

A background image of a business meeting with three people (two men and one woman) sitting around a table, smiling and looking at laptops. The image is overlaid with a semi-transparent blue filter. At the bottom of the page, there are three colored rectangular blocks: blue, green, and purple.

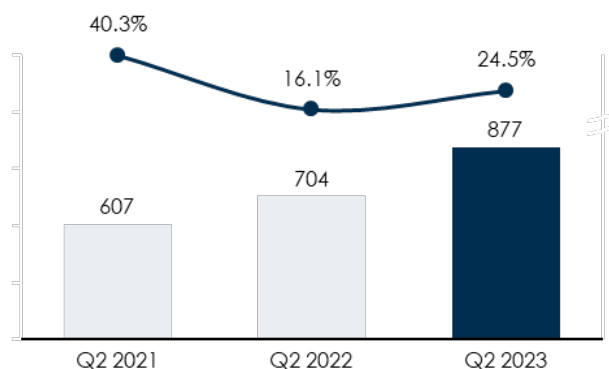
ecit

Interim H1 Report 2023

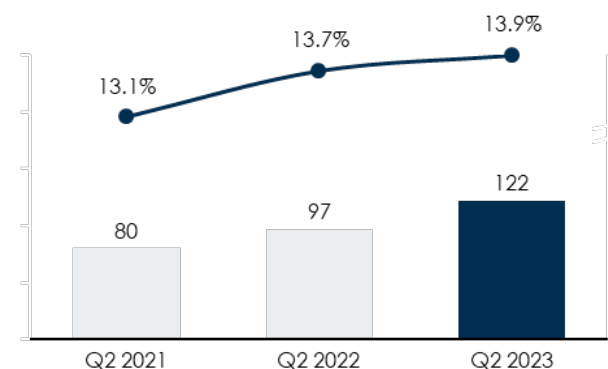
Q2 2023

- Q2 2023 revenue was NOK 877 million (704), representing a revenue growth of 24.5% (16.1%). Organic growth at 6.0% (7.4%) and M&A growth at 14.3% (9.5%).
- High M&A activity; seven acquisitions were completed during the quarter with an annualised revenue of NOK 176 million. Acquisitions affect all three divisions.
- EBITDA was NOK 122 million (97), representing a margin of 13.9% (13.7%) – in line with planned margin development.
- Free cash flow at NOK 54 million (38) – improved EBITDA and positive development in net working capital explain the development.
- M&A acquisition target changed. A dynamic target based on proforma revenue for the last twelve months equal to 10% to replace the former static target of MNOK 350 per year.
- A new share buyback program of NOK 12,5 million is initiated on the 24th of August 2023.

Total revenue (NOKm)



EBITDA (NOKm)



(NOKm)	Q2 2023	Q2 2022	Growth	H1 2023	H1 2022	Growth
Revenue	877	704	24.5%	1,739	1,390	25.2%
EBITDA	122	97	26.1%	237	184	29.0%
EBIT	60	44	36.5%	123	82	50.6%
Profit for the period	41	33	25.5%	90	64	41.9%
Free cash flow	54	38	41.6%	176	96	82.6%
Adjusted diluted EPS	0.06	0.06	-2.5%	0.12	0.09	35.7%
Total revenue growth	24.5%	16.1%	8.4 p.p.	25.2%	21.1%	4.1 p.p.
Organic revenue growth	6.0%	7.4%	-1.4 p.p.	8.4%	6.1%	2.3 p.p.
M&A revenue growth	14.3%	9.5%	4.8 p.p.	13.2%	16.4%	-3.2 p.p.
EBITDA-margin	13.9%	13.7%	0.2 p.p.	13.6%	13.2%	0.4 p.p.
EBIT-margin	6.8%	6.2%	0.7 p.p.	7.1%	5.9%	1.2 p.p.

Management Report

The first half of 2023 is concluded with a satisfactory financial performance; Revenue growth above target, EBITDA and EBIT margins improved compared to last year and a good cash flow was maintained.

Acquisition activity has been good during second quarter with seven completed acquisitions. Combined with the acquisitions completed in Q1 2023 ECIT has acquired an annualised revenue at NOK 213 million in the first half year of 2023.

Acquisitions is key to ECIT growth and business development as acquisitions add volume, competence, capacity, products & services, technology, and geographical presence. Given the continued growth in ECIT, it is decided to adjust the financial M&A target. Up to now, the target has been to acquire companies with an annualised revenue at NOK 350 million.

Moving forward, the M&A target will be 10% of the pro forma revenue for the last 12 months. As the top line continues to grow organic and through acquisitions, the M&A target will grow accordingly. Based on the reported H1 2023 proforma revenue of NOK 3,446 million, the annualised acquired revenue target for 2023 will be NOK ~350 million.

Other financial targets are unchanged.

Financial review

H1 2023 revenue at NOK 1,739 million (1,390), representing a revenue growth at 25.2% (21.1%). Organic growth was 8.4% (6.1%) and acquired revenue growth was 13.2% (16.4%).

Currency continues to affect our revenue as the H1 2023 revenue has increased by 3.6% (-1.4%).

H1 2023 EBITDA came out at NOK 237 million (184) with a margin at 13.6% (13.2%). Gradual margin improvement is a result of continued consolidation and integration processes. Also, the remaining business not affected by mergers continues its good performance, which explains the margin improvement.

H1 2023 Free cash flow amounted to NOK 176 million (96). Improved EBITDA and a positive development in our net working capital (NWC) is the reasons behind the positive development.

Good demand for our services in the F&A division has continued throughout the first half of 2023. Revenue was at NOK 1,033 million (793), corresponding to a revenue growth of 30.3% (18.5%). The IT Division delivered a revenue in the first half year of 2023 at NOK 705 million (593) with a revenue growth at 18.7% (15.1%). Both divisions have improved their EBITDA results and margins in the second quarter as well as in the first half of 2023. The Tech Division came out with a revenue at NOK 73 million (59) in the first half of 2023, corresponding to a revenue growth at 22.9% (108.0%).

