



The background image shows a man with glasses and a light blue shirt standing and presenting to a group of people seated at a long table. A large screen behind him displays a diagram. The diagram features a central circle with three stylized human figures and the text 'ECIT kund'. Surrounding this central circle are several rectangular boxes connected by dotted lines, representing different business areas: 'IT Operations', 'IT-Edvarket', 'IT-trusted Advisors', 'Inter', and 'Lön & HR'. On the far left, a partial box is labeled 'tion & Utveckling'. The entire scene is overlaid with a semi-transparent blue filter.

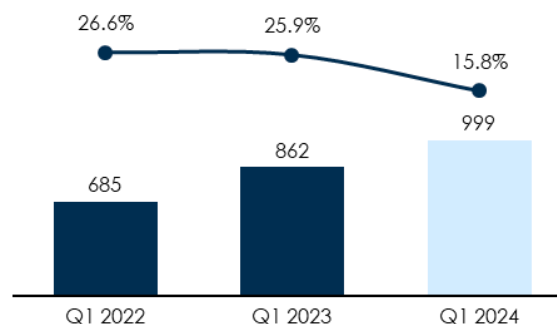
ecit

Interim Q1 Report 2024

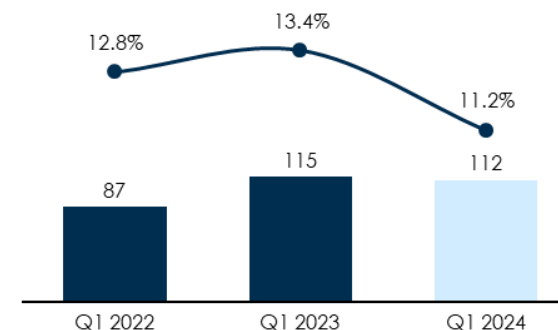
Q1 2024

- Q1 2024 performance was affected by the timing of Easter 2024 due to fewer working days. Three working days equal ~4% less working time (plus the effect from Easter vacation) in Q1 2024 compared to Q1 2023.
- Revenue was NOK 999 million (862), with a revenue growth of 15.8% (25.9%). Organic growth was 3.8% (10.8%), and M&A growth was 10.5% (12.1%).
- Despite Easter's impact, organic revenue growth was supported by reasonable growth in the F&A and Tech divisions, whereas parts of the IT business continue to face macroeconomic and local political headwinds.
- During Q1 2024, three companies were acquired, one of which is an associated company. Acquired annualised revenue, including acquired customer portfolios, represents NOK 39 million (NOK 37 million).
- With an EBITDA margin of 11.2% (13.4%), the estimated financial impact of fewer working days is at NOK +15 million.
- The cost-saving program announced in late February 2024 is in progress as planned.

Total revenue (NOKm)



EBITDA (NOKm)



(NOKm)

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

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

	Q1 2024	Q1 2023	Growth
Revenue	999	862	15.8%
EBITDA	112	115	-2.9%
EBITA	77	86	-9.9%
EBIT	49	65	-24.1%
Profit for the period	28	49	-42.4%
Free cash flow	70	111	-37.1%
Adjusted diluted EPS	0.05	0.07	-32.3%
Total revenue growth	15.8%	25.9%	-10.1 p.p.
Organic revenue growth	3.8%	10.8%	-7 p.p.
M&A revenue growth	10.5%	12.1%	-1.6 p.p.
EBITDA-margin	11.2%	13.4%	-2.2 p.p.
EBIT-margin	4.9%	7.5%	-2.6 p.p.

Management Report

Financial performance in Q1 2024 was impacted by the timing of Easter. The production hours were ~4% lower than in Q1 2023. Also, the vacation attached to Easter 2024 affects the March hours.

Despite Easter 2024, organic revenue growth was 3.8%, which is perceived as reasonable. The F&A and Tech Divisions delivered acceptable organic revenue growth and are the main contributors to the organic growth in the quarter.

Part of the IT business – hardware/projects and IT consultancy - continues to be affected by challenging market conditions due to the macroeconomic conditions. Although we see signs of stabilisation, the outlook remains somewhat uncertain. Other parts of the IT Division are performing in line with expectations.

The announced cost-saving program in late February is in progress as planned. However, the financial impact in Q1 2024 is limited.

As of 31 March 2024, the ownership share in subsidiaries (measured 50% / 50% by revenue and EBITDA) was 74.6% (68.8%). The ownership share is expected to increase gradually throughout 2024, as the ambition is 85% at year-end.

In April 2024, the credit facility increased by NOK 250 million, totaling NOK 1 billion, with bank covenants unchanged. The increased credit facility, combined with a solid cash flow, provides ECIT with a good financial position to continue to invest in business development, build organic growth, improve margins, and continue the M&A activity going forward.

Financial review

Q1 2024 revenue at NOK 999 million (862), representing a revenue growth of 15.8% (25.9%). Organic growth accounted for 3.8% (10.8%), while acquired revenue growth was 10.5% (12.1%). Currency development was positive by 1.5% (2.9%).

Q1 2024 EBITDA at NOK 112 million (115) with a margin of 11.2% (13.4%). The estimated impact of Easter timing (lower EBITDA) is approximately NOK +15 million. Also, parts of the IT Division continue to face macroeconomic and political local headwinds, which affect IT spending at our customers and, in turn, affect EBITDA.

