kontroll AS merged with other ECIT companies within the year and the full year revenue and profit after tax are therefore not showed
Value Group is recognised as associated company

Partner Regnskap AS

Partner Regnskap operates within the same service areas and systems as many of the existing accounting companies in ECIT. Partner Regnskap will strengthen ECIT's presence in the Stavanger area. 50.1% of the shares in Partner Regnskap AS were acquired on 22 December 2022

Earnings impact

During 2021 the acquisitions made by the Group contributed NOK 261 million to the Group's revenue and NOK 31 million to the Group's EBITDA, corresponding to an EBITDA margin of 11.9%.

Transaction costs

Total transaction costs related to the acquisitions amount to NOK 7 million, whereas NOK 6 million is related to the acquisition of Norian Group. Transaction costs are accounted for in the income statement as transaction & restructuring costs.

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 20 million, the net cash flow for new subsidiaries amounted to NOK 276 million (outflow) during 2021.

No deferred payments were recognised as part of the acquisitions during the year. Paid earn-out obligations are subject to prior acquisitions.

Fair value of acquired net assets and recognised goodwill

The table below gives the provisional fair values of acquired assets and liabilities at the acquisition date.

The intangible assets mainly consist of goodwill and are 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. Consequently, net assets, including goodwill and other intangible assets, may be adjusted. Off-balance sheet items may be recognised for up to 12 months after the acquisition date in accordance with IFRS 3.

Norian Group and WLCOM AS are shown separately since the acquisitions are significant compared to the total acquisitions of 2021.

(NOKm)	Norian Group	WLCOM AS	Other 2021	Total 2021
Research & Development	7	21	0	28
Property, plant and equipment	2	0	1	3
Financial fixed assets	0	0	8	8
Right-of-use assets	56	6	17	79
Deferred tax	2	0	0	2
Inventories	0	1	0	1
Trade receivables	34	3	12	49
Other receivables	160	1	5	166
Cash and cash equivalents	33	1	15	49
Total Assets	**295**	**33**	**57**	**386**
Lease libilities	56	6	17	79
Provisions	6	0	2	8
Long-term debt	0	3	0	3
Trade payables	28	0	4	32
Other payables	184	10	17	211
Total Liabilities	**274**	**19**	**40**	**333**
Non-controlling interest' share of acquired net assets	6	4	6	16
Acquired net assets	**16**	**10**	**11**	**37**
Cash payments				296
Share payments				48
Earn Out obligation				0
Goodwill and intangible assets arising from the acquisition*				**308**

7. Other disclosures

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements.

7.1 Remuneration of the Executive management and the Board of directors

Benefits for senior executives concern the Chief Executive Officer (CEO).

No additional remuneration or bonus has been paid for services beyond the normal functions of a manager. The executive management does not have any pension plans besides the ones required by law.

In January 2023, the CEO received share warrants of 550,000 shares with a strike price of NOK 7.01. The share warrants received after the reporting period are not included in 2022.

Excecutive management(NOKm)	2022	2021
Base salary	4.7	3.8
Cash bonus	0.0	0.7
Pensions and Benefits	0.1	0.1
Other salary costs	0.1	0.1
Total	**4.9**	**4.6**

Members of the Executive Management hold 9.4% of the share capital (2021: 9.5%).

Members of the Board of Directors receive a fixed fee for their participation as a member of the board in ECIT.

Board of directors members holds 9.8% of the share capital (2021: 8.5%).

In January 2023, the Board of Directors received share warrants of 150,000 with a strike price of NOK 7.01 and share warrants of 771,250 with a strike price of NOK 6.95. The share warrants are received after the reporting period and are not included in 2022.

The Group has no obligations to the Board Member or the management team of termination or changes in employment/positions.

Board of directors (NOKm)	2022	2021
Fixed fees	1.1	0.0
Total	**1.1**	**0.0**

7.2 Fees to the auditor appointed at the Annual general meeting

Statutory audit fee includes fees to other auditors and the Group auditor.

Other specifications of auditor fee is only fees paid to the Group auditor.

