



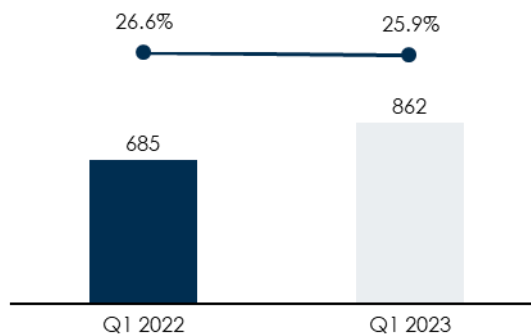
ecit

Interim Q1 Report 2023

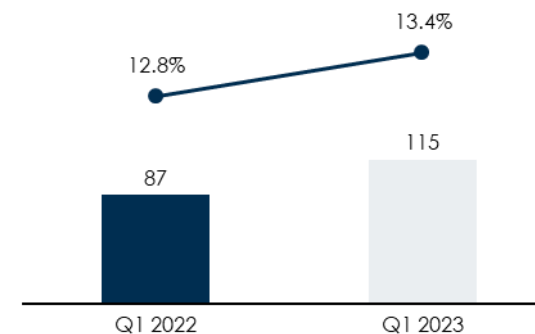
Q1 2023

- Q1 2023 revenue at NOK 862 million (Q1 2022, 685) with revenue growth at 25.9% (Q1 2022, 26.6%). Organic growth at 10.8% (Q1 2022, 4.4%) and M&A growth at 12.1% (Q1 2022, 23.6%).
- Organic growth at 10.8% (Q1 2022, 4.4%) is achieved both based on volume growth and on price increase across all divisions.
- During the first four months of 2023, three companies have been acquired representing NOK 55 million in annualised revenue.
- The acquisition of ECIT Virtus marks the entry of ECIT into the Icelandic F&A market.
- EBITDA margin at 13.4% (Q1 2022, 12.8%) – gradually improving the margin through consolidation, is reconfirming the underlying strategy.
- Free cash flow at NOK 122 million (Q1 2022, 58) – higher net working capital in Q4 2022 has been normalised in Q1 2023 in a combination with a Q1 2023 performance.

Total revenue (NOKm)



EBITDA (NOKm)



(NOKm)

Revenue
EBITDA
EBIT
Profit for the period
Free cash flow
Adjusted diluted EPS

Total revenue growth
Organic revenue growth
M&A revenue growth
EBITDA-margin
EBIT-margin

	Q1 2023	Q1 2022	Growth
Revenue	862	685	25.9%
EBITDA	115	87	31.9%
EBIT	64	38	65.6%
Profit for the period	49	32	53.6%
Free cash flow	122	58	111.1%
Adjusted diluted EPS	0.07	0.03	100.8%
Total revenue growth	25.9%	26.6%	-0.7 p.p.
Organic revenue growth	10.8%	4.4%	6.4 p.p.
M&A revenue growth	12.1%	23.6%	-11.5 p.p.
EBITDA-margin	13.4%	12.8%	0.6 p.p.
EBIT-margin	7.4%	5.5%	1.9 p.p.

Management Report

The 2022 positive development continued into Q1 2023. The focus – to build a group – versus – building a group of companies – is gradually becoming visible in the financial performance, with integration and consolidation efforts resulting in satisfactory organic growth and gradual margin improvements.

The Q1 2023 financial performance is satisfactory, and it is the belief that improvements will continue throughout 2023.

Passing the 8th of May 2023, marked the 10-year anniversary of ECIT. Since incorporation in 2013, we have had focus on building an organisation. Firstly through acquisitions, and increasingly through consolidation and harmonising. Building a performance capable organisation combined with an efficient proprietary technological platform are to ensure that ECIT is part of the digital journey that affects both the accounting- and the IT industry going forward.

Financial review

Q1 2023 revenue growth at 25.9% (Q1 2022: 26.6%) with a revenue at NOK 862 million (Q1 2022: 685). Organic growth at 10.8% (Q1 2022: 4.4%) and acquired growth at 12.1% (Q1 2022: 23.6%). Currency effects affected growth positive by 3.0% (2022: minus 1.4%).

The organic growth close to 11% is achieved both based on volume growth and on price increase across all divisions. Whereas the inflation did not have material impact on our 2022 figures, the 2023 cost base has increased due to inflation. To mitigate the development price increases are implemented during Q1 2023.

Q1 2023 EBITDA at NOK 115 million (Q1 2022: 87) with a margin of 13.4% (2022: 12.8%). The large units formed through mergers in 2021 – 2022 are gradually improving their organic growth- and margin performance. As well the remaining business not affected by mergers is delivering a continued good performance supporting the positive margin development.

Q1 2023 free cash flow at NOK 122 million (Q1 2022: 58) coming from improved EBITDA and improved net working capital. During Q1 2023 the high net working capital from Q4 2022 has been normalised which explains the significant change.

F&A division: Q1 2023 revenue is NOK 509 million (Q1 2022: 390) with a revenue growth at 30,8%. Organic growth has improved compared to Q1 2022 across all countries.

IT Division: Q1 2023 revenue at NOK 349 million (Q1 2022: 299) continuing the good performance.

Tech division: Q1 2023 revenue at NOK 41 million (Q1 2022: 26) with a growth of more than 50%. The growth is coming partly from (gradual) implementation of ECIT software and partly from the various solutions and services offered by the division.

Profit after tax in Q1 2023 is NOK 49 million (Q1 2022: 32) with a growth of 53.6%. The increase in profit after tax is the main reason for the positive development of the diluted earnings per share at NOK 0.07 (Q1 2023: NOK 0.03).