As part of streamlining the divisions, H1 revenue at NOK 15 million has been reclassified from Tech division revenue to IT division revenue. Before this change, reported revenue in the Tech division was a combination of software revenue and a less strict definition of attached services/consultancy. Going forward, revenue in the Tech division will therefore only

encompass ECIT-owned software including services/consultancy strictly delivered attached to the software functionality. For comparison reasons, 2022 figures have been adjusted accordingly. The change only has an impact on the IT and the Tech division and has no impact on consolidated numbers. More details about the financial impact can be found in note 2.1.

Profit for the first half year represents NOK 90 million (65), an improvement of 38.6%. The increase in profit is the main contributor to the improved earnings per share, which equals NOK 0.12 (0.09).

Net-interest-bearing debt amounted to NOK 470 million compared to NOK 215 million last year. The leverage ratio was 0.9x (0.6x), meaning we maintain a financial gearing ratio below our financial target of 2.5x.

A new share buyback program of NOK 12,5 million is initiated on the 24th of August, 2023.

M&A activities

During Q2 2023 seven acquisitions were completed, the largest of which was Dataplan Group, with business activities represented in all three divisions in ECIT. Dataplan Group is offering Accounting and Payroll services, BI consulting, IT Managed Services, Digitalisation & consulting services, and Point of Sale solutions. Dataplan Group had an annualised revenue of NOK 91 million in 2022.

Financial Highlights 2023

(NOKm)	Q2 2023	Q2 2022	H1 2023	H1 2022
Condensed Income Statement				
Revenue	877	704	1,739	1,390
EBITDA	122	97	237	184
EBIT	60	44	123	82
Transaction and restructuring costs	-4	-5	-5	-9
Financial items, net	-6	-1	-6	2
Profit for the period	41	33	90	65
Adjusted profit for the period	45	38	95	64
<i>Profit for the period attributable to</i>				
ECIT AS' shareholders, NOKm	22	22	50	40
Non-controlling interests, NOKm	19	11	39	25
ECIT AS' shareholders, %	54.6%	66.7%	56.1%	61.5%
Non-controlling interests, %	45.4%	33.3%	43.9%	38.5%
Financial position				
Total assets			3,517	2,754
ECIT shareholders' share of equity			1,362	1,246
Non-controlling interest			424	215
Net working capital			-100	-61
Net Interest-bearing debt ex. IFRS 16			210	16
Net interest-bearing debt (NIBD)			470	215
Net debt to EBITDA (Leverage ratio)			0.9x	0.6x
Solvency ratio, %			50.8%	53.0%
Stock-related key figures				
Diluted EPS, NOK	0.05	0.05	0.11	0.09
Adjusted diluted EPS, NOK	0.06	0.06	0.12	0.09
Total number of shares issued ('000)			452,853	448,330
Total number of treasury shares ('000)			573	1,787

(NOKm)	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash Flow				
Operating activities	84	60	235	140
Free cash flow	54	38	176	96
Investing activities	-116	-30	-152	-135
Financing activities	-15	-94	-85	-39
Cash flow for the period	-48	-64	-2	-34
CAPEX in % of revenue	0.5%	0.5%	0.6%	0.6%
Software development in % of revenue	1.7%	2.1%	1.7%	1.7%
Key figures				
Total revenue growth, %	24.5%	16.1%	25.2%	21.1%
Total organic revenue growth, %	6.0%	7.4%	8.4%	6.1%
Total M&A revenue growth, %	14.3%	9.5%	13.2%	16.4%
EBITDA margin, %	13.9%	13.7%	13.6%	13.2%
EBIT margin, %	6.8%	6.2%	7.1%	5.9%
Effective tax rate, %	24.5%	21.9%	23.6%	22.3%
Avg. majority share, %			68.3%	68.2%
Other financial ratios				
Recurring & repeat revenue share			78%	75%
Proforma revenue, last 12 months			3,446	2,664
Proforma EBITDA, last 12 months			501	390
Proforma EBITDA-%			14.6%	14.6%
ESG Data				
Full-time workforce (FTEs)			2,502	2,201
Gender diversity (F/M)			60%/40%	58%/42%
Gender diversity, managerial (F/M)			51%/49%	54%/46%
Employee engagement score (EES)			83	83

Notes:

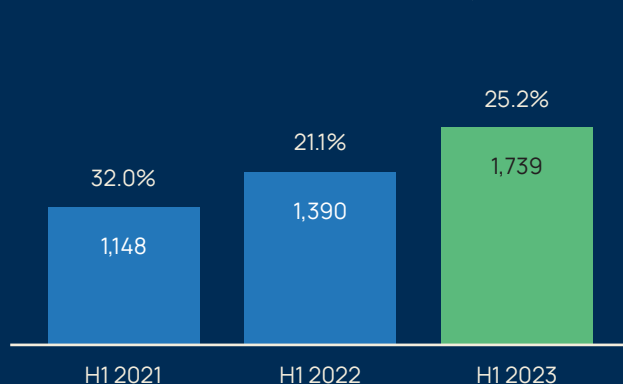
EBITDA is shown before transaction and restructuring costs.

Recognised 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".

