

ECIT | ANNUAL REPORT | 2021



— **ecit** —

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NOHO
NORDIC HOSPITALITY PARTNERS



PLANTASJEN

Annual Report for the year ending
31 December 2021

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Letter to our stakeholders

2021 has been an important year for ECIT. Some of the most important events in 2021 were:

- Revenue in acquired companies added appr. MNOK 500 to the existing revenue, a higher amount than in any previous year.
- On 20th May 2021 ECIT became listed on Euronext Growth. The listing fulfilled a promise made at the very foundation of the company; that a shareholder in ECIT should be able to trade the shares within a period of seven years from foundation. It took eight years.
- Tech is still growing as the division in ECIT aimed to take part in the digital transformation within both the Accounting and the IT industry.

With 30% revenue growth in 2021 revenue was at NOK ~2.4 billion. 2021 EBITDA growth of 32% with an EBITDA at NOK 339 million and an EBITDA margin at 14.2%. Financial performance in 2021 has been according to expectations.

2021 was a reasonably good year for ECIT.

Financial performance

In 2021 Covid-19 continued to affect our business, employees and customers. In Q4 2021 our deliveries as well was affected by IT equipment supply challenges.

ECIT continued to grow with a revenue of NOK 2.4 billion (NOK 1.8 billion) representing a growth at 30.3% (35.9%)

*) Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items

including an organic growth at 6.4% (5.0%). Nine acquisitions were completed representing an acquired annual revenue at NOK ~500 million.

The IT division continued a solid organic growth based on demand for our IT services and solutions from existing as well as from new customers.

Late 2021 global supply chain challenges affected revenue and is the main reason for lower organic growth in Q4 2021. Since the supply chain challenges could continue into 2022 it could impact growth rates in the IT division going forward.

Covid-19 affected 2021 organic growth in the F&A division. Consolidation and process optimization secured an EBITDA margin close to the margin of last year.

The Tech division continue to grow at a reasonable pace. Demand is coming from increased use of own solutions in the F&A Division as from increased demand from external customers. Focus has been on development and improvement of the products delivered from the Tech Division and we see positive outcomes of these efforts.

EBITDA 2021 was NOK 339 million (NOK 256 million) representing a margin of 14.2% (14.0%). Considering the high acquisition volume, the margin improvement seems reasonable.

Adjusted Free Cash Flow (including Covid-19 effects) was at NOK 188 million (NOK 139 million) as the figures

Combined organic and M&A revenue growth

2021: 30.3% (2020: 35.9%)

EBITDA before special items

2021: NOK 339 million (2020: 256)

Adjusted Free Cash Flow*

2021: NOK 154 million (2020: 173)

Ownership increases in subsidiaries

2021: 68.2% (2020: 55.3%)

Acquisitions

2021: NOK ~500 million in annual revenue (2020: 416)

(not adjusted for Covid-19 effects) are NOK 154 million (NOK 173 million). Covid-19 effects include prolonged payments of VAT, Tax and other duties.

December 2021 a new three years (option to extend one year) credit facility agreement with Nordea was signed at a total amount of NOK 800 million.

This credit facility in combination with a solid cash flow gives the company a good financial position to continue to invest in business development, build organic growth, improve margins and continue the M&A activity going forward.

Listing on Euronext Growth

2021 was the year ECIT changed from being a privately held company to become a company that is listed on the Euronext Growth Oslo Stock Exchange and ECIT had its first day of trading at 20th May 2021.

Being a listed company gives our shareholders the opportunity to buy and sell shares in ECIT which has been an intention from the very founding of ECIT.

For the coming years we will strive not only to grow ECIT but as well to make ECIT a more known company to support the valuation of ECIT.

Increasing ECIT ownership in subsidiaries

In (almost) all partly owned subsidiaries ECIT has an option to acquire the minority shares up to a 100% ownership share.

As a part of the listing process we have initiated a pro-

**) The majority of the options-contracts are calculated based on EV/EBITDA multiple adjusted for NIBD.*

subsidiaries through purchase of minority shares (partly exercising the options to acquire minority shares). At present the target is to reach an average ownership share at ~70% (measured 50% / 50% by revenue and EBITDA). As of December 2021, the percentage has reached 68.2%.

The dual-ownership model in ECIT which we view as a competitive advantage, has an impact on the valuation of ECIT. We have an option agreement* with almost all minority shareholder which allow us to acquire the remaining shares in the subsidiaries with a multiple EV/EBITDA below market value. Such option obligations have been valued to NOK 458 million per December 2021 and should be considered when the valuation of ECIT is made.

The ownership of subsidiaries will gradually increase over time, and options will be exercised when the current ownership structure no longer benefit the performance of the Group.

M&A activities

Since founding in 2013 ECIT has completed more than 125 (part) acquisitions in companies within Accounting/Payroll, IT and Software.

During 2021 ECIT has completed nine acquisitions including Norian Group representing the largest acquisition done by ECIT. Norian Group added market presence in four countries to ECIT; Finland and Germany (local operations) as well as Poland, and Lithuania (nearshoring including small local operations). As well Norian brought substantial expertise within large customer experience, automation and quality control.

Consolidation through mergers is an important part of building a consolidated ECIT. Four large mergers within F&A and IT have been completed. Altogether 20 companies have merged into four companies representing approximately NOK 1 billion revenue combined including a total of 422 FTEs.

Such mergers are important in all our divisions to establish a Group (as opposed to a group of companies) to provide synergies (including cost and scale) and to enable ECIT towards a segment of larger customers.

Corporate responsibility/ESG

Awareness on environmental and social impact as well as on governance is increasing.

Mainly being a "people-business" ECIT leaves a minimal footprint on the environment. However, as the demand for public reporting gradually change to include "Sustainability" ECIT will make sure to be able to deliver services within this field as well next to the traditional accounting services.

As a people-business employees are important. Learning and development opportunities are essential to attract, retain and motivate skilled employees. Increased focus on internal training and education based on what we call "ECIT Academy" brings ECIT some further steps towards ensuring a talent pipeline and improved personal development of our employees. Measuring Employee engagement score and gender composition of employees and managers including apprenticeships, are other examples of the social responsibility commitments in ECIT.

Re governance ECIT is committed to act loyal to all relevant laws, regulations and ruling practices in the markets where ECIT operates.

2022

Building ECIT going forward implicates continued business development in all relevant business areas of ECIT as well as organic and M&A growth.

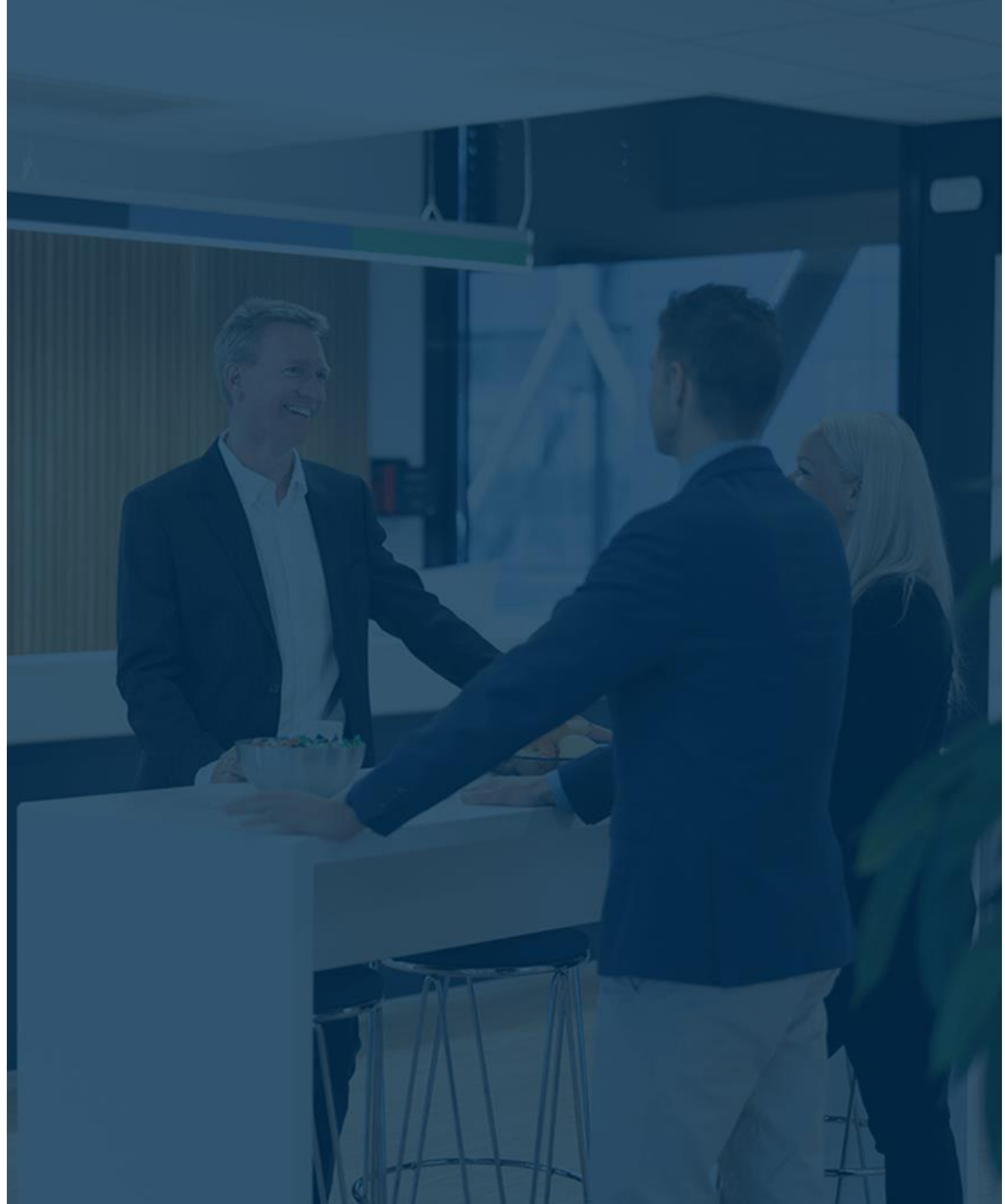
To be an active part of the digital transformation in the industries in which we operate; Accounting/Payroll and IT.

To be based on a platform of own user-friendly and efficient production software. Important to keep the customers within ECIT and important to improve margins and earnings.

As ECIT are covering the two most important administrative areas for all companies we aim, through our services and deliveries, to be a strategic partner who supports the success of the business of our customers.



Peter Luring, CEO



Financial Highlights 2021

(NOKm)	2021	2020	2019
Condensed Income Statement			
Revenue	2,383	1,829	1,346
EBITDA*	339	256	167
EBIT*	173	121	63
Special items, net	-9	-1	0
Financial items, net	-14	44	-4
Profit for the year	115	121	41
Adjusted profit for the year	130	81	41
Attributeable to ECIT AS' shareholders	64	26	12
Attributeable to minorities	66	55	29
Financial position			
Total assets	2,576	2,108	1,590
ECIT shareholders' share of equity	1,198	811	772
Non-controlling interest	165	161	119
Net working capital	-53	-85	-49
Net interest-bearing debt (NIBD)	137	45	22
Net debt to EBITDA* (Gearing ratio)	0.4x	0.2x	0.1x
Cash Flow			
Operating activities	249	259	132
Adjusted free cash flow**	154	173	58
Investing activities	-319	-109	-118
Financing activities	95	-64	-20
Cash flow for the period	25	86	-8

(NOKm)	2021	2020	2019
Key figures			
Total revenue growth, %	30.3%	35.9%	26.0%
Total organic revenue growth, %	6.4%	5.0%	4.7%
EBITDA margin*, %	14.2%	14.0%	12.4%
Effective tax rate, %	23.6%	26.1%	29.5%
Avg. majority share***, %	68.2%	55.3%	n/a
Solvency ratio, %	46.9%	46.1%	56.0%
CAPEX in % of revenue	0.8%	1.1%	2.3%
R&D in % of revenue****	1.1%	1.5%	0.8%
Proforma revenue	2,558	n/a	n/a
Stock-related key figures			
EPS, NOK	0.12	0.17	0.03
Diluted EPS, NOK	0.12	0.18	0.03
Adjusted diluted EPS, NOK	0.13	0.07	0.03
Total number of shares issued ('000)	445,455	388,224	373,501
Avg. number of shares issued ('000)	416,840	380,863	367,463
Total number of treasury shares ('000)	1,179	7,971	1,859
Avg. number of treasury shares ('000)	4,575	4,915	931
ESG data			
Employees (FTE)	2,221	1,515	1,219
Gender diversity (female/male)	59%/41%	56%/44%	51%/49%
Gender diversity, managerial (female/male)	50%/50%	42%/58%	n/a
Engagement employee score (EES)	83	n/a	n/a

*) Before special items

**) Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items

***) Average majority share are calculated as a simple average of the majority share of revenue and EBITDA on behalf of the ownership as of 31 December 2021

****) Measured excluding additions through business combination

ECIT in short

ECIT provides services within key business areas of IT, finance & accounting and tech across sectors and industries. Our knowledge-based services assist our customers in realizing their business potential.

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

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

Our knowledge

ecit



Leading provider

of business process outsourcing in the Nordics within IT, finance and accounting across sectors and industries.



+115 acquisitions

and +45 mergers of subsidiaries have been completed since the establishment of ECIT in 2013, making ECIT a M&A compounder.



+100 offices

across 10 countries give ECIT the benefit of being a local partner to customers while developing as an international group.



Our values

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



~ 250 partners

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



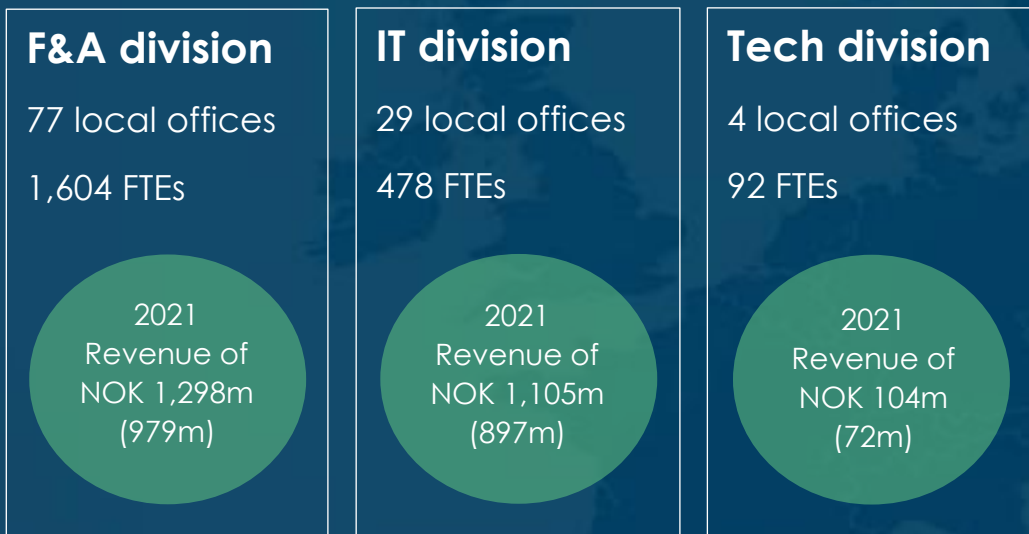
+2,200 employees

who contribute with knowledge and important insights from a variety of sectors and industries to our customers' service.

Geographical footprint

Since the beginning in 2013, ECIT has grown in numbers and in size, now being present in 10 countries with +100 locations. The Norian acquisition in 2021 further expanded the ECIT market shares in Europe.

ECIT has nearshoring centers in Poland, Lithuania, Serbia and Romania.



Norway

- 58 locations
- 1,105 FTEs

Sweden

- 30 locations
- 321 FTEs

Denmark

- 13 locations
- 261 FTEs

United Kingdom

- 1 location
- 20 FTEs

Germany

- 1 location
- 16 FTEs

Finland

- 2 locations
- 31 FTEs

Poland

- 2 locations
- 184 FTEs

Lithuania

- 1 location
- 273 FTEs

Serbia

- 1 location
- 7 FTEs

Romania*

- 1 location
- 3 FTEs

Business offerings



Unique 'One-stop-shop' concept

ECIT offers a wide range of services within key business areas of Finance & Accounting (F&A), IT and Software solutions (Tech).

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

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

Buy & Build growth strategy

ECIT has a unique buy & build growth strategy which is referred to as the 'ECIT way'.

Integration of acquired companies and later merging these into larger units with scale and flexibility is a key part of the ECIT Way.