The net-interest-bearing debt is NOK 247 million (2022: 184); hence the leverage ratio remains unchanged at 0.5x compared to last year based on the improved EBITDA results.

M&A activities

During Q1 2023 two companies were acquired; Progresso AS (NO) and ECIT Virtus ehf (IS), corresponding to a combined annualised revenue of NOK 37 million.

ECIT Virtus ehf marks the entry of ECIT into the Icelandic F&A market, expanding our Nordic footprint. As well Progresso AS was acquired which has strengthened the market presence in Norway and added industry knowledge within the fish-farming industry.

Besides the two acquisitions completed in the first quarter of 2023, one more company has been acquired during April: Micropartner A/S (DK).

Micropartner A/S is a Danish consultant company providing expertise within Customer Engagement digitalization and related services. The acquisition strengthens ECIT's competence and customer deliveries within digital CRM (Customer Engagement) deliveries and is a good addition to our consulting division.

Acquired companies within the first four months of 2023 represent an annualised revenue of NOK 55 million.

Financial Highlights 2023

(NOKm)	Q1 2023	Q1 2022	Q1 2021
Condensed Income Statement			
Revenue	862	685	541
EBITDA	115	87	66
EBIT	64	38	32
Transaction and restructuring costs	-1	-4	0
Financial items, net	0	2	-3
Profit for the period	49	32	22
Adjusted profit for the period	50	25	22
<i>Profit for the period attributable to</i>			
ECIT AS' shareholders, NOKm	29	18	12
Non-controlling interests, NOKm	20	14	10
ECIT AS' shareholders, %	58.4%	56.9%	56.1%
Non-controlling interests, %	41.6%	43.1%	43.9%
Financial position			
Total assets	3,245	2,747	2,028
ECIT shareholders' share of equity	1,324	1,211	796
Non-controlling interest	356	195	166
Net working capital	-88	-79	-89
Net Interest-bearing debt ex. IFRS 16	29	-33	-105
Net interest-bearing debt (NIBD)	247	184	79
Net debt to EBITDA (Leverage ratio)	0.5x	0.5x	0.3x
Solvency ratio, %	51.8%	51.2%	47.4%
Stock-related key figures			
Diluted EPS, NOK	0.06	0.04	0.03
Adjusted diluted EPS, NOK	0.07	0.03	0.03
Total number of shares issued ('000)	452,853	448,330	392,195
Total number of treasury shares ('000)	2,772	1,137	7,899

Notes:

EBITDA is shown before transaction and restructuring costs.

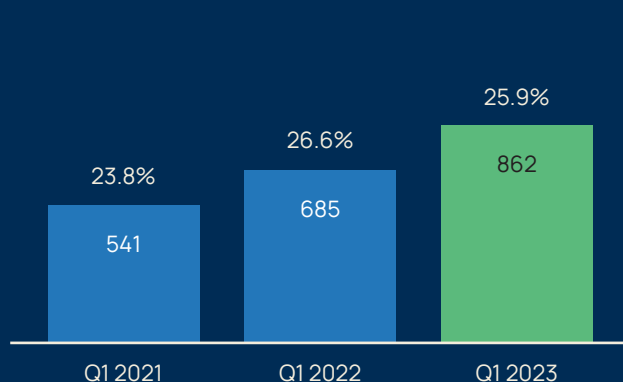
Recognized income/expenses related to earn-out assessment is excluded in the adjusted profit for the year, see the definition segment for further details.

For definitions of APM's and other ratios, please refer to the section "Definition of Financial Highlights and Ratios".

(NOKm)	Q1 2023	Q1 2022	Q1 2021
Cash Flow			
Operating activities	151	80	49
Free cash flow	122	58	24
Investing activities	-36	-105	-41
Financing activities	-70	56	-33
Cash flow for the period	45	31	-25
CAPEX in % of revenue	0.7%	0.6%	1.1%
Software development in % of revenue	1.7%	1.3%	0.7%
Key figures			
Total revenue growth, %	25.9%	26.6%	23.8%
Total organic revenue growth, %	10.8%	4.4%	6.5%
Total M&A revenue growth, %	12.1%	23.6%	17.9%
EBITDA margin, %	13.4%	12.8%	12.3%
EBIT margin, %	7.4%	5.5%	5.9%
Effective tax rate, %	22.8%	22.7%	25.0%
Avg. majority share, %	68.3%	67.9%	57.4%
Other financial ratios			
Recurring & repeat revenue share	78.0%	73.0%	69.0%
Proforma revenue, last 12 months	3,145	2,586	1,955
Proforma EBITDA, last 12 months	461	378	292
Proforma EBITDA-%	14.7%	14.6%	14.9%
ESG Data			
Full-time workforce (FTEs)	2,391	2,236	1,567
Gender diversity (F/M)	60%/40%	59%/41%	56%/44%
Gender diversity, managerial (F/M)	51%/49%	45%/55%	43%/57%
Employee engagement score (EES)	83	83	80

Performance Highlights Q1 2023

Net revenue (NOKm)



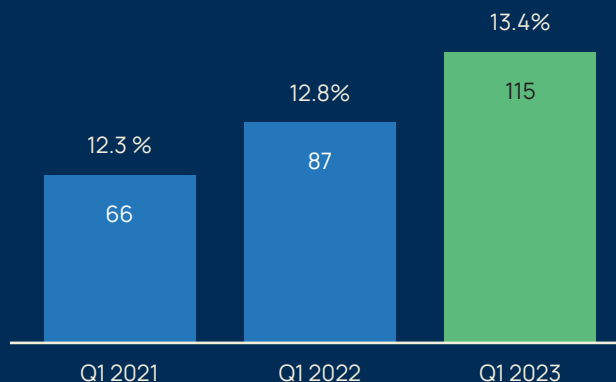
862 NOK million

Net revenue

25.9%

Total revenue growth

EBITDA (NOKm)