Performance Highlights H1 2023

Net revenue (NOKm)



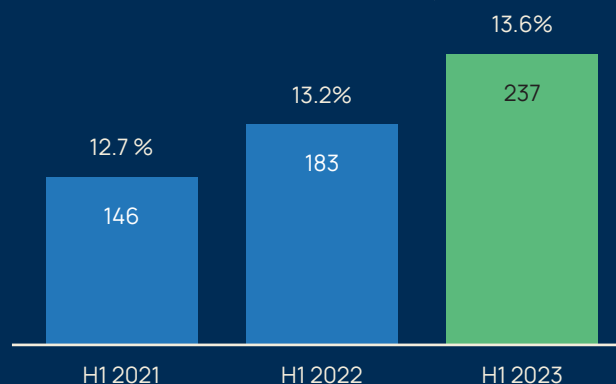
1,739 NOK million

Net revenue

25.2%

Total revenue growth

EBITDA (NOKm)



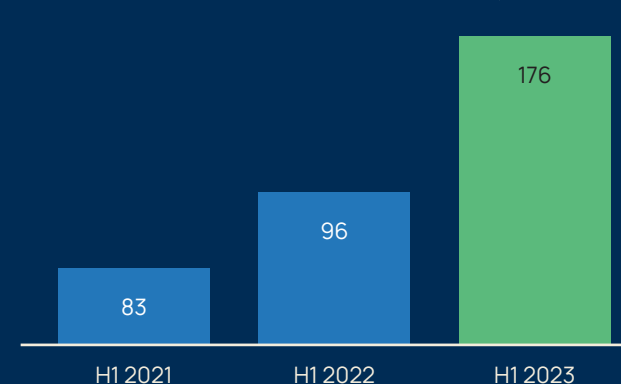
237 NOK million

EBITDA

13.6%

EBITDA-margin

Free cash flow (NOKm)



176 NOK million

Free cash flow

470 NOK million

Net interest bearing debt

- ✓ Continued revenue growth in the second quarter of 2023 – first half year representing ~25% in total revenue growth
- ✓ Satisfactory organic revenue growth – in line with expectations

- ✓ Positive EBITDA and EBIT development compared to last year – following plan
- ✓ Gradually margin improvement as a result of ongoing consolidation and integration work

- ✓ Free cash flow improvement compared to last year – mainly explained by EBITDA result and positive development in change in net working capital
- ✓ Leverage ratio gearing remains low at 0.9x

Financial Review – Group Performance

Results for the period

For the first six months of 2023, ECIT delivered revenue growth of 25.2% (21.1%) with a group revenue of NOK 1,739 million (1,390). Organic growth was 8.4% (6.1%) and acquired growth was 13.2% (16.4%). Currency effects affected revenue growth by plus 3.6% (minus 1.4%).

Acquired revenue growth of 13.2% comes partly from last year's acquisitions and partly from the seven acquisitions completed during first half year of 2023.

ECIT operates in 10 countries, whereas Norway is the most significant contributor to revenue representing approx. 65% (2022: 66%). The second largest country is Sweden representing approx. 15% (2022: 16%).

EBITDA before transaction and restructuring costs came out at NOK 237 million in first half year of 2023 (184), representing an increase of 29%.

EBIT came out at NOK 123 million in Q2 2023 (82), representing an increase of 51%.

Profit for the period is NOK 90 million (65). When we exclude one-off items, profit for the period represents NOK 95 million compared to NOK 64 million last year (see specification in the table to the right). The sale of the associated company Cloud Connection impacted last year's figures by NOK 10 million.

The shareholders of ECIT's adjusted profit for H1 2023 were 58.4% (65.3%). A combination of higher group costs (projects) and financial expenses from increased debt and interest rates can explain the decrease in the shareholders of ECIT's profit share.

The adjusted diluted earnings per share, where one-off items have been excluded, represent NOK 0.12 (0.09).

(NOKm)	H1 2023	H1 2022
Profit for the period	90	65
Transaction & restructuring costs	5	9
Divestment profit	0	-10
One-off items, total	5	-2
Adjusted profit for the period	95	64
<i>Attributeable to:</i>		
Shareholders in ECIT AS, NOKm	55	42
Non-controlling interests, NOKm	35	22
Shareholders in ECIT AS, %	58.4%	65.3%
Non-controlling interests, %	36.7%	34.7%
Diluted EPS, NOK 1	0.11	0.09
Adj. diluted EPS, NOK 1	0.12	0.09

Cash flow summary

(NOKm)	H1 2023	H1 2022
Cash flow from operations	235	140
Cash flow from investing	-152	-135
Cash flow from financing	-85	-38
Cash flow for the period	-2	-33
Cash flow from operations	235	140
Transaction & restructuring costs	5	9
Net investments, tangible assets	-11	-8
Repayment of lease liabilities	-52	-45
Free cash flow	176	96

Cash flow from operating activities in first half 2023 came out at NOK 235 million compared to NOK 140 million in 2022, representing an increase of 68%.

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

Thus, in the second quarter of last year, the change in net working capital was impacted by timing in customer invoicing and consequently negatively impacted the cash flow from operating activities in 2022.

Cash flow from investing activities represents NOK 152 million in first half year compared to NOK 135 million in 2022. The investing activities were mainly impacted by the number of

acquisitions completed in first half year of 2023, with Dataplan Group as the biggest. Investment in subsidiaries represents NOK 85 million in Q2 2023 and NOK 96 million in H1 2023.

Free cash flow (adjusted for transaction & restructuring costs, net investments in tangible assets, and lease payments) represents NOK 176 million in H1 2023 (2022: 96). The positive development in the free cash flow can mainly be explained by the improved operating cash flow.

Cash from financing activities is negative by NOK 85 million in the first half of 2023, compared to negative 38 million last year.

Dividends distributed to ECIT and minority shareholders are made in the year's second quarter and are the main reasons behind the negative amounts in 2022 and 2023.

Capital structure & finances

ECIT shareholder's share of equity

On 30 June 2023, ECIT AS shareholders' equity share was NOK 1,362 million (2022: NOK 1,246 million).

ECIT's portfolio of treasury shares was 573,328 shares on 30 June 2023 (1,786,816 shares on 30 June 2022).

On March 14 2023, a share buy-back program was initiated and ended on May 8, 2023. Total shares of 43,575 have been bought at an average price of NOK 7.53 (rounded).

On May 10 2023, a second share buy-back program was initiated and ended on 23 August 2023. Total shares of 1,525,911 have been bought at an average price of NOK 8.19 (rounded).

A new share buyback program has been announced and will run from 24 August 2023 until, at the latest, 8 November 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 program will be published every 10th day 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 in April 2023.

Net interest-bearing debt ('NIBD')

The net interest-bearing debt amounts to NOK 470 million as of 30 June 2023, compared to NOK 215 million last year.