Free cash flow at NOK 70 million (111). Net working capital was impacted by the timing of Easter, with delayed payments. The free cash flow generated in Q1 2023 was positively impacted by positive NWC fluctuations between Q4 2022 and Q1 2023.

Profit for Q1 2024 was NOK 28 million (49). Again, it was affected by the timing of Easter and by increased financial expenses due to increased debt. The result for the quarter explains the development of the adjusted diluted earnings per share at NOK 0.05 (NOK 0.07). ECIT's share of profit for the quarter represents 64.0% (58.4%).

Net-interest-bearing debt, excluding the leasing effect, represents NOK 396 million (42). The increase was mainly attributed to acquisitions completed in the last twelve months and executing the strategy of increasing subsidiary ownership.

M&A activities

During the first quarter of 2024, three companies were acquired, two consolidated into ECIT and one associated company.

- Zirus AS (~25%)
- Frejs Konsulenter AB (100%)
- Företagsbyrå i Luleå AB (75%)

Zirus AS is a Norwegian ERP software company for customers in the upper SME segment. The investment strengthens ECIT's position within accounting software in Norway and is a good fit for digital development in ECIT. Zirus AS has 13 employees and a NOK ~23 million revenue.

Frejs Konsulent AB is a Swedish F&A company with 12 employees and a revenue of NOK ~17million. The acquisition strengthens ECIT's presence within F&A in one of the largest cities in Sweden.

Företagsbyrå i Luleå AB is our second Swedish acquisition within the F&A business segment in Q1 2024. The company has seven employees and a revenue of NOK ~11 million. The acquisition strengthens ECIT's presence within F&A in Northern Sweden.

Acquired companies (consolidated only) for the first quarter of 2024, including acquired customer portfolios in Iceland, represent NOK 39 million (37) in annualised revenue.

Financial Highlights 2024

(NOKm)	Q1 2024	Q1 2023	Q1 2022
Condensed Income Statement			
Revenue	999	862	685
EBITDA	112	115	87
EBITA	77	86	58
EBIT	49	65	42
Transaction and restructuring costs	-5	-1	-4
Financial items, net	-8	0	3
Profit for the period	28	49	32
Adjusted profit for the period	33	50	25
<i>Profit for the period attributable to</i>			
ECIT AS' shareholders, NOKm	18	29	18
Non-controlling interests, NOKm	10	20	14
Financial position			
Total assets	3,918	3,233	2,747
ECIT shareholders' share of equity	1,359	1,324	1,199
Non-controlling interest	466	356	207
Net working capital	-129	-77	-79
Net interest-bearing debt ex. IFRS 16	396	42	-33
Net interest-bearing debt (NIBD)	658	260	184
Estimated option debt (not part of NIBD)	575	550	470
Net debt to EBITDA (Leverage ratio)	1.3x	0.6x	0.5x
Solvency ratio, %	46.6%	52.0%	51.2%
Cash Flow			
Operating activities	102	140	80
Free cash flow	70	111	58
Investing activities	-72	-36	-105
Financing activities	-65	-70	56
Cash flow for the period	-35	34	31
CAPEX in % of revenue	0.9%	0.7%	0.6%
Software development in % of revenue	1.5%	1.7%	1.3%

Notes:

EBITDA, EBITA and EBIT are shown before transaction and restructuring costs.

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

(NOKm)	Q1 2024	Q1 2023	Q1 2022
Key figures			
Total revenue growth, %	15.8%	25.9%	26.6%
Total organic revenue growth, %	3.8%	10.8%	4.4%
Total M&A revenue growth, %	10.5%	12.1%	23.6%
Currency effect on growth, %	1.5%	2.9%	-1.5%
EBITDA margin, %	11.2%	13.4%	12.8%
EBITA margin, %	7.8%	10.0%	8.9%
EBIT margin, %	4.9%	7.5%	6.1%
Effective tax rate, %	23.4%	22.8%	22.7%
Other financial ratios			
Recurring & repeatable revenue share	79%	78%	73%
Proforma revenue, last 12 months	3,707	3,145	2,586
Proforma EBITDA, last 12 months	508	461	378
Proforma EBITDA-%, last 12 months	13.7%	14.7%	14.6%
ESG Data (selected)			
Full-time workforce (FTEs)	2,611	2,391	2,236
Gender diversity (F/M)	58/42	60/40	59/41
Gender diversity, managerial (F/M)	59/41	51/49	55/45
Employee engagement score (EES)	84	83	83
Ownership structure			
Average majority share of revenue & EBITDA, %	74.6%	68.8%	68.8%
Majority share of profit for the year, %	64.0%	58.4%	56.9%
Majority share of adjusted profit for the year, %	67.4%	57.8%	57.2%
Stock-related key figures			
Diluted EPS, NOK	0.04	0.06	0.04
Adjusted diluted EPS, NOK	0.05	0.07	0.03
Total number of shares issued ('000)	465,008	452,853	448,330
Total number of treasury shares ('000)	1,758	2,772	1,137

Financial Review – Group Performance

Results for the period

For the first three months of 2024, ECIT achieved a revenue growth of 15.8% (25.9%) with a total group revenue of NOK 999 million (862).