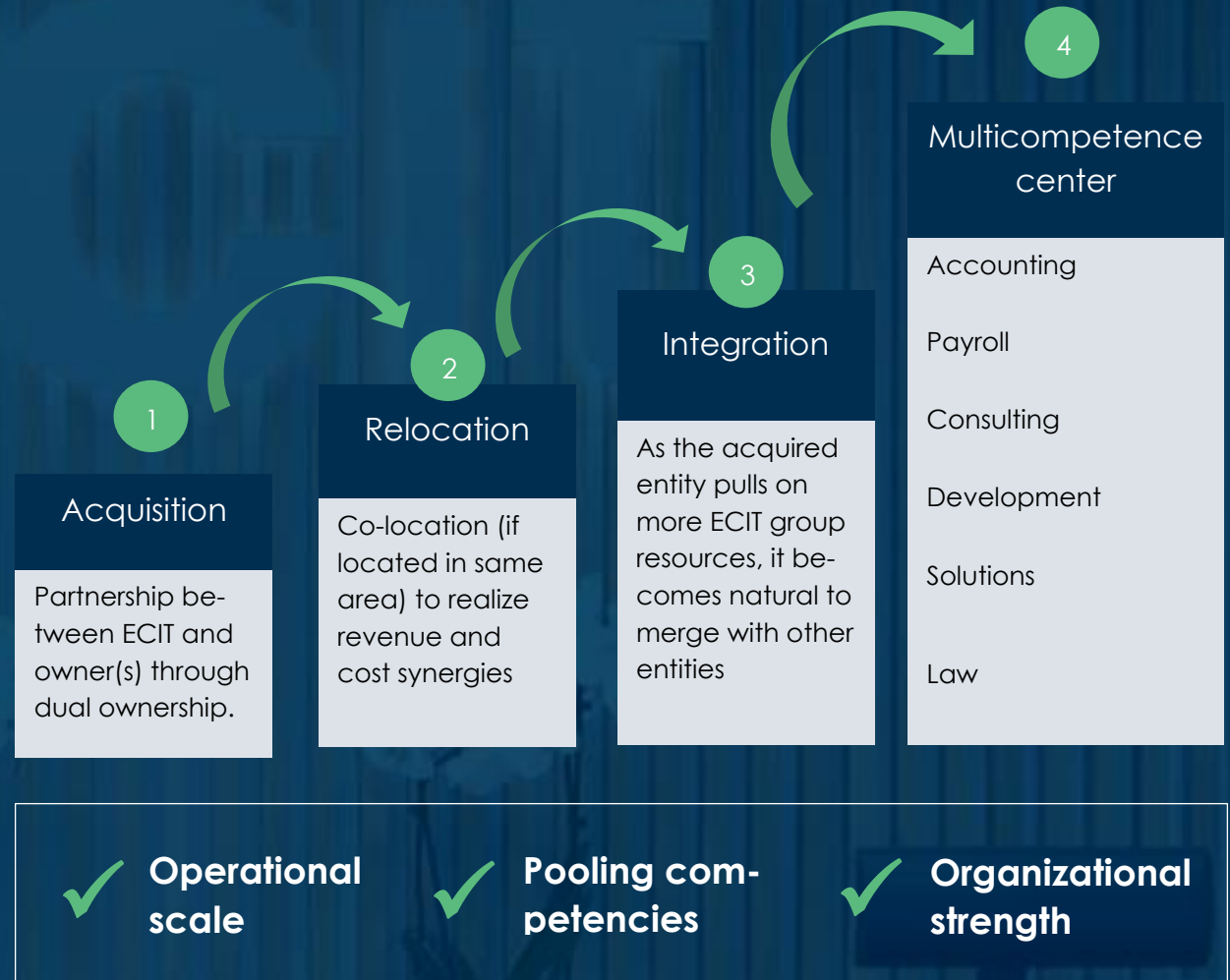
The acquisition targets are typically low-complexity deals following a dual ownership model where ECIT acquires the majority part of the company with an option on the remaining share.

This tailored acquisition structure (dual ownership) reduces M&A risk since it incentivizes entrepreneurs to stay with ECIT and make a strong commitment to running the business and realizing synergies together with ECIT.

Common synergies include cross-sale opportunities and scale benefits enabling both cost reductions and efficiency improvements as well as building organizational strength.

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

Industrialized process to create multicompetence centers



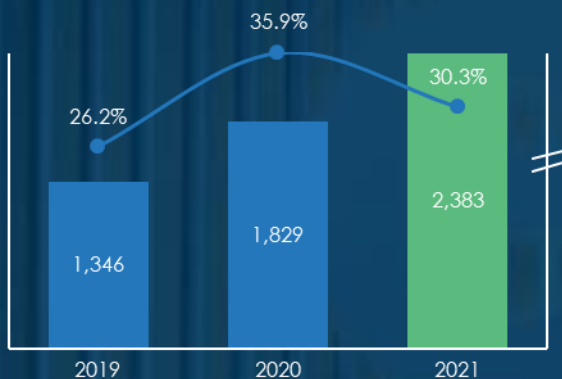


ECIT Performance

ecit

Performance Highlights 2021

Net revenue (NOKm)

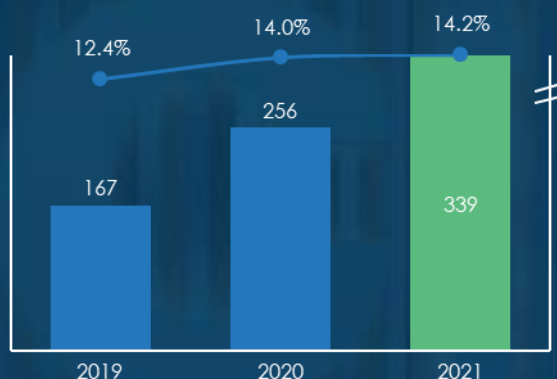


2,383 NOK million
Net revenue

30.3%
Total revenue growth

- ECIT continue the strong revenue growth – well above our financial target of 15%
- High acquisition revenue volume
- Despite challenges surrounding the Covid-19, we achieved an organic growth of 6.4%

Adjusted EBITDA (NOKm)

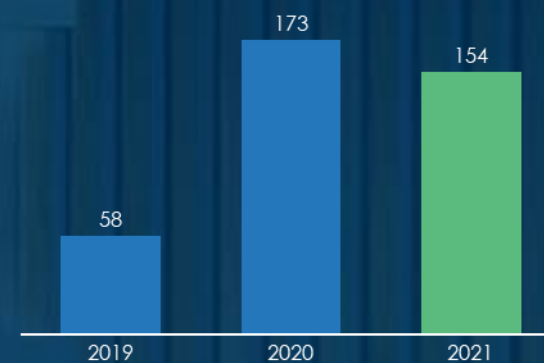


339 NOK million
EBITDA*

14.2%
EBITDA-margin

- Margin development in line with expectations – also considering the large amount of acquisition volume in 2021
- Ongoing consolidation, restructuring and optimization contribute to the margin improvement

Adjusted free cash flow (NOKm)



154 NOK million
Adjusted free cash flow

137 NOK million
Net interest-bearing debt

- Adjusted free cash flow of NOK 154 million (173) affected by Covid-19 (prolonged payments)
- Including the Covid-19 impact the adjusted free cash flow would equal NOK 187 million (139)
- Leverage ratio gearing remains low at 0.4x (0.2x last year)

*] Before special items

Key financial targets

In 2021 we delivered as promised on our key financial targets and we are 'on track' towards meeting our mid-to-long ambitions.

Assumptions for key financial targets

The targets are based on the assumption of stable global economic development during the period.

Our financial targets in connection to the mid-to-long term ambitions remains unchanged except of the NIBD/EBITDA leverage ratio and the added combined target of recurring and repeatable revenue.

The NIBD/EBITDA leverage ratio has been adjusted from 1.5x to 2.5x. The company has further developed, and the adjusted target is also to be viewed in the light of the new agreed revolving credit facility with Nordea increasing the total credit to NOK 800m.

EBITDA-margin target of 17% is excluding a potential impact from large acquisitions.

Going forward, organic growth will only be reported at group level and not at business segment level (divisions).

Mergers and internal transfers of business activities between existing and newly acquired companies can lead to fluctuations to the growth figures (organic / M&A).

Consequently, we have decided not to report organic growth separately for the business segments.

Combined recurring/repeated revenue

A large part of ECIT's total revenue are coming from either recurring or repeatable revenue which is an important part of the key performance indicators of ECIT.

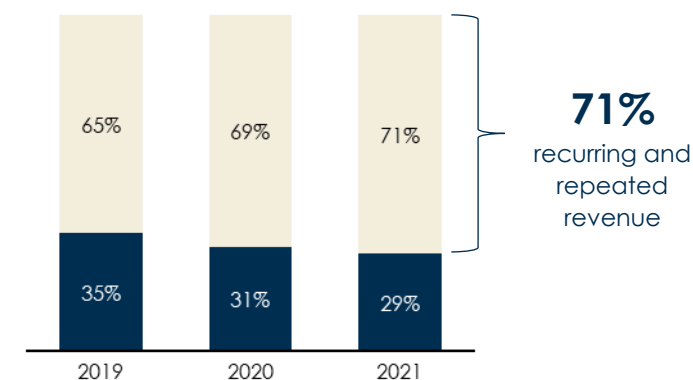
Our IT division has a high share of recurring revenue whereas the F&A division to a high extent has

repeatable revenue due to the nature of its business (long and stable customer relationship). ECIT measures recurring and repeatable as one combined KPI.

Characteristics of recurring and repeated revenue are:

- Fixed price agreements
- Subscription/transaction-based revenue
- Typically, longer contracts periods
- Hourly paid regular services
- Long and stable customer relationship

Revenue which is not subject to the above are categorized as ad hoc revenue.



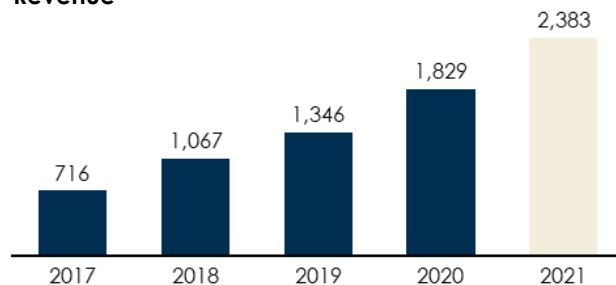
The table above shows the development in our combined recurring and repeatable revenue. Since 2019 we have increased the share of combined recurring and repeatable revenue because of changed price model and acquisitions. In 2021 the share represents 71%.

(NOKm)

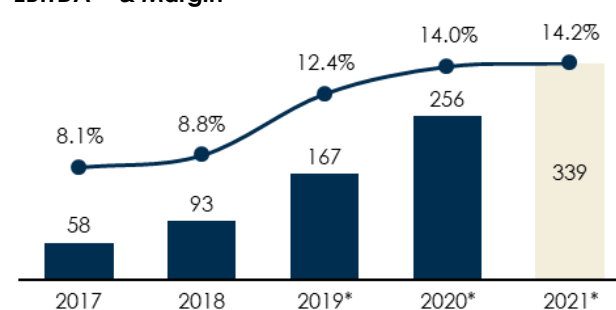
	Mid-to-long term		
	2021 Actual	Previous targets	Revised targets
Total revenue growth	30.3%	> 15.0%	> 15.0%
Organic revenue growth	6.7%	> 5.5%	> 5.5%
Recurring and repeatable revenue	71.0%	n/a	> 75.0%
EBITDA-margin	14.2%	> 17.0%	> 17.0%
NIBD / EBITDA	0.4x	< 1.5x	< 2.5x
M&A acq. Revenue, NOKm	498	350	350

Financial Review – Group Performance

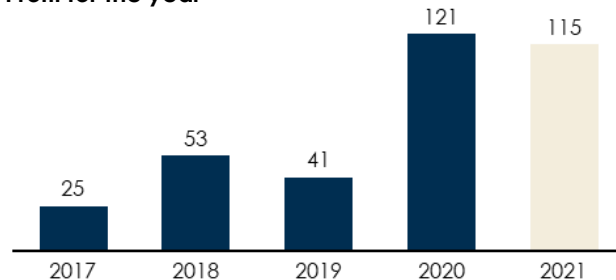
Revenue



EBITDA** & Margin



Profit for the year



Results for the period

Revenue

Revenue for 2021 is NOK 2,383 million, compared to NOK 1,829 million in 2020, an increase of 30.3% in total growth.

The impact from the development in foreign exchange rates was minus 3.2% for the year (1.9%).

Norway is the largest market ECIT operates in and represents approx. 65% in 2021 (69%) of the total revenue. Due to high M&A activity, the second largest market is Sweden representing approx. 17% in 2021 (12%).

Revenue per division compared to same period last year is specified below. All our divisions had positive total revenue growth compared to last year.

Revenue (NOKm)	2021	2020
IT division	1,105	897
F&A division	1,298	979
Tech division	104	72
Group & eliminations	-124	-119
Total	2,383	1,829

EBITDA before special items

For the Group, EBITDA before special items came out at NOK 339 million in 2021 compared to NOK 256 million in 2020 representing an increase of 32.4%.

EBITDA before special items per division compared to same period last year is specified below.

EBITDA** (NOKm)	2021	2020
IT division	140	113
F&A division	225	174
Tech division	-2	0
Group & eliminations	-24	-31
Total	339	256

Special items

Special items comprehend costs which stands out of the usual business of the group and therefore is categorised as one-offs or special items.

Special items consist of cost related to acquisitions or restructuring within the Group. Special items equal NOK 9 million compared to NOK 1 million last year.

Amortizations and depreciations

The amortization and depreciations for the financial year 2021 amounts to NOK 166 million compared to NOK 135 million last year. The increase in amortizations coming from customer relationship are linked to the acquisitions made.

*) Including the impact of IFRS16 leasing accounting. The 2017 & 2018 EBITDA results does not include IFRS16 leasing accounting and would have been higher, and therefore not comparable to 2019 - 2021

**) Before special items

Financial items

The financial items totalled a net expense of minus NOK 14 million for 2021 compared to a net positive financial income of NOK 43 million for the same period last year.

Financial items are primarily impacted by exchange rate fluctuations, adjustment to earn out provision and IPO cost in 2021. Last year financial items are mainly affected by a profit of NOK 41 million coming from the sale of the shares of one of ECIT's portfolio investments.

(NOKm)	2021	2020
Earn out assessment	12	1
IPO costs	-6	0
Gain portfolio investment	0	41
Interest costs, net	-14	-9
Exchange rate, net	-10	5
Other financial income, net	4	6
Financial items, net	-14	44

Tax on profit for the period

Effective tax rate for the financial year 2021 is 23.6% (2020: 26.1%).

Profit for the year

Profit for the year 2021 was NOK 115 million against NOK 121 million last year.

Profit for the period is impacted by one-off items that have an impact to both this year and last year financials.

(NOKm)	2021	2020
Profit for the year	115	121
Special items	9	1
IPO costs	6	0
Portfolio investment, profit	0	-41
Adjusted profit for the year	130	81
<i>Attributeable to:</i>		
Shareholders in ECIT AS	64	26
Non-controlling interests	66	55
Shareholders in ECIT AS	49.2%	32.1%
Non-controlling interests	50.8%	67.9%

Those items are specified in the table below. An adjusted profit for the period has been made to illustrate the impact of the one-off items.

Attributable to the Shareholders of ECIT are similar impacted by the one-off items. Adjusted for one-offs the shareholders share of profit for the year has increased compared to last year.

Compared to our average ownership measured at revenue and EBITDA of 68.2% at 31 December 2021, the majority ownership measured at profit of the year is at 49.2%.

The explanation behind the difference is due to the high share of amortizations/depreciations and financial expenses coming from companies with high ownership percentage. Among those is the parent company of ECIT.

Diluted adjusted earnings per share

The number of shares has increased compared to last year which is explained by the capital increase made as part of the IPO. The development in diluted earnings per share for the year is specified in the table below.

A separate specification has been added to the overview to illustrate the impact of the previous mentioned one-off items and the effect to the earnings per share.

(NOKm)	YTD 2021	YTD 2020
Profit of the year	115	121
Shareholders in ECIT AS	49	66
Non-controlling interests	66	55
Adjusted profit of the year*	130	81
Shareholders in ECIT AS	64	26
Non-controlling interests	66	55
('000 shares)		
Average number of shares	416,840	380,863
Average number of treasury shares	-4,575	-4,915
Average dilutive effect of outstanding share options	0	500
Diluted average number of shares in circulation	412,264	376,448
(NOK 1)		
EPS	0.12	0.17
Diluted EPS	0.12	0.18
Adjusted EPS	0.13	0.07
Adjusted diluted EPS	0.13	0.07

*) Earnings per share adjusted for special items, IPO costs and one-off gain on portfolio investment in 2020

Cash flow & Net working capital

Cash flow

(NOKm)	2021	2020
Cash flow from operations	249	259
Cash flow from investing	-319	-109
Cash flow from financing	95	-64
Cash flow for the period	25	86

Cash flow from operating activities in 2021 came out at NOK 249 million compared to NOK 259 million last year. Cash flow is positive impacted by increased EBITDA but is negatively impacted by net working capital mainly explained by Covid-19 payments influencing the change in net working capital from 2020 to 2021.

Cash flow from investing activities was a cash outflow of NOK 319 million in 2021 compared to NOK 109 million last year. The higher amount in 2021 is mainly explained by acquisitions (net cash investments of NOK 276 million) whereas Norian represent a high share of the total amount.

(NOKm)	2021	2020
Cash flow from operations	249	259
Special items	9	1
Net investments in tangible assets, total	-20	-21
Repayment of lease liabilities	-84	-66
Adjusted free cash flow	154	173

Adjusted free cash flow (adjusted for investments in tangible assets, special items and IFRS 16 leases) is NOK 154 million compared to NOK 173 million last year.

Cash flow from financing activities ended at positive NOK 95 million compared to minus NOK 64 million last year. The positive cash flow is explained by the capital increase of net NOK 382 million related to the listing on Euronext Growth Oslo. Cash out flow in financing activities comes from dividends and exercised options agreements.

Dividends distributed to minorities and dividends paid by ECIT AS equals NOK 144 million in 2021. Ordinary annual dividend was NOK 65 million of which NOK 50 million was resolved as an extraordinary dividend payment. Specification of dividends can be found in the table below:

(NOKm)	2021
Ordinary dividend parent company	65
Ordinary dividend to minorities	79
Total dividend pay out	144

Exercised of options agreement related to the increase in ownership amounts to NOK 75 million. Payment details of the exercised options are specified in the table below.

(NOKm)	2021
Cash payment	75
Share payment	15
Other payments	6
Total option payment	96

Net working capital

Changes in net working capital for 2021 ended at minus NOK 42 million compared to positive NOK 37 million last year.