(NOKm)	2022	2021
Statutory audit	7	7
Other assurance services	1	1
Tax advisory services	0	0
Other non-audit services	0	1
Total	**8**	**9**

7.3 Related party transactions

The Group's related parties include the Group's Board of Directors, Executive Board and close family members of these persons. Related parties also include companies where this circle of persons has significant interests. The Group has no related parties with control of the Group.

There have been no material transactions with the Group's Board of Directors, Executive Board and close family members other than remuneration.

Management remuneration is disclosed in note 7.1.

The Group has no material transactions or balances on 31 December with associates.

7.4 Commitments and contingent liabilities

A contingent liability is a potential liability that may occur depending on the outcome of an uncertain future event. A contingent liability is recognised in the balance sheet if the contingency is probable and the amount of the liability can be reasonably estimated.

Pledges

On 31 December 2022, participation in group companies, buildings, stock, equipment and accounts receivables with a carrying value of NOK 36 million (2021: 58) were pledged as security for long-term loans. NOK 2 million is related to property, plant and equipment.

On 31 December 2022, participation in group companies, equipment and accounts receivables with a carrying value of NOK 1.410 (2021: 657) million were pledged as security for credit facilities. NOK 1 million is related to property, plant and equipment.

Bank financing facility

The Group has a credit facility at a total amount of NOK 800 million together with Nordea Bank, consisting of a revolving credit facility of NOK 750 million and a leasing facility of NOK 50 million. On 31 December 2022, NOK 459 million of this was undrawn. The revolving credit facility agreement covers a period of three years with an extension option of one year.

For this credit facility, security has been pledged against shares in ECIT Midco Holding AS, ECIT Norway Holding AS and ECIT Int Holding AS. ECIT AS also provides a surety guarantee to the bank for the entire credit facility.

A subsidiary has a bank overdraft facility of NOK 16 million (16). On 31 December 2022, the total facility was utilised with NOK 10 million (9).

ECIT Midco Holding AS has obligations (financial covenants) related to the leverage ratio for ECIT Midco Group, which must be below 3.0x at all times. On 31 December 2022, the company fulfilled these requirements.

Leasing financing facility

The ECIT Group has a leasing facility of NOK 50 million (2021: 50). On 31 December 2022, the facility was utilised with NOK 14 million (2021: 12).

7.5 Events after the balance sheet date

In August 2022 a new share-based incentive scheme was announced. The program's purpose is to reward long-time performance and loyalty to ECIT. The incentive was launched in January 2023 and a total of 5.5 million shares will be part of the program.

With reference to company announcement No. 127, Progresso AS has become part of ECIT as of the 24th of January 2023. ECIT has acquired 60% of the shares in Progresso AS, including an option agreement to acquire the remaining 40% of the shares.

As we are a company with operations and sales in countries around Europe, geopolitical conflicts, including the current situation involving Russia and Ukraine, can impact the operations. Offices and employees geographically close to the conflict between Russia and Ukraine are, as in 2022, closely monitored by the group in case of escalation in the current situation.

7.6 Investments in associates

Investments in associates is accounted for using the equity method.

	2022		2021	
Investments in associates (NOKm)	Carrying amount	Ownership in %	Carrying amount	Ownership in %
Connect HRM AS	3	34.0%	3	34.0%
Cloud Connection AS	0	0.0%	5	50.0%
Value Group AS	29	40.0%	29	40.0%
Club United AS	18	26.8%	0	0.0%
Total	**51**		**37**	