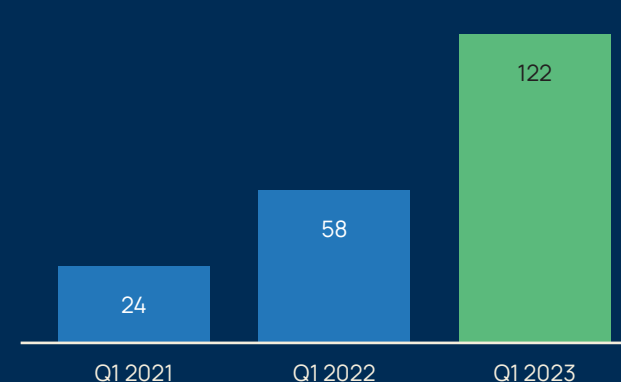
115 NOK million

EBITDA

13.4%

EBITDA-margin

Free cash flow (NOKm)



122 NOK million

Free cash flow

247 NOK million

Net interest bearing debt

- ✓ Strong start to the year with total revenue growth of almost 26%.
- ✓ The organic growth was supported by volume growth across all divisions as well as a price increase.

- ✓ Improvement in operational EBITDA across all divisions.
- ✓ Building the organisation through acquisitions and consolidation as the strategy for ECIT is gradually showing results through margin improvement.

- ✓ Continued low debt leverage – remains unchanged at 0.5x compared to last year because of the improved EBITDA results.
- ✓ Positive free cash flow development – coming partly from increased earnings and partly from a positive change in NWC.

Financial Review – Group Performance

Results for the period

For the first three months of 2023, ECIT delivered revenue growth at 25.9% (2022: 26,6%) with a group revenue of NOK 862 million (2022: 685). Organic growth at 10.8% (2022: 4.4%) and acquired growth at 12.1% (2022: 23.6%). Currency effects affected revenue growth by plus 2.9% (2022: minus 1.5%).

Acquired revenue growth of 12.1% comes partly from last year's acquisitions (Q2-Q4 impact in 2022) and partly from the two acquisitions completed during Q1 2023.

ECIT operates in 10 countries, whereas Norway is the most significant contributor to revenue representing approx. 66% (2022: 66%). The second largest country is Sweden representing approx. 15% (2022: 16%).

EBITDA before transaction and restructuring costs came out at NOK 115 million in Q1 2023 (2022: 87), representing an increase of 32%.

EBIT came out at NOK 64 million in Q1 2023 (2022: 38), representing an increase of 65%.

Profit for the period is NOK 49 million (2022: 32). Excluding the one-off items specified in the table, profit for the period amounts to NOK 50 million compared to NOK 25 million last year. Last year's figures were impacted by the sale of the associated company Cloud Connection.

The shareholders of ECIT's adjusted profit share have increased to 58.8% (2022: 57.6%). The adjusted diluted earnings per share, where one-off items have been excluded, represent NOK 0.07 (2022: 0.03).

(NOKm)	Q1 2023	Q1 2022
Profit for the period	49	32
Transaction & restructuring costs	1	4
Divestment profit	0	-10
One-off items, total	1	-7
Adjusted profit for the period	50	25
<i>Attributeable to:</i>		
Shareholders in ECIT AS, NOKm	29	18
Non-controlling interests, NOKm	21	14
Shareholders in ECIT AS, %	58.6%	57.6%
Non-controlling interests, %	41.4%	42.4%
Diluted EPS, NOK 1	0.06	0.04
Adj. diluted EPS, NOK 1	0.07	0.03

Cash flow summary

(NOKm)	Q1 2023	Q1 2022
Cash flow from operations	151	80
Cash flow from investing	-36	-105
Cash flow from financing	-70	56
Cash flow for the period	45	31
Cash flow from operations	151	80
Transaction & restructuring costs	1	4
Net investments, tangible assets	-6	-4
Repayment of lease liabilities	-24	-22
Free cash flow	122	58

Cash flow from operating activities in Q1 2023 came out at NOK 151 million compared to NOK 80 million in Q1 2022, representing an increase of 88.8%.

Cash flow was positively affected by higher EBITDA before transaction & restructuring costs and positive development in the change in net working capital.

The positive net working capital in Q1 2023 can mainly be explained normalisation of the high net working capital coming from Q4 2022.

Cash flow from investing activities represents NOK 36 million compared to NOK 105 million in Q1 2022. The timing of when acquisitions of subsidiaries are completed is the primary explanation for this development. Last year, it was higher due to the acquisition of Xacct Accounting AS. Investment in subsidiaries amounts to NOK 11 million in Q1 2023 (Q1 2022: 107).

Free cash flow (adjusted for transaction & restructuring costs, net investments in tangible assets, and lease payments) represents NOK 122 million (2022: 58). The increased free cash flow can mainly be explained by the improved operating cash flow.

Cash from financing activities is negative by NOK 70 million compared to positive 56 million last year. Like the development in the cash flow from investing activities, the timing of when acquisitions are completed impacts the cash flow from finance activities. Last year, debt was increased to finance the Xacct Accounting AS acquisition, whereas during Q1 2023 debt was reduced.