The development in net working capital is affected by Covid-19 and the amount of prolonged payments. Net working capital last year was positive affected by NOK 34 million, whereas 2021 was negatively impacted by minus NOK 33 million since payments has been prolonged from 2020 to 2021. Adjusted free cash flow of NOK 154 million adjusted for the prolonged payments would equal NOK 187 million for 2021 compared to NOK 139 million last year.

The net working capital can fluctuate due to acquisitions. For companies acquired in 2021 the total effect on net working capital amount to minus NOK 13 million. In comparison the effect in 2021 from companies acquired in 2020 equals positive NOK 5 million.

When a company is acquired by ECIT part of the integration is to improve their net working capital.

Change in NWC (NOKm)	2021	2020
Accounts receivables	-11	-16
Accounts payable	-11	17
Delayed payments. Covid-19	-33	34
Other change in NWC	13	2
Total change in NWC	-42	37
Delayed payments. Covid-19	33	-34
Adjusted change in NWC	-9	3
DSO	49.0	52.5

Capital structure & finances

ECIT shareholder's share of equity

On 31 December ECIT AS shareholders' share of equity is NOK 1,198 million (2020: NOK 811 million). The development is primarily due to the capital increase made in connection with the IPO.

At 31 December 2021, the ECIT's portfolio of treasury shares are 1,178,842 shares (7,970,769 shares at 31 December 2020).

The decrease in treasury shares are subject to part-payments of new subsidiaries and exercising of options towards existing subsidiaries.

The solvency ratio including non-controlling interest is 56.1% at 31 December 2021 against 54.0% for the same period last year.

Please refer to the section regarding shareholder information for further information.

Net interest-bearing debt ('NIBD')

Consolidated net interest-bearing debt amounts to NOK 137 million on 31 December 2021 (NOK 45 million).

The financial gearing ratio (NIBD/EBITDA) is 0.4x per 31 December 2021 compared to 0.2x per 31 December 2020.

Leasing liabilities (IFRS16 lease accounting) has a material impact to the financial liabilities of ECIT. The increase compared to last year is mainly explained by the acquisitions made for the last 12 months and their share of leasing. Lease liabilities consist mainly of rentals.

(NOKm)	31 DEC 2021	31 DEC 2020
Borrowings	217	160
Lease liabilities	236	201
Total interest bearing liabilities	453	362
Interest bearing receivables	50	70
Cash and cash equivalents	265	246
Total interest bearing assets	316	316
Net debt / Net cash (-)	137	45
EBITDA*, LTM	359	255
Debt leverage	0.4x	0.2x

ECIT has an option to acquire the minority shares in the partly owned subsidiaries within an agreed period. The option allows ECIT to acquire the remaining minority shares at a price model based on last year's EBITDA multiplied with a fixed factor.

The minority option obligation per December 2021 is estimated to NOK 458 million compared to NOK 530 million last year. The movement in the option obligation is specified below.

The option debt is not part of the NIBD statement.

(NOKm)	2021
Option obligation, 1 Jan	530
New agreements	70
Exercised options**	-142
Option obligation, 31 Dec	458

Credit facility

The Group has entered into a new credit facility in December 2021 with Nordea at a total amount of NOK 800 million, consisting of a revolving credit facility of NOK 750 million as well as a leasing facility of NOK 50 million. The new revolving credit facility agreement covers a period of three years with an extension option of one year.

The new facility has replaced the old facility of total NOK 525 million, which consisted of a revolving credit facility of NOK 375 million, an overdraft facility of NOK 100 million and a leasing facility of NOK 50 million.

The utilization of the credit facility is specified below. As of December 2021, there has been utilized NOK 162 million and total available amount is NOK 588 million. The leasing facility has been utilized by NOK 12 million and total available amount is NOK 38 million.

(NOKm)	2021	2020
Revolving facility gross	750	400
Revolving facility utilized	-162	-103
Net revolving facility available	588	297
Leasing facility gross	50	21
Leasing facility utilized	-12	-9
Net leasing facility available	38	12

*) Proforma EBITDA before special items

***) Options is excised partly in cash, shares and down payment on loans

Case study - IT division:

Plantasjen about ECIT: “A partnership with consultants who take responsibility and deliver”

Since 2016, ECIT has been a close partner for Plantasjen on several IT projects. A partnership that with time has developed as both Plantasjen and ECIT have experienced significant growth. Despite continuous changes as a result of growth, the partnership has throughout had a solid foundation based on good relations.

Facts about Plantasjen

- **Establishment:** 1986 in Norway
- **Employees:** 1,138
(+ additional 1000 during high season)
- **Location:** Norway, Sweden, Finland
- **Industry:** Retail of plants etc.

From firewall to data backup

“We initiated a partnership with ECIT because I already knew ECIT from a former collaboration. Therefore, I was certain that they had the checkpoint firewall competencies that we needed in Plantasjen. The partnership started out as management of our firewall and network equipment, and then in 2018 we began a journey by transitioning to a cloud-based ERP solution, which is now the base for all our transactions in the company. This transfer has meant a lot to us now that our BI and ERP solution constitute the base of our data.”

- Espen Gylterud, Manager Technology of Plantasjen.

Throughout the years the partnership has changed its foundation and it is now to a greater extent focused on the backup of the company's data in Microsoft 365.

“You return to a partner who delivers above expectations”

In addition to the specific delivery described above, Plantasjen and ECIT agree that a good partnership depends on good relations between people.

“In the end, what defines a good collaboration is mindset. I like to use the expression “hire for attitude”. Competencies can easily be added, while the mindset is more difficult to influence. In our partnership with ECIT, all consultants we have worked with have been responsible, independent and have always delivered with the right mindset and attitude. The consultants simply delivered above expectations – and you go back to a partner who delivers above expectations.”

- Espen Gylterud, Manager Technology in Plantasjen

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

IT Division

Efficient and Secure IT delivery

ECIT offers IT services based on business understanding, and our more than 400 IT-experts are ready to help our customers operate and optimize their IT setup.

We deliver high quality tailored services at a reduced cost compared to in-house teams. We are a full-stack service provider serving as a one-stop-shop within IT through the areas of:

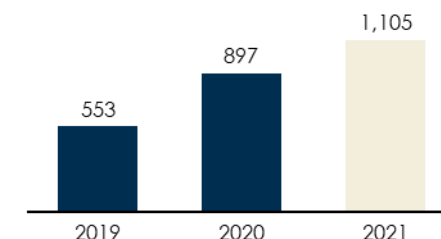
- Managed Services
- Hosting & Hybrid Cloud
- IT Consulting
- Digitalisation

And last, but not least, our customers will always have a single point of contact who knows their business.

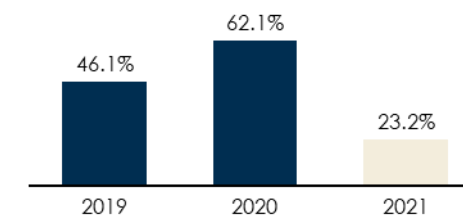
The IT division increased its revenue through M&A activity and strong organic growth in 2021. The operational margin came out slightly above last year as a consequence of the ongoing consolidation and optimization within the whole IT division.

(NOKm)	2021	2020
Revenue	1,105	897
COGS	-426	-345
Gross Profit	679	552
Personnel expenses	-467	-381
Other operating costs	-73	-57
EBITDA*	140	113
Total revenue growth	23.2%	62.1%
EBITDA-%	12.7%	12.6%

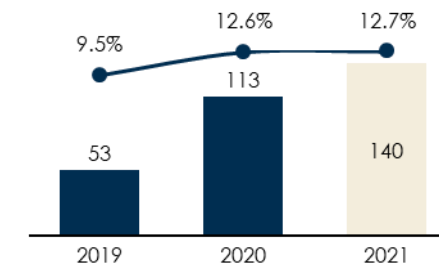
Total revenue



Total revenue growth (%)



EBITDA & EBITDA margin (%)



*) Before special items

Business review

The IT division continued to deliver strong organic growth in 2021. The underlying growth was due to upselling additional services and products to existing customers as well as gaining new customers in the IT division, manifesting an increasing demand for services that enable further innovation and digitalization across sectors and industries.

The growth in the IT division stems from three focus areas. First, keeping existing customers satisfied to ensure churn remains at a low level. Secondly, continuously developing and improving services to match customers changing demands and needs. Finally, ECIT is becoming more known in the market which has opened for more sales opportunities.

In our main Nordic markets, there is a high level of M&A-activities, meaning fewer IT providers remain to serve the important customers in ECITs main customer segment, which again equals fewer competitors striving for the same clients. This is an increased market opportunity for ECIT, providing some room for continued growth within our IT Division also for 2022.

There have been some challenges with the global supply chain of hardware in second half of 2021 impacting our growth rates negatively. However, since the supply chain challenges seems to continue there is a risk that it could impact our growth rates in the IT division going forward.

Three mergers are completed in 2021. In total 13 companies will be merged into three large companies representing a total revenue of approx. NOK 700 million and more than 200 FTEs. The mergers are an important step in the IT business towards building multicompetence centers that can benefit from scale and provide wider

services to customers and in addition achieve cost synergies.

Financial review

Revenue amounted to NOK 1,105 million in 2021 compared to NOK 897 million in 2020, representing a combined organic and M&A growth of 23.2% (62.1%). Currency impact of minus 2.0%.

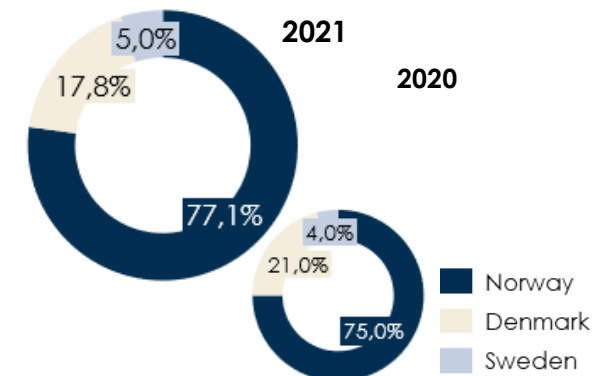
The growth figures will vary from year to year depending on when companies are acquired during the year. In 2020 the high growth rate can be explained by large acquisitions completed in late 2019 with a full year effect in 2020.

Norway is the largest market ECIT operate in representing more than 75% of the total revenue of the IT division.

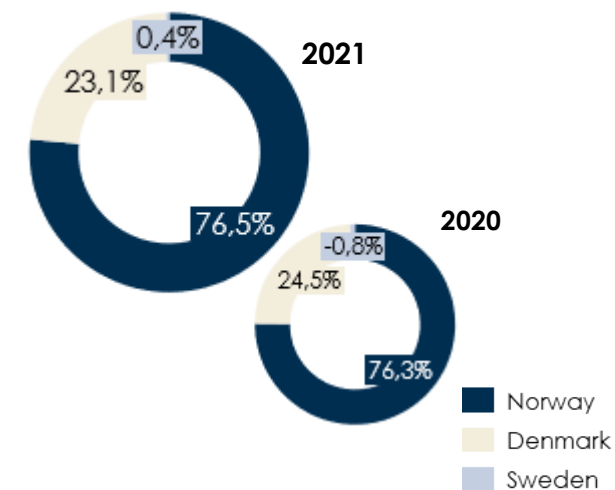
EBITDA came out at NOK 140 million and a margin of 12.7% compared to a last year EBITDA of NOK 113 million, and a margin of 12.6%.

Continued focus on optimization and consolidation of the IT businesses are the explanation behind the slight margin increase compared to last year. Our Swedish activities is a result of this process since they have moved from negative EBITDA to positive EBITDA in 2021.

Revenue per country



EBITDA per country



Case study - F&A division

NoHo Partners about ECIT: “A professional partner who understands our development”

The international group, NoHo Partners, who on the Danish market is behind well-known restaurants and bars including **Cock’s & Cows**, **The Bird** and **the Churchkey**, and the mini golf bar, **Camping**, has over the last three years developed a functional and visionary partnership with ECIT.

Facts about NoHo Partners

- **Establishment (DK):** 2018
- **Employees in Denmark:** approx. 250
- **Location (DK):** Copenhagen
- **Industry:** Hospitality

Solid foundation led to expansion of the partnership

Three years ago, when NoHo Partners needed a partner capable of managing the company’s payroll administration ECIT was chosen to take on the task. Since then, both the communication and the partnership between the two parties has further developed to include the organization’s accounting. Today, ECIT handles all payroll and finance-related aspects for the company in close collaboration with NoHo’s employees.

We had an existing agreement with ECIT regarding payroll administration. From there, we wanted to expand the partnership with the objective of only having one partner for everything. ECIT were professional in their approach to our business, and they understood our current challenges. They even came up with great suggestions of how we could solve these challenges in the future. This made it natural for us to choose ECIT as our financial partner.

– Eddy Egzarian, CFO in NoHo Partners.

Constructive sparring and focus on future development

For a company like NoHo Partners who is experiencing strong growth, and new locations are opened regularly, it is important that the underlying organizational structure keeps up, so they do not end up compromising their own development and ambition. Continuous optimization in the collaboration between NoHo Partners and ECIT is the key.

The constructive communication and sparring we have with ECIT on an ongoing basis regarding improvements of workflows, processes and future solutions is something we appreciate a lot in NoHo Partners. Together we realize continuous optimization via automation which ensures our organization for future developments as well as it eliminates a great amount of our manual processes.

– Eddy Egzarian, CFO in NoHo Partners

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

F&A Division

The key is commitment

ECIT's F&A division improves customers' business potential through delivering vital administrative services efficiently and with high quality.

The F&A division's delivery is divided into four services

- Accounting
- Payroll and HR
- F&A management support
- Debt collection

We combine local presence with expertise from a large organization and our broad range of service offerings are provided with flexibility, relevant use of technology and clever automation.

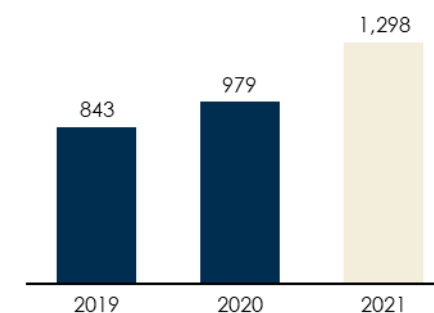
We are engaged and get involved in how to serve and develop our customers businesses.

Activity levels throughout the year has been lower as a consequence of the Covid-19 pandemic. Despite continued challenges from Covid-19, the F&A division continued with high M&A growth delivering a total revenue growth of 32.2% and operational margins of 17.4% (17.8%).

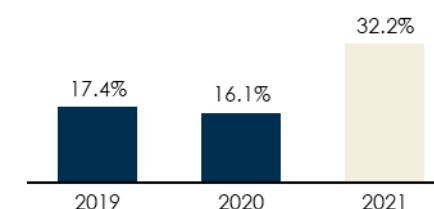
(NOKm)	2021	2020
Revenue	1,298	979
COGS	-51	-45
Gross Profit	1,247	932
Personnel expenses	-858	-632
Other operating costs	-164	-128
EBITDA*	225	174
Total revenue growth	32.2%	16.1%
EBITDA-%	17.4%	17.8%

*) Before special items

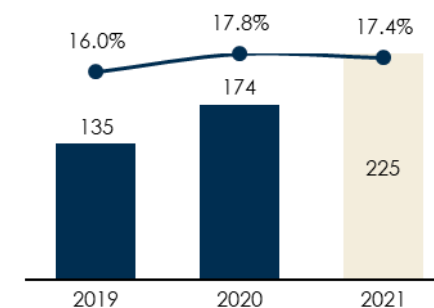
Total revenue



Total revenue growth (%)



EBITDA & EBITDA margin (%)



Business review

The F&A business came out with a total growth of 32.2% (16.1%) for the year which is mainly explained by the two large acquisitions made; Modern Ekonomi (acquired in November 2020) and Norian (acquired in April 2021).

The Norian acquisition is the single largest acquisition in the history of ECIT. The F&A division now serving customers in 9 countries, and Norian has also brought substantial knowledge within business development, automation, nearshoring activities and quality control as well as experience with large customers which has strengthened the ECIT F&A division and the ECIT Group in general.

All though the general activity levels within the F&A business seems to get back to normal, the performance throughout 2021 has been impacted by Covid-19 lockdowns and restrictions resulting in lower activity levels from our customers.

During the fourth quarter we noted that the market recovery varied across countries and lower activity levels were still visible in some parts of the Norwegian F&A business, whereas the F&A business in Denmark and Sweden currently experience increased demand for F&A services.

EBITDA margin ended at 17.4% (17.8%) and is in line with management expectations since margin development to previous periods can fluctuate because of acquisitions. Even though that the margins of Norian Group have improved compared to last year (proforma), the Norian business currently operate with lower margins than the other F&A businesses.

The F&A market remains highly fragmented with several small market players. The industry is consolidating in

general and ECIT is taking part in that process, with a clear M&A strategy.

Among the largest consolidation efforts done in 2021, the merger between seven Norwegian F&A companies were completed late in 2021.

The continued company is named 'ECIT Services AS' and hold a combined revenue of NOK ~300 million. Further to this it will be ranked as top three among the other F&A competitors in Norway.

Similar to the mergers in the IT division, the F&A merger in Norway is an important step toward further development and to achieve – both revenue and cost synergies.

Financial review

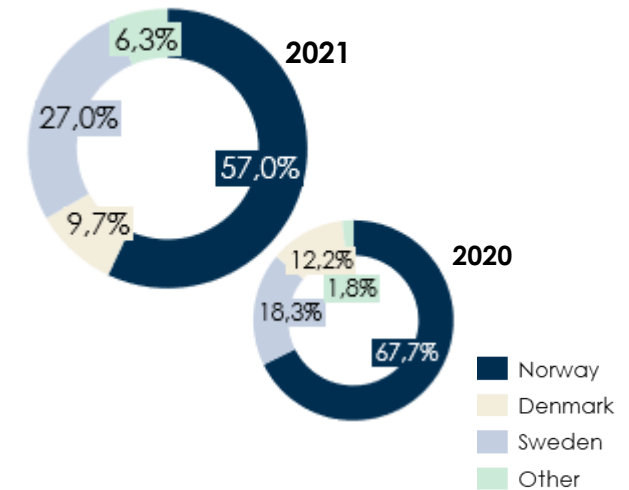
Revenue amounted to NOK 1,298 million in 2021 compared to NOK 979 million in 2020, representing a combined organic and M&A growth of 32.2% (16.1%). Currency impact of minus 4.1%.