7.7 Group Structure

Name of entity	Division	Country	Ownership in % by ECIT AS	Votingshare in % by ECIT AS
Parrent:				
ECIT AS	Group	Norway	n/a	n/a
Subsidiaries:				
24SEVEN Office Accounting Holding AS	Group	Norway	50.1 %	50.1 %
Global Control Center Design AS*	IT	Norway	30.5 %	30.5 %
3C Technology AS	IT	Norway	50.1 %	50.1 %
Abaci AS	F&A	Norway	50.1 %	50.1 %
ECIT Capstone AS	IT	Norway	70.0 %	70.0 %
ECIT Account A/S	F&A	Denmark	70.0 %	70.0 %
ECIT Advice AS*	F&A	Norway	44.4 %	44.4 %
Agidon A/S	IT	Denmark	49.0 %	49.0 %
Ecit Aktivapluss AS	F&A	Norway	70.1 %	70.1 %
ECIT Stord AS	F&A	Norway	70.0 %	70.0 %
ECIT Lillehammer AS	F&A	Norway	70.0 %	70.0 %
Argus Kreditt AS	F&A	Norway	90.0 %	90.0 %
ECIT Aros A/S	F&A	Denmark	59.5 %	59.5 %
ASK Outsourcing Group AB	F&A	Sweden	70.0 %	70.0 %
Auto-Flow ApS	IT	Denmark	32.8 %	32.8 %
ECIT Autogear AS	Tech	Norway	82.6 %	82.6 %
ECIT Group Services AS	Group	Norway	100.0 %	100.0 %
ENKLERESTART.NO AS	Tech	Norway	96.6 %	96.6 %
ECIT Services AS	F&A	Norway	71.0 %	71.0 %
ECIT OS AS*	F&A	Norway	48.7 %	48.7 %
Catacloud AS	Tech	Norway	50.1 %	50.1 %
ECIT NewCo 2 AS	Group	Norway	100.0 %	100.0 %
ECIT Advisory AB	F&A	Sweden	70.0 %	70.0 %
Centrum Regnskap AS	F&A	Norway	50.1 %	50.1 %
Credité Consulting AB*	F&A	Sweden	66.5 %	66.5 %
ECPay AS	F&A	Norway	77.0 %	77.0 %
Dalby Ekonomiservice AB	F&A	Sweden	59.9 %	59.9 %
ECIT Solutions DI AS	IT	Norway	72.6 %	72.6 %
ECIT Solutions One AS	IT	Norway	73.7 %	73.7 %
ECIT Labs A/S	Tech	Denmark	50.1 %	50.1 %
ECIT Consulting A/S	IT	Denmark	70.0 %	70.0 %
EG Økonomi AS	Group	Norway	50.1 %	50.1 %
Ecit Services Holding AS	Group	Norway	100.0 %	100.0 %
ECIT Software A/S	Tech	Denmark	70.0 %	70.0 %
ECIT Services Göteborg AB*	F&A	Sweden	39.8 %	39.8 %
Intect ApS	Tech	Denmark	70.0 %	70.0 %
ECIT Group Services ApS	Group	Denmark	100.0 %	100.0 %

Name of entity	Division	Country	Ownership in % by ECIT AS	Votingshare in % by ECIT AS
ECIT Consulta AS	F&A	Norway	81.5 %	81.5 %
Intergest UK Ltd**	F&A	England	37.6 %	37.6 %
Intunor Finance AS	F&A	Norway	50.1 %	50.1 %
Intunor People AS	F&A	Norway	50.1 %	50.1 %
Intunor Services AS	F&A	Norway	50.1 %	50.1 %
Intunor Software AS	F&A	Norway	50.1 %	50.1 %
Intunor Services Saltdal AS	F&A	Norway	50.1 %	50.1 %
Intect AB	F&A	Sweden	66.5 %	66.5 %
Ecit Int Holding AS	Group	Norway	100.0 %	100.0 %
ECIT Interim AB	F&A	Sweden	69.9 %	69.9 %
Isonor IT AS	IT	Norway	61.5 %	61.5 %
It Consult AS	IT	Norway	70.0 %	70.0 %
Itc Holding AS	Group	Norway	70.0 %	70.0 %
ECIT Solutions Pro AB	IT	Sweden	87.0 %	87.0 %
Interpalm Group Ltd**	Group	England	39.6 %	39.6 %
ECIT Solutions ITS AS	IT	Norway	70.0 %	70.0 %
ECIT Labs AS	Tech	Norway	50.1 %	50.1 %
Unilei ApS*	Tech	Denmark	33.9 %	33.9 %
ECIT IT Managed Services Holding AS	IT	Norway	100.0 %	100.0 %
Modern Ekonomi Sverige AB	F&A	Sweden	89.0 %	89.0 %
Modern Avveckling Sverige AB	F&A	Sweden	89.0 %	89.0 %
Modern Bolagsservice Sverige AB	F&A	Sweden	89.0 %	89.0 %
ME Finans AB	F&A	Sweden	89.0 %	89.0 %
Modern Ekonomi Sverige Holding AB	F&A	Sweden	89.0 %	89.0 %
Modern Tellos Sverige AB	F&A	Sweden	89.0 %	89.0 %
ECIT Solutions A/S (DK)	IT	Denmark	65.4 %	65.4 %
ECIT Midco Holding AS	Group	Norway	100.0 %	100.0 %
ECIT Moss AS	F&A	Norway	50.1 %	50.1 %
ECIT Merkur AS	Group	Norway	70.0 %	70.0 %
My Salary Nordic AB**	Tech	Sweden	49.9 %	49.9 %
ECIT NewCo 1 AS	Group	Norway	100.0 %	100.0 %
ECIT Net AS	Tech	Norway	100.0 %	100.0 %
ECIT Services A/S (DK)	F&A	Denmark	70.3 %	70.3 %
Adato AS	Tech	Norway	70.0 %	70.0 %
Norian Accounting GmbH	F&A	Germany	83.6 %	83.6 %
Norian Accounting Oy	F&A	Finland	83.6 %	83.6 %
Norian Accounting UAB	F&A	Lithuania	83.6 %	83.6 %
Norian Regnskap AS	F&A	Norway	83.6 %	83.6 %
Norian Accounting Sp. z o.o.	F&A	Poland	83.6 %	83.6 %
Norian Accounting AB	F&A	Sweden	83.6 %	83.6 %
ECIT Normann & Øygarden AS	F&A	Norway	60.0 %	60.0 %