Organic growth was 3.8% (10.8%), and acquired growth was 10.8% (12.1%). Currency effects affected revenue growth by 1.5% (2.9%). The acquired revenue growth of 10.8% resulted from acquisitions made last year and the two companies acquired in the first quarter of 2024.

ECIT operates in 10 countries, with Norway being the most significant contributor to revenue, representing approx. 71% (69%). The second-largest country is Sweden, representing approx. 13% (15%) of revenue.

EBITDA before transaction and restructuring costs amounted to NOK 112 million for the first quarter of 2024 (115). The EBITDA result was negatively impacted by a lower number of working days due to the timing of Easter.

EBIT came out at NOK 44 million (64), representing a decrease of minus ~31%. The main reasons for the lower operating result are the Easter impact on the operating result and increased amortisation and depreciations, mainly from software investments and right-of-use assets (leasing).

In Q1 2024, financial items, net was minus NOK 8 million (-2), attributed to increased debt and higher interest rates than last year.

The profit for the period was NOK 28 million (49). Excluding one-off items, the profit for the period amounts to NOK 33 million, compared to NOK 50 million last year. With one-off items excluded, the adjusted diluted earnings per share amount to NOK 0.05 (0.07).

(NOKm)	Q1 2024	Q1 2023
Profit for the period	28	49
Transaction & restructuring costs	5	1
Divestment profit	0	0
One-off items, total	5	1
Adjusted profit for the period	33	50
<i>Attributeable to:</i>		
Shareholders in ECIT AS, NOKm	22	29
Non-controlling interests, NOKm	11	21
Shareholders in ECIT AS, %	67.4%	57.8%
Non-controlling interests, %	32.6%	42.2%
Diluted EPS, NOK 1	0.04	0.06
Adj. diluted EPS, NOK 1	0.05	0.07

The increase in our subsidiary ownership share is reflected in ECIT's profit share (adjusted), which now represents 67.4% (57.8%).

Cash flow summary

Cash flow from operating activities in Q1 2024 came out at NOK 102 million compared to NOK 140 million last year, representing a decrease of 27%.

The decrease can partly be explained by Easter timing's impact on earnings and last year's unusually high positive change in working capital. This was influenced by working capital development fluctuations between Q4 2022 and Q1 2023.

Cash flow from investing activities amounted to NOK negative 72 million compared to NOK negative 36 million last year. The acquisitions completed during the quarter mainly influenced the investing activities.

Free cash flow, adjusted for transaction & restructuring costs, net investments in tangible assets, and lease payments, amounted to NOK 70 million in the first quarter of 2024 (111). The development in free cash flow can mainly be attributed to the lower operating cash flow.

Cash from financing activities was NOK negative 65 million compared to negative 70 million last year. Transactions with minority shareholders mainly impacted the financing activities, including the exercise of increased ownership during the first quarter of 2024.

Capital structure & finances

ECIT shareholder's share of equity

On 31 March 2024, ECIT AS shareholders' equity share amounted to NOK 1,365 million (1,324).

ECIT's portfolio of treasury shares amounted to 1,757,578 shares on 31 March 2024 (2,772,484).

The ordinary annual dividend for 2023 was NOK 0.06 per share and was paid out to the shareholders in April 2024.

Net interest-bearing debt ('NIBD')

As of 31 March 2024, the net interest-bearing debt amounted to NOK 658 million, compared to NOK 260 million last year.

The increase in net interest-bearing debt can mainly be attributed to acquisitions completed in the last twelve months and executing the strategy of increasing subsidiary ownership. Additionally, lease liabilities have increased, primarily due to the lease of our new headquarters in Fornebu, Oslo.

The financial gearing ratio (NIBD/EBITDA) was 1.3x on 31 March 2024, 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 31 March 2024 is estimated to be NOK ~575 million compared to NOK ~550 million as of 31 March 2023.

(NOKm)	Q1 2024	Q1 2023
Cash flow from operations	102	140
Cash flow from investing	-72	-36
Cash flow from financing	-65	-70
Cash flow for the period	-35	34
Cash flow from operations	102	140
Transaction & restructuring costs	5	1
Net investments, tangible assets	-9	-6
Repayment of lease liabilities	-28	-24
Free cash flow	70	111

Credit facility

As of 31 March 2024, NOK 612 million (302) of the credit facility has been utilised, leaving an undrawn balance of NOK 138 million (448).

The leasing facility has been utilised for NOK 7 million (12); the total available amount is NOK 43 million (38).

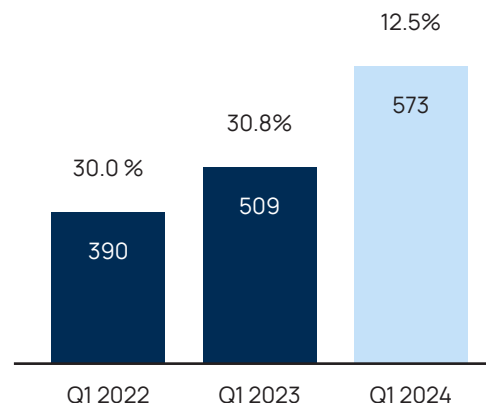
The credit facility has been increased by NOK 250 million in April 2024 to a total of NOK 1 billion. The bank covenants remain unchanged.

