

A background image showing three business professionals in a meeting. A man on the left is looking towards a woman in the center, who is pointing at a document. Another woman on the right is smiling. The image is overlaid with a dark blue filter.

# ecit

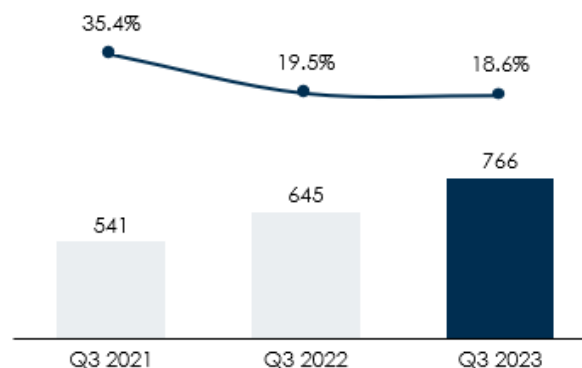
## Interim Q3 Report 2023



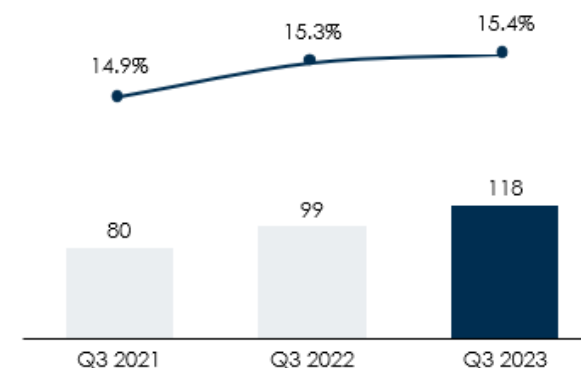
# Q3 2023

- Q3 2023 revenue was NOK 766 million (645), representing a revenue growth of 18.6% (19.5%). Organic growth was at 1.6% (10.0%), and M&A growth was at 14.4% (11.2%).
- Lower organic revenue growth; change in Norwegian labour law and macroeconomic conditions has affected the IT revenue growth combined with a much stronger comparable period last year. F&A business had a strong quarter, with organic revenue growth considerably exceeding last year.
- One acquisition was completed during the third quarter. 13 companies in total have been acquired in 2023, representing annualised revenue of NOK 368 million.
- EBITDA was NOK 118 million (99) with a margin of 15.4% (15.3%).
- The profit for the period is lower than last year - extraordinary gains from a divestment (NOK 20m) explain last year's high profit for the quarter.
- Increasing ownership share in subsidiaries; target of ~85% at the end of 2024 - currently at 68.8%.

Total revenue (NOKm)



EBITDA (NOKm)



(NOKm)	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth
Revenue	766	645	18.6%	2,506	2,034	23.1%
EBITDA	118	99	18.5%	355	282	25.9%
EBIT	57	53	8.2%	181	135	33.6%
Profit for the period	34	45	-24.9%	124	110	12.7%
Free cash flow	73	78	-6.4%	249	174	43.3%
Adjusted diluted EPS	0.04	0.04	15.5%	0.16	0.13	26.1%
Total revenue growth	18.6%	19.5%	-0.9 p.p.	23.1%	20.5%	2.6 p.p.
Organic revenue growth	1.6%	10.0%	-8.3 p.p.	6.7%	7.6%	-0.9 p.p.
M&A revenue growth	14.4%	11.2%	3.2 p.p.	13.2%	14.4%	-1.2 p.p.
EBITDA-margin	15.4%	15.3%	0.1 p.p.	14.2%	13.9%	0.3 p.p.
EBIT-margin	7.4%	8.1%	-0.7 p.p.	7.2%	6.6%	0.6 p.p.

# Management Report

Compared to previous years (2021 – 2022), the overall growth picture has changed for ECIT. The IT division has been the driver of organic growth up to 1 April 2023, with F&A delivering organic growth at a lower level.

In 2023, the picture has changed as it is the F&A division that is delivering reasonable organic growth, with the IT-Division growth at a lower level.

Two specific areas are affected – IT consultants for hire are affected by a (political) change in the Norwegian labour law – and a more conservative approach (macroeconomic conditions) to IT projects is delaying or reducing revenue from (specific) IT projects among our customers.

We expect slower organic revenue development in the upcoming quarter because of the macroeconomic unrest impacting IT spending.

## Increasing ownership in subsidiaries

In almost all partially owned subsidiaries, ECIT has the option to acquire the minority shares, securing up to 100% ownership.

When ECIT was listed in May 2021, it was announced that ownership shares in subsidiaries, measured 50% / 50% by revenue and EBITDA, should be increased from 55% to ~70% by the end of 2021.

This target was achieved. As of 30 September 2023, the ownership share represents 68.8%.

It is now decided to increase the ownership share in the subsidiaries to ~85%, aiming to reach this target by the end of 2024. Acquisitions completed after 30<sup>th</sup> June 2022 and future acquisitions will (for now) not be affected.

The increase in ownership is viewed as important to consolidate ECIT further.

However, this decision will not (for now) affect the ECIT acquisition model substantially – acquiring a majority stake in companies, including a call option to acquire the remaining shares after a period. As such, the ownership share might fluctuate over time depending on future acquisitions.

## Financial review

Revenue for the first nine months of 2023 came out at NOK 2,506 million (2,034), representing revenue growth of 23.1% (20.5%). Organic growth accounted for 6.7% (7.6%), while acquired revenue growth was 13.2% (14.4%).

Currency development was positive by 2.6% (minus 1.6%) for the third quarter and 3.2% (minus 1.5%) year-to-date.

Even with organic growth headwind (IT), EBITDA continues to improve in Q3 2023 by 18.5%. YTD Q3 2023 EBITDA represents NOK 355 million (282) with a margin of 14.2% (13.9%).

While the Q3 2023 free cash flow of NOK 73 million (78) is lower than the same quarter last year, we have achieved a year-to-date increase of approximately 43% as of September 2023 compared to the previous year.

The adjusted diluted earnings per share (EPS) per year-to-date through September was 0.16 (0.13), reflecting an increase of more than 26%. The EPS development to last year is impacted by costs from group projects expected to be completed within 3-6 months.

The net-interest-bearing debt represents NOK 450 million (231), and the leverage ratio remains low at 0.9x (0.6x).