Name of entity	Division	Country	Ownership in % by ECIT AS	Votingshare in % by ECIT AS
Norian FAS Holding Oy	Group	Finland	83.6 %	83.6 %
Norian ManCo AS	Group	Norway	59.2 %	100.0 %
ECIT Norge Holding AS	Group	Norway	100.0 %	100.0 %
Norian TopCo AS	Group	Norway	83.6 %	83.6 %
InterGest Sweden AB	F&A	Sweden	70.0 %	70.0 %
ECIT Sale & Customer Service AS	F&A	Norway	60.0 %	60.0 %
ECIT Harestua AS*	F&A	Norway	51.5 %	51.5 %
Økonomispecialisten AS	F&A	Norway	50.1 %	50.1 %
ECIT Services AB (SE)	F&A	Sweden	66.5 %	66.5 %
PA Kompetens Lön AB**	F&A	Sweden	50.0 %	50.0 %
ECIT Accountants Limited**	F&A	England	39.6 %	39.6 %
ECIT Peritus AS	IT	Norway	50.1 %	50.1 %
Pilen Holding AS***	Group	Norway	0.0 %	100.0 %
Partner Regnskap AS	F&A	Norway	50.1 %	50.1 %
Pramo Ekonomi & Data AB	F&A	Sweden	65.8 %	65.8 %
Pramo ApS*	F&A	Denmark	39.5 %	39.5 %
Proviso AS*	Tech	Norway	35.1 %	35.1 %
Prosys ApS	IT	Denmark	65.4 %	65.4 %
RaceIT Digital SRL	Tech	Romania	50.1 %	50.1 %
ECIT Digital AS	Tech	Norway	50.1 %	50.1 %
ECIT Råd & Regnskap AS	F&A	Norway	70.0 %	70.0 %
Råd & Regnskap Eiendom AS	Group	Norway	70.0 %	70.0 %
Sarec Lønn AS***	F&A	Norway	35.4 %	35.4 %
ECIT RSBL doo Beograd	F&A	Serbia	100.0 %	100.0 %
ECIT Marketing AS	Tech	Norway	50.1 %	50.1 %
SecBase AS**	Group	Norway	34.0 %	34.0 %
ECIT Holding DOO	Group	Serbia	100.0 %	100.0 %
ECIT Trondheim AS	F&A	Norway	67.6 %	67.6 %
ECIT Software Holding AS	Group	Norway	50.1 %	50.1 %
Tandem AS	F&A	Norway	100.0 %	100.0 %
TICE Invest AB*	Group	Sweden	9.8 %	9.8 %
ECIT Traconet AS*	F&A	Norway	48.4 %	48.4 %
Travis AS	Tech	Norway	98.2 %	98.2 %
ECIT Labs AB	Tech	Sweden	100.0 %	100.0 %
ECIT Valdres AS	F&A	Norway	74.0 %	74.0 %
ECIT Veny AS	Tech	Norway	100.0 %	100.0 %
ECIT Veiby Akonto AS	F&A	Norway	74.0 %	74.0 %
ECIT WLCOM AS	IT	Norway	70.0 %	70.0 %
XACCT Accounting AS	F&A	Norway	82.0 %	82.0 %
Xtracon A/S	IT	Denmark	70.0 %	70.0 %