Capital structure & finances

ECIT shareholder's share of equity

On 31 March 2023, ECIT AS shareholders' equity share was NOK 1,324 million (2022: NOK 1,211 million).

ECIT's portfolio of treasury shares was 2,772,484 shares on 31 March 2023 (1,136,816 shares on 31 March 2022).

Treasury shares are often used as part-payment financing acquisitions and payment-exercising options for existing subsidiaries.

In Q1 2023, a share buy-back program was initiated and ended on 8 May 2023, and 415,210 shares have been bought at an average price of NOK 7.22.

A new share buyback program has been announced and will run from 10 May 2023 until, at the latest, 23 August 2023.

During this period, ECIT AS will buy treasury shares up to a maximum of NOK 12.5 million.

A company announcement of all transactions under the programme will be published every week after commencement, and at the end of the program.

The ordinary annual dividend for 2022 amounted to NOK 0.04 per share and was paid out to the shareholders during April 2023.

Net interest-bearing debt ('NIBD')

The net interest-bearing debt amounts to NOK 247 million as of 31 March 2023, compared to NOK 184 million last year.

The financial gearing ratio (NIBD/EBITDA) is 0.5x per 31 March 2023, compared to 0.5x last year.

Leasing liabilities (IFRS16 lease accounting) have a material impact on the financial liabilities of ECIT. Lease liabilities consist mainly of office rentals.

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 31 March 2023 is estimated to be NOK ~550 million compared to NOK ~460 million as of 31 December 2022.

The option debt is calculated based on the subsidiaries' performance of the latest fiscal year, hence the increase compared to last year. The option obligation is not part of the NIBD statement.

Credit facility

As of 31 March 2023, NOK 302 million of the credit facility has been utilised leaving an undrawn balance of NOK 448 million.

The leasing facility has been utilised for NOK 12 million, and the total available amount is NOK 38 million.

(NOKm)	Q1 2023	Q1 2022
Revolving facility gross	750	750
Revolving facility utilised	-302	-287
Net revolving facility available	448	463
Leasing facility gross	50	50
Leasing facility utilised	-12	-12
Net leasing facility available	38	38

F&A Division Highlights

The F&A Division delivered strong results in Q1 2023 with positive development in both organic growth and EBITDA margins compared to the previous year.

Solid performance across all countries where activities generally are high, and we are experiencing good demand for our services.

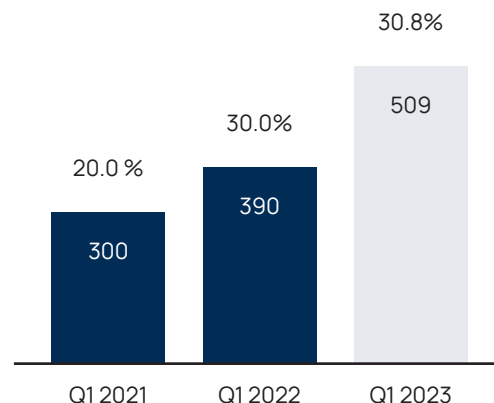
High M&A activity within the division last year contributed to the high revenue growth in the quarter.

During Q1 2023, two new companies were acquired within the F&A division:

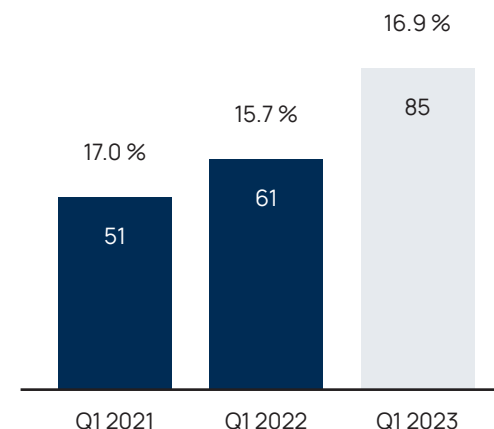
- ECIT Virtus ehf marks our entry into the Icelandic F&A market.
- Progresso AS has strengthened our local presence in Norway and added industry knowledge within the fish-farming industry.

Consolidation and integration of acquired and merged businesses remain high on our agenda. The integration is progressing according to plan, and although not completed, the organisation gradually absorbs the effects showing result through organic growth and margin improvement.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q1 2023	% 2023	Q1 2022	% 2022
Revenue growth	30.8%		30.0%	
EBITDA growth	39.2%		20.2%	
Revenue	509	100%	390	100%
COGS	-39	8.7%	-34	3.0%
Gross Profit	470	99.3%	356	97.4%
Personnel expenses	-315	66.1%	-237	67.1%
Other operating costs	-70	13.1%	-58	12.2%
EBITDA	85	16.9%	61	15.7%
EBITDA-%	16.9%		15.7%	

IT Division Highlights

Stable demand for our solutions and services within the division continues across all countries, and the customer pipeline is increasing according to our expectations.

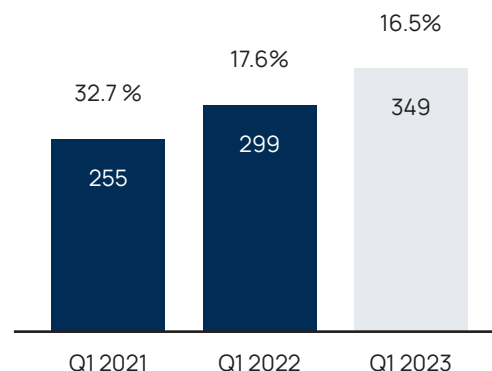
Earnings for the quarter are gradually improving as the workload from the large mergers is completed step-by-step.