A new share buyback program of NOK 7.5 million was initiated on 9 November 2023.

## M&A activities

So far in 2023, 13 companies have been acquired, representing NOK 368 million in annualised revenue.

In addition to acquiring Business Partner I Helsingborg AB in the third quarter, three more companies were acquired in October and November 2023: Rubic AS, Evercom AS and Elverum Regnskap AS.

Evercom AS, based in Oslo, is the largest of the three companies, specialising in audio-visual solutions for the public sector and larger organisations.

The company will strengthen ECIT's industry position and expertise within the AV sector. Evercom will be integrated into the IT division at ECIT. The company reported a revenue of NOK 112 million and had 20 employees during the fiscal year 2022.

# Financial Highlights 2023

(NOKm)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Condensed Income Statement</b>				
Revenue	766	645	2,506	2,034
EBITDA	118	99	355	282
EBIT	57	53	181	135
Transaction and restructuring costs	-2	-2	-7	-11
Financial items, net	-13	6	-19	7
Profit for the period	34	45	124	110
Adjusted profit for the period	36	33	131	96
<i>Profit for the period attributable to</i>				
ECIT AS' shareholders, NOKm	18	25	68	65
Non-controlling interests, NOKm	16	20	55	45
ECIT AS' shareholders, %	53.2%	55.6%	55.3%	59.0%
Non-controlling interests, %	46.8%	44.4%	44.7%	41.0%
<b>Financial position</b>				
Total assets			3,490	2,773
ECIT shareholders' share of equity			1,358	1,266
Non-controlling interest			444	233
Net working capital			-117	-77
Net Interest-bearing debt ex. IFRS 16			196	38
Net interest-bearing debt (NIBD)			450	231
Net debt to EBITDA (Leverage ratio)			0.9x	0.6x
Solvency ratio, %			51.6%	54.1%
<b>Stock-related key figures</b>				
Diluted EPS, NOK	0.04	0.06	0.15	0.15
Adjusted diluted EPS, NOK	0.04	0.04	0.16	0.13
Total number of shares issued ('000)			452,853	452,050
Total number of treasury shares ('000)			1,650	1,850

(NOKm)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Cash Flow</b>				
Operating activities	103	102	338	241
Free cash flow	73	78	249	174
Investing activities	-46	-90	-199	-224
Financing activities	-26	-41	-109	-79
Cash flow for the period	32	-28	30	-61
CAPEX in % of revenue	0.7%	0.8%	0.7%	0.6%
Software development in % of revenue	2.2%	1.7%	1.9%	1.8%
<b>Key figures</b>				
Total revenue growth, %	18.6%	19.5%	23.1%	20.5%
Total organic revenue growth, %	1.6%	10.0%	6.7%	7.6%
Total M&A revenue growth, %	14.4%	11.2%	13.2%	14.4%
Total currency impact, %	2.6%	-1.6%	3.2%	-1.5%
EBITDA margin, %	15.4%	15.3%	14.2%	13.9%
EBIT margin, %	7.4%	8.1%	7.2%	6.6%
Effective tax rate, %	23.1%	22.6%	23.4%	22.3%
Avg. majority share, %			68.8%	67.9%
<b>Other financial ratios</b>				
Recurring & repeat revenue share			79%	77%
Proforma revenue, last 12 months			3,478	2,760
Proforma EBITDA, last 12 months			510	407
Proforma EBITDA-%, last 12 months			14.7%	14.7%
<b>ESG Data</b>				
Full-time workforce (FTEs)			2,554	2,240
Gender diversity (F/M)			62%/38%	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".

# Financial Review – Group Performance

## Results for the period

In the first nine months of 2023, ECIT achieved a revenue growth of 23.1% (20.5%) with a total group revenue of NOK 2,506 million (2,034). Organic growth was 6.7% (7.6%), and acquired growth was 13.2% (14.4%). Currency effects affected revenue growth by 3.2% (minus 1.5%).

The acquired revenue growth of 13.2% is a result of both last year's acquisitions and the eight acquisitions completed during the first nine months of 2023.

ECIT operates in 10 countries, whereas Norway is the most significant contributor to revenue, representing approx. 65% (67%). The second largest country is Sweden, representing approx. 15% (16%).

EBITDA before transaction and restructuring costs came out at NOK 355 million in the first nine months of 2023 (282), reflecting a 26% increase.

EBIT came out at NOK 181 million (135), representing an increase of 34%.

The profit for the period stands at NOK 124 million (110). When we exclude one-off items, the profit for the period amounts to NOK 131 million, compared to NOK 96 million last year. The sales of the associated company Cloud Connection AS and subsidiary ECIT Invent AS impacted last year's figures by positive NOK 25 million.

The adjusted diluted earnings per share, with one-off items excluded, amount to NOK 0.16 (0.13).

(NOKm)	YTD 2023	YTD 2022
<b>Profit for the period</b>	<b>124</b>	<b>110</b>
Transaction & restructuring costs	7	11
Divestment profit	0	-25
<b>One-off items, total</b>	<b>7</b>	<b>-13</b>
<b>Adjusted profit for the period</b>	<b>131</b>	<b>96</b>
<i>Attributeable to:</i>		
Shareholders in ECIT AS, NOKm	75	58
Non-controlling interests, NOKm	56	39
Shareholders in ECIT AS, %	57.2%	60.1%
Non-controlling interests, %	42.8%	39.9%
Diluted EPS, NOK 1	0.15	0.15
<b>Adj. diluted EPS, NOK 1</b>	<b>0.16</b>	<b>0.13</b>

## Cash flow summary

(NOKm)	YTD 2023	YTD 2022
Cash flow from operations	338	241
Cash flow from investing	-199	-224
Cash flow from financing	-109	-79
<b>Cash flow for the period</b>	<b>30</b>	<b>-61</b>
<b>Cash flow from operations</b>	<b>338</b>	<b>241</b>
Transaction & restructuring costs	7	11
Net investments, tangible assets	-17	-13
Repayment of lease liabilities	-79	-66
<b>Free cash flow</b>	<b>249</b>	<b>174</b>

**Cash flow from operating activities** in the first nine months of 2023 came out at NOK 338 million, compared to NOK 241 million in 2022, representing an increase of 40%.