**) The companies are consolidated as a result of the Group being considered to have control over the companies through ownership in other companies.*

***) The companies are consolidated as a result of the Group being considered to have control over the companies through a shareholder agreement and an option agreement.*

****) By virtue of the governance structure, the Group has the power to govern the financial and operating policies of the company. Consequently, the company is consolidated as a subsidiary.*

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

Independent Auditors Report

Opinion

We have audited the financial statements of ECIT AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 13 March 2023
ERNST & YOUNG AS

Kjetil Håvardstun
State Authorised Public Accountant (Norway)

Parent Company Financial statements

Income statement

(NOKm)	Note	2022	2021
Revenue	2.1	33	16
Personnel expenses	2.2	-13	-11
Other operating costs	2.3	-42	-33
EBITDA		**-22**	**-28**
Amortizations and depreciations		0	0
EBIT		**-23**	**-28**
Financial items, net	2.4	144	98
Profit before tax		**121**	**70**
Tax on profit for the period	2.5	0	7
Profit for the year		**121**	**76**
Proposed distribution of result			
Proposed dividend per share is NOK 0.04		18	18
Transferred to equity reserves		103	59
Total distribution		**121**	**76**

Cash Flow Statement

(NOKm)	Note	2022	2021
Profit before tax		121	70
Amoritizations & depreciations		0	0
Financial items		-144	-98
Operating profit before amortizations, depreciations and financial items (EBITDA)		**-22**	**-28**
Change in net working capital (NWC)		6	9
Cash flow from operating activities (A)		**-17**	**-19**
Change in other financial assets	3.3	-40	21
Cash flow from investing activities (B)		**-40**	**21**
Cash flow from operating and investing activities (A+B)		**-57**	**2**
Loans and credit facilities		14	-290
Financial items		30	0
Capital increase	3.7	0	382
Sale and purchase of treasury shares		-12	3
Dividends distributed		-18	-65
Cash flow from financing activities		**15**	**29**
Cash flow for the period		**-42**	**31**
Cash and cash equivalents 1 January		119	88
Cash flow for the period		-42	31
Currency translation adjustments		0	0
Cash and cash equivalents end of period		**77**	**119**

Balance Sheet

(NOKm)	Note	31 DEC 2022	31 DEC 2021
Deferred tax assets	2.5	7	7
Intangible assets		**7**	**7**
Land, buildings and equipment	3.1	1	1
Tangible assets		**1**	**1**
Investment in subsidiaries	3.2	1.368	629
Loan to subsidiaries		16	576
Other financial assets	3.3	27	13
Other receivables (interest bearing)	3.4	23	22
Other receivables	3.4	0	0
Total non-current assets		**1.434**	**1,240**
Trade receivables		0	0
Trade receivables, subsidiaries		4	4
Other receivables (interest bearing)		6	12
Other receivables		5	10
Other receivables, subsidiaries		182	97
Cash and cash equivalents	3.5	77	119
Total current assets		**275**	**243**
Total assets		**1,716**	**1,491**

(NOKm)	Note	31 DEC 2022	31 DEC 2021
Share capital		452	445
Treasury shares		-3	-1
Reserves and retained earnings		1,031	897
Total equity	**3.7**	**1,480**	**1,341**
Provisions	3.8	16	0
Trade payables		2	1
Trade payables, subsidiaries		3	2
Dividend		18	18
Loan from subsidiaries		190	116
Other current liabilities	3.9,3.11	7	13
Total current liabilities		**236**	**150**
Equity and liabilities		**1,716**	**1,491**