The process related to mergers is still ongoing even though some positive effects from the work performed are beginning to materialise. The mergers completed last year affected approx. NOK 700 million in revenue and more than 200 FTEs.

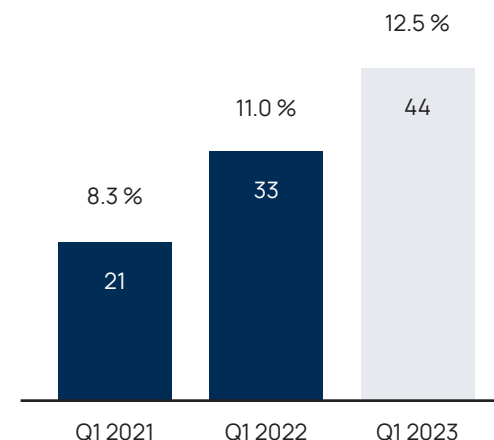
We recognize the importance of retaining skilled employees in the competitive IT industry, and we have taken measures to ensure that our personnel are satisfied and engaged, both to attract new talent and to retain existing staff.

Looking ahead, our focus remains on maintaining momentum in the ongoing consolidation process, with the goal of delivering strong organic growth and improved margins. We are confident in our ability to achieve these objectives and to continue providing value to our customers, shareholders, and other stakeholders.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q1 2023	% 2023	Q1 2022	% 2022
Revenue growth	16.5%		17.6%	
EBITDA growth	32.0%		57.7%	
Revenue	349	100%	299	100%
COGS	-111	32.0%	-93	31.2%
Gross Profit	237	68.0%	206	68.7%
Personnel expenses	-167	47.8%	-151	50.5%
Other operating costs	-27	7.7%	-22	7.3%
EBITDA	44	12.5%	33	11.0%
EBITDA-%	12.5%		11.0%	

Note: Personnel expenses include cost to external consultants

Tech Division Highlights

The Tech division continued to grow the business with a focus on implementing ECIT-owned software and expanding the range of solutions and services offered.

While annual recurring revenue (ARR) showed a lower revenue growth rate compared to the total division, non-recurring revenue increased at a higher rate, driven by consulting and services related to the use of our software.

Innovation remained a priority for the Tech division, with the ongoing development of our products and services using machine learning and robotic process automation.

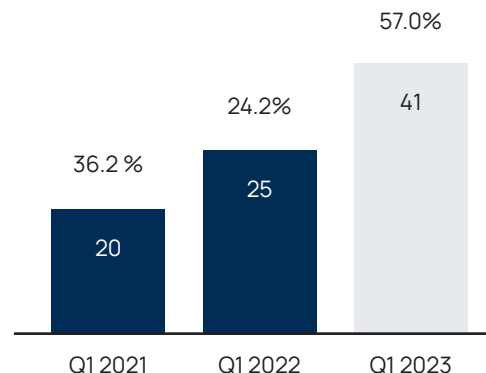
ECIT Digital, our invoicing machine learning solution introduced in 2021, is gradually serving more and more customers.

Investments in the division continued during the first quarter in 2023. Both in the development of our product portfolio and further strengthening our expertise in IT development, business support, and sales.

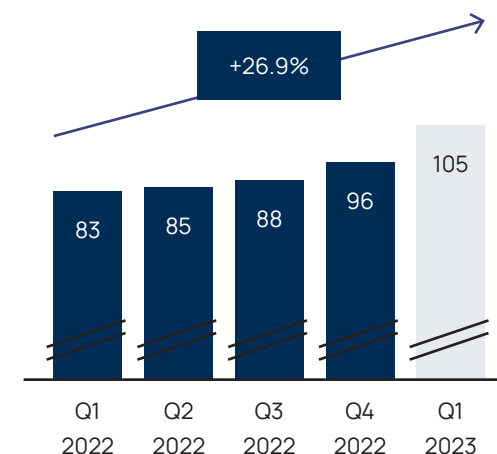
Looking forward, the Tech division will maintain its focus on developing and expanding products and solutions within the three business areas;

- Payroll
- Accounting
- Office support

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q1 2023	% 2023	Q1 2022	% 2022
Revenue growth	57.0%		24.2%	
Revenue	41	100%	25	100%
COGS	-5	13.3%	-2	7.5%
Gross Profit	36	86.7%	23	92.5%
Personnel expenses	-27	64.8%	-17	66.7%
Other operating costs	-10	23.5%	-8	34.2%
EBITDA	-1	-1.6%	-2	-7.9%
Capitalized Software	-14	34.0%	-9	35.7%
EBITDA-%	-1.6%		-7.9%	

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

Shareholder Information

Share capital

The total share capital on 31 March 2023, consists of 452,852,873 shares of nominal NOK 1 each. There are three share classes, whereas the B-shares are subject to trade on the Euronext Growth stock exchange.

Treasury shares

A total of 201,853 treasury shares were sold during the first three months of 2023.

A total of 237,169 treasury shares were acquired during the first three months of 2023.

On 31 March 2023, 2,772,484 shares were held as treasury shares, corresponding to 0.6% of the share capital.

Incentive scheme

The share-based incentive scheme announced in 2022 was initiated in January 2023, and warrants have been issued to the employees. The purpose of the program is to reward long-time performance and loyalty towards ECIT.

During Q1 2023 costs related to the incentive scheme amounted to NOK 1 million.

An additional share-based incentive scheme was approved at the Annual General Meeting in late March. The warrants are expected to be issued to employees during the second quarter of 2023.