The growth is primarily driven by an increase in earnings and a positive development in the change in net working capital. The change in net working capital can fluctuate between quarters due to the timing of customer invoicing.

**Cash flow from investing activities** amounted to NOK 199 million in the first nine months, compared to NOK 224 million in 2022. The investing activities were mainly impacted by the number of acquisitions completed during 2023, with Dataplan Group as the biggest. Investment in subsidiaries accounted for NOK 21 million in the third quarter of 2023 and NOK 117 million year-to-date in 2023.

**Free cash flow**, adjusted for transaction & restructuring costs, net investments in tangible assets, and lease payments, amounted to NOK 249 million in the first nine months of 2023 (174). The positive development in free cash flow can mainly be attributed to the improved operating cash flow and a favorable trend in the change of net working capital.

**Cash from financing activities** was negative by NOK 109 million in the first nine months of 2023, compared to negative 79 million last year. The financing activities were mainly impacted by the cash outflow of dividends during 2023.

## Capital structure & finances

### ECIT shareholder's share of equity

On 30 September 2023, ECIT AS shareholders' equity share was NOK 1,358 million (1,266).

ECIT's portfolio of treasury shares was 1,650,316 shares on 30 September 2023 (1,849,984).

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

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

On 24 August 2023, a third share buy-back program was initiated and ended on 7 November 2023. A total of 1,144,944 shares have been bought at an average price of NOK 8.16 (rounded).

A new share buyback program has been announced and will run from 9 November 2023 until, at the latest, 26 February 2024. During this period, ECIT AS will buy treasury shares up to a maximum of NOK 7.5 million.

A company announcement of all transactions under the program will be published every 10<sup>th</sup> day after commencement and at the end of the program.

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

### Net interest-bearing debt ('NIBD')

As of 30 September 2023, the net interest-bearing debt amounts to NOK 450 million, compared to NOK 231 million last year.

The financial gearing ratio (NIBD/EBITDA) is 0.9x per 30 September 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 its 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 September 2023 is estimated to be NOK ~600 million compared to NOK ~460 million as of 31 December 2022.

## Credit facility

As of 30 September 2023, NOK 435 million (287) of the credit facility has been utilised, leaving an undrawn balance of NOK 315 million (463).

The leasing facility has been utilised for NOK 9 million (10); the total available amount is NOK 41 million (40).

(NOKm)	YTD 2023	YTD 2022
Revolving facility gross	750	750
Revolving facility utilised	-435	-287
<b>Net revolving facility available</b>	<b>315</b>	<b>463</b>
Leasing facility gross	50	50
Leasing facility utilised	-9	-10
<b>Net leasing facility available</b>	<b>41</b>	<b>40</b>

# F&A Division Highlights

Our F&A division delivered good results in Q3 2023 with positive development in organic revenue growth and improved EBITDA margins compared to last year.

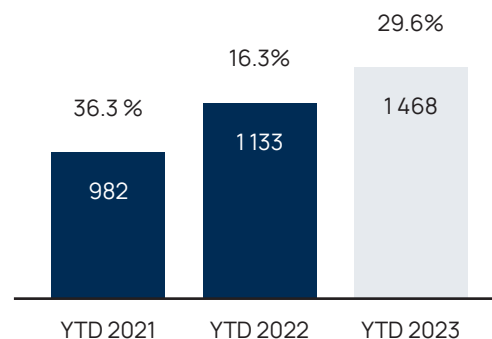
Despite macroeconomic headwinds, we see good demand for our services in the F&A division. Growth is satisfactory, driven by high organic growth through up-sales and new customers, as well as growth from acquisition activities.

Payroll Services are a strategic focus area for the F&A division. We are witnessing increased demand, especially from midsized to larger companies looking to outsource their Payroll Administration across all significant markets.

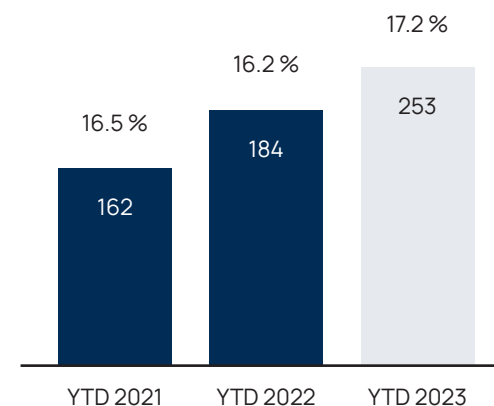
During the first 11 months of 2023, five companies have been acquired, representing NOK 98 million in annualised revenue (2022)

- ECIT Virtus ehf marks our entry into the Icelandic F&A market.
- Progresso AS, Dataplan Group, Elverum Regnskap AS have strengthened our local presence in Norway and added industry knowledge in various areas.
- ECIT Sustainability AS strengthens ECIT's competence and customer deliveries within sustainability consultancy and reporting.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q3 2023	2023 %	Q3 2022	2022 %	YTD 2023	2023 %	YTD 2022	2022 %
Revenue growth	28.0%		9.5%		29.6%		16.3%	
EBITDA growth	36.3%		1.6%		37.5%		14.3%	
Revenue	436	100%	340	100%	1,468	100%	1,133	100%
COGS	-38	8.8%	-27	8.0%	-130	8.9%	-94	8.3%
<b>Gross Profit</b>	<b>398</b>	<b>91.2%</b>	<b>313</b>	<b>92.0%</b>	<b>1,338</b>	<b>91.1%</b>	<b>1,039</b>	<b>91.7%</b>
Personnel expenses	-277	63.6%	-218	64.1%	-921	62.8%	-699	61.7%
Other operating costs	-48	11.1%	-42	12.3%	-163	11.1%	-154	13.6%
<b>EBITDA</b>	<b>72</b>	<b>16.5%</b>	<b>53</b>	<b>15.5%</b>	<b>253</b>	<b>17.2%</b>	<b>184</b>	<b>16.2%</b>
EBITDA-%	16.5%		15.5%		17.2%		16.2%	

# IT Division Highlights

The IT division delivered total revenue of NOK 323 million (309) for the third quarter and NOK 1,028 million (903) for the first nine months of 2023.