(NOKm)	Q1 2024	Q1 2023
Revolving facility gross	750	750
Revolving facility utilised	-612	-302
Net revolving facility available	138	448
Leasing facility gross	50	50
Leasing facility utilised	-7	-12
Net leasing facility available	43	38

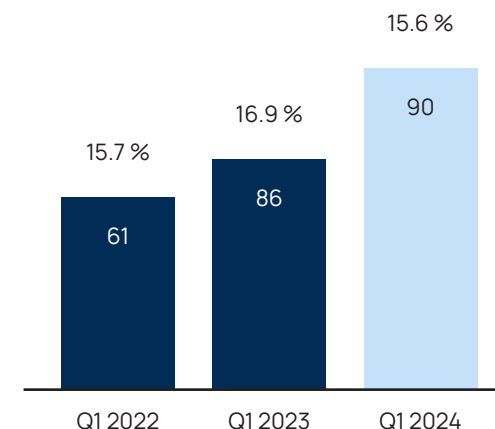
F&A Division Highlights

- The F&A division delivered a total revenue of NOK 573 million (509) for the first quarter, representing a growth of 12.5% (30.8%).
- Despite the impact of Easter timing, we continue to observe good demand for our services in the F&A division across countries. Organic growth remains satisfactory, supported by up-sales and new customers.
- EBITDA was NOK 90 million (86), representing a margin of 15.7% (16.9%). The EBITDA result for the quarter was negatively impacted by a lower number of working days due to the timing of Easter.
- During Q1 2024, two new Swedish companies were acquired within the F&A division:
 - Frejs Konsulent AB strengthens our presence within F&A in one of the largest cities in Sweden.
 - Företagsbyrå i Luleå AB Progresso AS. The acquisition strengthens our presence within F&A in Northern Sweden.
- Consolidation and integration of acquired and merged businesses remain top priorities for us, along with implementing nearshoring in our subsidiaries' production setup.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)

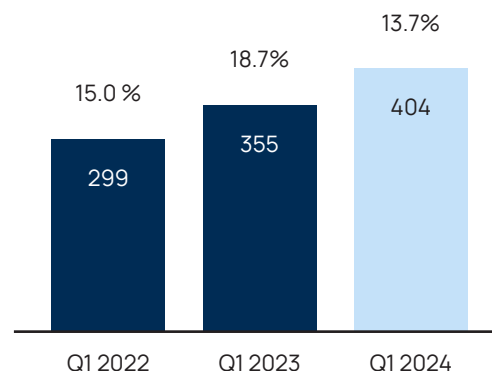


(NOKm)	Q1 2024	% 2024	Q1 2023	% 2023
Revenue growth	12.5%		30.8%	
EBITDA growth	4.4%		39.2%	
Revenue	573	100%	509	100%
COGS	-47	8.2%	-39	7.7%
Gross Profit	526	91.8%	470	92.3%
Personnel expenses	-362	63.1%	-315	61.9%
Other operating costs	-74	13.0%	-69	13.6%
EBITDA	90	15.7%	86	16.9%
EBITDA-%	15.7%		16.9%	

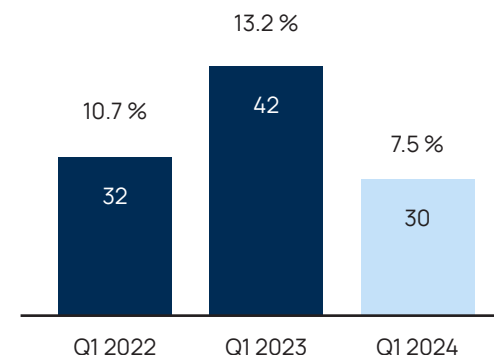
IT Division Highlights

- The IT division delivered a total revenue of NOK 404 million (355) for the first quarter, amounting to a growth of 13.7% (18.7%).
- Challenging market conditions persist due to macroeconomic headwinds and general uncertainty, resulting in lower IT revenue growth. The timing of Easter also explains the lower organic revenue growth.
- We experience increased pressure on IT spending in the business areas of IT consultancy and hardware project revenue.
- On a positive note, the remaining business is meeting our expectations. Particularly our largest IT company within the division, which was formed in 2022 (representing +500 million in yearly revenue). The positive effects of the consolidation work are gradually becoming visible in the financials.
- EBITDA was NOK 30 million (42) for the first quarter, representing a margin of 7.5% (11.8%). The margin decline is partly attributable to the impact of Easter timing and the effects of Macroeconomic conditions.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



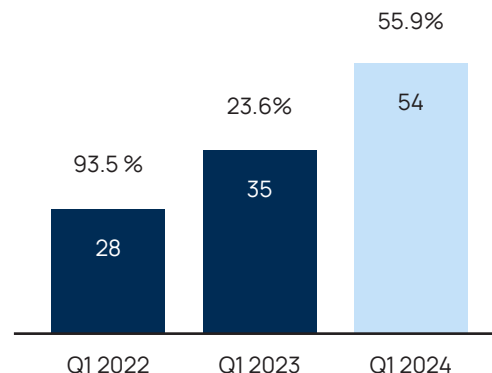
(NOKm)	Q1 2024	% 2024	Q1 2023	% 2023
Revenue growth	13.7%		18.7%	
EBITDA growth	-28.3%		29.0%	
Revenue	404	100%	355	100%
COGS	-147	36.3%	-111	31.3%
Gross Profit	258	63.7%	244	68.7%
Personnel expenses	-192	47.4%	-178	50.1%
Other operating costs	-36	8.8%	-25	7.0%
EBITDA	30	7.5%	42	11.8%
EBITDA-%	7.5%		11.8%	