Shareholders

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

More than 61% 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 42% of the shares.

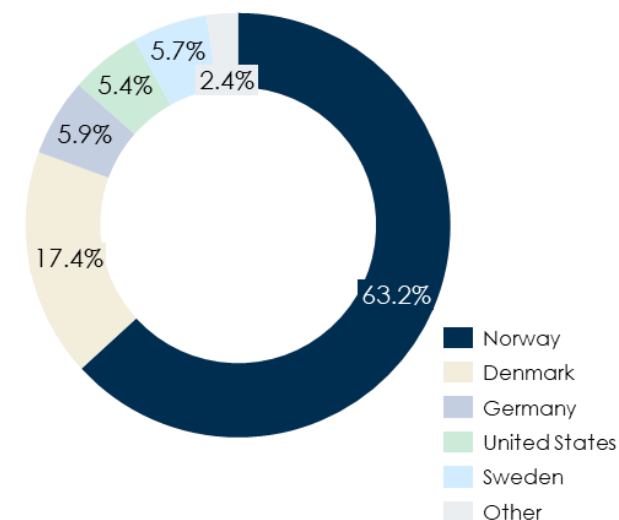
ECIT AS has no majority shareholders at the time of publication of this annual report. Peter Lauring holds 49.9% of the voting shares of the Group.

Financial calendar

The financial calendar for 2023 is as follows:

Annual report 2022	14 March 23
Annual General Meeting 2023	28 March 23
Interim financial report Q1 2023	10 May 23
Interim financial report H1 2023	24 August 23
Interim financial report Q3 2023	9 November 23

Shareholders per country





Condensed Consolidated Interim Financial Statements

Income Statement

(NOKm)	Note	Q1 2023	Q1 2022
Revenue	2.1	862	685
COGS		-161	-123
Gross Profit		701	561
Personnel expenses		-522	-421
Other operating costs		-64	-53
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		115	87
Restructuring & transaction costs	2.2	-1	-4
Operating profit before amortisation, depreciation		115	83
Amortizations and depreciations	2.3	-51	-45
Operating profit (EBIT)		64	38
Share of profit or loss of associates accounted for using the equity method		1	2
Financial income	2.4	8	10
Financial expenses	2.4	-10	-10
Profit before tax		64	41
Tax on profit for the period	2.5	-15	-9
Profit for the period		49	32
Attributeable to:			
Shareholders in ECIT AS		29	18
Non-controlling interests		20	14

Statement of Other Comprehensive Income

(NOKm)	Note	Q1 2023	Q1 2022
Profit for the period		49	32
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments of subsidiaries		35	-15
Value adjustments of hedging instruments		-1	0
Other comprehensive income		34	-15
Total comprehensive income		83	17
<i>Attributable to:</i>			
Shareholders in ECIT AS		59	7
Non-controlling interests		24	10

(NOKm)	Note	Q1 2023	Q1 2022
Earnings per share			
Earnings per share (NOK)	3.2	0.06	0.04
Diluted earnings per share (NOK)	3.2	0.06	0.04
Adjusted earnings per share			
Adjusted earnings per share (NOK)	3.2	0.07	0.03
Adjusted diluted earnings per share (NOK)	3.2	0.07	0.03

Cash Flow Statement

(NOKm)	Note	Q1 2023	Q1 2022	(NOKm)	Note	Q1 2023	Q1 2022
Profit before tax		64	41	Cash flow from operating and investing activities (A+B)		115	-25
Amortizations & Depreciations		51	45	Repayment of lease liabilities		-24	-22
Restructuring & transaction costs		1	4	Loans and credit facilities		-40	96
Fair value adjustment of a contingent consideration		0	0	Interest received		2	2
Financial income		-10	-12	Interest paid		-7	-9
Financial expenses		10	10	Capital increase		0	0
				Sale and purchase of treasury shares		-1	0
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		115	87	Transactions with minorities		2	-2
Restructuring & transaction costs		-1	-4	Dividends distributed		-1	-9
Corporation tax, paid		-22	-31	Cash flow from financing activities		-70	56
Change in net working capital (NWC)		59	27				
Cash flow from operating activities (A)		151	80	Cash flow for the period		45	31
Investments in tangible assets		-6	-4	Cash and cash equivalents 1 January		183	265
Investments in software		-15	-9	Cash flow for the period		45	31
Investments in subsidiaries	4.1	-11	-107	Currency translation adjustments		7	-4
Proceeds from sale of subsidiaries		0	0	Cash and cash equivalents end of period		235	292
Investments in other activities		-6	0				
Proceeds from sale of other financial instruments		2	15				
Change in other financial assets		0	0				
Cash flow from investing activities (B)		-36	-105				