The financial gearing ratio (NIBD/EBITDA) is 0.9x per 30 June 2023, compared to 0.6x last year.

Leasing liabilities (IFRS16 lease accounting) have a material impact on the financial liabilities of ECIT and 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 30 June 2023 is estimated to be NOK ~580 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 30 June 2023, NOK 405 million of the credit facility has been utilised, leaving an undrawn balance of NOK 345 million.

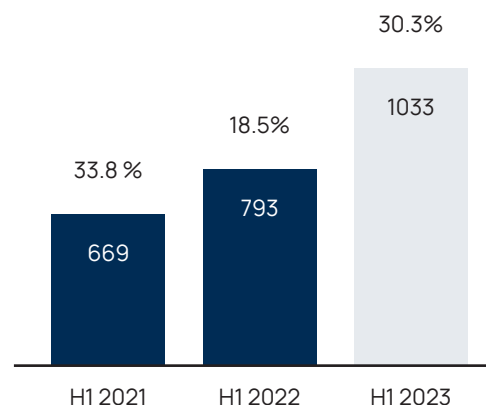
The leasing facility has been utilised for NOK 11 million; the total available amount is NOK 39 million.

(NOKm)	H1 2023	H1 2022
Revolving facility gross	750	750
Revolving facility utilised	-405	-287
Net revolving facility available	345	463
Leasing facility gross	50	50
Leasing facility utilised	-11	-11
Net leasing facility available	39	39

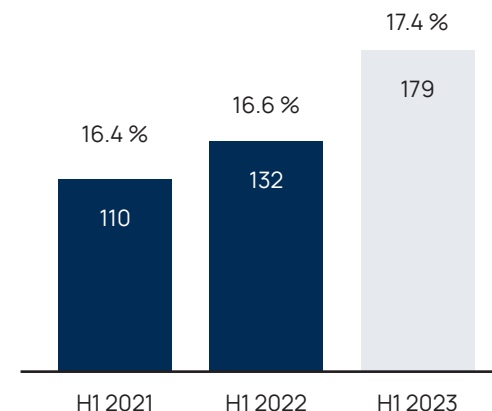
F&A Division Highlights

- Our F&A division delivered good results in Q2 2023 with positive development in organic revenue growth and improved EBITDA margins compared to last year.
- Good demand for our services in the F&A division has continued throughout the first half year of 2023 across all countries where activities generally are high.
- High M&A activity for the first six months of 2023 – the following three companies have been acquired:
 - 2023 Q2: Dataplan Group has business activities in all of ECIT's three divisions. For the F&A part, Dataplan has added both volume and capacity, as well as strengthened our local presence in the Stavanger area.
 - 2023 Q1: ECIT Virtus ehf marks our entry into the Icelandic F&A market.
 - 2023 Q1: Progresso AS has strengthened our local presence in Norway and added industry knowledge within the fish-farming industry.
- We focuses on developing the value proposition towards mid-sized to larger customers, coming from a historically very strong presence within the SMB market. We see an increasing demand for our services within this area and expect growth from these segments to continue improving

Total revenue (NOKm)



EBITDA & EBITDA margin (%)

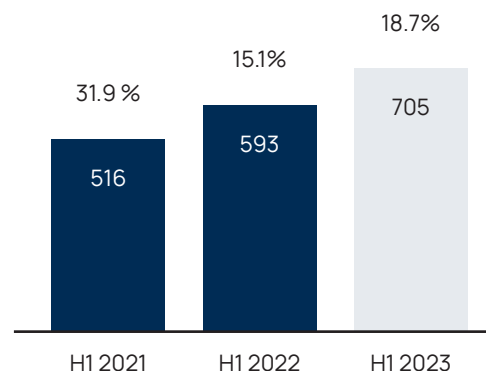


(NOKm)	Q2 2023	2023 %	Q2 2022	2022 %	H1 2023	2023 %	H1 2022	2022 %
Revenue growth	29.8%		9.2%		30.3%		18.5%	
EBITDA growth	32.4%		19.3%		36.3%		19.1%	
Revenue	523	100%	403	100%	1,033	100%	793	100%
COGS	-48	9.2%	-33	8.2%	-89	8.6%	-67	8.4%
Gross Profit	475	90.8%	370	91.7%	944	91.4%	726	91.6%
Personnel expenses	-310	59.3%	-244	60.5%	-640	62.0%	-481	60.7%
Other operating costs	-72	13.7%	-55	13.7%	-124	12.1%	-113	14.3%
EBITDA	93	17.8%	71	17.6%	179	17.4%	132	16.6%
EBITDA-%	17.8%		17.6%		17.4%		16.6%	

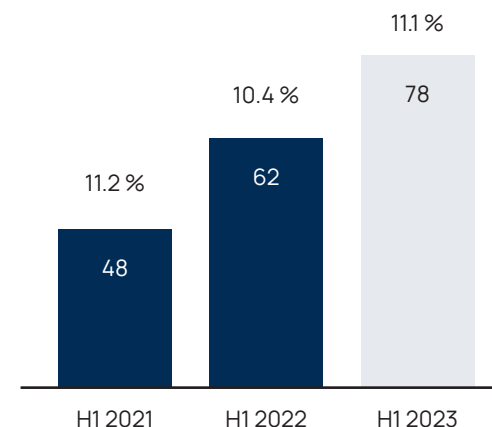
IT Division Highlights

- The IT division delivered total revenue of NOK 350 million (2022: 295) for the second quarter and NOK 705 million (2022: 593) for the first half year of 2023.
- Throughout the first half year, the IT division have experienced stable demand for its solutions and services across all countries.
- EBITDA was NOK 37 million (2022: 30) for the second quarter representing a margin of 10.5% (2022: 10.1%). Half-year was NOK 78m (2022: 62), representing 11.1% (2022: 10.4%).
- EBITDA margins gradually improve as a result of the ongoing consolidation and integration work within the IT division. The mergers completed last year affected approx. NOK 700 million in revenue and more than 200 FTEs.
- During Q2 2023, the following three companies were acquired
 - Micropartner – a Danish IT consultancy company providing expertise in Microsoft Customer Engagement and Microsoft Business Central digitalization and related services.
 - ITSjefen – a Norwegian IT company - strengthens ECIT's competence and customer deliveries within Managed Services and Datacenter deliveries.
 - Dataplan Group and its business activities within IT Consulting and Managed Services have added volume and capacity to the existing IT business in ECIT.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