Note: Personnel expenses include cost to external consultants

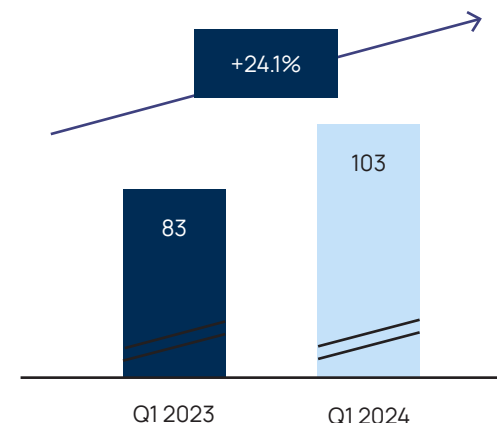
Tech Division Highlights

- Revenue for the quarter was NOK 54 million (35), representing a growth rate of 55.9% (23.6%). Annual recurring revenue, which measures only software revenue, has increased by 24.1%.
- The high revenue growth last year is attributed to M&A activity from acquisitions completed last year.
- The Tech division continues to grow steadily during the first quarter. Revenue growth is primarily driven by increased demand for software solutions, along with a steady growth within our accounting and payroll software services.
- In Q1 2024, the Norwegian ERP software company Zirius AS was acquired with an ownership share of almost 25%. The company offers ERP software for customers in the upper SME segment. The investment strengthens ECIT's position within accounting software in Norway and aligns well with our digital development goals.

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q1 2024	% 2024	Q1 2023	% 2023
Revenue growth	55.9%		23.6%	
Total EBITDA growth	n/a		n/a	
Revenue	54	100%	35	100%
Cost of HW and SW	-10	17.8%	-7	20.0%
Contribution margin	45	82.2%	28	80.0%
Personnel expenses	-37	67.5%	-20	57.1%
Other operating costs	-9	16.4%	-7	20.0%
EBITDA	-1	-1.7%	2	5.7%
Capitalized Software	-15	27.6%	-15	
EBITDA-%	-1.7%		5.7%	42.9%

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

Shareholder Information

Share capital

As of 31 March 2024, the total share capital comprises 465,007,773 shares with a nominal value of NOK 1 each. The share capital consists of three share classes, with the B-shares traded on the Euronext Growth stock exchange.

Treasury shares

A total of 349,872 treasury shares were sold during the first three months of 2024.

A total of 908,967 treasury shares were acquired during the first three months of 2024.

On 31 March 2024, 1,757,578 shares were held as treasury shares, corresponding to 0.4% of the share capital.

Incentive scheme

During the first three months of 2024, costs related to the incentive scheme amounted to NOK 2.1 million.

An additional share-based incentive scheme was approved at the Annual General Meeting in March 2024.

Shareholders

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

More than 65% of the shares are still owned by employees and management, with the top management representing 20% and employees and partners accounting for over 45%.

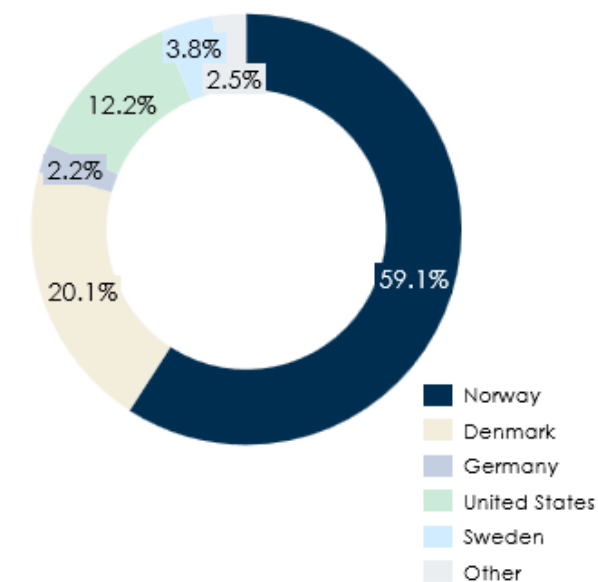
Per 31 March 2024, ECIT AS has no majority shareholders. Peter Luring holds 49.9% of the voting shares of the Group.

Financial calendar

The financial calendar for 2024 is as follows:

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

Shareholders per country





Condensed Consolidated Interim Financial Statements

Income Statement

(NOKm)	Note	Q1 2024	Q1 2023
Revenue	2.1	999	862
Cost of hardware and software licences		-219	-161
Contribution margin		780	701
Personnel expenses		-602	-522
Other operating costs		-67	-64
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)		112	115
Restructuring & transaction costs	2.2	-5	-1
Operating profit before amortisation, depreciation		107	115
Amortizations and depreciations	2.3	-63	-51
Operating profit		44	64
Share of profit or loss of associates accounted for using the equity method		1	2
Financial income	2.4	8	8
Financial expenses	2.4	-16	-10
Profit before tax		37	64
Tax on profit for the period	2.5	-9	-15
Profit for the period		28	49
Attributable to:			
Shareholders in ECIT AS		18	29
Non-controlling interests		10	20