Norway continues to be the largest F&A market representing more than half of the total revenue. With the acquisition of Modern Ekonomi, the Swedish share of the total revenue has increased from 15.7% to 28.5%.

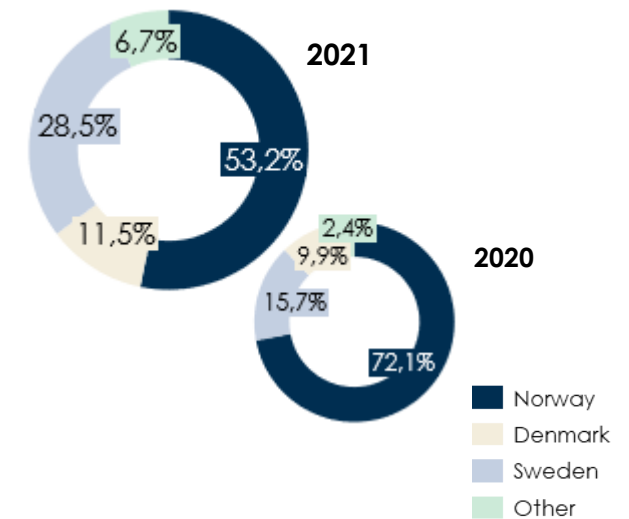
EBITDA came out at NOK 225 million and a margin of 17.4% compared to a last year EBITDA of NOK 174 million, and a margin of 17.8%.

Both our activities in Denmark and Sweden improved their margins significantly in 2021 which to some extent explains the higher share of EBITDA compared to last year.

Revenue per country 2021 & 2020



EBITDA per country 2021 & 2020





Case study – Tech division

The reason why Europe's best amusement park, Fårup Sommerland, chose Intect payroll system

Last year, Fårup Sommerland chose Intect as their payroll system based on several system and support-related benefits. Since then, Intect has guaranteed a consistent and user-friendly payroll administration which supports the employee satisfaction in the company.

Facts about Fårup Sommerland

- **Establishment:** 1975
- **Employees:** approx. 450 (during high season)
- **Location:** Blokhus (DK)
- **Industry:** Amusement Park

Flexibility in dynamic setup

Last year, when Fårup Sommerland decided to replace their payroll system they were looking for a solution with abilities to handle the company's various types of employment as well as its dynamic organizational structure.

"In Fårup Sommerland, we are a seasonal company with high season during the summer months. Therefore, we experience a great difference between how many employees we do payroll for in the summer and how many we do payroll for the rest of the

year. On top of that, we have both craftsmen, permanent and seasonal employees in Fårup. For this reason, it was important for us to find a solution that we were sure could handle our setup and our different types of employment."

– Morten Gade, CFO in Fårup Sommerland.

Flexibility thus became a decisive factor in Fårup Sommerland's final choice of payroll system – a factor that the system-setup of Intect was able to meet.

"We fell for the user-friendliness"

Beside the fact that Intect meets the desired technical and system-related functionalities, the solution's user-friendly setup contributes to an efficient and functional payroll process for Fårup Sommerland.

"Intect is a very easy and user-friendly system to work in. The setup makes it easy to manage payroll batches for many employees with different collective and local agreements. In Fårup, we benefit from using a great amount of the reporting options to follow up on our payroll costs during the year, and if we make changes in our payroll data it is easily seen on each employee's payslip. Furthermore, the totals of the individual payroll batches are organized in a way that creates an overview when reconciling before the payroll is approved.

– Pia Juel Hansen, accountant in Fårup Sommerland.

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

Tech Division

Solutions developed with knowledge from more than 2,200 experts in ECIT

ECIT's Technology division focuses on making tech solutions within:

- Payroll
- Accounting
- Office support

ECIT's consultants work and advise on a daily basis within the beforementioned areas. Therefore, a lot of relevant experience and unique knowledge naturally emerge, which is used for the development of our own tech solutions.

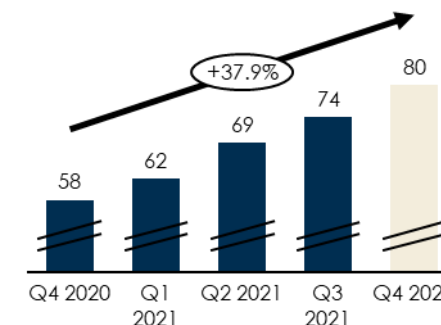
In this way, we ensure that the functionalities developed in our solutions always are highly relevant and make our customers administrative processes more efficient.

The Tech division is experiencing further growth in both AAR, Product Portfolio and Customers. A significant effort is made to align and utilize the product portfolio throughout the division.

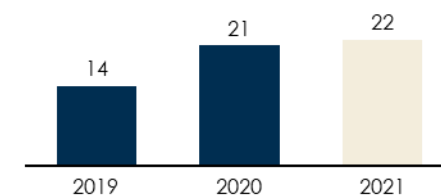
(NOKm)	2021	2020
Revenue	104	72
COGS	-28	-16
Gross Profit	76	56
Personnel expenses	-56	-40
Other operating costs	-23	-17
EBITDA*	-2	0
Capitalized R&D	-21	-33
Total revenue growth	44.8%	146.8%
EBITDA-%	-1.9%	-0.3%

*) Before special items

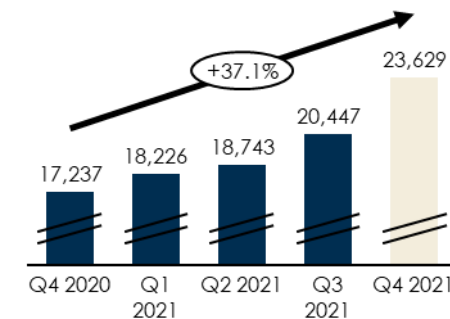
Annual recurring revenue**



Product portfolio



Number of customers



Innovation and Technology

Our DNA is built upon the combination of IT and financial services. The group has built a significant IT development expertise, and more than doubled the number of developers during 2021. Our technology and digitalisation division have during 2021 displayed solid growth establishing new products as well as growing existing products.

ECIT has developed advanced cloud-based offerings within Payroll, Accounting and process automation. During 2021 new products and service offerings were acquired or developed within machine learning, robotics process automation and ERP taking a big step towards being a substantial tech company in the Nordics.

Digital transformation and machine learning

ECIT made progress in developing and inventing products and services utilizing machine learning and robotics process automation in 2021. Utilizing self-made technology ECIT has established products enabling process automation for medium sized and large organisations, as well contributing to automation of the service offering within our own F&A Division.

Trough the establishment of ECIT Digital in 2021, we have proven that ECIT is able to deliver cutting edge machine learning based solutions. This area had a solid growth in sales towards the end of 2021.

Number of customers

Total number of customers within the Tech division increased year-on-year by 37.1%. The increase can be

explained by higher demand due to broader offering. Further to this, successful migration of customers from on-premises competing software to own cloud solutions, especially within our different payroll software.

Financial highlights

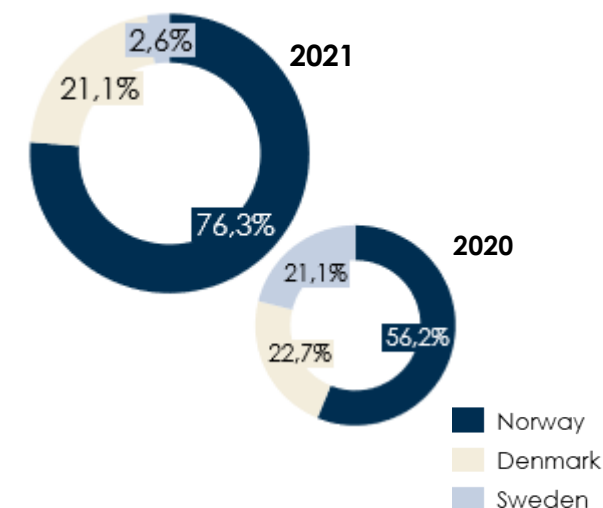
Revenue amounted to NOK 104 million in 2021 compared to NOK 72 million in 2020, representing a combined organic and M&A growth of 44.8% (146.8%). Currency impact of minus 1.5%.

M&A growth in 2021 is lower than last year which is a result of increased internal focus on consolidation and developing of the Tech division.

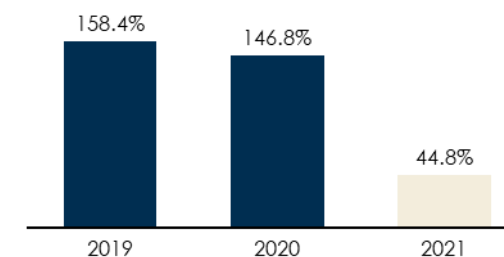
ECIT continues investment in the Tech division is also the main reason behind the EBITDA of minus NOK 2 million (minus NOK 0.3 million). The investment is mainly related to substantial recruitment in the areas of management and sales.

Further investments have been made in developing current as well as new products. Capitalized research and development (R&D) costs in 2021 represent NOK 21 million compared to NOK 33 million last year. The higher amount of R&D last year derives from the investment in the system MyEconomy which were bought as a single handled system.

Revenue per country 2021 & 2020



Total revenue growth





ESG and shareholder information

ESG and sustainability in ECIT

ECIT is a people-business offering services within finance, IT and technology to our customers. We believe people are our most important resource and social (S) sustainability has therefore always been on our agenda.

We embrace and encourage diversity and inclusion in their broadest terms, including ethnicity, race, age, gender, sexual orientation, religious beliefs, cultural and educational background. Our workforce is a key competitive advantage and a vital asset in our long-term sustainable business success.

Our approach to sustainability (and efforts) is first and foremost social oriented also considering the nature of our business. However Environmental (E) and Governance (G) aspects are becoming more and more important, and we are committed to support the development and to take part in locating and implementing solutions – together with customers and suppliers. Also, various stakeholders expect and demand greater transparency, engagement and evidence of environmental actions and initiatives, which we fully support in ECIT.

Although ECIT is not a signatory, we fully support the ten principles of the United Nations' Global Compact (UNGC). By working systematically within this framework and reporting on our efforts we will improve our performance in this area.

The ESG and sustainability is on our agenda, and we will during 2022 work to further improve through ongoing reporting.

In the following, we will detail our approach based on the UN Sustainability Development goals (SDGs) including goals; 7, 12 and 13, as well as detailing a further four sustainability goals; 4, 5, 9 and 17.

Quality Education (goal #4)

To ECIT, learning and development is key to attract, retain and motivate highly skilled employees.

Competencies and skills are among the most important factors for ECITs success. During 2021, 17 young employees met for their first talent-session in our new ECIT Talent-programme. In line with ECIT being a knowledge-driven company, we will also continue with our advisory upskilling and management training. ECIT Academy is a Group programme operating across countries and divisions.

ECIT currently has 5 apprentices within the area ICT Services, and through cooperating with high schools in Viken and Oslo, we are informing the students of the opportunities that lie in pursuing an ICT career with vocational training from ECIT.

Gender Equality (goal #5)

Gender equality is about ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

We contribute to the following Sustainable Development Goals:



ECIT has a balanced gender composition. Our total number of employees is 2,221, and female share of employees is 59,25 percent (1,316) and share of men is 40,75 percent (905).

Of a total of 217 managerial positions, the share of women is 50,23 % (109) and share of men is 49,77 % (108).

Affordable and clean energy (goal #7)

Affordable and clean energy is about ensuring access to affordable, reliable, sustainable and modern energy for all.

Our own data centre in Denmark has solar panels that can store energy to power some of the computing power in our own data centre. In addition, direct free cooling is installed, qualifying for support from EnergiNet Denmark to reduce electricity usage.

Direct Free Cooling entails using the temperature outside the data centre to cool the data centre. 1 kWh input provides 30 kWh cooling on average. In practice, our data centre runs without compressor cooling above 99 % of the hours of the year. The cooling compressors are only used in the few middle hours of the high-summer days. Customer demand for our computing power has increased fourfold, but the amount of energy needed has only increased by twofold. This means we can enable further digitalization for our customers with reduced climate footprint compared to previous years.

Decent work and economic growth (goal #8)

During 2021, we have started to monitor employee satisfaction through employee engagement score (EES)

surveys and reached a score of 83. One of our values in ECIT are 'open communication' and we openly present and discuss the results with our employees in order to find improvement areas and identify means of addressing them. In the health, environment and safety area, we have had zero reported accidents during 2021.

Industry, Innovation and Infrastructure (goal #9)

Sustainable transition is a crucial lever for innovation, growth and competitive performance, and businesses as ours needs to play a key role in addressing the sustainability challenges facing the world today. It is also an essential issue for our customers innovation capabilities, and to recruit, retain and motivate our highly skilled employees.

ECITs service development and technology innovation, both within cloud solutions, automation and robotics, software and other new, innovative technologies, are measures that can help towards further innovation and industry development. We also consider IT and cybersecurity services as an important enabler of innovation.

To foster innovation, management across sectors and industries need to focus on their risk management. Our services within business continuity and information security are important to facilitate secure innovation for companies and organizations.

Climate action (goal #13)

During the fall 2021, ECIT has completed several sustainability training activities for both managers and employees and five companies are

certified according to the 'The Eco-Lighthouse certification'.

In addition, a number of our IT companies are certified according to ISO 14001:2015 Environmental management systems and has completed HP and Lenovo sustainability certifications. The average recycling for HP is 80 % of product. Average of Lenovo reusable is 60 %. ECIT cannot guarantee the percentage of recycling, as it is based on reports from producer.

Partnerships for the Goals (goal #17)

ECIT recognizes that a successful development agenda requires inclusive partnerships — at the global, regional, national and local levels.

ECIT is a partner for the Master Studies in Accounting at University of South-Eastern Norway (USN). Through our partnership, ECIT has students as part-time employees as an important part of the education. Currently there are seven students in ECIT completing their master's degree. Several of our senior advisors and managers also have guest-lectures.

In addition, we are members the Accounting Association in Norway (Regnskap Norge), Sweden (SRF-kon-sulterna) and Finland (Talouhallintoliitto), which are all members of the Nordic Accounting Federation. Further, we are members of NSR- The Norwegian Industrial Security Council.

Shareholder information

Share price development

The ECIT B-share was listed at the 20 May 2021 with an entry price of NOK 8.00. At 31 December 2021 the share price was NOK 8.00, which equals a development of 0%.

The lowest closing price in 2021 was NOK 7.51 on 21 December 2021 and the highest closing price was NOK 11.0 on 27 July 2021

The 6-month lock-up period for selected shareholders expired on 20 November 2021.

Liquidity

In the first month after the listing of the ECIT share, the share experienced a high volume of shares traded. Afterward the volume dropped and has been steady throughout the rest of the year.

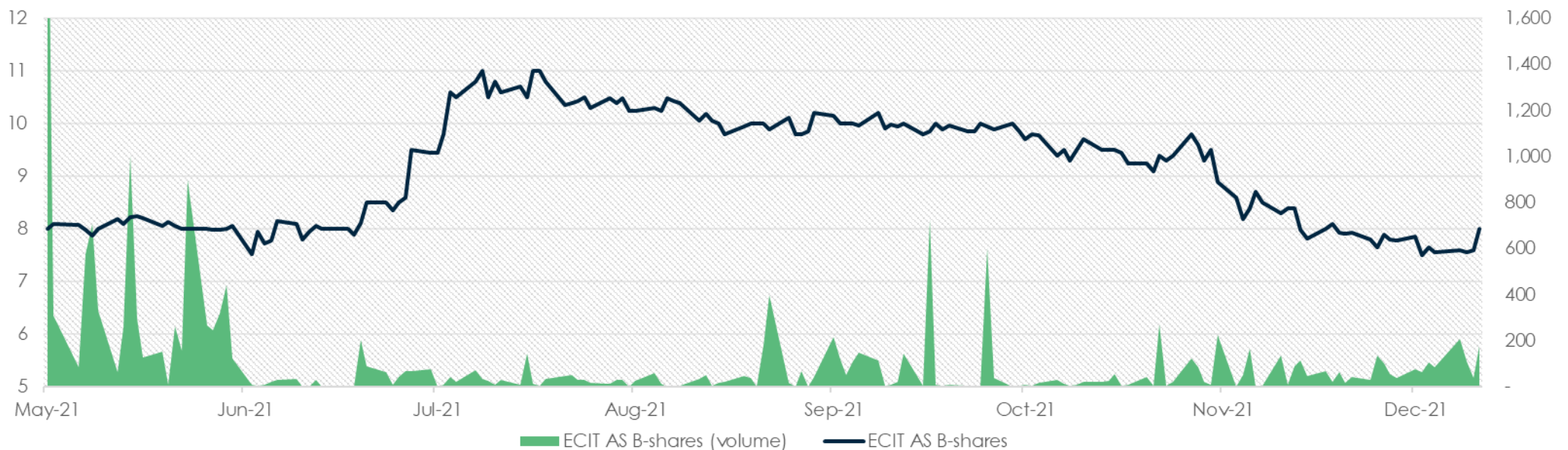
The volume in the share are impacted when a new subsidiary is acquired through a partly share based payment.

The lock-up period for active shareholders expires in May 2022. More than 235 million shares are at 31 December 2021 still subject to a lock-up period.