Statement of Changes in Equity 2021 and 2022

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Treasury shares	Retained earnings	Total
Equity at 1 January 2022	445	12	722	-1	162	1,341
Profit for the year	**0**	**0**	**0**	**0**	**121**	**121**
Transactions with shareholders:						
Capital increase*	7	-6	46	0	0	47
Dividends distributed	0	0	0	0	-18	-18
Sale and purchase of treasury shares	0	0	0	-2	-9	-11
Other adjustments	0	0	0	0	0	0
Total transactions with shareholders	**7**	**-6**	**46**	**-2**	**-27**	**18**
Equity end of period 2022	**452**	**6**	**768**	**-3**	**256**	**1,480**

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Treasury shares	Retained earnings	Total
Equity at 1 January 2021	388	4	371	-8	72	827
Profit for the year	**0**	**0**	**0**	**0**	**76**	**76**
Transactions with shareholders:						
Capital increase*	57	8	378	0	0	443
Dividends distributed	0	0	0	0	-18	-18
Sale and purchase of treasury shares	0	0	0	7	32	39
IPO expenses	0	0	-26	0	0	-26
Other adjustments	0	0	0	0	0	0
Total transactions with shareholders	**57**	**8**	**352**	**7**	**14**	**438**
Equity end of period 2021	**445**	**12**	**722**	**-1**	**162**	**1,341**

Financial statements board approval

Oslo, 13 March 2023

Executive Board

Peter Lauring
CEO

Oslo, 13 March 2023

Board of directors

Thomas Plenborg Chairman of the board	Pedro Fasting Deputy chairman	Klaus Jensen Board member	Linda Forberg Board member
Cato A. Holmsen Board member	Espen Karlsen Board member		

1. Basis for preparation

This section provides an overview of the financial accounting policies and key accounting estimates applied in the preparation of the financial statements.

ECIT AS' parent company financial statements are disclosed as separate financial statements as required by the Norwegian Financial Statements Act.

The Annual Report of ECIT AS for 2022 has been prepared in accordance with the provisions of the Norwegian Financial Statements Act.

The company's Financial Statements for 2022 are presented in NOK million and rounded to the nearest million.

The annual report is prepared according to the same accounting policies as last year.

1.1 Translation policies

Transactions in foreign currency are translated at the exchange rate on the transaction date. Monetary items in foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate movements are recognised in the income statement on an ongoing basis during the accounting period within other financial items.

1.2 Estimates and assumptions

In the preparation of the annual financial statements, the management has applied estimates and assumptions that have affected assets, liabilities, income, and costs, as well as unsecured assets and liabilities on the balance sheet date.

Estimates and assumptions are based on historical experience and other factors that management considers reliable but which, by their very nature, are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The estimates and assumptions deemed most significant to the preparation of the consolidated financial statements are addressed below:

- Deferred tax, note 2.5
- Investments in subsidiaries, note 3.2
- Earn out obligations, note 3.8

An estimate may change as a consequence of future events. Changes in accounting estimates are recognised in the period in which the changes occur. If the changes also apply to future periods, the effect will be distributed in the current and future periods. Reference is made to the separate note for further details of estimates and assumptions included in this year's consolidated financial statements.

1.3 Cash flow statement

The cash flow statement is prepared according to the indirect method

2. Profit for the year

This section includes disclosures on components of profit for the year.

2.1 Revenue

Revenue from the sale of services etc., is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year-end and provided that the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net discounts relating to sales.

Revenue (NOKm)	2022	2021
Management fee	33	16
Total	**33**	**16**

2.2 Personnel expenses

Personnel costs include salaries, bonuses, pensions, social security costs, vacation pay, and other benefits.

(NOKm)	2022	2021
Wages and salaries	11	8
Pension costs	0	0
Other social security costs	2	2
Other personnel expenses	1	1
Total	**13**	**11**
Average full time employees	**4**	**4**

Excecutive management (NOKm)	2022	2021
Base salary	4.7	3.8
Cash bonus	0.0	0.7
Pensions and Benefits	0.1	0.1
Other salary costs	0.1	0.1
Total	**4.9**	**4.6**

The company is obliged to have an occupational pension scheme in accordance with the mandatory Act of occupational pension scheme act. The company has established a pension scheme that satisfies the requirements in this Act.