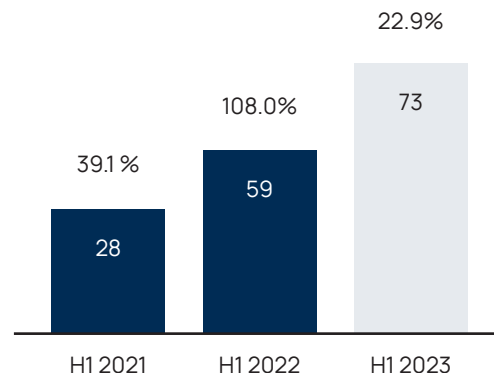
(NOKm)	Q2 2023	2023 %	Q2 2022	2022 %	H1 2023	2023 %	H1 2022	2022 %
Total revenue growth	18.8%		14.9%		18.7%		15.1%	
Total EBITDA growth	23.5%		6.8%		27.4%		27.7%	
Revenue	350	100%	295	100%	705	100%	593	100%
COGS	-121	34.6%	-93	31.6%	-232	32.9%	-187	31.6%
Gross Profit	229	65.4%	202	68.4%	473	67.1%	406	68.4%
Personnel expenses*	-164	46.7%	-150	50.8%	-341	48.4%	-300	50.6%
Other operating costs	-29	8.2%	-22	7.5%	-53	7.6%	-44	7.5%
EBITDA	37	10.5%	30	10.1%	78	11.1%	62	10.4%
EBITDA-%	10.5%		10.1%		11.1%		10.4%	

Note: Personnel expenses include cost to external consultants

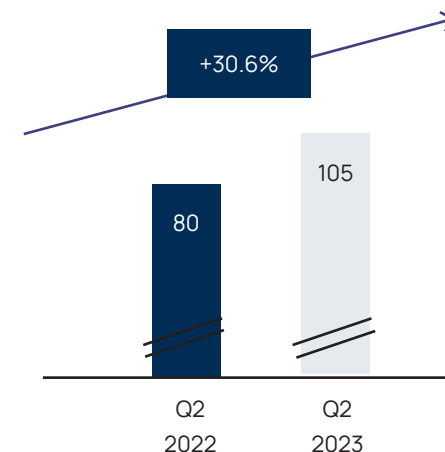
Tech Division Highlights

- The revenue and earnings in the Tech division are somewhat impacted by a decision to change how revenue is reported for the Tech division.
- Moving forward the revenue in the Tech division will only consist of our own developed (and acquired) software, whereas before, the revenue reported was a mix of software and consultancy. The change has been made to give a better financial insight into the software business in ECIT.
- As a consequence of the change, the revenue and earnings related to the consultancy activity have been reclassified to the IT division amounting to NOK 15 million (2022: 7). More details about the financial impact can be found in note 2.1.
- With the change included, the Tech division delivered revenue growth at 22.3% (2022: 123.1%) for the second quarter and 22.9% (2022: 108.0%) for the first half year.
- With the acquisition of ECIT Sustainability AS and ESG Trackr AS, ECIT has made the first steps towards building an ECIT presence within sustainability, developing software for simplifying measuring and reporting. We have furthermore acquired Kreatif, who specializes in headless e-commerce within B2B and B2C.
- Management is satisfied with the financial development for the first half year. Developing our Accounting, Payroll, and Office support products enables ECIT to gradually serve a bigger part of internal and external markets.

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q2 2023	2023 %	Q2 2022	2022 %	H1 2023	2023 %	H1 2022	2022 %
Total revenue growth	22.3%		123.1%		22.9%		108.0%	
Total EBITDA growth	n/a		n/a		n/a		n/a	
Revenue	38	100%	31	100%	73	100%	59	100%
COGS	-8	21.1%	-5	15.8%	-14	19.8%	-10	17.6%
Gross Profit	30	78.9%	26	84.2%	58	80.2%	49	82.4%
Personnel expenses*	-22	57.9%	-17	54.8%	-42	57.2%	-34	57.0%
Other operating costs	-10	26.3%	-7	23.5%	-16	22.6%	-15	24.8%
EBITDA	-2	-1.7%	2	5.9%	-0	-0.2%	-0	0.6%
Capitalized software	-15	39.5%	-16	51.5%	-29	39.9%	-27	45.6%
EBITDA-%*	-1.7%		5.9%		-0.2%		0.6%	

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

Shareholder Information

Share capital

The total share capital on 30 June 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 3,539,348 treasury shares were sold during the first half-year of 2023.

A total of 1,375,508 treasury shares were acquired during the first half-year of 2023.

On 30 June 2023, 573,328 shares were held as treasury shares, corresponding to 0.1% of the share capital.

Incentive scheme

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

During H1 2023, costs related to the incentive scheme amounted to NOK 2 million.

An additional share-based incentive scheme was approved at the Annual General Meeting in March 2023. Most warrants were granted to employees, management, and board members in July 2023.

Shareholders

Our shareholders are mainly located in the Nordic countries, with almost 60% of our shareholders being in Norway.

More than 60% 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 41% of the shares.

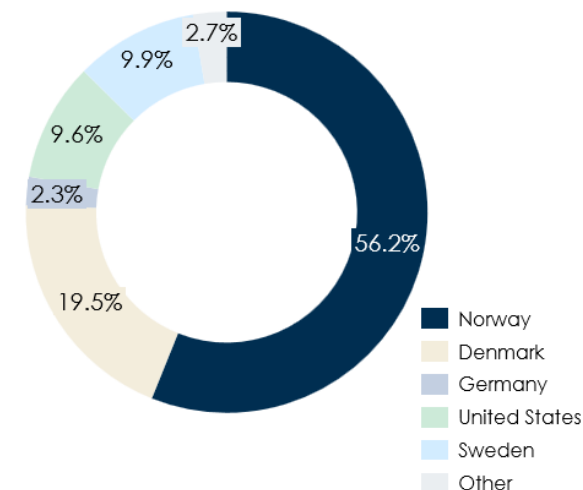
ECIT AS has no majority shareholders at the time of publication of this annual report. Peter Lauring holds 49.9% of the voting shares of the Group.