Macroeconomic uncertainty has led to lower IT revenue growth. We experience increased pressure on IT spending in the business areas IT consultancy and hardware project revenue. That, combined with exceptionally high growth in the same period last year, is impacting the organic revenue growth rate downwards in Q3 2023.

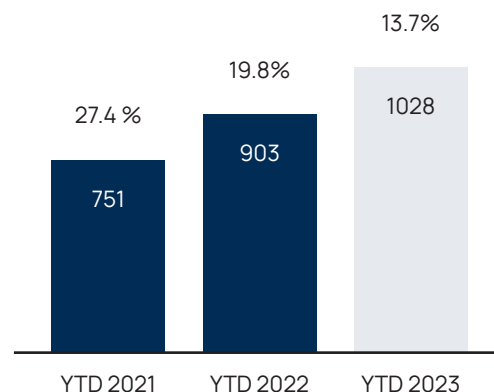
EBITDA was NOK 49 million (46) for the third quarter representing a margin of 15.2% (14.9%). Year-to-date, EBITDA was NOK 128m (107) with a margin of 12.4% (11.8%).

The development in EBITDA and margins are in line with management expectations.

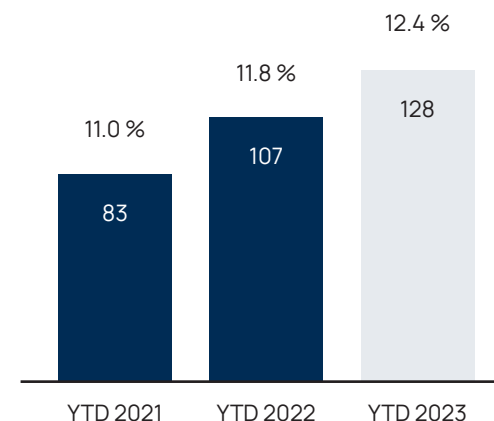
Two companies have been acquired in the period from July to November:

- BusinessPartner I Helsingborg AB adds IT Consulting to our service delivery in Sweden.
- Evercom AS - strengthens the industry position and competence base in ECIT within the AV industry.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q3 2023	2023 %	Q3 2022	2022 %	YTD 2023	2023 %	YTD 2022	2022 %
Total revenue growth	4.1%		31.4%		13.7%		19.8%	
Total EBITDA growth	6.0%		32.4%		19.3%		28.1%	
Revenue	323	100%	309	100%	1,028	100%	903	100%
COGS	-106	32.9%	-108	35.0%	-342	33.3%	-295	32.7%
<b>Gross Profit</b>	<b>216</b>	<b>67.1%</b>	<b>201</b>	<b>65.0%</b>	<b>686</b>	<b>66.7%</b>	<b>607</b>	<b>67.2%</b>
Personnel expenses	-139	42.9%	-131	42.4%	-474	46.1%	-434	48.0%
Other operating costs	-28	8.8%	-24	7.7%	-84	8.2%	-66	7.3%
<b>EBITDA</b>	<b>49</b>	<b>15.2%</b>	<b>46</b>	<b>14.9%</b>	<b>128</b>	<b>12.4%</b>	<b>107</b>	<b>11.8%</b>
EBITDA-%	15.2%		14.9%		12.4%		11.8%	

Note: Personnel expenses include cost to external consultants



# Tech Division Highlights

The Tech division continues to grow at a reasonable pace.

Revenue for the quarter was NOK 40 million (29), representing a growth rate of 43% (~39%). Year-to-date September revenue amounted to 112 million (90), resulting in a growth rate of almost 25% (~89%). The high revenue growth last year is attributed to M&A activity.

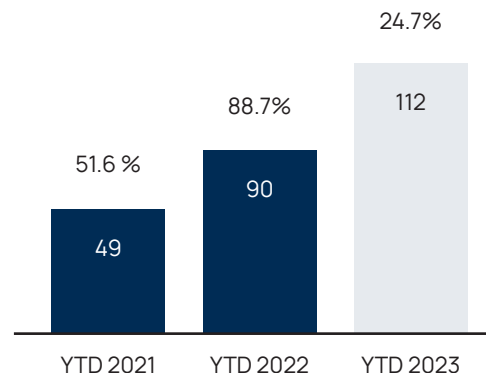
Annual recurring revenue, which measures only software revenue, has increased by 24.9%.

The revenue growth is mainly coming from increased demand for software solutions and steady growth within our accounting and payroll software services.

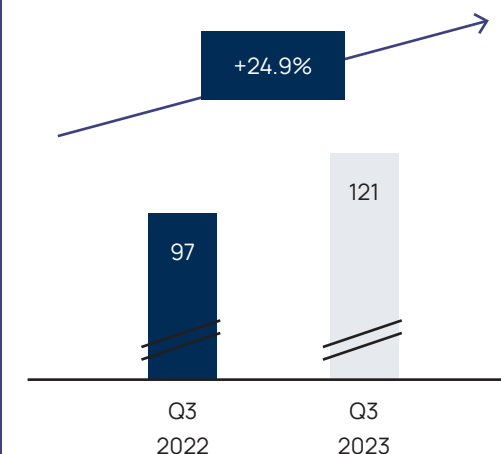
During the first 11 months of the year, we have added software products to the Tech portfolio, including:

- ESG Trackr AS - software for measuring and reporting in the sustainability area.
- Kreatif AS - specialises in headless e-commerce within B2B and B2C.
- Touch Soft (part of Dataplan Group) - Point of sale (POS) technology.

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q3 2023	2023 %	Q3 2022	2022 %	YTD 2023	2023 %	YTD 2022	2022 %
Total revenue growth	38.8%		43.0%		24.7%		88.7%	
Total EBITDA growth	n/a		n/a		n/a		n/a	
Revenue	40	100%	29	100%	112	100%	90	100%
COGS	-7	17.5%	-4	15.2%	-22	19.3%	-16	17.4%
<b>Gross Profit</b>	<b>33</b>	<b>82.5%</b>	<b>24</b>	<b>84.8%</b>	<b>90</b>	<b>80.7%</b>	<b>74</b>	<b>82.6%</b>
Personnel expenses	-18	44.8%	-13	46.9%	-59	52.8%	-48	53.3%
Other operating costs	-10	26.1%	-7	24.0%	-26	23.6%	-21	24.0%
<b>EBITDA</b>	<b>5</b>	<b>11.7%</b>	<b>4</b>	<b>14.0%</b>	<b>5</b>	<b>4.3%</b>	<b>5</b>	<b>5.3%</b>
Capitalized software	17	-42.9%	9	-31.6%	47	-41.7%	36	-40.1%
EBITDA-%	11.7%		14.0%		4.3%		-5.3%	

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

# Shareholder Information

## Share capital

As of 30 September 2023, the total share capital consists of 452,852,873 shares with a nominal value of NOK 1 each. There are three share classes, with the B-shares traded on the Euronext Growth stock exchange.