Share capital

The total share capital at 31 December 2021 consist of 445,455,133 shares of nominal NOK 1 each. There are three share classes whereas the B-shares are subject to trade on the Euronext Growth stock exchange.

A-shares are not subject to listing but carry 10 votes per share and are all owned by Peter Luring. A-shares are to be converted to B-shares when Mr. Luring is no longer a part of ECIT, or in case of a sale to a third party or listing of the A-shares.



B-shares carry one vote per share and are listed on Euronext Growth Oslo. Shareholders prior to listing and active operational shareholders in the Group are subject to lock up for a period of 6 and 12 months after listing. Shares used as a part of an acquisition of a new subsidiary are usually subject to a lock-up period of 12 months from the acquisition date.

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

Treasury shares

1,132,358 treasury shares were acquired during the year. All shares were purchased before the listing of ECIT AS at the 20 May 2021. The shares were bought from former employees.

A total of 7,924,285 treasury shares were sold during the year. The shares have mainly been sold to employees or as part of an acquisition of a new subsidiary.

On 31 December 2021 1,178,842 shares were held as treasury shares, corresponding to 0.3% of the share capital.

Shareholders

ECIT has always had the philosophy that local ownership will create a stronger group, which reflects the many minority owners in the group. Another and equally important philosophy is that if the local management, as well as employees also own part of the Group, this will create an even better unity across the group.

The philosophy is visible in the composition of shareholders in the group also after the listing in May. More than 60% of the shares are still owned by employees and management, with the top management representing 18% and employees and partners within the group representing more than 42% of the shares.

Shareholders prior to listing and active operational shareholders in the Group are subject to lock up for a period of 6 and 12 months after listing.

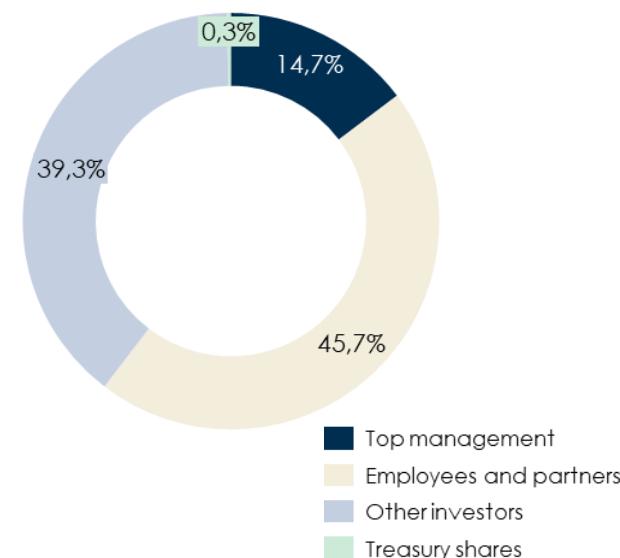
Our shareholders are mainly located in the Nordic countries in Europe with two-thirds of our shareholders being in Norway. Germany are represented mainly by one of our external investors.

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

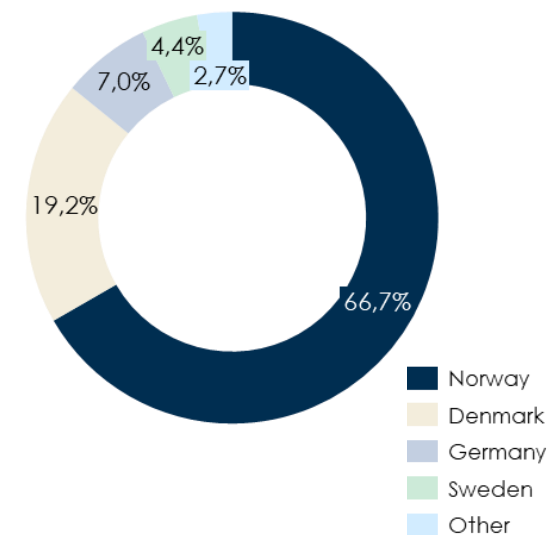
Dividends

Proposed dividend for 2021 amounts to NOK 0.04 per share which is around the same level as last year. Last year ordinary annual dividend was NOK 65 million of which NOK 50 million was resolved as an extraordinary dividend payment. The remaining NOK 15 million paid out as ordinary dividend amount to NOK 0.04 per share.

Shareholders per type



Shareholders per country



Quarterly financial overview

TOTAL (NOKm)	FULL YEAR 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FULL YEAR 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	2,383	648	557	624	554	1,829	530	411	445	444
EBITDA*	339	113	80	80	66	256	88	64	57	46
Total revenue growth	30.3%	22.3%	35.6%	40.2%	24.8%	35.9%	42.4%	41.7%	30.2%	28.3%
EBITDA-%	14.2%	17.4%	14.4%	12.7%	11.9%	14.0%	16.6%	15.7%	12.9%	10.4%
IT DIVISION (NOKm)	FULL YEAR 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FULL YEAR 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	1,105	325	247	267	266	897	286	207	206	198
EBITDA*	140	56	35	28	21	113	47	26	24	16
Total revenue growth	23.2%	13.7%	19.5%	29.6%	34.3%	62.1%	62.8%	69.7%	60.9%	54.7%
EBITDA-%	12.7%	17.2%	14.0%	10.5%	7.9%	12.6%	16.4%	12.6%	11.5%	8.1%
F&A DIVISION (NOKm)	FULL YEAR 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FULL YEAR 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	1,298	316	313	369	300	979	259	220	250	250
EBITDA*	225	63	52	59	51	174	55	41	41	37
Total revenue growth	32.2%	22.0%	42.5%	47.4%	20.0%	16.1%	20.9%	15.0%	15.2%	13.1%
EBITDA-%	17.4%	14.5%	16.7%	16.1%	17.0%	17.8%	21.2%	18.5%	16.3%	14.8%
TECH DIVISION (NOKm)	FULL YEAR 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FULL YEAR 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	104	36	23	23	22	72	26	16	15	15
EBITDA*	-2	4	0	-4	-2	0	0	2	0	-2
Total revenue growth	44.8%	38.5%	45.8%	47.8%	46.7%	146.8%	116.1%	101.3%	200.0%	275.0%
EBITDA-%	-1.9%	11.1%	1.7%	-18.2%	-9.1%	-0.3%	3.2%	9.7%	1.0%	-13.3%

*) Before special items



Consolidated Financial statements

ecit

Income statement

(NOKm)	Note	2021	2020
Revenue	2.1, 2.2	2.383	1.829
COGS	2.1, 2.3	-506	-394
Gross Profit		1.877	1.435
Personnel expenses	2.4, 4.6, 7.1	-1.384	-1.040
Other operating costs	2.5, 7.2	-154	-139
EBITDA*		339	256
Amortizations and depreciations	2.6	-166	-135
EBIT*		173	121
Special items, net	2.7	-9	-1
Financial income	2.8	27	68
Financial expenses	2.8	-41	-25
Profit before tax		150	164
Tax on profit for the period	2.9	-35	-43
Profit for the year		115	121
Attributeable to:			
Shareholders in ECIT AS		49	66
Non-controlling interests		66	55

Statement of Other comprehensive income

(NOKm)	Note	2021	2020
Profit for the year		115	121
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments of subsidiaries		-24	19
Other comprehensive income		-24	19
Total comprehensive income		91	140
<i>Attributable to:</i>			
Shareholders in ECIT AS		34	85
Non-controlling interests		57	55
Earnings per share			
Earnings per share (NOK)	5.2	0.12	0.17
Diluted earnings per share (NOK)	5.2	0.12	0.18
Adjusted earnings per share**			
Adjusted earnings per share (NOK)	5.2	0.13	0.07
Adjusted diluted earnings per share (NOK)	5.2	0.13	0.07

*) Before special items

**) Earnings per share adjusted for special items, IPO costs and one-off gain on portfolio investment in 2020

Cash Flow Statement

(NOKm)	Note	2021	2020	(NOKm)	Note	2021	2020
Profit before tax		150	164	Repayment of lease liabilities	4.4	-84	-66
Amortizations & Depreciations		166	135	Loans and credit facilities		35	72
Financial items		14	-44	Financial items income		30	16
Operating profit before amortizations, depreciations and financial items (EBITDA)		330	255	Financial items costs		-51	-11
Corporation tax, paid		-40	-33	Capital increase	5.1	382	11
Change in net working capital (NWC)		-42	37	Sale and purchase of treasury shares		3	-18
Cash flow from operating activities (A)		249	259	Transactions with minorities		-75	-15
Investments in tangible assets	4.3	-20	-21	Dividends distributed		-144	-53
Investments in Research & Development	4.2	-27	-29	Cash flow from financing activities		95	-64
Investments in subsidairies	6.1, 7.7	-276	-108	Cash flow for the period		25	86
Investments in other activities		-23	48	Cash and cash equivalents 1 January		246	152
Gain on other activities		20	0	Cash flow for the period		25	86
Change in other financial assets		7	1	Currency translation adjustments		-6	8
Cash flow from investing activities (B)		-319	-109	Cash and cash equivalents end of period		265	246
Cash flow from operating and investing activities (A+B)		-70	150				

Balance Sheet

(NOKm)	Note	31 DEC 2021	31 DEC 2020	(NOKm)	Note	31 DEC 2021	31 DEC 2020
Goodwill	4.1, 4.2	955	728	Share capital	5.1	445	388
Customer contracts	4.2	335	276	Treasury shares	5.1	-1	-8
Research & development	4.2	113	83	Reserves and retained earnings	5.1	754	431
Deferred tax assets	2.9	31	15	ECIT AS shareholders share of equity		1,198	811
Total intangible assets		1,434	1,101	Non-controlling interest		165	161
Land, buildings and equipment	4.1, 4.3	50	71	Total equity		1,363	972
Right-of-use assets	4.1, 4.4	226	194	Lease liabilities	3.7, 5.3	160	139
Total tangible assets		276	264	Borrowings	3.6, 5.3	181	124
Other financial assets	3.3, 7.8	112	75	Provisions	4.5	26	40
Total non-current assets		1,822	1,440	Other non-current liabilities	3.6	7	0
Inventories	3.1	12	10	Deferred tax liabilities	2.9	78	60
Trade receivables	3.2, 5.4	325	288	Total non-current liabilities		451	363
Other receivables	3.3	153	124	Lease liabilities	3.7, 5.3	76	62
Cash and cash equivalents	3.4	265	246	Borrowings	3.6, 5.3	36	36
Total current assets		754	668	Provisions	4.5	5	17
Total assets		2,576	2,108	Tax payables	2.9	59	38
				Trade payables	3.5, 5.4	111	98
				Other current liabilities	3.5	475	522
				Total current liabilities		762	773
				Total equity and liabilities		2,576	2,108

Statement of Changes in Equity 2021

(NOKm)	Share Capital	Not reg. Capital increase*	Share premium	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	388	4	371	-8	55	811	161	972
Profit for the year	0	0	0	0	49	49	66	115
Net exchange differences recognized in OCI	0	0	0	0	-16	-16	-9	-24
Other comprehensive income	0	0	0	0	-16	-16	-9	-24
Total comprehensive income	0	0	0	0	33	33	57	90
<i>Transactions with shareholders:</i>								
Capital increase	57	8	378	0	0	443	0	443
Dividends distributed	0	0	0	0	-18	-18	-66	-84
Sale and purchase of treasury shares	0	0	0	7	32	39	0	39
Addition of non-controlling interests, customer contracts	0	0	0	0	0	0	23	23
Addition of non-controlling interests, net assets	0	0	0	0	0	0	16	16
Transactions of shares with non-controlling interests	0	0	0	0	-83	-83	-26	-110
IPO expenses	0	0	-26	0	0	-26	0	-26
Other adjustments	0	0	0	0	0	0	0	0
Total transactions with shareholders	57	8	352	7	-69	355	-54	301
Equity end of period	445	12	722	-1	20	1,198	165	1,363

*] All capital increases are registered within three months

Statement of Changes in Equity 2020

(NOKm)	Share Capital	Not reg. Capital increase*	Share premium	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	374	25	312	-2	64	772	119	891
Profit for the year	0	0	0	0	66	66	55	121
Net exchange differences recognized in OCI	0	0	0	0	19	19	0	19
Other comprehensive income	0	0	0	0	19	19	0	19
Total comprehensive income	0	0	0	0	85	85	55	140
<i>Transactions with shareholders:</i>								
Capital increase	15	-21	59	0	0	53	0	53
Dividends distributed	0	0	0	0	-65	-65	-94	-159
Sale and purchase of treasury shares	0	0	0	-6	-12	-18	0	-18
Addition of non-controlling interests, customer contracts	0	0	0	0	0	0	31	31
Addition of non-controlling interests, net assets	0	0	0	0	0	0	53	53
Transactions of shares with non-controlling interests	0	0	0	0	-13	-13	2	-11
Other adjustments	0	0	0	0	-4	-4	-4	-8
Total transactions with shareholders	15	-21	59	-6	-94	-47	-13	-59
Equity end of period	388	4	371	-8	55	811	161	972

*) All capital increases are registered within three months

Financial statements board approval

Oslo, 24 March 2022

Executive Board



Peter Lauring
CEO

Board of Directors



Pedro Tasting
Chairman of the board

Christian Bjørnstad
Board member



John Arvid Jensen
Board member

Klaus Jensen
Board member

Peter Lauring
Board member

Henrik Lie-Nielsen
Board member





Notes to the consolidated financial statements

1. Basis for preparation

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

The annual financial statements for the Group are presented in accordance with Section 3-9 of the Norwegian Accounting Act and the Regulation on Simplified IFRS (2014) adopted by the Norwegian Ministry of Finance on 3 November 2014. This mainly entails that measurement and recognition adhere to international accounting standards (IFRS) and the presentation and information in the notes are in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles. Exemption from measurement and recognition in accordance with full IFRS are explained in Note 1.2.

The Annual Report for 2021 was approved by the executive management and the board of directors on 24 March 2022 and will be presented for approval at the subsequent Annual General Meeting on 8 April 2022.

1.1 Accounting policies, estimates and judgements

The Annual Report for the period 1 January – 31 December 2021 comprises the consolidated financial statements of the parent company ECIT AS and subsidiaries controlled by the parent company (the Group).

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

The financial statements apply principles based on historical cost, with the exception of liabilities related to contingent consideration for acquisitions that are measured at fair value.

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

Consolidation principles

The consolidated financial statements present the overall financial result and the overall financial position when the parent company ECIT AS and its controlling

ownership interests in other companies are presented as one financial entity. Entities in which the Group directly or indirectly controls at least 20%, but not more than 50%, of the voting power are accounted for as associates and measured using the equity method. Investments with negative net asset values are recognised at NOK 0. The financial statements are prepared according to uniform principles, whereby the parent company's controlling ownership interests in other companies adhere to the same accounting policies as the parent company. All internal relations between the companies are eliminated.

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

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

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

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

Acquisitions and business mergers (consolidated financial statements)

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

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

Goodwill is calculated as the sum of the consideration and the book value of minority interests and the fair value of ownership interests previously held, with

deduction of the net value of identifiable assets and liabilities calculated at the takeover date. Goodwill is not written off but is tested at least annually for impairment. Goodwill is allocated to the cash-flow generating units that are expected to achieve synergies from the acquisition, irrespective of whether other assets and liabilities as part of the acquisition are attributable to these cash-flow generating units.

Foreign currency translation

Functional and presentation currency

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

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

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

Transactions and balances

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

Foreign Group Entities

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

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

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

Cash and cash flow statement

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

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

The cash flow effect at the time of acquisition or sale is presented on a separate line under "Acquisition and sale of subsidiaries" and corresponds to net cash payment. The effect of the new subsidiary's balance sheet items is therefore eliminated and has no effect on the cash flow items at acquisition. The subsequent development in cash flows from acquired subsidiaries is presented in the customary way.

Presentation of the cash flow statement has been slightly changed this year. Cash flow from financial items in the profit and loss is presented as a financing activity compared to an operational activity last year. Last year's figures have been adjusted.

Materiality

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

Estimates and assumptions

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

Estimates and assumptions are based on historical experience and other factors that management considers reliable, but which by their very nature are associated

with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The estimates and assumptions deemed most significant to the preparation of the consolidated financial statements are addressed below:

- Intangible assets, note 4.2
- IFRS 16 leases, note 4.4
- Earn out obligations, note 4.5
- Acquisitions of enterprises, note 6

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

1.2 Deviations from IFRS

IAS 10 no. 12 and 13 and IFRS 9.5.7.1.A are deviated from, due to dividends and group contributions are recognised in accordance with the provisions of the Norwegian Accountings Act.

2. Profit for the year

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

2.1 Segments information

Operating segments are defined by the operational and management structure of ECIT, which is derived from the type of services we deliver. Our operating segments is reflecting our division and Group reporting used for management decision-making.

Compared to last year a couple of changes has been made in segment categorisation. The segment "Other" has been separated to the F&A division and Group. A couple of companies previously presented as IT companies are now presented as Tech companies.

Operating divisions

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

IT

ECIT offers IT services based on business understanding, and our more than 400 IT-experts are ready to help our customers operate and optimize their IT setup.

Finance & Accounting

The Finance & Accounting division improves customers' efficiency through delivering vital administrative services in a more effective and productive way.

Tech

The Tech division develop software applications primarily used within Finance & Accounting as well as IT business areas.

Measurement of earning by segment

Our business segments are measured and reported down to EBITDA before special items. Segment results are accounted for in the same way as in the consolidated financial statements.

Segment income/expenses comprise the items directly attributable to the individual segment as well as the items that may be allocated to the individual segment on a reliable basis.

Income and expenses relating to Group functions, investing activities, etc. are managed at Group level. These items are not included in the statement of segment information but are presented under 'Non-allocated items and eliminations.