Financial calendar

The financial calendar for 2023 is as follows:

Event	Date
Interim financial report H1 2023	24 August 2023
Interim financial report Q3 2023	9 November 2023

Shareholders per country





Condensed Consolidated Interim Financial Statements

Income Statement

(NOKm)	Note	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenue	2.1	877	704	1,739	1,390
COGS		-160	-136	-321	-261
Gross Profit		718	568	1,419	1,129
Personnel expenses		-530	-425	-1,052	-845
Other operating costs		-66	-46	-131	-100
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		122	97	237	184
Restructuring & transaction costs	2.2	-4	-5	-5	-9
Operating profit before amortisation, depreciation		118	91	232	175
Amortizations and depreciations	2.3	-58	-48	-109	-93
Operating profit (EBIT)		60	44	123	82
Share of profit or loss of associates accounted for using the equity method		0	0	2	2
Financial income	2.4	6	6	14	16
Financial expenses	2.4	-12	-7	-22	-17
Profit before tax		54	42	118	84
Tax on profit for the period	2.5	-13	-9	-28	-19
Profit for the period		41	33	90	65
Attributeable to:					
Shareholders in ECIT AS		22	22	50	40
Non-controlling interests		19	11	39	25

Statement of Other Comprehensive Income

(NOKm)	Note	Q2 2023	Q2 2022	H1 2023	H1 2022
Profit for the period		41	33	90	65
<i>Items that may be reclassified to the</i>					
Foreign exchange adjustments of subsidiaries		5	23	40	8
Value adjustments of hedging instruments		6	0	5	0
Other comprehensive income		11	23	45	8
Total comprehensive income		52	56	135	73
<i>Attributable to:</i>					
Shareholders in ECIT AS		29	37	75	46
Non-controlling interests		23	19	59	27

	Note	Q2 2023	Q2 2022	H1 2023	H1 2022
Earnings per share					
Earnings per share (NOK)	3.2	0.05	0.05	0.11	0.09
Diluted earnings per share (NOK)	3.2	0.05	0.05	0.11	0.09
Adjusted earnings per share					
Adjusted earnings per share (NOK)	3.2	0.06	0.06	0.12	0.09
Adjusted diluted earnings per share (NOK)	3.2	0.06	0.06	0.12	0.09

Cash Flow Statement

(NOKm)	Note	Q2 2023	Q2 2022	H1 2023	H1 2022
Profit before tax		54	42	118	84
Amortizations & Depreciations		58	48	109	93
Restructuring & transaction costs		4	5	5	9
Fair value adjustment of a contingent consideration		0	0	0	0
Financial income		-6	-6	-16	-18
Financial expenses		12	7	22	17
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		122	97	237	184
Restructuring & transaction costs		-4	-5	-5	-9
Corporation tax, paid		-15	-7	-37	-38
Change in net working capital (NWC)		-20	-24	39	3
Cash flow from operating activities (A)		84	60	235	140
Investments in tangible assets		-4	-4	-11	-8
Investments in software		-15	-15	-29	-24
Investments in subsidiaries	4.1	-85	-7	-96	-114
Proceeds from sale of subsidiaries		0	0	0	0
Investments in other activities		-14	-2	-20	-2
Proceeds from sale of other financial instruments		0	0	2	15
Change in other financial assets		3	-3	3	-3
Cash flow from investing activities (B)		-116	-30	-152	-135

(NOKm)	Note	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash flow from operating and investing activities (A+B)		-33	30	82	5
Repayment of lease liabilities		-29	-23	-52	-45
Loans and credit facilities		131	-10	90	86
Interest received		2	3	4	4
Interest paid		-9	-3	-16	-11
Capital increase		0	0	0	0
Sale and purchase of treasury shares		-10	-1	-11	-1
Transactions with minorities		5	15	7	13
Dividends distributed		-105	-75	-106	-84
Cash flow from financing activities		-15	-94	-85	-39
Cash flow for the period		-48	-64	-2	-34
Cash and cash equivalents 1 January		236	292	183	265
Cash flow for the period		-48	-64	-2	-34
Currency translation adjustments		0	6	7	2
Cash and cash equivalents end of period		188	234	188	234

Balance Sheet

(NOKm)	Note	30 JUN 2023	30 JUN 2022	31 DEC 2022	(NOKm)	Note	30 JUN 2023	30 JUN 2022	31 DEC 2022
Goodwill		1,519	1,088	1,279	Share capital	3.1	453	448	452
Customer contracts		417	333	386	Treasury shares		-1	-2	-3
Software		161	128	147	Reserves and retained earnings		910	799	839
Total non-current intangible assets		2,097	1,549	1,811	ECIT AS shareholders share of equity		1,362	1,246	1,288
Land, buildings and equipment		62	45	48	Non-controlling interest		424	215	364
Right-of-use assets		250	191	217	Total equity		1,786	1,461	1,652
Total non-current tangible asset		312	236	266	Lease liabilities	3.3	162	130	145
Other financial assets		118	69	96	Borrowings	3.3	447	300	350
Other receivables, interest bearing		51	45	50	Provisions		47	26	39
Other receivables		17	10	7	Other non-current liabilities		4	3	4
Deferred tax assets		47	30	38	Deferred tax liabilities		109	75	84
Total non-current financial assets		233	155	191	Total non-current liabilities		768	534	623
Total non-current assets		2,642	1,939	2,268	Lease liabilities	3.3	98	68	80
Inventories		16	12	12	Borrowings (interest bearing)	3.3	17	13	17
Trade receivables		468	372	407	Provisions		31	17	23
Tax receivables		18	19	24	Tax payables		55	51	68
Other receivables, interest bearing		14	18	11	Trade payables		144	109	142
Other receivables		171	159	141	Deferred income		76	64	49
Cash and cash equivalents		188	234	183	Dividend		8	5	1
Total current assets		875	815	778	Other current liabilities		535	432	391
					Total current liabilities		963	759	770
Total assets		3,517	2,754	3,045	Total equity and liabilities		3,517	2,754	3,045