## Treasury shares

A total of 3,654,314 treasury shares were sold during the first nine months of 2023.

A total of 2,567,462 treasury shares were acquired during the first nine months of 2023.

On 30 September 2023, 1,650,316 shares were held as treasury shares, corresponding to <0.4% of the share capital.

## Incentive scheme

The share-based incentive scheme continues in Q3 of 2023, and warrants have been granted to the employees, management, and board members.

During the first nine months of 2023, costs related to the incentive scheme amounted to NOK 3.7 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 and September 2023.

## Shareholders

Our shareholders are mainly located in the Nordic countries, with 59% of them being in Norway.

More than 60% of the shares are still owned by employees and management, with the top management representing 21% and employees and partners accounting for over 41%.

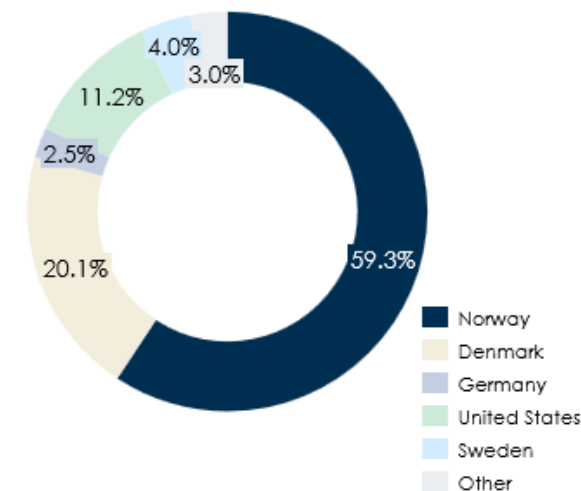
As of the time of publication of this annual report, ECIT AS has no majority shareholders. Peter Luring holds 49.9% of the voting shares of the Group.

## Financial calendar

The financial calendar for 2023/24 is as follows:

Event	Date
Interim financial report Q3 2023	<b>9 November 2023</b>
Annual Report 2023	<b>28 February 2024</b>
Annual General Meeting	<b>21 March 2024</b>
Interim financial report Q1 2024	<b>8 May 2024</b>
Interim financial report H1 2024	<b>22 August 2024</b>
Interim financial report Q3 2024	<b>7 November 2024</b>

## Shareholders per country





# **Condensed Consolidated Interim Financial Statements**



# Income Statement

(NOKm)	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	2.1	766	645	2,506	2,034
COGS		-136	-126	-457	-385
<b>Gross Profit</b>		<b>630</b>	<b>519</b>	<b>2,049</b>	<b>1,648</b>
Personnel expenses		-459	-376	-1,510	-1,222
Other operating costs		-54	-45	-184	-144
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>		<b>118</b>	<b>99</b>	<b>355</b>	<b>282</b>
Restructuring & transaction costs	2.2	-2	-2	-7	-11
<b>Operating profit before amortisations and depreciations</b>		<b>116</b>	<b>96</b>	<b>348</b>	<b>271</b>
Amortisations and depreciations	2.3	-59	-44	-167	-135
<b>Operating profit (EBIT)</b>		<b>57</b>	<b>53</b>	<b>181</b>	<b>135</b>
Share of profit or loss of associates accounted for using the equity method		-1	-1	1	1
Financial income	2.4	4	20	18	36
Financial expenses	2.4	-16	-13	-38	-30
<b>Profit before tax</b>		<b>44</b>	<b>58</b>	<b>162</b>	<b>141</b>
Tax on profit for the period	2.5	-10	-13	-38	-31
<b>Profit for the period</b>		<b>34</b>	<b>45</b>	<b>124</b>	<b>110</b>
<b>Attributable to:</b>					
Shareholders in ECIT AS		18	25	68	65
Non-controlling interests		16	20	55	45

# Statement of Other Comprehensive Income

(NOKm)	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Profit for the period</b>		<b>34</b>	<b>45</b>	<b>124</b>	<b>110</b>
<i>Items that may be reclassified to the income statement:</i>					
Foreign exchange adjustments of subsidiaries		-17	6	23	15
Value adjustments of hedging instruments		2	2	6	2
<b>Other comprehensive income</b>		<b>-16</b>	<b>8</b>	<b>29</b>	<b>16</b>
<b>Total comprehensive income</b>		<b>18</b>	<b>53</b>	<b>153</b>	<b>126</b>
<i>Attributable to:</i>					
Shareholders in ECIT AS		4	32	95	78
Non-controlling interests		14	21	58	48
	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Earnings per share</b>					
Earnings per share (NOK)	3.2	0.04	0.06	0.15	0.14
Diluted earnings per share (NOK)	3.2	0.04	0.06	0.15	0.15
<b>Adjusted earnings per share</b>					
Adjusted earnings per share (NOK)	3.2	0.04	0.04	0.17	0.13
Adjusted diluted earnings per share (NOK)	3.2	0.04	0.04	0.16	0.13