2.3 Other operating costs

Other operating costs include expenses related to sales, marketing as well as administration.

(NOKm)	2022	2021
Statutory audit	2	1
Other assurance services	2	1
Total ex. VAT	**4**	**2**

2.4 Financial income and costs

Financial income and costs comprise interests, realized and unrealized gains from exchange rates as well as other financial income and expenses.

(NOKm)	2022	2021
Financial income:		
Interest income	2	3
Interest income, group	29	10
Dividend. Group	115	97
Total	**146**	**109**
Financial expenses:		
Interest expense	-1	-1
Exchange rate expense	-1	-2
IPO cost	0	-6
Other financial expenses	0	-3
Total	**-2**	**-11**

Income from investments in subsidiaries

Income from investments in subsidiaries consists of dividends from investments in subsidiaries.

Dividends from investments in subsidiaries are measured at cost and are recognized as income in the parent company's income statement in the financial year in which the dividend is declared.

Dividends from investment in subsidiaries are recognised as income in the Company's income statement under financial income.

2.5 Tax for the year

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on taxable income for previous years and for prepaid tax.

The effective tax rate of 0% is due to loss carried forward from previous years. Last year the company had tax income from changes in deferred tax due to negative taxable income.

(NOKm)	2022	2021
Profit before tax	121	76
Permanent differences	-107	-98
Change in temporary differences	0	-2
Loss carry forwards	-14	0
Taxable income	**0**	**-23**
Effective tax %	**0%**	**n/a**
Tax on profit of the year	0	0
Change in deferred tax	0	7
Tax adjustment, prior years	0	0
Total tax on profit for the year	**0**	**7**

Deferred tax

Deferred tax is recognised based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortization or depreciation of goodwill, properties, and other items if disallowed for tax purposes, except at the acquisition of enterprises, if such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised as other non-current assets at the expected value of their utilization, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

(NOKm)	2022	2021
Temporary differences		
Land, buildings & equipment	0	0
Receivables	0	0
Loss carried forward	-57	-71
Taxable income	**-57**	**-71**
Deferred tax assets	**7**	**7**
Deferred tax	**0**	**0**
Loss carried forward		
2019	31	31
2020	17	17
2021	23	23
Changes for 2022	-14	0
Total loss carried forward	**57**	**71**

3. Assets and liabilities

This section provides information regarding the companies assets and liabilities.

3.1 Tangible assets

Tangible assets are measured at acquisition cost, less accumulated depreciation and write-downs. When assets are sold or disposed of, the book value is deducted, and any loss or gain is recognised in the income statement.

The cost comprises the acquisition price and other directly attributable expenses of preparing the asset for its intended use. The present value of estimated expenses for dismantling and disposing of the asset as well as restoration expenses, are added to the cost if such expenses are recognised as a provision. Material borrowing costs directly attributable to the construction of the individual asset are also added to cost.

If an individual component of an asset has different useful lives, each component will be depreciated separately.

Depreciation is carried out on a straight-line basis over the expected useful lives of the assets, as follows:

- Buildings and other property 3-50 years
- Other plant and operating equipment 3-15 years

The basis of depreciation considers the residual value of assets and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and reassessed once a year. Depreciation will be halted if the residual value exceeds the carrying amount of the asset.

(NOKm)	2022	2021
Land, buildings & equipment	1	1
Total	**1**	**1**

3.2 Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, this is written down to a lower value. Any impairment is recognized in the Company's income statement under financial items, net.

Dividends from investments in subsidiaries are recognized in the income statement as financial income. Dividends distributed from the subsidiary to the parent company are generally recognized in the income statement of the parent company.