Statement of Changes in Equity 2023

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	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	50	50	40	90
Net exchange differences recognized in OCI	0	0	0	36	0	36	4	40
Value adjustments of hedging instruments	0	0	0	5	0	5	0	5
Other comprehensive income	0	0	0	41	0	41	4	45
Total comprehensive income	0	0	0	41	50	91	44	135
<i>Transactions with shareholders:</i>								
Capital increase registered	1	-6	6	0	0	0	0	0
Dividends distributed	0	0	0	0	-18	-18	-94	-112
Sale and purchase of treasury shares	0	0	0	2	16	18	0	18
Addition of non-controlling interests	0	0	0	0	0	0	110	110
Transactions of shares with non-controlling interests	0	0	0	0	-13	-13	0	-13
Share-based payments	0	0	0	0	2	2	0	2
Other adjustments	0	0	-1	0	-4	-5	0	-5
Total transactions with shareholders	1	-6	5	2	-18	-17	16	-1
Equity at 30 June	453	0	774	47	89	1,362	424	1,786

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	40	40	25	65
Net exchange differences recognized in OCI	0	0	0	7	0	7	1	8
Other comprehensive income	0	0	0	7	0	7	1	8
Total comprehensive income	0	0	0	7	40	47	26	73
<i>Transactions with shareholders:</i>								
Capital increase registered	3	0	20	0	0	23	0	23
Capital increase approved not registered	0	17	0	0	0	17	0	17
Dividends distributed	0	0	0	0	-18	-18	-77	-95
Sale and purchase of treasury shares	0	0	0	-1	0	-1	0	-1
Addition of non-controlling interests	0	0	0	0	0	0	37	37
Transactions of shares with non-controlling interests	0	0	0	0	-38	-38	6	-32
Other adjustments	0	0	0	0	0	0	-1	-1
Total transactions with shareholders	3	17	20	-1	-56	-17	-35	-52
Equity at 30 June	448	29	743	11	16	1,246	215	1,461



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 six months ended 30 June 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 23 August 2023. The statements are unaudited.

1.1 Accounting policies, estimates, and judgments

The condensed consolidated interim financial statements for the period 1 January – 30 June 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 refrained from early adopting 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 has determined that it acts as an agent in the resale of selected standard software and vendor services based on the principal/agent criteria outlined 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 Q2 2023 and the corresponding figures for last year.

2. Profit for the period

2.1 Segments information

2.1.1 Segments information Q2

(NOKm)	Q2 2023					Q2 2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	523	350	38	-34	877	403	295	31	-25	704
COGS	-48	-121	-8	18	-160	-33	-93	-5	-5	-136
Gross Profit	475	229	30	-17	718	370	202	26	-30	568
Personnel expenses	-310	-164	-22	-34	-530	-244	-150	-17	-14	-425
Other operating costs	-72	-29	-10	44	-66	-55	-22	-7	38	-46
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	93	37	-2	-6	122	71	30	2	-6	97
Total revenue growth	29.8%	18.8%	22.3%	-34.5%	24.5%	9.2%	14.9%	123.1%	-26.8%	16.1%
EBITDA-%	17.8%	10.5%	-1.7%	-24.7%	13.9%	17.6%	10.1%	5.9%	-22.0%	13.7%
Non-current assets	1,114	683	396	449	2,642	827	442	305	366	1,939

(NOKm)	Q2 2023					Q2 2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	566	136	134	41	877	472	115	89	28	704
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	71	21	24	6	122	62	17	13	5	97
Non-current assets	1,918	201	396	127	2,642	1,404	204	241	91	1,939

2.1.1 Segments information H1

(NOKm)	H1 2023					H1 2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	1,033	705	73	-71	1,739	793	593	59	-55	1,390
COGS	-89	-232	-14	15	-321	-67	-187	-10	4	-261
Gross Profit	944	473	58	-57	1,419	726	406	49	-52	1,129
Personnel expenses	-640	-341	-42	-29	-1,052	-481	-300	-34	-30	-845
Other operating costs	-124	-53	-16	64	-131	-113	-44	-15	72	-100
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	179	78	0	-21	237	132	62	0	-10	184
Total revenue growth	30.3%	18.7%	22.9%	-32.9%	25.2%	18.5%	15.1%	108.0%	0.8%	21.1%
EBITDA-%	17.4%	11.1%	-0.2%	-34.3%	13.6%	16.6%	10.4%	0.6%	-18.0%	13.2%
Non-current assets	1,114	683	396	449	2,642	827	442	305	366	1,939

(NOKm)	H1 2023					H1 2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	1,139	268	256	77	1,739	923	228	181	58	1,390
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	139	43	41	14	237	112	38	26	7	184
Non-current assets	1,924	200	393	124	2,642	1,405	204	241	90	1,939

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)	Q2 2023	Q2 2022	H1 2023	H1 2022
Transactions costs	4	5	4	9
Restructuring costs	0	0	1	0
Total	4	5	5	9

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)	Q2 2023	Q2 2022	H1 2023	H1 2022
Research & Development	8	7	16	13
Customer contracts	16	15	31	28
Fixed tangible assets	7	6	14	11
Right-of-use assets	27	20	48	40
Total	58	48	109	93

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)	Q2 2023	Q2 2022	H1 2023	H1 2022
<i>Financial income:</i>				
Interest income	2	4	4	4
Exchange rate income	4	3	11	3
Gain on divestments	0	0	0	10
Total Financial Income	6	7	16	18
<i>Financial expenses:</i>				
Interest expense	-8	-7	-17	-12
Exchange rate expense	-2	0	-4	-4
Other financial expenses	-2	0	-1	-1
Total Financial Expenses	-12	-7	-22	-17