# Cash Flow Statement

(NOKm)	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(NOKm)	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Profit before tax</b>		<b>44</b>	<b>58</b>	<b>162</b>	<b>141</b>	<b>Cash flow from operating and investing activities (A+B)</b>		<b>58</b>	<b>12</b>	<b>138</b>	<b>17</b>
Amortizations & Depreciations		59	44	167	135	Repayment of lease liabilities		-28	-21	-79	-66
Restructuring & transaction costs		2	2	7	11	Loans and credit facilities		28	-5	118	81
Fair value adjustment of a contingent consideration		0	0	0	0	Interest received		2	4	6	8
Financial income		-3	-19	-19	-37	Interest paid		-10	-9	-26	-20
Financial expenses		16	13	38	30	Capital increase		0	0	0	0
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>		<b>118</b>	<b>99</b>	<b>355</b>	<b>282</b>	Sale and purchase of treasury shares		-10	-5	-21	-5
Restructuring & transaction costs		-2	-2	-7	-11	Transactions with minorities		0	-3	8	9
Corporation tax, paid		-12	-6	-49	-41	Dividends distributed		-8	-2	-114	-85
Change in net working capital (NWC)		0	11	39	14	<b>Cash flow from financing activities</b>		<b>-26</b>	<b>-41</b>	<b>-109</b>	<b>-79</b>
<b>Cash flow from operating activities (A)</b>		<b>103</b>	<b>102</b>	<b>338</b>	<b>241</b>	<b>Cash flow for the period</b>		<b>32</b>	<b>-28</b>	<b>30</b>	<b>-61</b>
Investments in tangible assets		-5	-5	-17	-13	Cash and cash equivalents 1 January		188	234	183	265
Investments in software		-17	-12	-47	-36	Cash flow for the period		32	-28	30	-61
Investments in subsidiaries	4.1	-21	-62	-117	-175	Currency translation adjustments		-3	1	5	3
Proceeds from sale of subsidiaries		0	14	0	14	<b>Cash and cash equivalents end of period</b>		<b>218</b>	<b>207</b>	<b>218</b>	<b>207</b>
Investments in other activities		-3	-23	-24	-25						
Proceeds from sale of other financial instruments		0	0	2	15						
Change in other financial assets		1	-1	4	-4						
<b>Cash flow from investing activities (B)</b>		<b>-46</b>	<b>-90</b>	<b>-199</b>	<b>-224</b>						

# Balance Sheet

(NOKm)	Note	30 SEP 2023	30 SEP 2022	31 DEC 2022	(NOKm)	Note	30 SEP 2023	30 SEP 2022	31 DEC 2022
Goodwill		1,526	1,134	1,279	Share capital	3.1	453	452	452
Customer contracts		398	354	386	Treasury shares		-2	-2	-3
Software		168	134	147	Reserves and retained earnings		907	816	839
<b>Total non-current intangible assets</b>		<b>2,091</b>	<b>1,622</b>	<b>1,811</b>	<b>ECIT AS shareholders share of equity</b>		<b>1,358</b>	<b>1,266</b>	<b>1,288</b>
Land, buildings and equipment		60	44	48	Non-controlling interest		444	233	364
Right-of-use assets		245	183	217	<b>Total equity</b>		<b>1,802</b>	<b>1,500</b>	<b>1,652</b>
<b>Total non-current tangible asset</b>		<b>304</b>	<b>227</b>	<b>266</b>	Lease liabilities	3.3	156	121	145
Other financial assets		132	93	96	Borrowings	3.3	475	296	350
Other receivables, interest bearing		53	43	50	Provisions		44	31	39
Other receivables		15	13	7	Other non-current liabilities		3	4	4
Deferred tax assets		48	29	38	Deferred tax liabilities		104	77	84
<b>Total non-current financial assets</b>		<b>248</b>	<b>178</b>	<b>191</b>	<b>Total non-current liabilities</b>		<b>782</b>	<b>529</b>	<b>623</b>
<b>Total non-current assets</b>		<b>2,644</b>	<b>2,027</b>	<b>2,268</b>	Lease liabilities	3.3	98	71	80
Inventories		17	12	12	Borrowings (interest bearing)	3.3	5	11	17
Trade receivables		409	343	407	Provisions		29	18	23
Tax receivables		16	18	24	Tax payables		56	61	68
Other receivables, interest bearing		13	18	11	Trade payables		148	120	142
Other receivables		173	148	141	Deferred income		64	60	49
Cash and cash equivalents		218	207	183	Dividend		2	4	1
<b>Total current assets</b>		<b>846</b>	<b>746</b>	<b>778</b>	Other current liabilities		503	399	391
					<b>Total current liabilities</b>		<b>906</b>	<b>745</b>	<b>770</b>
<b>Total assets</b>		<b>3,490</b>	<b>2,773</b>	<b>3,045</b>	<b>Total equity and liabilities</b>		<b>3,490</b>	<b>2,773</b>	<b>3,045</b>



# 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
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>68</b>	<b>55</b>	<b>124</b>
Net exchange differences recognized in OCI	0	0	0	20	0	20	2	23
Value adjustments of hedging instruments	0	0	0	6	0	6	0	6
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>2</b>	<b>29</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>68</b>	<b>95</b>	<b>58</b>	<b>153</b>
<i>Transactions with shareholders:</i>								
Capital increase registered	1	-6	6	0	0	0	0	0
Dividends distributed	0	0	0	0	-18	-18	-96	-114
Sale and purchase of treasury shares	0	0	0	1	8	9	0	9
Addition of non-controlling interests	0	0	0	0	0	0	128	128
Transactions of shares with non-controlling interests	0	0	0	0	-10	-10	-10	-21
Share-based payments	0	0	0	0	4	4	0	4
Other adjustments	0	0	-1	0	-2	-3	0	-3
<b>Total transactions with shareholders</b>	<b>1</b>	<b>-6</b>	<b>5</b>	<b>1</b>	<b>-26</b>	<b>-26</b>	<b>22</b>	<b>-4</b>
<b>Equity at 30 September</b>	<b>453</b>	<b>0</b>	<b>774</b>	<b>32</b>	<b>99</b>	<b>1,358</b>	<b>444</b>	<b>1,802</b>

# 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
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>65</b>	<b>45</b>	<b>110</b>
Net exchange differences recognized in OCI	0	0	0	0	13	13	1	15
Value adjustments of hedging instruments	0	0	0	2	0	2	0	2
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>13</b>	<b>15</b>	<b>1</b>	<b>16</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>78</b>	<b>80</b>	<b>47</b>	<b>126</b>
<i>Transactions with shareholders:</i>								
Capital increase registered	7	-12	46	0	0	40	0	40
Capital increase approved not registered	0	0	0	0	0	0	0	0
Dividends distributed	0	0	0	0	-18	-18	-75	-93
Sale and purchase of treasury shares	0	0	0	-1	-4	-5	0	-5
Addition of non-controlling interests	0	0	0	0	0	0	37	37
Transactions of shares with non-controlling interests	0	0	0	0	-40	-40	7	-34
Other adjustments	0	0	0	0	-7	-7	-6	-12
<b>Total transactions with shareholders</b>	<b>7</b>	<b>-12</b>	<b>46</b>	<b>-1</b>	<b>-69</b>	<b>-30</b>	<b>-37</b>	<b>-66</b>
<b>Equity at 30 September</b>	<b>452</b>	<b>0</b>	<b>768</b>	<b>5</b>	<b>42</b>	<b>1,266</b>	<b>233</b>	<b>1,500</b>



# **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 nine months ended 30 September 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 8 November 2023. The statements are unaudited.