(NOKm)	2021					2020				
	IT Division	F&A Division	Tech Division	Group & Elim.	Total	IT Division	F&A Division	Tech Division	Group & Elim.	Total
Revenue	1,105	1,298	104	-124	2,383	897	979	72	-119	1,829
COGS	-426	-51	-28	-2	-506	-345	-45	-16	12	-394
Gross Profit	679	1,247	76	-126	1,877	552	934	56	-107	1,435
Personell expenses	-467	-858	-55	-4	-1,384	-381	-632	-40	12	-1,040
Other operating costs	-72	-164	-23	105	-154	-57	-128	-17	63	-139
EBITDA*	140	225	-2	-24	339	113	174	0	-31	256
Total revenue growth	23.2%	32.2%	44.8%	-4.3%	30.3%	62.1%	16.1%	146.8%	-49.5%	35.9%
EBITDA-%	12.7%	17.4%	-1.9%	19.6%	14.2%	12.6%	17.8%	-0.3%	25.9%	14.0%

*) EBITDA before special items

Geographical information

ECIT operates throughout the northern part of Europe and has activities in 10 countries. Our geographical information is presented as:

- Norway
- Sweden
- Denmark
- Other

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

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

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

Revenue (NOKm)	2021	2020
Norway	1,538	1,262
Sweden	409	226
Denmark	355	324
Other	82	17
Total	2,383	1,829

EBITDA* (NOKm)	2021	2020
Norway	197	181
Sweden	66	28
Denmark	61	43
Other	15	4
Total	339	256

*) EBITDA before special items

2.2 Revenue

Revenue is recognised when it is likely that transactions will generate future financial benefits that will accrue to the Group, and the size of the amount can be reliably estimated. Revenue from services delivered are recognised based on the price specified in the contract with the customer. Revenue is measured excluding VAT and other tax collected on behalf of third parties, and any discounts are offset against the revenue

Revenue from the sale of services

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

Revenue from goods and services

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

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

delivery obligations based on the relative separate sales prices for the underlying goods and services.

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

2.3 Cogs

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

2.4 Personnel expenses

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

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

(NOKm)	2021	2020
Wages and salaries	1,138	856
Pension costs	61	51
Other social security costs	150	104
Other personnel expenses	35	29
Total personnel expenses	1,384	1,040
Average full time employees	2,221	1,515

Public subsidies

Public subsidies are recognised when there is reasonable assurance that the company will fulfil the conditions related to the subsidies, and that the subsidies will be received. Subsidies are presented either as revenue on a separate line, or as a cost reduction for comparison with the costs for which they are intended to compensate. Subsidies related to capitalised development costs are recognised as a reduction in book value. Accounting of operating subsidies is recognised on a systematic basis over the subsidy period. ECIT has not received any material public subsidies in 2021.

2.5 Other operating expenses

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

2.6 Amortisation and depreciation

Amortization and depreciation relate to the following fixed assets in the balance sheet:

- Intangible assets, note 4.2
- Property, plant and equipment, note 4.3
- Right-of-use assets, note 4.4

Amortization and depreciation profiles depend on the underlying assets (see notes 4.2, 4.3 and 4.4)

(NOKm)	2021	2020
Research & Development	21	17
Customer contracts	42	33
Fixed tangible assets	24	22
Right-of-use assets	78	63
Total	166	135

2.7 Special items

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

Special items comprise:

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

Management judgements and estimates

In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

(NOKm)	2021	2020
Transactions costs	7	1
Restructuring costs	2	0
Total	9	1

2.8 Financial items

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

(NOKm)	2021	2020
<i>Financial income:</i>		
Interest income	4	3
Exchange rate income	6	9
Earn out assessment	12	1
Other financial income	5	55
Total	27	68
<i>Financial expenses:</i>		
Interest expense	18	12
Exchange rate expense	16	4
IPO cost	6	0
Other financial expenses	1	9
Total	41	25

2.9 Tax

Current tax

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

(NOKm)	2021	2020
Tax on profit of the year	55	40
Change in deferred tax	-21	3
Tax adjustment, prior years	2	0
Total tax on profit for the year	35	43
<i>Tax per country:</i>		
Norway	18	36
Denmark	7	4
Sweden	9	2
England	1	1
Other	1	0
Total	35	43

Tax for the year

Tax for the year comprises current and deferred tax on profit or loss for the year, interest expenses related to pending tax disputes and adjustments to previous years, including adjustments due to tax rulings.

Tax for the year is recognised in the income statement, unless the tax expense relates directly to items included in other comprehensive income or equity.

Deferred tax

Deferred tax is recognised based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortization or depreciation of goodwill, properties and other items if disallowed for tax purposes, except at the

acquisition of enterprises, if such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

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

(NOKm)	2021	2020
Profit before tax	150	164
Calculated tax on profit for the year	33.0	36.1
<i>Tax effect of:</i>		
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.9	-0.2
Non-deductible expenses/non-taxable income	2.3	33.7
Non-deductible losses/non-taxable gain on shares	0.0	-41.0
Tempoary differences, net	0.9	14.9
Other tax adjustments	0.0	-0.7
Tax of the year	35.3	42.8
Effective tax rate	23.6%	26.1%

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

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

Management judgements and estimates

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

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

Deferred tax assets are tested annually and are only recognised if likely to be utilized.

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

(NOKm)	2021	2020
Intangible assets	327	265
Tangible assets	8	32
Other receivables	-5	-10
Other liabilities	-16	-6
Loss carry forwards	-102	-128
Total	212	153
<i>Classifications:</i>		
Deferred tax assets	31	15
Deferred tax liabilities	78	60

3. Financial assets and liabilities

This section provides information regarding the Group's financial instruments including trade receivables and payables, other receivables and financial liabilities.

The Group holds the following financial instruments:

(NOKm)	2021	2020
<i>Financial assets:</i>		
Inventories	12	10
Trade receivables	325	288
Other financial assets	112	75
Other receivables	153	124
Cash and cash equivalents	265	246
<hr/>		
<i>Financial liabilities</i>		
Borrowings	217	160
Lease liabilities	236	201
Trade and other payables	730	718

The Group's exposure to various risks associated with the financial instruments is presented in note 5.4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

3.1 Inventories

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

3.2 Trade Receivables

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

Trade receivables are amounts due from customers for services performed in the ordinary course of business.

(NOKm)	2021	2020
Trade receivables	337	300
Less provision for impairment	-12	-12
Trade receivables net	325	288

They are generally due for settlement on a short-term basis and therefore are classified as current.

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

Provisions for losses are recognised when there are objective indicators that the Group will not receive settlement on the original terms.

3.3 Other financial assets

Other financial assets consist of receivables other than trade receivables. These other receivables generally arise from transactions outside the usual operating activities of the Group. The non-current part of other receivables mainly consists of interest-bearing receivables and deposits, which are measured at cost less repayments and impairment (amortized cost).

3.4 Cash and cash equivalents

A minor part of cash and cash equivalents consist of employees' tax deduction accounts. At 31 December 2021 cash in employees' tax deduction accounts equals NOK 14 million (2020: NOK 26 million).

3.5 Trade and other payables

Trade payables represents liabilities for services provided to the Group prior to the end of financial year, which are unpaid at the balance sheet date. The amounts are unsecured and are usually paid on a short-term basis. Trade and other payables are presented as current liabilities unless payment is due more than 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

3.6 Other financial liabilities

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

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

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

3.7 Lease liabilities

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

Subsequent to recognition, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is adjusted for any remeasurements or contract modifications. Lease payments are allocated between reduction of the liability and interest expenses. Interest expenses are charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. For a description of accounting policies and details related to right-of-use assets including further disclosures in accordance with IFRS 16 refer to note 4.4.

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

Movement on lease liability (NOKm)	2021	2020
Carrying amount 1 January	201	142
New leases	37	49
New business combinations	78	64
Lease payments	-84	-66
Disposals	1	0
Interests	7	6
Exchange rate adjustments	-4	6
Lease liabilities 31 December	236	201

(NOKm)	Carrying amount	Interest rate	Duration (years)
Credit facility*	162	**	3
Long-term loan I	16	3.00%	5
Long-term loan II	3	4.75%	10
Total financial liabilities	181		

(NOKm)	2021				2020			
	Carrying amount	0-1 year	1-5 years	>5 years	Carrying amount	0-1 year	1-5 years	>5 years
Borrowings	217	36	180	1	160	36	114	10
Lease liabilities	236	76	148	12	201	62	126	13
Trade and other payables	730	645	85	0	718	658	60	0
Total financial liabilities	1,183	757	413	13	1,079	741	293	23

*) The credit facility agreement covers a period of three years with an extension option of one year.

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

4. Non-financial assets and liabilities

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

4.1 Impairment testing

Goodwill

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

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

Goodwill is written down to its recoverable amount through the income statement if lower than the carrying amount.

The recoverable amount is determined as the present value of the discounted future net cash flow from the cash-generating unit to which the goodwill relates. In calculating the present value, discount rates are

applied reflecting the risk-free interest rate with the addition of risks relating to the individual cash-generating units, such as geographical and financial exposure.

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

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

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

Management judgements and estimates

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

These are based on an assessment of current and future developments in the two cash-generating units and on historical data and assumptions of future expected

market developments, including expected long-term average market growth rates.

No write-downs of intangible or tangible assets have been carried out during 2021.

4.2 Intangible assets

Goodwill – accounting policies

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

Customer Contracts – accounting policies

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

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

Research and development – accounting policies

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

- the Group has sufficient resources and has the objective to complete the development,
- it is probable that future financial benefits will accrue to the Group, and

- the development costs can be measured reliably.

Capitalised development costs are related to customer-oriented applications. Total earnings from ongoing development are expected to correspond to the total expenses involved.

Expenses capitalised in the balance sheet include costs of materials, direct payroll costs and a share of directly attributable joint expenses. Capitalised development costs are recognised in the balance sheet at acquisition cost less accumulated amortisation and impairment losses. Capitalised development costs are amortised on a straight-line basis over the asset's estimated useful life, which equals 5 to 10 years.

Intangible assets (NOKm)	2021				2020			
	Goodwill	Customer Contracts	R&D	Total	Goodwill	Customer Contracts	R&D	Total
Cost at 1 January	745	365	153	1,262	620	259	89	969
Additions for the year	0	0	27	27	0	3	28	38
Additions through business combinations	243	110	28	381	111	101	39	251
Remeasurement of price purchase allocation	3	0	0	3	7	0	0	0
Disposals at cost	-3	-3	-10	-17	-7	0	-7	-14
Currency translation adjustments	-14	-10	-5	-29	13	2	4	19
Cost at 31 December	973	462	192	1,628	745	365	153	1,262
Amortizations and impairment at 1 January	-18	-89	-70	-176	-17	-54	-53	-124
Amortizations and impairments for the year	0	-42	-21	-63	-1	-33	-17	-51
Disposals during the year	0	1	10	11	0	0	1	0
Currency translation adjustments	0	2	1	3	0	-1	-1	-2
Amortizations and impairment at 31 December	-18	-128	-79	-225	-18	-89	-70	-176
Carrying amount at 31 December	955	335	113	1,403	728	276	83	1,087

4.3 Land, buildings and equipment

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

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

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

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

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

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

Management judgements and estimates

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

(NOKm)	2021			2020		
	Land and buildings	Equipment, etc.	Total	Land and buildings	Equipment, etc.	Total
Cost at 1 January	34	174	208	32	138	170
Additions for the year	1	19	20	2	23	26
Additions through business combinations	0	3	3	0	16	16
Disposals at cost	-20	-10	-30	-2	-7	-9
Currency translation adjustments	0	-4	-4	1	3	4
Cost at 31 December	15	182	197	34	174	208
Depreciations and impairment at 1 January	-14	-124	-137	-12	-108	-120
Depreciations and impairments for the year	-2	-22	-24	-2	-19	-21
Disposals during the year	8	5	12	1	4	6
Currency translation adjustments	0	2	3	0	-2	-2
Depreciations and impairment at 31 December	-9	-138	-147	-14	-124	-137
Carrying amount at 31 December	6	44	50	20	51	71

4.4 Leases

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

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. Lease obligations are measured at the present value of future lease payments, discounted by the Group's alternative borrowing rate, if an interest is not implicit within the contract. When determining the lease period, options are only included if it is reasonable it will be utilised. At subsequent measurement, the right-of-use asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability.

Right-of-use assets are depreciated on a straight-line bases over the expected lease period or the useful life of the right-of-use asset, whichever is shortest. The lease

liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

The Group has chosen to exclude the recognition of right-of-use assets of low value (below USD 5,000), and lease agreements with a lease period of 12 months or less. For these lease agreements, the Group recognises the lease payments as other operating costs in the income statement as they accrue.

Management judgements and estimates

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

Extension options are not included when measuring the IFRS 16 leases. The consolidation process of our companies entails extension options not being utilised.

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

Lease categories

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

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

Lease effects in profit or loss and cash flow (NOKm)	2021	2020
<i>Profit and loss:</i>		
Interest expenses	-7	-6
Short-term contracts	0	0
Low-value contracts	0	0
Income from subleasing*	9	3
<i>Cash flow items:</i>		
Total cash outflow for leases	-83	-66

(NOKm)	2021			2020		
	Buildings	Equipment, etc.	Total	Buildings	Equipment, etc.	Total
Carrying amount at 1 January	181	13	194	136	3	139
Additions for the year	26	9	35	36	13	49
Additions from business combinations	77	2	79	63	1	64
Disposals during the year	0	0	0	-1	0	-1
Depreciations for the year	-71	-7	-78	-59	-4	-63
Currency translation adjustments	-3	-1	-4	6	0	6
Carrying amount at 31 December	210	16	226	181	13	194

*) Income from subleasing consist of revenue corresponding to business leasing agreements where the leased equipment is leased to the customer.

4.5 Provisions

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

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

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

The Group's provisions are divided into two categories:

- Earn out obligation
- Pension provisions

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

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

On the preparation of the annual financial statements, the Group's management has applied discretionary estimates that are assessed to be realistic. Situations or changes in market conditions may arise that might result in changes to estimates, thereby affecting the Group's assets, liabilities, equity and results.

(NOKm)	Current	Non-current	Total
Earn Out	5	23	28
Pension	0	3	3
Total provisions	5	26	31

(NOKm)	Earn Out obligation	Pension provisions	Total
Carrying amount at 1 January	57	0	57
Acquired through business combinations	0	3	3
Additional provisions recognized	3	0	3
Earn out assessment	-12	0	-12
Amounts used during the year	-20	0	-20
Carrying amount at 31 December	28	3	31

4.6 Pensions obligations

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

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

Two subsidiaries hold employees with defined benefit plans. In determining the pension obligations, management makes use of external and independent actuaries as basis for the estimates applied in measuring the obligation.

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

5. Capital and financial risk

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

5.1 Equity

Share Capital

At 31 December 2021 the share capital of ECIT AS equals NOK 445 million with a nominal value of NOK 1.

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

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

Shares consist of three share classes A, B and C-shares.

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

B-shares entail voting rights equivalent to one vote per share. The B-shares are listed at Euronext Growth Oslo. Shareholders prior to listing and active operational

shareholders in the Group are subject to lock up for a period of 6 and 12 months after listing.

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

Share Premium

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

The share premium is a distributable reserve.

(NOKm)

Treasury shares 1 January	
Purchase of shares etc.	
Other transactions	
Treasury shares 31 December	

Treasury shares

Treasury shares are bought back for purposes regarding payments in relation to M&A transactions.

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

The reserve is a distributable reserve.

Translation reserve

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

Number of shares ('000)	Nominal value (NOKm)	Part of share capital	Market value (NOKm)
7,971	8.0	2.1%	64
1,132	1.1	0.3%	9
-7,924	-7.9	-1.9%	-63
1,179	1.2	0.3%	9

Dividends

Dividends are recognised as a liability when dividend for the year is recommended to be paid on behalf of the approval by the Annual General meeting.

Top 20 shareholders of ECIT AS

ECIT AS is owned through a multiple share class structure where Peter Lauring, the CEO and Founder, is the largest owner holding 9.5% of the economic interest and 49.9% of the voting rights through CGL Holding AS and CGL Holding II AS.

Management and employees hold approx. 60.8% of the shares in ECIT AS.

('000)	A-shares	B-shares	C-shares	Total shares	Ownership in %	Voting share
CGL Holding AS & CGL Holding II AS*	41,336	1,039		42,375	9.5%	49.9%**
Varner Kapital AS		25,000		25,000	5.6%	3.1%
IC Services AS		24,423		24,423	5.5%	3.0%
Paradigm Capital		23,560		23,560	5.3%	2.9%
Mikkel Walde Holding ApS		0	15,525	15,525	3.5%	1.9%
Y-Not ApS		50	14,840	14,890	3.3%	1.8%
Anglo Supply AS		11,943		11,943	2.7%	1.5%
Bras Kapital AS		11,184		11,184	2.5%	1.4%
Mp Pensjon Pk		10,622		10,622	2.4%	1.3%
Deka Investment GmbH		7,600		7,600	1.7%	0.9%
Veiby Invest AS		6,566		6,566	1.5%	0.8%
Loe Equity AS		4,714		4,714	1.1%	0.6%
Infolink Holding AS		4,503		4,503	1.0%	0.6%
Litu AS		4,261		4,261	1.0%	0.5%
Fidelity Management & Research Co. Llc		4,123		4,123	0.9%	0.5%
Pa Kompetens Lön Sverige AB		3,913		3,913	0.9%	0.5%
P H Mathiesen Holding Af 2018 ApS		3,822		3,822	0.9%	0.5%
Sewell AS		3,625		3,625	0.8%	0.4%
Job Grupper AS		3,578		3,578	0.8%	0.4%
Y ApS		63	3,502	3,565	0.8%	0.4%
Top 20 shareholder total	41,336	154,589	33,867	229,792	51.6%	73.6%
Other shareholders		184,589	31,074	215,663	48.4%	26.4%
Total number of shares	41,336	339,178	64,941	445,455	100.0%	100.0%

*) Consists of all shares held by Peter Lauring, companies he has the majority of shares in and his relatives.