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)	Q2 2023	Q2 2022	H1 2023	H1 2022
Profit before tax	54.2	42.3	117.7	84.0
Calculated tax on profit for the period	11.9	9.3	25.9	18.4
<i>Tax effect of:</i>				
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.2	-0.2	-0.6	-0.3
Non-deductible expenses/non-taxable income	0.5	-0.2	1.2	0.6
Non-deductible losses/non-taxable gain on shares	0.0	0.0	0.0	-2.2
Temporary differences, net	1.0	0.9	1.2	2.3
Other tax adjustments	0.0	-0.5	0.0	-0.2
Tax of the period	13.3	9.3	27.7	18.6
Effective tax rate	24.5%	21.9%	23.6%	22.3%

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 Earnings per share

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

Earnings per share (NOKm)	Q2 2023	Q2 2022	H1 2023	H1 2022
Profit of the year	41	33	90	65
Non-controlling interests' share of consolidated profit for the year	19	11	39	25
ECIT AS shareholders' share of profit for the year	22	22	50	40
('000 shares)				
Total average number of shares	452,853	448,330	452,452	446,893
Average number of treasury shares	-1,673	-1,462	-1,655	-1,483
Average number of warrants	2,393	0	2,393	0
Diluted average number of shares in circulation	453,573	446,868	453,190	445,410
Earnings per share, NOK 1	0.05	0.05	0.11	0.09
Diluted earnings per share, NOK 1	0.05	0.05	0.11	0.09

3.3 Net interest-bearing debt

The net interest-bearing debt amounts to NOK 470 million as of 30 June 2023, compared to a net debt balance of NOK 215 million last year.

(NOKm)	H1 2023	H1 2022
Borrowings	463	313
Lease liabilities	260	199
Total interest bearing liabilities	723	512
Interest bearing receivables	65	63
Cash and cash equivalents	188	234
Total interest bearing assets	253	297
Net debt / Net cash (-)	470	215
EBITDA, LTM	501	390
Debt leverage	0.9x	0.6x

3.4 Events after the reporting period

With reference to company announcement No. 180, ECIT has announced a new share buyback program that will run from 24 August 2023 until the end of trading on Euronext Growth on 7 November 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 H1 2023

During the first six months of 2023, ECIT has made seven acquisitions within all three divisions.

For more information about the acquisition, please refer to our ECIT homepage (investor relations).

Acquired companies (NOKm)	Revenue FY 2022	Revenue H1 2023	PAT H1 2023	FTE
Progresso AS, Norway, F&A	19	10	3	9
ECIT Virtus ehf, Iceland, F&A	18	10	1	15
Micropartner A/S, Denmark, IT	18	10	1	6
Dataplan Group, Norway, F&A, IT & Tech	91	61	5	79
ITsjefen AS, Norway, IT	50	26	-1	19
Kovert AS, Norway, IT	5	3	0	6
Kreatif AS, Norway, Tech	12	5	0	11
ECIT Sustainability AS, Norway, F&A	0	0	0	0
Total acquired subsidiaries	213	125	9	145
ESG Trackr AS, Norway, Tech	0	0	0	0
Total associated companies	0	0	0	0

Net investments in subsidiaries

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

(NOKm)	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash payment	-111	-8	-129	-116
Paid earn out obligation	-1	-1	-1	-4
Majority share of cash	26	3	33	6
Net investment in subsidiaries	-86	-6	-97	-114
<i>New subsidiaries:</i>				
Cash payment	-111	-8	-129	-116
Share payment	-20	0	-21	0
Earn out obligation	-19	0	-19	-16
Investment in new subsidiaries	-150	-8	-169	-131

The fair value of acquired net assets and recognised goodwill

The tables provides the principal fair values of acquired assets and liabilities as of 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.

Dataplan Group and ITSjefen are shown separately since these acquisitions are significant compared to the total acquisitions of H1 2023.

(NOKm)	Dataplan Group	ITSjefen	Other	Total H1 2023
Research & Development	1	0	2	2
Property, plant and equipment	3	11	1	16
Financial fixed assets	5	2	0	7
Right-of-use assets	5	9	8	22
Inventories	2	1	0	3
Trade receivables	15	11	8	34
Other receivables	12	7	3	22
Cash and cash equivalents	17	6	26	48
Total Assets	59	46	48	153
Lease liabilities	5	9	8	22
Long-term debt	19	0	0	19
Trade payables	3	2	11	15
Other payables	35	9	19	63
Total Liabilities	62	20	39	120
Non-controlling interest' share of acquired net assets	2	11	3	16
Acquired net assets	-4	15	6	17
Cash payments				129
Share payments				21
Earn Out obligation				19
Goodwill and intangible assets arising from the acquisition				152

Xacct Accounting AS is shown separately since the acquisition is significant compared to all acquisitions of H1 2022.

(NOKm)	Xacct	Other	Total H1 2022
Right-of-use assets	4	0	4
Trade receivables	4	1	6
Other receivables	15	6	22
Cash and cash equivalents	3	0	3
Total Assets	27	4	31
Lease liabilities	4	0	4
Long-term debt	0	2	2
Trade payables	1	0	1
Other payables	20	0	20
Total Liabilities	25	-2	23
Non-controlling interest' share of acquired net assets	0	3	3
Acquired net assets	2	4	6
Cash payments			116
Earn Out obligation			16
Goodwill and intangible assets arising from the acquisition			126

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, while interest-bearing assets comprise 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 monthly.

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 measurement period had been owned throughout the whole period.

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 (subject to variation) and likely to continue due to long-standing customer relationships. This revenue is somewhat derived from charges per payslip or invoice.

Leverage ratio = Operating profit before amortisations and depreciations (EBITDA) is 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 amortisation and depreciation and transaction and restructuring costs (EBITDA) = Shareholders of ECIT AS' share of revenue and operating profit before amortisations 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.

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

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

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

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

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