## 1.1 Accounting policies, estimates, and judgments

The condensed consolidated interim financial statements for the period 1 January – 30 September 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.

# 2. Profit for the period

## 2.1 Segments information

### 2.1.1 Segments information Q3

(NOKm)	Q3 2023					Q3 2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	436	323	40	-32	766	340	309	29	-32	645
COGS	-38	-106	-7	15	-136	-27	-108	-4	14	-126
<b>Gross Profit</b>	<b>398</b>	<b>216</b>	<b>33</b>	<b>-17</b>	<b>630</b>	<b>313</b>	<b>201</b>	<b>24</b>	<b>-19</b>	<b>519</b>
Personnel expenses	-277	-139	-18	-25	-459	-218	-131	-13	-13	-376
Other operating costs	-48	-28	-10	33	-54	-42	-24	-7	27	-45
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>72</b>	<b>49</b>	<b>5</b>	<b>-8</b>	<b>118</b>	<b>53</b>	<b>46</b>	<b>4</b>	<b>-4</b>	<b>99</b>
Total revenue growth	28.0%	4.1%	38.8%	-15.3%	18.6%	9.5%	31.4%	43.0%	-19.6%	19.5%
EBITDA-%	16.5%	15.2%	11.7%	-23.5%	15.4%	15.5%	14.9%	14.0%	-12.4%	15.3%
<b>Non-current assets</b>	<b>1,081</b>	<b>685</b>	<b>408</b>	<b>470</b>	<b>2,644</b>	<b>870</b>	<b>460</b>	<b>313</b>	<b>383</b>	<b>2,027</b>

(NOKm)	Q3 2023					Q3 2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	492	108	125	41	766	430	98	89	28	645
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>69</b>	<b>14</b>	<b>26</b>	<b>9</b>	<b>118</b>	<b>61</b>	<b>13</b>	<b>18</b>	<b>7</b>	<b>99</b>
<b>Non-current assets</b>	<b>1,939</b>	<b>212</b>	<b>377</b>	<b>116</b>	<b>2,644</b>	<b>1,472</b>	<b>203</b>	<b>262</b>	<b>90</b>	<b>2,027</b>

## 2.1.1 Segments information YTD

(NOKm)	YTD 2023					YTD 2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	1,468	1,028	112	-102	2,506	1,133	903	90	-92	2,034
COGS	-130	-342	-22	37	-457	-94	-295	-16	20	-385
<b>Gross Profit</b>	<b>1,338</b>	<b>686</b>	<b>90</b>	<b>-65</b>	<b>2,049</b>	<b>1,039</b>	<b>607</b>	<b>74</b>	<b>-72</b>	<b>1,648</b>
Personnel expenses	-921	-474	-59	-56	-1,510	-699	-434	-48	-42	-1,222
Other operating costs	-163	-84	-26	90	-184	-154	-66	-21	98	-144
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>253</b>	<b>128</b>	<b>5</b>	<b>-31</b>	<b>355</b>	<b>184</b>	<b>107</b>	<b>5</b>	<b>-14</b>	<b>282</b>
Total revenue growth	29.6%	13.7%	24.7%	-12.3%	23.1%	16.3%	19.8%	88.7%	-8.3%	20.5%
EBITDA-%	17.2%	12.4%	4.3%	-30.1%	14.2%	16.2%	11.8%	5.3%	-15.3%	13.9%
<b>Non-current assets</b>	<b>1,081</b>	<b>685</b>	<b>408</b>	<b>470</b>	<b>2,644</b>	<b>870</b>	<b>460</b>	<b>313</b>	<b>383</b>	<b>2,027</b>

(NOKm)	YTD 2023					YTD 2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	1,635	375	381	115	2,506	1,356	326	270	82	2,034
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>206</b>	<b>58</b>	<b>68</b>	<b>23</b>	<b>355</b>	<b>174</b>	<b>51</b>	<b>44</b>	<b>14</b>	<b>282</b>
<b>Non-current assets</b>	<b>1,939</b>	<b>212</b>	<b>377</b>	<b>116</b>	<b>2,644</b>	<b>1,472</b>	<b>203</b>	<b>262</b>	<b>90</b>	<b>2,027</b>

## 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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Transactions costs	2	1	6	10
Restructuring costs	0	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>11</b>

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Research & Development	9	6	24	19
Customer contracts	17	10	48	39
Fixed tangible assets	8	6	21	16
Right-of-use assets	26	22	74	61
<b>Total</b>	<b>59</b>	<b>44</b>	<b>167</b>	<b>135</b>

## 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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<i>Financial income:</i>				
Interest income	2	4	7	7
Exchange rate income	1	2	12	4
Gain on divestments	0	14	0	25
Other financial income	1	1	0	0
<b>Total Financial Income</b>	<b>4</b>	<b>20</b>	<b>18</b>	<b>36</b>
<i>Financial expenses:</i>				
Interest expense	-10	-10	-26	-21
Exchange rate expense	-6	-3	-10	-8
Other financial expenses	-1	0	-2	-1
<b>Total Financial Expenses</b>	<b>-16</b>	<b>-13</b>	<b>-38</b>	<b>-30</b>



## 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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Profit before tax	43.8	57.9	161.6	141.2
Calculated tax on profit for the period	9.6	12.7	35.5	31.1
<i>Tax effect of:</i>				
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.2	-0.2	-0.7	-0.5
Non-deductible expenses/non-taxable income	0.7	0.3	1.9	0.9
Non-deductible losses/non-taxable gain on shares	0.0	-3.4	0.0	-5.6
Temporary differences, net	-3.1	3.1	0.0	5.3
Other tax adjustments	3.0	0.5	1.1	0.4
<b>Tax of the period</b>	<b>10.1</b>	<b>13.1</b>	<b>37.8</b>	<b>31.4</b>
<b>Effective tax rate</b>	<b>23.1%</b>	<b>22.6%</b>	<b>23.4%</b>	<b>22.3%</b>