***) Adjusted for Peter Lauring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

5.2 Earning per share

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

Earnings per share is impacted by one-off items including special items and IPO costs in 2021 and profit on portfolio investment last year. Subsequently earnings per share is impacted by the increase in the number of shares and the decrease in number of treasury shares.

(NOKm)	YTD 2021	YTD 2020
Profit of the year	115	121
Shareholders in ECIT AS	49	66
Non-controlling interests	66	55
Adjusted profit of the year**	130	81
Shareholders in ECIT AS	64	26
Non-controlling interests	66	55
('000 shares)		
Average number of shares	416,840	380,863
Average number of treasury shares	-4,575	-4,915
Average dilutive effect of outstanding share options	0	500
Diluted average number of shares in circulation	412,264	376,448
(NOK 1)		
EPS	0.12	0.17
Diluted EPS	0.12	0.18
Adjusted EPS	0.13	0.07
Adjusted diluted EPS	0.13	0.07

*) Proforma EBITDA before special items

***) Earnings per share adjusted for special items, IPO costs and one-off gain on portfolio investment in 2020

5.3 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce costs of capital.

Executive Management and the Board of Directors Monitor the share- and capital structure to ensure that the Group's capital resources support the strategic goals.

The debt leverage is monitored closely by the management in connection with the facility agreement with Nordea. For further information please refer to note 7.4.

(NOKm)	31 DEC 2021	31 DEC 2020
Borrowings	217	160
Lease liabilities	236	201
Total interest bearing liabilities	453	362
Interest bearing receivables	50	70
Cash and cash equivalents	265	246
Total interest bearing assets	316	316
Net debt / Net cash (-)	137	45
EBITDA*, LTM	359	255
Debt leverage	0.4x	0.2x

5.4 Financial risks

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

Currency risk

The Group has subsidiaries in Norway, Denmark, Sweden, the UK, Poland, Finland, Germany, Lithuania, Serbia and Romania and is thereby exposed to currency fluctuations against DKK, SEK, EUR, PLN and GBP. 36 % of the Group's revenue in 2021 came from countries outside Norway. The Group's management conducts ongoing assessment of currency risk and its hedging.

The Group does not hedge net currency positions.

Interest risk

The Group has limited interest-bearing debt and is thereby exposed to limited interest-risk. The management continuously evaluate the interest-risk and its hedging.

6. Composition of the Group

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

6.1 Acquisition and disposal of entities

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

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

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

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

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

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

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

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

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

Management judgement and estimates

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

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

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

6.2 Acquisitions during the year

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

Earnings impact

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

Transaction costs

Total transaction costs related to the acquisitions amount to NOK 7 million. Transaction costs are accounted for in the income statement as special items.

Payments of acquisitions

The acquisitions have been paid partly with cash and partly with shares, through treasury shares or a capital increase.

Adjusted for the fair value of acquired cash, cash equivalents and paid out earn out for prior acquisitions of NOK 20 million, the net cash flow for new subsidiaries amounted to NOK 276 million (outflow) during 2021.

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

(NOKm)	2021	2020
Cash payment	-296	-139
Sales of subsidiaries	3	0
Paid earn out obligation	-20	-14
Majority share of cash****	37	45
Net investment in subsidiaries	-276	-108
<i>New subsidiaries:</i>		
Share payment	-48	-54
Cash payment	-296	-139
Earn out obligation	0	-21
Investment in new subsidiaries	-344	-214

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

*) Proforma figures equal to figures presented in local annual report

**) The company has merged with other ECIT companies within the year and the full year revenue and profit after tax are therefore not showed

***) Recognised as associated company

****) Majority share of cash equals the share of cash at the acquisition date owned by the Group

Fair value of acquired net assets and recognised goodwill

Provisional fair values of acquired assets and liabilities at the acquisition date are given in the table to the right.

The intangible assets mainly consist of Goodwill and is primarily related to synergy effects from integration with ECIT's existing business. Goodwill is non-deductible for tax purposes.

Integration of the acquired companies is still ongoing, and consequently net assets, including goodwill and other intangible assets, may be adjusted, and off-balance sheet items may be recognized for up to 12 months after the acquisition date in accordance with IFRS 3.

Norian Group is showed separate since the acquisition is significant in size compared to the total acquisitions of 2021.

In 2020 no acquisition where of a size where it could be defined as significant compared to the total acquisitions of the year.

(NOKm)	Norian Group	Other 2021	Total 2021	Total 2020
Research & Development	7	21	28	11
Property, plant and equipment	2	1	3	7
Financial fixed assets	0	8	8	11
Right-of-use assets	56	23	79	39
Deferred tax	2	0	2	5
Inventories	0	1	1	4
Trade receivables	34	15	49	40
Other receivables	160	6	166	75
Cash and cash equivalents	33	15	49	83
Total Assets	295	91	386	275
Lease liabilities	56	23	79	39
Provisions	6	2	8	1
Long-term debt	0	3	3	44
Trade payables	28	4	32	13
Other payables	184	27	211	81
Total Liabilities	274	59	333	178
Non-controlling interest ¹ share of acquired net assets	6	11	16	58
Acquired net assets	16	21	37	38
Cash payments			296	139
Share payments			48	54
Earn Out obligation			0	21
Goodwill and intangible assets arising from the acquisition*			308	176

¹) Only includes the majority share of goodwill and intangible assets.

7. Other disclosures

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

7.1 Remuneration of the Executive Board and the Board of directors

Benefits for senior executives concerns the Chief Executive Officer. There has not been paid out salary, fees, etc. to the Board of Directors.

No additional remuneration has been paid for services beyond the normal functions of a manager.

At 31 December 2021 the Group has no outstanding share-based remunerations. The Group has not granted loans, advance payments or other provision of security for Executive management or Board members. The Board of Directors has signed a liability insurance.

(NOKm)	2021	2020
Base salary	3.8	3.6
Cash bonus	0.7	2.0
Pensions and Benefits	0.1	0.0
Other salary costs	0.1	0.1
Executive Management	4.6	5.8

Members of the Executive Board and the board of directors holds shares corresponding 18% of the share capital.

Shares are held at 31 December 2021 as showed below.

(‘000)	A-shares	B-shares	C-shares	Total shares	Ownership in %	Voting share
Chief Executive Officer, Peter Lauring	41,336	1,039		42,375	9.5%	49.9%*
Chairman of the board, Pedro Fasting		750		750	0.2%	0.1%
Board member, Klaus Jensen		50	15,111	15,161	3.4%	1.9%
Board member, Cato A. Holmsen		1,429		1,429	0.3%	0.2%
Board member, Henrik Lie-Nielsen		2,814		2,814	0.6%	0.3%
Board member, Christian Bjørnstad		2,564		2,564	0.6%	0.3%
Board member, Espen Magnussen		375		375	0.1%	0.0%
Total	41,336	9,021	15,111	65,468	14.7%	54.5%

7.2 Fees to auditor appointed at the Annual general meeting

(NOKm)	2021	2020
Statutory audit	7	7
Other audit services	1	1
Total	8	8

Fee to the auditor related to the IPO are included as other audit services.

*) Adjusted for Peter Lauring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

7.3 Related party transactions

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

Management remuneration is disclosed in note 7.1. The Group had the following material transactions with related parties during the financial year:

- Fakta Regnskap AS has sold customer relations to ECIT Viken AS (Now ECIT Services AS)
- Fakta Regnskap AS has sold customer relations to ECIT Lillehammer AS
- ECIT Labs AB has sold activity to ECIT Labs AS
- ECIT Labs A/S has sold activity to ECIT Labs AS
- Modern Ekonomi Sverige AB has sold customer relations to ECIT Services AB
- ECIT Moss AS has sold customer relations to ECIT Viken AS (Now ECIT Services AS)
- ECIT Viken AS (Now ECIT Services AS) has sold customer relations to Norian Regnskap AS

Cash Pool account

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

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

7.4 Commitments and contingent liabilities

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

Pledges

At 31 December 2021, participations in group companies, buildings, stock, equipment and accounts receivables with a carrying value of NOK 58 million were pledged as security for long term loans (NOK 84 million)

At 31 December 2021, participations in group companies, equipment and accounts receivables with a carrying value of NOK 657 million were pledged as security for credit facilities (NOK 654 million)

Bank financing facility

The Group has entered into a new credit facility at a total amount of NOK 800 million together with Nordea Bank, consisting of a revolving credit facility of NOK 750 million as well as a leasing facility of NOK 50 million. The new revolving credit facility agreement covers a period of three years with an extension option of one year.

The new facility will replace the previous credit facility of NOK 525 million, which consisted of a revolving credit facility of NOK 375 million, an overdraft facility of NOK 100 million and a leasing facility of NOK 50 million.

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

A subsidiary has a bank overdraft facility of NOK 16 million (16). At 31 December 2021 the total facility was utilized with NOK 9 million (13).

ECIT Midco Holding AS has obligations (financial covenants) related to the leverage ratio for ECIT Midco Group, which must be below 3.0x at all times. At 31 December 2021, the company fulfilled these requirements.

Leasing financing facility

The ECIT Group has a leasing facility of NOK 50 million (2020: NOK 21 million). At 31 December 2021 the facility was utilized with NOK 12 million (2020: NOK 9 million).

7.5 Events after the balance sheet date

As we are a company with operations and sales in countries around Europe, geopolitical conflicts including the current situation involving Russia and Ukraine, may have an adverse impact in the supply chain and may have financial impacts. Offices and employees geographically close to the conflict between Russia and Ukraine are closely monitored by the group in case of escalation in the currently situation.

7.7 Group Structure

Name of entity	Ownership in % by ECIT		Name of entity	Ownership in % by ECIT	
	Country	AS		Country	AS
<i>Parrent:</i>					
ECIT AS	Norway	n/a	ECIT Lillehammer AS	Norway	70.0%
			ECIT Merkur AS	Norway	70.0%
			ECIT Midco Holding AS	Norway	100.0%
<i>Subsidiaries:</i>			ECIT Moss AS	Norway	50.1%
24SEVEN Office Accounting Holding AS	Norway	50.1%	ECIT Net AS	Norway	100.0%
3C Technology AS	Norway	50.1%	ECIT Norge Holding AS	Norway	100.0%
3C Technology Vest AS*	Norway	32.6%	ECIT Normann & Øygarden AS	Norway	60.0%
Abaci AS	Norway	50.1%	ECIT OS AS*	Norway	48.7%
Adato AS	Norway	50.1%	ECIT Oslofjorden AS	Norway	50.1%
Akonto Økonomi Asker AS	Norway	100.0%	ECIT Råd & Regnskap AS	Norway	70.0%
Aktivapluss AS	Norway	70.1%	ECIT Sale & Customer Service AS*	Norway	40.0%
Autogear AS	Norway	50.1%	ECIT Services AS	Norway	76.7%
Centrum Regnskap AS	Norway	50.1%	Ecit Services Holding AS	Norway	100.0%
Easit AS*	Norway	40.1%	ECIT SKI AS	Norway	100.0%
ECIT Advice AS*	Norway	48.1%	ECIT Software Holding AS	Norway	100.0%
ECIT Capstone AS	Norway	72.9%	ECIT Solutions AS	Norway	77.1%
ECIT Capstone Hønefoss AS	Norway	72.9%	ECIT Solutions DI AS	Norway	71.4%
ECIT Digital AS	Norway	100.0%	ECIT Solutions ITS AS	Norway	70.0%
ECIT Dulram AS	Norway	70.4%	ECIT Stord AS	Norway	70.0%
ECIT Group Services AS	Norway	100.0%	ECIT Traconet AS*	Norway	48.4%
ECIT Harestua AS*	Norway	47.9%	ECIT Trondheim AS	Norway	50.1%
ECIT Init AS	Norway	76.8%	ECIT Valdres AS	Norway	68.8%
Ecit Int Holding AS	Norway	100.0%	ECIT Veiby Akonto AS	Norway	68.8%
ECIT Invent AS*	Norway	35.1%	ECIT Veny AS	Norway	100.0%
ECIT Labs AS	Norway	100.0%	ECIT Verdipapir AS	Norway	58.3%

Name of entity	Ownership in % by ECIT		Name of entity	Ownership in % by ECIT	
	Country	AS		Country	AS
ECPay AS	Norway	77.0%	WLCOM AS	Norway	70.0%
EG Økonomi AS	Norway	50.1%	Økonomispecialisten AS	Norway	50.1%
EnklereRegnskap.no AS	Norway	79.4%	ASK Outsourcing Group AB	Sweden	70.0%
ENKLERESTART.NO AS	Norway	96.6%	Catomi Consulting AB	Sweden	70.0%
Global Control Center Design AS*	Norway	30.6%	Credité Consulting AB*	Sweden	37.2%
Industrivegen 9 AS	Norway	76.7%	Dalby Ekonomiservice AB	Sweden	59.9%
It Consult AS	Norway	70.0%	ECIT Interim AB	Sweden	65.2%
Itc Holding AS	Norway	70.0%	ECIT Labs AB	Sweden	50.1%
Moss Partners AS****	Norway	0.0%	ECIT Services AB	Sweden	65.2%
Norian Holding AS	Norway	82.7%	ECIT Services Göteborg AB*	Sweden	39.1%
Norian ManCo AS	Norway	51.2%	ECIT Solutions Pro AB	Sweden	100.0%
Norian Regnskap AS	Norway	82.7%	InterGest Sweden AB	Sweden	70.0%
Norian TopCo AS	Norway	82.7%	ME Finans AB	Sweden	89.0%
Office ADB AS	Norway	70.0%	Modern Avveckling Sverige AB	Sweden	89.0%
Partner Regnskap AS	Norway	50.1%	Modern Bolagsservice Sverige AB	Sweden	89.0%
PC-System Senteret AS	Norway	70.0%	Modern Ekonomi Sverige AB	Sweden	89.0%
Peritus AS	Norway	50.1%	Modern Ekonomi Sverige Holding AB	Sweden	89.0%
Pilen Holding AS***	Norway	0.0%	Modern Tellos Sverige AB	Sweden	89.0%
Proviso AS*	Norway	36.5%	My Salary Nordic AB**	Sweden	49.9%
Råd & Regnskap Eiendom AS	Norway	70.0%	Norian Accounting AB	Sweden	82.7%
Sarec Lønn AS***	Norway	36.4%	PA Kompetens Lön AB**	Sweden	33.4%
SD Media AS	Norway	50.1%	Pramo Ekonomi & Data AB	Sweden	65.8%
SecBase AS**	Norway	34.0%	TICE Invest AB*	Sweden	9.8%
Simplify AS	Norway	77.1%	ECIT Account A/S	Denmark	70.0%
Travis AS	Norway	51.0%	ECIT Aros A/S	Denmark	52.5%

Name of entity	Country	Ownership in % by ECIT AS
ECIT Consulting A/S	Denmark	70.0%
ECIT Group Services ApS	Denmark	100.0%
ECIT Labs A/S	Denmark	100.0%
ECIT Services A/S	Denmark	71.3%
ECIT Software A/S	Denmark	70.0%
ECIT Solutions A/S	Denmark	66.1%
Intect ApS**	Denmark	49.9%
Kippr A/S (DK)	Denmark	70.4%
Pramo ApS*	Denmark	39.5%
TodAI A/S	Denmark	50.1%
Unilei ApS*	Denmark	34.1%
Xtracon A/S	Denmark	70.0%
ECIT Accountants Limited**	England	20.0%
Intergest UK Ltd**	England	19.0%
Interpalm Group Ltd**	England	20.0%
Norian Accounting Oy	Finland	82.7%
Norian FAS Holding Oy	Finland	82.7%
Norian Accounting GmbH	Germany	82.7%
Norian Accounting UAB	Lithuania	82.7%
Norian Accounting Sp. z o.o.	Poland	82.7%
ECIT Holding DOO	Serbia	50.1%
ECIT RSBL doo Beograd	Serbia	50.1%
RaceIT Digital SRL	Romania	100.0%

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

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

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

****) The companies are consolidated as a result of the Group holding the majority of the voting rights despite the minor ownership in the companies.

7.7 Other investments by the Group

(NOKm)	2021	Ownership in %
Wint Group AB	8	6.4%
Visual Information Systems A/S	3	6.9%
Siffer System AS	1	6.1%
Luca Labs AS	1	3.1%
Markedsbaserte aksjer	5	n/a
Club United AS*****	9	20.5%
Connect HRM AS*****	3	34.0%
Cloud Connection AS*****	5	50.0%
Value Group AS*****	29	40.0%
Total	64	

(NOKm)	2020	Ownership in %
Aktiv Support AS*****	1	50.1%
Wint Group AB	5	5.9%
Visual Information Systems A/S	1	3.0%
Markedsbaserte aksjer	5	n/a
Club United AS	3	11.3%
Carrying amount at 31 December	15	

*****) Value Group AS is an associated company and is consolidated through the equity method.

*****) Non-consolidated associated companies due to their size. Aktiv Support AS has been terminated in 2021.

Definition of Financial Highlights and Ratios

Selected financial ratios and key figures are provided by the management in the report to allow the reader to gain better understanding of the Group's underlying performance. The alternative performances measures provided may be defined or calculated differently than for other companies.

Key figures for financial performance

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

Net working capital = Receivables and other current operating assets less trade payables and other current operating liabilities. Tax payable and earn out obligation are not included. Net working capital are not be compared 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 = consist of interest bearing assets less interest-bearing debt. Interest bearing debt consist mainly of bank loan (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 change in exchange rate changes.