Name of entity	Country	Ownership in %	Votes in %	Result 2022	Equity
ECIT AS, parent	Norway	n/a			
Subsidiaries:					
ECIT Midco Holding AS	Norway	100.0%	100.0%	294.0	1.663
TICE Invest AB*	Sweden	9.8%	52.1%	0.0	0.5
SecBase AS**	Norway	34.0%	34.0%	0.0	0.5
Moss Partners AS*	Norway	0.0%	100.0%	0.0	0.0
Pilen Holding AS	Norway	0.0%	100.0%	2.1	3.3

3.3 Other Investments

(NOKm)	2022	Ownership in %
Siffer System AS	3	12.6%
Adline Professional AS	1	10.0%
Visual Information System A/S	3	9.4%
Wint Group AB	8	6.4%
Ztl Payment Solution AS	10	4.2%
Luca Labs AS	1	3.1%
Total	**27**	

(NOKm)	2021	Ownership in %
Wint Group AB	8	6.4%
Visual Information System A/S	3	6.9%
Siffer System AS	1	6.1%
Luca Labs AS	1	3.1%
Total	**13**	

Notes:

TICE Invest AB & Moss Partners AS are subsidiaries as a result of the Group holding the majority of the voting rights despite the minor ownership in the company. Moss Partners AS is closed in 2023.

SecBase AS is a subsidiary as a result of the group being considered to have control over the company through a shareholder agreement and an option agreement.

3.4 Other non-current assets

Other non-current assets consist of receivables other than trade receivables. These other receivables generally arise from transactions outside the usual operating activities. The non-current part of other receivables mainly consists of interest-bearing receivables, which are measured at cost less repayments and impairment (amortized cost).

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at the bank, inclusive of restricted holdings.

A minor part of cash and cash equivalents consists of employees' tax deduction accounts. 31 December 2022 cash in employees' tax deduction accounts equals NOK 0 million (2021: NOK 0,5 million).

The company has a cash pool arrangement with DnB Bank ASA. 31 December 2022; the cash pool system showed a net balance of NOK 72 million. The company's net borrowings in the cash pool system were NOK 98 million the 31 December 2022. The participants in the Cash Pool are jointly liable to the bank for the fulfilment of any obligations that might arise under the Group account agreement.

In the financial statements, the net Group account is presented as bank deposits.

3.6 Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account

3.7 Share capital, shares and shareholders

Composition and movement of the company's share capital, treasury share reserve, shares and shareholders are stated in note 5.1 of the consolidated financial statements.

3.8 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are in all material aspects short term and no interest expense due to the passage of time is recognized as an interest expense.

(NOKm)	2022	2021
Carrying amount 1 January	0	1
New Earn out provisions	16	0
Earn out assestment	0	0
Amounts used during the year	0	-1
Earn out provisions	**16**	**0**

3.9 Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortized cost, corresponding to the capitalised value, using the effective interest rate.

Other liabilities are measured at amortized cost, substantially corresponding to nominal value.

3.10 Related party transactions

For transactions with related parties, please refer to note 7.3 in the consolidated financial statements. The company has no related parties with control of the company.

The company had the following material transactions with related parties during the financial year:

Management fee invoiced subsidiaries NOK 33 million (2021: NOK 16 million)

Accounting services, IT services and other services received from subsidiaries NOK 26 million (2021: NOK 22 million)

All transactions with related parties during the period were carried out at market terms. All transactions with other Group companies carried out in the year are reflected in the income statement and notes.

3.11 Securities

The company has provided bank guarantees to authorities related to employees' tax deductions and rental agreements.

31 December 2022 all liabilities related to bank guarantees amounted NOK 52 million (2021: NOK 52 million). The company also provides a surety guarantee to the bank for the entire credit facility in the subsidiary, ECIT Midco Holding AS, refer to note 7.4 in the consolidated financial statements.


ecit

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Name	Date

Name	Date
Cato Holmsen	2023-03-13

Timestamp
2023-03-13T20:13:06.697+01:00

Name	Date
Pedro Fasting	2023-03-13

Timestamp
2023-03-13T18:07:05.440+01:00

Name	Date
peter lauring	2023-03-13

Timestamp
2023-03-13T20:31:53.485+01:00

Name	Date
Espen Karlsen	2023-03-13

Timestamp
2023-03-13T18:26:24.558+01:00

Name	Date
Thomas Plenborg	2023-03-13

Timestamp

2023-03-13T18:08:30.381+01:00

Name	Date
Klaus Jensen	2023-03-13

Timestamp

2023-03-13T18:30:25.419+01:00

Name	Date
Linda Forberg	2023-03-13

Timestamp

2023-03-13T19:34:04.943+01:00