Statement of Other Comprehensive Income

(NOKm)	Note	Q1 2024	Q1 2023
Profit for the period		28	49
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments of subsidiaries		15	35
Value adjustments of hedging instruments		4	-1
Other comprehensive income		19	34
Total comprehensive income		47	83
<i>Attributable to:</i>			
Shareholders in ECIT AS		38	59
Non-controlling interests		9	24
	Note	Q1 2024	Q1 2023
Earnings per share			
Earnings per share (NOK)	3.2	0.04	0.06
Diluted earnings per share (NOK)	3.2	0.04	0.06
Adjusted earnings per share			
Adjusted earnings per share (NOK)		0.05	0.07
Adjusted diluted earnings per share (NOK)		0.05	0.07

Cash Flow Statement

(NOKm)	Note	Q1 2024	Q1 2023	(NOKm)	Note	Q1 2024	Q1 2023
Revenue excluding investment income		999	862	Cash flow from operating and investing activities (A+B)		30	104
Operating expense excluding amortisations & depreciations		-887	-747	Repayment of lease liabilities		-28	-24
Operating profit before amortisation, depreciation and restructuring & transaction costs		112	115	Net change in credit facilities		37	-25
Restructuring & transaction costs		-5	-1	New loans received		0	1
Corporation tax, paid		-25	-22	Downpayments on loans		-25	-16
Change in net working capital (NWC)		20	48	Interest received		2	2
Cash flow from operating activities (A)		102	140	Interest paid		-11	-7
Investments in tangible assets		-9	-6	Capital increase		0	0
Investments in software		-15	-15	Sale of treasury shares		1	0
Investments in subsidiaries	4.1	-16	-11	Purchase of treasury shares		-6	0
Investments in other activities		-29	-6	Treasury shares from business combinations		-1	-1
Proceeds from sale of other financial instruments		0	2	Transactions with minorities		-34	2
Change in other financial assets		-3	0	Dividends distributed		-1	-1
Cash flow from investing activities (B)		-72	-36	Cash flow from financing activities		-65	-70
				Cash flow for the period		-35	34
				Cash and cash equivalents 1 January		190	183
				Cash flow for the period		-35	34
				Currency translation adjustments		2	7
				Cash and cash equivalents end of period		157	224

Balance Sheet

(NOKm)	Note	31 MAR 2024	31 MAR 2023	31 DEC 2023	(NOKm)	Note	31 MAR 2024	31 MAR 2023	31 DEC 2023
Goodwill		1,695	1,327	1,670	Share capital	3.1	465	453	454
Customer contracts		413	396	411	Treasury shares		-2	-3	-1
Software		199	153	199	Reserves and retained earnings		896	874	930
Total non-current intangible assets		2,307	1,876	2,280	ECIT AS shareholders share of equity		1,359	1,324	1,383
Land, buildings and equipment		67	49	64	Non-controlling interest		466	356	500
Right-of-use assets		253	210	272	Total equity		1,825	1,680	1,883
Total non-current tangible asset		319	260	336	Lease liabilities	3.3	164	139	181
Other financial assets		92	63	68	Borrowings	3.3	621	327	584
Investments in associates		73	36	68	Provisions and earn out liabilities		62	30	58
Other receivables, interest bearing		61	56	61	Other non-current liabilities		7	5	7
Other receivables		19	10	15	Deferred tax liabilities		107	85	106
Deferred tax assets		54	37	53	Total non-current liabilities		962	585	936
Total non-current financial assets		299	203	265	Lease liabilities	3.3	98	79	102
Total non-current assets		2,925	2,339	2,881	Borrowings (interest bearing)	3.3	11	6	35
Inventories		14	12	15	Provisions and earn out liabilities		12	33	11
Trade receivables		567	438	500	Tax payables		41	66	47
Tax receivables		10	24	2	Trade payables		193	157	184
Other receivables, interest bearing		18	11	10	Contract liabilities		94	84	65
Other receivables		122	115	106	Dividend		68	73	0
Prepaid expenses		107	70	63	Other current liabilities		615	470	504
Cash and cash equivalents		157	224	190	Total current liabilities		1,131	968	948
Total current assets		993	894	886	Total equity and liabilities		3,918	3,233	3,767
Total assets		3,918	3,233	3,767					

Statement of Changes in Equity 2024

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total	Non- controlling interests	Total equity
Equity at 1 January 2024	454	78	782	46	23	1,383	500	1,883
Profit for the period	0	0	0	0	18	18	10	28
Net exchange differences recognized in OCI	0	0	0	16	0	16	-1	15
Value adjustments of hedging instruments	0	0	0	4	0	4	0	4
Other comprehensive income	0	0	0	20	0	20	-1	19
Total comprehensive income	0	0	0	20	18	38	9	47
<i>Transactions with shareholders:</i>								
Capital increase	11	-78	67	0	0	0	0	0
Dividends distributed	0	0	0	0	-28	-28	-42	-70
Sale of treasury shares	0	0	0	0	2	2	0	2
Purchase of treasury shares	0	0	0	-1	-5	-6	0	-6
Effect of business combinations	0	0	0	0	1	1	3	4
Transactions of shares with non-controlling interests	0	0	0	0	-31	-31	-5	-36
Share-based payments	0	0	0	0	2	2	0	2
Other adjustments	0	0	0	0	-3	-3	0	-3
Total transactions with shareholders	11	-78	67	-1	-62	-63	-43	-105
Equity at 31 March 2024	465	0	849	65	-21	1,359	466	1,825