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

Adjusted Free Cash Flow = Cash flow from operating activities less repayment of lease liabilities and before special items 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.

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
EBITDA margin	=	$\frac{\text{EBITDA, before special items} \times 100}{\text{Net revenue}}$
Solvency ratio	=	$\frac{\text{Equity end of reporting period} \times 100}{\text{Total assets end of reporting period}}$
Capital expenditure in % of revenue	=	$\frac{\text{Cash investment in tangible assets} \times 100}{\text{Net revenue}}$
Leverage ratio	=	$\frac{\text{Net interest-bearing debt}}{\text{Proforma EBITDA, before special items, last twelve months}}$

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

Repeatable revenue = Repeated revenue is defined as revenue that is somewhat predictable (but can vary) and likely to continue due to the long customer relationships

EBITDA = Operating profit before amortizations, depreciations and financial items.

Special items = Exceptional 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 items included

PAT = Profit after tax or net income.

Adjusted free cash flow = Cash flow from operating activities less IFRS16 leases and before investment in new subsidiaries, investments in R&D and special items.

DSO = Days sales outstanding (DSO) is a measure of the average number of days that it takes a company to collect payment for a sale. DSO is determined in number of days.

Number of customers = customers who have generated revenue for the group within the last twelve months.

FTE = Calculated full-time employees.

Leverage ratio = operating profit before amortizations and depreciations (EBITDA) are calculated on proforma

figures in order to match the full impact from new acquisitions on net interest bearing debt.

Majority share of revenue and operating profit before amortizations and depreciations and special items (EBITDA) = Shareholders of ECIT AS' share of revenue and operating profit before amortizations and depreciations (EBITDA) and special items. The share is calculated on legal figures for the last twelve months (LTM) and with the ownership as of 31 December 2021.

Adjusted profit for the year = Adjusted profit for the year equals profit for the year before special items, IPO costs and gain on portfolio investments. Adjusted profit for the year is used by the management 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. Adjusted diluted earnings per share is used by the management 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 showed in the overview since the share of non-binary people with the Group is less than 1%.

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

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

Board of Directors report 2021

Company details

The company is headquartered in Oslo, Norway. The Group has subsidiaries in 10 countries.

Overview and performance and results

Revenue for 2021 is NOK 2,383 million, compared to NOK 1,829 million in 2020, an increase of 30.3% in total growth.

For the Group, EBITDA before special items came out at NOK 339 million in 2021 compared to NOK 256 million in 2020 representing an increase of 32.4%.

Profit for the year 2021 was NOK 115 million against NOK 121 million last year, and Cash flow from operating activities in 2021 came out at NOK 249 million compared to NOK 259 million last year.

Cash flow from investing activities was a cash outflow of NOK 319 million in 2021 compared to NOK 109 million last year. The higher amount in 2021 is mainly explained by acquisitions. Cash flow from financing activities ended at positive NOK 95 million compared to minus NOK 64 million last year. The positive cash flow is explained by the capital increase of net NOK 382 million related to the listing on Euronext Growth Oslo.

On 31 December ECIT AS shareholders' share of equity is NOK 1,198 million (2020: NOK 811 million). The development is primarily due to the capital increase made in connection with the IPO. The solvency ratio including

non-controlling interest is 56.1% at 31 December 2021 against 54.0% for the same period last year.

For further comments on performance and results please refer to the management report.

Risk factors

The Group's finance & accounting (F&A) activities are influenced by the technological development whereby manual processes are automated via process-optimising software products, etc. Businesses in the sector that can stay at the forefront of this and adapt their production and organisations, will be able to stay competitive.

The Group is focused on this development and has its own IT resources in close relation to its finance & accounting activities. In this way, the Group can use effective software products and integrated solutions which create efficiency for the customers.

The Group's IT activities are influenced by the technological development.

The Group's finance functions manage financial risk at centralized level. Thus, the Group's financial management is aimed solely at managing and reducing the financial risks directly associated with the Group's operations and financing. The Group's financial risks are further explained in note 5.4 to the consolidated financial statements.

Research and development activities

The Group has development activities within its main areas of IT, Accounting and Payroll production. Customer-oriented software applications are developed. A total of NOK 113 million has been capitalised as research and development expenses at 31 December 2021.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the annual financial statements for 2021 are presented according to the going concern principle.

It is hereby confirmed that the conditions for operation as a going concern exist.

Corporate responsibilities / ESG

Awareness on environmental and social impact as well as on governance is increasing.

The Group's internal values promote equality, ensure equal opportunities and rights, and prevent discrimination on the basis of ethnicity, national origin, descent, skin colour, language, religion and beliefs.

ECIT has a balanced gender composition. Our total number of employees is 2,221, and female share of employees is 59,25 percent (1,316) and share of men is 40,75 percent (905). Of a total of 217 managerial

positions, the share of women is 50,23 % (109) and share of men is 49,77 % (108).

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year. For further comments to corporate responsibilities please refer to the ESG report on page 26.

Outlook for 2022

The Board of Directors expects continued growth in revenue, both organically and through acquisitions.

Insurance for board members and CEO

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

Events after the balance sheet date

As we are a company with operations and sales in countries around Europe, geopolitical conflicts including the current situation involving Russia and Ukraine, may have an adverse impact in the supply chain and may have financial impacts. Offices and employees geographically close to the conflict between Russia and Ukraine are closely monitored by the group in case of escalation in the currently situation.

Responsibility statement

The Board of Directors and the Executive Board have considered and adopted the Annual Report of ECIT AS for the financial year 1 January – 31 December 2021. The consolidated financial statements for the fiscal year ended on 31 December 2021 have been prepared in accordance with requirements according to Norwegian GAAP "Forenklet IFRS".

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, Director's report includes a true and fair view of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Assembly.

Oslo, 24 March 2022

Executive Board

Peter Lauring
CEO

Board of Directors

Pedro Fasting
Chairman of the board

Christian Bjørnstad
Board member

Cato A. Hømsen
Board member

Klaus Jensen
Board member

Peter Lauring
Board member

Henrik Lie-Nielsen
Board member



Independence Auditors Report

Opinion

We have audited the financial statements of ECIT AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2021 and the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, cash flow statement and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for our opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the

board of directors and the general manager are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Bergen, 24 March 2021
ERNST & YOUNG AS



Kjetil Håvardstun
State Authorised Public Accountant (Norway)

A modern office interior with a glass facade and a balcony. Two people are sitting on the balcony railing, looking out. The scene is dimly lit, with a blue tint. The background shows a complex geometric pattern of light reflecting off the glass.

Parent Company Financial statements

Income statement

(NOKm)	Note	2021	2020
Revenue	2.1	16	14
COGS		0	0
Gross Profit		16	14
Personnel expenses	2.2	-11	-10
Other operating costs	2.3	-33	-34
EBITDA		-28	-30
Amortizations and depreciations		0	0
EBIT		-28	-30
Financial items, net	2.4	98	112
Profit before tax		70	82
Tax on profit for the period	2.5	7	-7
Profit for the year		76	76
Proposed distribution of result			
Proposed dividend per share is NOK 0.04		18	65
Transferred to equity reserves		59	11
Total distribution		76	76

Cash Flow Statement

(NOKm)	Note	2021	2020	(NOKm)	Note	2021	2020
Profit before tax		70	82	Loans and credit facilities		-290	57
Amorizations & depreciations		0	0	Capital increase	3.7	382	11
Financial items		-98	-112	Sale and purchase of treasury shares		3	-18
Operating profit before amortizations, depreciations and financial items (EBITDA)		-28	-30	Transactions with minorities		0	0
Corporation tax, paid		0	0	Dividends distributed		-65	-6
Change in net working capital (NWC)		9	12	Cash flow from financing activities		29	44
Cash flow from operating activities (A)		-19	-18	Cash flow for the period		31	68
Net investments in tangible assets, total	3.1	0	-1	Cash and cash equivalents 1 January		88	20
Net Investments in subsidiaries		0	-8	Cash flow for the period		31	68
Change in other financial assets	3.3	21	51	Currency translation adjustments		0	0
Cash flow from investing activities (B)		21	42	Cash and cash equivalents end of period		119	88
Cash flow from operating and investing activities (A+B)		2	24				

Balance Sheet

(NOKm)	Note	31 DEC 2021	31 DEC 2020	(NOKm)	Note	31 DEC 2021	31 DEC 2020
Deferred tax assets	2.5	7	0	Share capital		445	388
Intangible assets		7	0	Treasury shares		-1	-8
Land, buildings and equipment	3.1	1	1	Reserves and retained earnings		897	447
Tangible assets		1	1	Total equity	3.7	1,341	827
Investment in subsidiaries	3.2	629	638	Provisions	3.8	0	1
Loan to subsidiaries		576	154	Trade payables		1	2
Other financial assets	3.3	13	6	Trade payables, subsidiaries		2	3
Other receivables (interest bearing)	3.4	22	36	Dividend		18	65
Other receivables	3.4	0	0	Loan from subsidiaries		116	126
Total non-current assets		1,240	833	Other current liabilities	3.9,3.11	13	22
Trade receivables		0	0	Total current liabilities		150	220
Trade receivables, subsidiaries		4	2	Equity and liabilities		1,491	1,046
Other receivables (interest bearing)		12	24				
Other receivables		10	34				
Other receivables, subsidiaries		97	64				
Cash and cash equivalents	3.5	119	88				
Total current assets		243	212				
Total assets		1,491	1,046				

Statement of Changes in Equity 2021

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Treasury shares	Retained earnings	Total equity
Equity at 1 January	388	4	371	-8	72	827
Profit for the year	0	0	0	0	76	76
<i>Transactions with shareholders:</i>						
Capital increase*	57	8	378	0	0	443
Dividends distributed	0	0	0	0	-18	-18
Sale and purchase of treasury shares	0	0	0	7	32	39
IPO expenses	0	0	-26	0	0	-26
Other adjustments	0	0	0	0	0	0
Total transactions with shareholders	57	8	352	7	15	438
Equity end of period	445	12	722	-1	162	1,341

*) Includes registration of capital increase not registered in 2020

Statement of Changes in Equity 2020

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Treasury shares	Retained earnings	Total
Equity at 1 January	374	25	312	-2	72	780
Profit for the year	0	0	0	0	76	76
<i>Transactions with shareholders:</i>						
Capital increase*	15	-45	59	0	0	28
Capital increase (not registered)	0	25	0	0	0	25
Dividends distributed	0	0	0	0	-65	-65
Sale and purchase of treasury shares	0	0	0	-6	-12	-18
Other adjustments	0	0	0	0	0	0
Total transactions with shareholders	15	-20	59	-6	-76	-29
Equity end of period	388	4	371	-8	72	827

*) Includes registration of capital increase not registered in 2019

Financial statements board approval

Oslo, 24 March 2022

Executive Board



Peter Luring
CEO

Board of Directors



Pedro Fasting
Chairman of the board

Christian Bjørnstad
Board member

Peter Luring
Board member

Henrik Lie-Nielsen
Board member

Ole A. Holmsen
Board member

Klaus Jensen
Board member



1. Basis for preparation

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

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

The Annual Report of ECIT AS for 2021 has been prepared in accordance with the provisions of the Norwegian Financial Statements Act.

The company's Financial Statements for 2021 are presented in NOK million and rounded to the nearest million.

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

1.1 Translation policies

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

1.2 Estimates and assumptions

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

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

- Investments in subsidiaries (note 3.2)

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

1.3 Cash flow statement

Cash flow statement is prepared according to the indirect method.

2. Profit for the year

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

2.1 Revenue

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

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

(NOKm)	2021	2020
Management fee	16	14
Total	16	14

2.2 Personnel expenses

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

(NOKm)	2021	2020
Wages and salaries	8	6
Pension costs	0	0
Other social security costs	2	1
Other staff costs	1	3
Total personnel expenses	11	10
Average full time employees	4	3

(NOKm)	2021	2020
Base salary	3.8	3.6
Cash bonus	0.7	2.0
Pensions and Benefits	0.1	0.0
Other salary costs	0.1	0.1
Executive Management	4.6	5.8

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

2.3 Other operating costs

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

(NOKm)	2021	2020
Statutory audit	1	1
Other audit services	1	0
Total	2	2

2.4 Financial income and costs

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

(NOKm)	2021	2020
<i>Financial income:</i>		
Interest income	3	1
Interest income, group	10	3
Dividend, group	97	64
Exchange rate income	0	3
Earnout regulation	0	2
Other financial income	0	44
Total	109	118
<i>Financial expenses:</i>		
Interest expense	1	1
Exchange rate expense	2	2
IPO cost	6	0
Other financial expenses	3	3
Total	11	5

Income from investments in subsidiaries

Income from investments in subsidiaries consists of dividends.

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

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

2.5 Tax for the year

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

(NOKm)	2021	2020
Profit before tax	76	82
Permanent differences	-98	-101
Change in temporary differences	-2	2
Taxable income	-23	-17
Effective tax %	29%	-39%

(NOKm)	2021	2020
Tax on profit of the year	0	0
Change in deferred tax	-7	7
Tax adjustment, prior years	0	0
Total tax on profit for the year	-7	7

Deferred tax

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

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

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

(NOKm)	2021	2020
<i>Temporary differences</i>		
Land, buildings & equipment	0	0
Receivables	0	-2
Loss carried forward	-71	-48
Taxable income	-71	-50
Deferred tax assets	7	0
Deferred tax	0	0

(NOKm)	2021	2020
<i>Loss carried forward</i>		
2019	31	31
2020	17	17
2021	23	23
Total loss carried forward	71	71

3. Assets and liabilities

This section provides information regarding the companies' assets and liabilities.

3.1 Tangible assets

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

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

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

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

- Buildings and other property 3-50 years
- Other plant and operating equipment 3-15 years

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

(NOKm)	2021	2020
Land, buildings & equipment	1	1
Total	1	1

3.2 Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, this is written down to a lower value. Any impairment is recognized in the Company's income statement under financial items, net.

Dividends from investment in subsidiaries are recognized in the income statement as financial income. Dividends distributed from the subsidiary to the parent company are generally recognized in the income statement of the parent company.

Name of entity	Country	Ownership in %	Votes in %	Result 2021	Equity
<i>Parrent:</i>					
ECIT AS	Norway	n/a			
<i>Subsidiaries:</i>					
ECIT Midco Holding AS	Norway	100,0%	100,0%	96,6	630,0
Pilen Holding AS	Norway	0,0%	100,0%	2,8	2,1
TICE Invest AB*	Sweden	9,8%	52,1%	0,1	0,7
SecBase AS**	Norway	34,0%	34,0%	0,1	0,5
Moss Partners AS***	Norway	0,0%	100,0%	0,0	0,0

*) The company is a subsidiary as a result of the group being considered to have control over the company through ownership in other companies.

**) The company is a subsidiary as a result of the group being considered to have control over the company through a shareholder agreement and an option agreement.

***) The company is a subsidiary as a result of the Group holding the majority of the voting rights despite the minor ownership in the company.

3.3 Other Investments

(NOKm)	2021	Ownership in %
Wint Group AB	8	6,4%
Visual Information Systems A/S	3	6,9%
Siffer System AS	1	6,1%
Luca Labs AS	1	3,1%
Total	13	

(NOKm)	2020	Ownership in %
Wint Group AB	5	5,9%
Visual Information Systems A/S	1	3,0%
Total	6	

3.4 Other non-current assets

Other non-current assets consist of receivables other than trade receivables. These other receivables generally arise from transactions outside the usual operating activities. The non-current part of other receivables mainly consists of interest-bearing receivables, which are measured at cost less repayments and impairment (amortized cost).

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, inclusive of restricted holdings.

A minor part of cash and cash equivalents consist of employees' tax deduction accounts. 31 December 2021 cash in employees' tax deduction accounts equals NOK 0.5 million.

The company has a cash pool arrangement with DnB Bank ASA. 31 December 2021 the cash pool system was showing a net balance of NOK 115 million. The company's net borrowings in the cash pool system were NOK 0,1 million the 31 December 2021. The participants in the Cash Pool, are jointly liable to the bank for the fulfilment of any obligations that might arise under the Group account agreement.

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

3.6 Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account

3.7 Share capital, shares and shareholders

Composition and movement of the company's share capital, treasury share reserve, shares and shareholders are stated in note 5.1 of the consolidated financial statements.

3.8 Provisions

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

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

(NOKm)	2021	2020
Carrying amount 1 January	1	5
New EO provisions	0	0
Earn out assessment	0	-2
Amounts used during the year	-1	-2
Earn out provisions	0	1

3.9 Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortized cost, corresponding to the capitalised value, using the effective interest rate.

Other liabilities are measured at amortized cost, substantially corresponding to nominal value.

3.10 Related party transactions

For transactions with related parties, please refer to note 7.3 in the consolidated financial statements. The company has no related parties with control of the company.

The company had the following material transactions with related parties during the financial year:

- Management fee invoiced subsidiaries NOK 16 million (2020: NOK 14 million)
- Accounting services, IT-services and other services received from subsidiaries NOK 22 million (2020: NOK 20 million)

All transactions with related parties during the period were carried out at market terms. All transactions with other Group companies carried out in the year are reflected in the income statement and notes.

3.11 Securities

The company has provided bank guarantees to authorities related to employees' tax deductions and rental agreements.

31 December 2021 all liabilities related to bank guarantees amounted NOK 52 million (2020: NOK 10 million). The company also provides a surety guarantee to the bank for the entire credit facility in the subsidiary, ECIT Midco Holding AS, refer to note 7.5 in the consolidated financial statements.

Verifikasjon

Transaksjon 09222115557465724996

Dokument

ECIT Annual Report 2021 - signatursider

Hoveddokument

7 sider

Initiert på 2022-03-24 12:14:04 CET (+0100) av Pedro Fasting (PF)

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