Balance Sheet

(NOKm)	Note	31 MAR 2023	31 MAR 2022	31 DEC 2022	(NOKm)	Note	31 MAR 2023	31 MAR 2022	31 DEC 2022
Goodwill		1,327	1,066	1,279	Share capital	3.1	453	448	452
Customer contracts		396	340	386	Treasury shares		-3	-1	-3
Software		153	117	147	Reserves and retained earnings		874	764	838
Total non-current intangible assets		1,876	1,524	1,811	ECIT AS shareholders share of equity		1,324	1,211	1,287
Land, buildings and equipment		49	46	48	Non-controlling interest		356	195	364
Right-of-use assets		210	207	217	Total equity		1,680	1,406	1,652
Total non-current tangible asset		260	253	266	Lease liabilities	3.3	139	146	145
Other financial assets		99	68	96	Borrowings	3.3	327	304	350
Other receivables, interest bearing		56	45	50	Provisions		30	38	39
Other receivables		10	10	7	Other non-current liabilities		5	8	4
Deferred tax assets		37	28	38	Deferred tax liabilities		85	76	84
Total non-current financial assets		203	151	191	Total non-current liabilities		585	572	623
Total non-current assets		2,339	1,928	2,268	Lease liabilities	3.3	79	71	80
Inventories		12	14	12	Borrowings (interest bearing)	3.3	6	15	17
Trade receivables		438	329	407	Provisions		33	2	23
Tax receivables		24	18	24	Tax payables		66	42	68
Other receivables, interest bearing		11	16	11	Trade payables		157	113	142
Other receivables		185	150	141	Deferred income		84	51	49
Cash and cash equivalents		235	292	183	Dividend		73	65	1
Total current assets		906	819	778	Other current liabilities		482	408	392
					Total current liabilities		979	769	771
Total assets		3,245	2,747	3,045	Total equity and liabilities		3,245	2,747	3,045

Statement of Changes in Equity 2023

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reseves	Retained earnings	Total	Non- controlling interests	Total equity
Equity at 1 January	452	6	769	5	57	1,288	364	1,652
Profit for the period	0	0	0	0	29	29	20	49
Net exchange differences recognized in OCI	0	0	0	31	0	31	4	35
Value adjustments of hedging instruments	0	0	0	-1	0	-1	0	-1
Other comprehensive income	0	0	0	30	0	30	4	34
Total comprehensive income	0	0	0	30	29	59	24	83
<i>Transactions with shareholders:</i>								
Capital increase registered	1	-6	6	0	0	0	0	0
Dividends distributed	0	0	0	0	-18	-18	-56	-74
Sale and purchase of treasury shares	0	0	0	0	0	0	0	0
Addition of non-controlling interests	0	0	0	0	0	0	20	20
Transactions of shares with non-controlling interests	0	0	0	0	-8	-8	3	-5
Share-based payments	0	0	0	0	1	1	0	1
Other adjustments	0	0	-1	0	2	2	0	2
Total transactions with shareholders	1	-6	5	0	-23	-24	-33	-56
Equity at 31 March	453	0	774	34	63	1,324	356	1,680

Statement of Changes in Equity 2022

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	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 period	0	0	0	0	18	18	14	32
Net exchange differences recognized in OCI	0	0	0	-11	0	-11	-4	-15
Other comprehensive income	0	0	0	-11	0	-11	-4	-15
Total comprehensive income	0	0	0	-11	18	7	10	17
<i>Transactions with shareholders:</i>								
Capital increase registered	3	-23	20	0	0	0	0	0
Capital increase approved not registered	0	32	0	0	0	32	0	32
Dividends distributed	0	0	0	0	-7	-7	-71	-78
Sale and purchase of treasury shares	0	0	0	0	0	0	0	0
Addition of non-controlling interests	0	0	0	0	0	0	25	25
Transactions of shares with non-controlling interests	0	0	0	0	-36	-36	9	-27
Other adjustments	0	0	0	0	-2	-2	-1	-3
Total transactions with shareholders	3	9	20	0	-45	-13	-38	-51
Equity at 31 March	448	21	743	-7	6	1,211	195	1,406



Notes to the Condensed 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 interim financial statements.

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

The interim condensed consolidated financial statements for the three months ended 31 March 2023, which have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. After careful evaluation, they have determined that the Group has adequate resources to continue operating for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2022.

The interim condensed consolidated financial statements were authorised for issue by the board of directors on 9 May 2023. The statements are unaudited.

1.1 Accounting policies, estimates, and judgments

The condensed consolidated interim financial statements for the period 1 January – 31 March 2023 comprise the consolidated financial statements of the subsidiaries controlled by the parent company (the Group).

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. The ECIT Annual Report 2022 provides a full description of the Group's accounting policies.

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards

effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

1.3 Change in accounting policies due to Agenda Decision from IFRS committee

With referral to the Annual Report for 2022, ECIT 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 change in accounting policies is implemented in the interim condensed consolidated financial statements for Q1 2023 and the corresponding figures for last year.

2. Profit for the period

2.1 Segments information

(NOKm)	Q1 2023					Q1 2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	509	349	41	-37	862	390	299	25	-29	685
COGS	-39	-111	-5	-5	-161	-34	-93	-2	6	-123
Gross Profit	470	237	36	-42	701	356	206	23	-24	561
Personnel expenses	-315	-167	-27	-14	-522	-237	-151	-17	-16	-421
Other operating costs	-69	-27	-10	42	-64	-58	-22	-8	35	-53
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	86	44	-1	-14	115	61	33	-2	-5	87
Total revenue growth	30.8%	16.5%	57.0%	-22.4%	25.9%	30.0%	17.6%	24.2%	11.5%	26.6%
EBITDA-%	16.9%	12.5%	-1.6%	-36.7%	13.4%	15.7%	11.0%	-7.9%	-16.6%	12.8%
Non-current assets	1,091	596	259	394	2,339	834	514	216	365	1,928

(NOKm)	Q1 2023					Q1 2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	573	131	121	36	862	451	112	92	30	685
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	68	22	17	8	115	50	21	14	2	87
Non-current assets	1,682	209	339	109	2,339	1,407	206	228	87	1,928

2.2 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)	Q1 2023	Q1 2022
Transactions costs	0	4
Restructuring costs	1	0
Total	1	4

Restructuring & transaction costs comprise:

- Transaction 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 capitalised 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 judgments and estimates