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 2023	452	6	769	5	57	1,288	364	1,652
Profit for the period	0	0	0	0	29	29	20	49
Net exchange differences recognized in OCI	0	0	0	31	0	31	4	35
Value adjustments of hedging instruments	0	0	0	-1	0	-1	0	-1
Other comprehensive income	0	0	0	30	0	30	4	34
Total comprehensive income	0	0	0	30	29	59	24	83
<i>Transactions with shareholders:</i>								
Capital increase	1	-6	6	0	0	0	0	0
Dividends distributed	0	0	0	0	-18	-18	-56	-74
Sale of treasury shares	0	0	0	0	0	0	0	0
Purchase of treasury shares	0	0	0	0	-1	-2	0	-2
Effect of business combinations	0	0	0	0	1	1	15	17
Transactions of shares with non-controlling interests	0	0	0	0	-8	-8	8	0
Share-based payments	0	0	0	0	1	1	0	1
Other adjustments	0	0	-1	0	2	2	0	2
Total transactions with shareholders	1	-6	5	0	-23	-23	-33	-56
Equity at 31 March 2023	453	0	774	35	63	1,324	356	1,680



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 used to prepare 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 2, NO-1364 Fornebu, Norway. The Group's activities include accounting, payroll, financial advisory, IT and Tech sales and services, and debt collection services (other).

The interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared following IAS 34 Interim Financial Reporting.

The Group has prepared the financial statements so that it will continue to operate as a going concern. The Directors consider that no material uncertainties 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, 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. They should be read with the Group's annual consolidated financial statements as of 31 December 2023.

The interim condensed consolidated financial statements were authorised for issue by the board of directors on 7 May 2024. The statements are unaudited.

1.1 Accounting policies, estimates, and judgments

The condensed consolidated interim financial statements for the period 1 January – 31 March 2024 comprise the consolidated financial statements of the subsidiaries controlled by the parent company (the Group).

The financial statements apply principles based on historical cost, except for liabilities related to contingent consideration for acquisitions measured at fair value. These are disclosed under each relevant chapter and sub-chapter if specific valuation techniques and inputs are used.

The consolidated financial statements are prepared based on uniform accounting policies for equivalent transactions and events in similar circumstances. The ECIT Annual Report 2023 provides a full description of the Group's accounting policies.

2. Profit for the period

2.1 Segments information

2.1.1 Segments information Q1

(NOKm)	Q1 2024					Q1 2023				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	573	404	54	-32	999	509	355	35	-37	862
Cost of hardware and software licences	-47	-147	-10	-15	-219	-39	-111	-7	-4	-161
Contribution margin	526	258	45	-48	780	470	244	28	-41	701
Personnel expenses	-362	-192	-37	-12	-602	-315	-178	-20	-9	-522
Other operating costs	-74	-36	-9	52	-67	-69	-25	-7	37	-64
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	90	30	-1	-7	112	86	42	2	-15	115
Total revenue growth	12.5%	13.7%	55.9%	-1.4%	15.8%	30.8%	18.7%	23.6%	43.4%	25.9%
EBITDA-%	15.7%	7.5%	-1.7%	0.9%	11.2%	16.9%	11.8%	5.7%	38.4%	13.4%
Non-current assets	1,106	775	470	574	2,925	1,086	517	335	401	2,339

(NOKm)	Q1 2024					Q1 2023				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	706	134	114	45	999	591	127	108	36	862
Operating profit before amortisation, depreciation and restructuring & transaction costs (EBITDA)	72	17	14	9	112	68	22	17	8	115
Non-current assets	2,175	232	389	130	2,925	1,682	209	339	109	2,339

2.2 Restructuring & transaction costs

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

(NOKm)	Q1 2024	Q1 2023
Transactions costs	1	0
Restructuring costs	4	1
Total	5	1

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 related to the acquisition of companies that cannot be capitalised together with the shares. This applies to both completed and uncompleted acquisitions.

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

Management judgments and estimates

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

2.3 Amortisation and depreciation

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

(NOKm)	Q1 2024	Q1 2023
Software	11	7
Customer contracts	17	15
Fixed tangible assets	7	7
Right-of-use assets	27	22
Total	63	51

2.4 Financial items

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

(NOKm)	Q1 2024	Q1 2023
<i>Financial income:</i>		
Interest income	2	2
Exchange rate income	5	6
Gain on divestments	0	0
Other financial income	1	0
Total Financial Income	8	8
<i>Financial expenses:</i>		
Interest expense, other	-11	-5
Interest expense, lease	-2	-2
Exchange rate expense	-2	-2
Other financial expenses	-1	-1
Total Financial Expenses	-16	-10

2.5 Tax

Tax for the period

Current payable and receivable taxes are recognised in the balance sheet as taxes calculated on the taxable income for the period adjusted for tax on taxable income for previous periods and prepaid tax.