# 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.

(NOKm)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Profit of the year</b>	<b>34</b>	<b>45</b>	<b>124</b>	<b>110</b>
Non-controlling interests' share of consolidated profit for the year	16	20	55	45
<b>ECIT AS shareholders' share of profit for the year</b>	<b>18</b>	<b>25</b>	<b>68</b>	<b>65</b>
('000 shares)				
Total average number of shares	452,853	450,190	452,452	448,753
Average number of treasury shares	-1,112	-1,818	-2,194	-1,514
Average number of warrants	7,866	0	5,472	0
<b>Diluted average number of shares in circulation</b>	<b>461,257</b>	<b>448,372</b>	<b>457,381</b>	<b>447,238</b>
Earnings per share, NOK 1	0.04	0.06	0.15	0.14
Diluted earnings per share, NOK 1	0.04	0.06	0.15	0.15

## 3.3 Net interest-bearing debt

The net interest-bearing debt amounts to NOK 450 million as of 30 September 2023, compared to a net debt balance of NOK 231 million last year.

(NOKm)	YTD 2023	YTD 2022
Borrowings	480	307
Lease liabilities	254	194
<b>Total interest bearing liabilities</b>	<b>734</b>	<b>501</b>
Interest bearing receivables	66	62
Cash and cash equivalents	218	207
<b>Total interest bearing assets</b>	<b>284</b>	<b>269</b>
<b>Net debt / Net cash (-)</b>	<b>450</b>	<b>231</b>
EBITDA, LTM	510	407
<b>Debt leverage</b>	<b>0.9x</b>	<b>0.6x</b>

## 3.4 Events after the reporting period

With reference to company announcement no. 189, Rubic AS became a part of ECIT on 4 October 2023. ECIT has acquired 56.27% of Rubic AS.

With reference to company announcement no. 195, Evercom AS became a part of ECIT on 27 October 2023. ECIT has acquired 50.1% of Evercom AS.

With reference to company announcement no. 198, Elverum Regnskap AS became a part of ECIT on 2 November 2023. ECIT has acquired 50.1% of Elverum Regnskap AS.

With reference to company announcement No. 200, ECIT has announced a new share buyback program that will run from 8 November 2023 until the end of trading on Euronext Growth on 26 February 2024, both days inclusive. During the period, ECIT AS will buy treasury shares up to a maximum of NOK 7.5 million.

# 4. Composition of the Group

## 4.1 Acquisitions during Q3 2023

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

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

(NOKm)	Revenue FY 2022	Revenue YTD 2023	PAT YTD 2023	FTE
Progresso AS, Norway, F&A	19	15	4	9
ECIT Virtus ehf, Iceland, F&A	18	17	2	15
Micropartner A/S, Denmark, IT	18	16	-1	6
Dataplan Group, Norway, F&A, IT & Tech	91	85	4	79
ITsjefen AS, Norway, IT	50	41	2	19
Kovert AS, Norway, IT	5	3	-1	6
Kreatif AS, Norway, Tech	12	8	0	11
ECIT Sustainability AS, Norway, F&A	0	0	-1	0
BusinessPartner i Helsingborg AB, Sweden, IT	14	13	0	13
<b>Total acquired subsidiaries</b>	<b>227</b>	<b>198</b>	<b>9</b>	<b>158</b>
ESG Trackr AS, Norway, Tech	0	0	0	0
<b>Total associated companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Net investments in subsidiaries

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

(NOKm)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Cash payment	-20	-70	-148	-186
Sales of subsidiaries	0	14	0	14
Paid earn out obligation	-2	-2	-3	-6
Majority share of cash	0	10	33	17
<b>Net investment in subsidairies</b>	<b>-21</b>	<b>-48</b>	<b>-117</b>	<b>-161</b>
<i>New subsidiaries:</i>				
Cash payment	-8	-70	-129	-186
Share payment	-1	-1	-21	-1
Earn out obligation	0	0	-19	-16
<b>Investment in new subsidiaries</b>	<b>-9</b>	<b>-71</b>	<b>-169</b>	<b>-203</b>

## The fair value of acquired net assets and recognised goodwill

The tables provide 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 2023.

(NOKm)	Dataplan Group	ITSjefen	Other	Total YTD 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
<b>Total Assets</b>	<b>59</b>	<b>46</b>	<b>48</b>	<b>153</b>
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
<b>Total Liabilities</b>	<b>62</b>	<b>20</b>	<b>39</b>	<b>120</b>
Non-controlling interest' share of acquired net assets	2	11	3	16
<b>Acquired net assets</b>	<b>-4</b>	<b>15</b>	<b>6</b>	<b>17</b>
Cash payments				129
Share payments				21
Earn Out obligation				19
<b>Goodwill and intangible assets arising from the acquisition</b>				<b>152</b>

Tandem AS and Xacct Accounting AS are shown separately since the acquisition is significant compared to all acquisitions as of 2022.

(NOKm)	Tandem	Xacct	Other	Total YTD 2022
Research & Development	0	0	1	1
Right-of-use assets	7	4	0	11
Trade receivables	7	4	4	15
Other receivables	2	15	6	23
Cash and cash equivalents	9	3	7	19
<b>Total Assets</b>	<b>25</b>	<b>28</b>	<b>17</b>	<b>70</b>
Lease liabilities	7	4	0	11
Long-term debt	0	0	2	2
Trade payables	1	1	1	3
Other payables	11	20	6	37
<b>Total Liabilities</b>	<b>19</b>	<b>25</b>	<b>8</b>	<b>52</b>
Non-controlling interest' share of acquired net assets	0	0	3	3
<b>Acquired net assets</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>14</b>
Cash payments				186
Share payments				1
Earn Out obligation				16
<b>Goodwill and intangible assets arising from the acquisition</b>				<b>188</b>



# 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.

Proforma EBITDA = Same definition as for Proforma revenue.

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 its stakeholders as they illustrate the underlying performance of ECIT.

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

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

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

$$\text{Software investments in \% of revenue} = \frac{\text{Investment in software}}{\text{Net revenue}}$$

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