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

2.3 Amortisation and depreciation

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

(NOKm)	Q1 2023	Q1 2022
Research & Development	7	6
Customer contracts	15	14
Fixed tangible assets	7	5
Right-of-use assets	22	20
Total	51	45

2.4 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)	Q1 2023	Q1 2022
<i>Financial income:</i>		
Interest income	2	0
Exchange rate income	6	0
Gain on divestments	0	10
Total Financial Income	8	10
<i>Financial expenses:</i>		
Interest expense	-7	-5
Exchange rate expense	-2	-4
Other financial expenses	-1	-1
Total Financial Expenses	-10	-10

2.5 Tax

Tax for the period

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)	Q1 2023	Q1 2022
Profit before tax	64	41
Calculated tax on profit for the period	14.0	9.1
<i>Tax effect of:</i>		
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.4	-0.7
Non-deductible expenses/non-taxable income	0.7	0.8
Non-deductible losses/non-taxable gain on shares	0.0	-2.2
Temporary differences, net	0.2	1.4
Other tax adjustments	0.0	0.4
Tax of the period	14.5	9.4
Effective tax rate	22.8%	22.7%

3. Capital and financial risk

3.1 Equity

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.

3.2 Earning per share

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

Earnings per share (NOKm)	Q1 2023	Q1 2022
Profit of the year	49	32
Non-controlling interests' share of consolidated profit for the year	20	14
ECIT AS shareholders' share of profit for the year	29	18
('000 shares)		
Total average number of shares	452,452	446,893
Average number of treasury	-2,755	-1,158
Average number of warrants	2,500	0
Diluted average number of shares in circulation	449,697	445,735
Earnings per share, NOK 1	0.06	0.04
Diluted earnings per share, NOK 1	0.06	0.04

3.3 Net interest-bearing debt

The net interest-bearing debt amounts to NOK 247 million as of 31 March 2023, compared to a net debt balance of NOK 184 million last year.

(NOKm)	Q1 2023	Q1 2022
Borrowings	332	320
Lease liabilities	218	217
Total interest bearing liabilities	550	537
Interest bearing receivables	68	61
Cash and cash equivalents	235	292
Total interest bearing assets	303	352
Net debt / Net cash (-)	247	184
EBITDA, LTM	461	378
Debt leverage	0.5x	0.5x

3.4 Events after the reporting period

With reference to company announcement No. 150, MicroPartner AS has become part of ECIT as of 20 April 2023. ECIT has acquired 55% of MicroPartner AS.

With reference to company announcement No. 156, ECIT has announced a new share buyback program that will run from 10 May 2023 until the end of trading on Euronext Growth on 23 August 2023, both days inclusive. During the period, ECIT AS will buy treasury shares up to a maximum of NOK 12.5 million.

4. Composition of the Group

4.1 Acquisitions during Q1 2023

During the first three months of 2023, ECIT has made two acquisitions in the F&A division.

Progresso AS

Progresso AS is a Norwegian F&A company located in Florø, providing accounting-, payroll- and advisory services.

Progresso AS strengthens ECIT's position in the Norwegian F&A, with industry knowledge in the fish-farming industry.

60% of the shares in Progresso AS were acquired on 24 January 2023.

ECIT Virtus ehf

ECIT Virtus ehf (formerly known as Virtus fjármál ehf) is an Icelandic Accounting and Payroll company located in Reykjavik. The purchase of ECIT Virtus marks our entry into Iceland.

50.1% of the shares in ECIT Virtus ehf were acquired on 29 March 2023.

Acquired companies (NOKm)	Revenue FY 2022	Revenue Q1 2023	PAT Q1 2023	FTE
Progresso AS, Norway, F&A	19	5	1	9
ECIT Virtus ehf, Iceland, F&A	18	5	1	15
Total	37	10	2	24

Net investments in subsidiaries

The acquisitions have been paid partly with cash and partly with shares through treasury shares.

(NOKm)	Q1 2023	Q1 2022
Cash payment	-18	-108
Sales of subsidiaries	0	0
Paid earn out obligation	0	-2
Majority share of cash	7	3
Net investment in subsidairies	-11	-107
<i>New subsidiaries:</i>		
Share payment	-1	0
Cash payment	-18	-108
Earn out obligation	0	-16
Investment in new subsidiaries	-20	-123

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 synergies from integration with ECIT's existing business. Goodwill is non-deductible for tax purposes.

Off-balance sheet items may be recognised for up to 12 months after the acquisition date in accordance with IFRS 3.

Xacct Accounting AS is shown separately since the acquisition is significant compared to all acquisitions of Q1 2022.

Total Q1 2023 acquisitions include ECIT Virtus ehf and Progresso AS, companies ECIT acquired during Q1 2023, and are presented aggregated as they individually are not considered significant.

(NOKm)	Total Q1 2023	Xacct	Other	Total Q1 2022
Research & Development	2	0	0	0
Right-of-use assets	6	4	0	4
Trade receivables	1	6	0	6
Other receivables	0	14	8	22
Cash and cash equivalents	12	3	0	3
Total Assets	22	28	8	35
Lease liabilities	6	4	0	4
Long-term debt	0	0	1	1
Trade payables	0	1	0	1
Other payables	12	20	0	20
Total Liabilities	18	25	2	27
Non-controlling interest' share of acquired net assets	2	0	3	3
Acquired net assets	2	3	3	6
Cash payments	18			108
Share payments	1			0
Earn Out obligation	0			16
Goodwill and intangible assets arising from the acquisition	18			118

Definition of Financial Highlights and Ratios

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.

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.

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.

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 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 between 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.

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

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

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

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

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