(NOKm)	Q1 2024	Q1 2023
Profit before tax	37	64
Calculated tax on profit for the period	8.2	14.0
<i>Tax effect of:</i>		
Adjustment of calculated tax in foreign group enterprises	-0.3	-0.4
Non-deductible expenses/non-taxable income	0.6	0.7
Non-deductible losses/non-taxable gain on shares	0.0	0.0
Temporary differences, net	0.0	0.2
Other tax adjustments	0.1	0.0
Tax of the period	8.6	14.5
Effective tax rate	23.4%	22.8%

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 9.2% 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)	Q1 2024	Q1 2023
Profit of the period	28	49
Non-controlling interests' share of consolidated profit for the	10	20
ECIT AS shareholders' share of profit for the period	18	29
('000 shares)		
Total average number of shares	465,008	452,452
Average number of treasury shares	-1,758	-2,755
Average number of warrants	11,160	2,393
Diluted average number of shares in circulation	469,238	452,090
Earnings per share, NOK 1	0.04	0.06
Diluted earnings per share, NOK 1	0.04	0.06

3.3 Net interest-bearing debt

The net interest-bearing debt amounts to NOK 658 million as of 31 March 2024, compared to a net debt balance of NOK 260 million last year.

(NOKm)	Q1 2024	Q1 2023
Borrowings	632	332
Lease liabilities	262	218
Total interest bearing liabilities	894	550
Interest bearing receivables	78	68
Cash and cash equivalents	157	224
Total interest bearing assets	236	292
Net debt / Net cash (-)	658	260
EBITDA, LTM	508	461
Debt leverage	1.3x	0.6x

3.4 Events after the reporting period

With reference to company announcement no. 237, Pragati AB became a part of ECIT on 7 May 2024. ECIT acquired 91% of Pragati AB.

4. Composition of the Group

4.1 Acquisitions during Q1 2024

During the first three months of 2024, ECIT has made two acquisitions in the F&A division. Further to this, an associated company within the Tech division was acquired.

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

Net investments in subsidiaries

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

(NOKm)	Q1 2024	Q1 2023
Cash payment	-19	-18
Paid earn out obligation	0	0
Acquired cash	3	7
Investment in subsidiaries	-16	-11
<i>New subsidiaries:</i>		
Cash payment	-19	-18
Share payment	-1	-1
Earn out obligation	-1	0
Investment in new subsidiaries	-21	-19

Acquired companies (NOKm)	Revenue FY 2023	Revenue Q1 2024	PAT Q1 2024	FTE	Owner- ship	Acq.
Frejs Konsulter AB, Sweden, F&A	17	4	0	10	100.0%	Feb
Företagsbyrå i Luleå AB, Sweden, F&A	13	3	1	7	75.0%	Mar
Total acquired subsidiaries	30	7	1	17	n/a	n/a
Zirius AS, Norway, Tech*	23	7	-1	13	25.0%	Jan
Total associated companies	23	7	-1	13	n/a	n/a

*According to latest published financial statement

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.

Total Q1 2024 acquisitions include Frejs Konsulter AB and Företagsbyrån i Luleå AB. Companies ECIT acquired during the quarter are presented aggregated as they individually are not considered significant.

Q1 2023 acquisitions include ECIT Virtus ehf and Progresso AS. Companies ECIT acquired last year are aggregated as they are not considered significant.

(NOKm)	Total Q1 2024	Total Q1 2023
Software	0	2
Customer Contracts	8	15
Financial fixed assets	1	0
Right-of-use assets	0	6
Trade receivables	1	1
Other receivables	6	0
Cash and cash equivalents	3	12
Total Assets	20	36
Lease liabilities	0	6
Deferred tax liabilities	2	3
Other payables	5	12
Total Liabilities	8	21
Non-controlling interest' share of acquired net assets	2	7
Acquired net assets	10	8
Cash payments	19	18
Share payments	1	1
Earn Out obligation	1	0
Total	21	19
Majority goodwill arising from the acquisition	11	11
Minority goodwill arising from the acquisition	1	8
Total goodwill arising from the acquisition	12	19

Definition of Financial Highlights and Ratios

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

Net working capital = Receivables and other current operating assets less trade payables and other current operating liabilities. Tax payable and earn-out obligation are not included.

Net working capital is not comparable to the change in net working capital in the cash flow statement since the entry values of acquired companies are eliminated in the cash flow statement.

Net-interest-bearing-debt = consists of interest-bearing debt less interest-bearing assets. Interest-bearing debt consists mainly of bank loans (credit facility) and lease liabilities, whereas interest-bearing assets mainly consist of cash and outstanding loans to minority shareholders.

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

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

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

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

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

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

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

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

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

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

The average majority share of operational companies revenue and operating profit before amortisation and depreciation and transaction and restructuring costs (EBITDA) = Shareholders of ECIT AS' share of revenue and EBITDA. The percentage is calculated on legal figures (measured 50% / 50% by revenue and EBITDA) for the last twelve months (LTM) and with the ownership as of the balance sheet date.

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

Adjusted diluted earnings per share = Adjusted diluted earnings per share equals diluted earnings per share calculated at adjusted profit for the year. The Management uses adjusted diluted earnings per share to measure the performance of the Group, excluding one-off items.

Annualised recurring revenue (ARR) = Annualised recurring revenue from core own-developed software products for the coming twelve months. The core software products are defined as products supporting accounting production. The measure is based on proforma revenue.

EES (Employee Engagement Score) = Employee Engagement Score (EES) is a metric used to measure the level of commitment, satisfaction, and involvement of employees within an organisation.