

ecit

HALF-YEAR REPORT 2022

ECIT Poland

2 locations
Nearshoring

ECIT UK

1 location
Accounting, Payroll & HR

ECIT Norway

+50 locations
Accounting, Payroll & HR · IT-Services · Business Solutions

ECIT Sweden

+30 locations
Accounting, Payroll & HR · IT-Services · Business Solutions

ECIT Serbia

1 location
Accounting, Payroll & HR

ECIT Denmark

+10 locations
Accounting, Payroll & HR · IT-Services · Business Solutions

ECIT Germany

1 location
Accounting, Payroll & HR

ECIT Finland

2 locations

ECIT Lithuania

1 location
Nearshoring

ECIT Romania

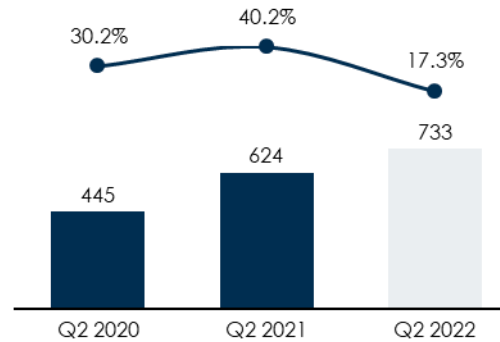
1 location

Q2 2022 - comments

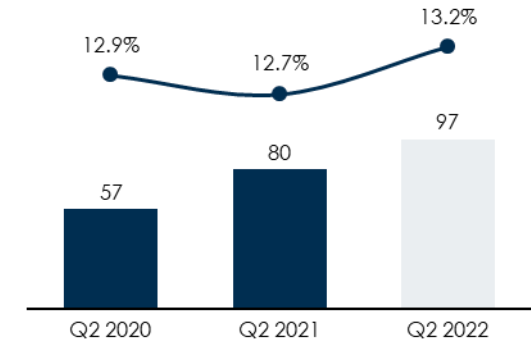
Highlights

- Group revenue NOK 733 million (624) with a growth at 17.3% (40.2%). Organic growth at 8.9% (7.4%) and M&A growth at 9.4% (35.8%).
- EBITDA at NOK 97 million (80), with a margin at 13.2% (12.7%).
- Returning to reasonable organic growth in the F&A division as Covid-19 effects are diminishing.
- Order backlog due to HW supply challenges in the IT division.
- M&A growth is expected to normalise during Q3 and Q4.
- NWC increase in Q2 2022 due to timing in invoicing offset by decrease in July/August.
- Earnings per share improved from NOK 0.04 to NOK 0.06.
- Gradually the organisation is absorbing the effects from the (four) large mergers made in previous quarters with a stronger more consolidated operation as the outcome.

Total revenue (NOKm)



EBITDA (NOKm)



(NOKm)	Q2 2022	Q2 2021	Growth	H1 2022	H1 2021	Growth
Revenue	733	624	17.3%	1,442	1,178	22.4%
EBITDA*	97	80	21.3%	184	146	26.1%
EBIT*	49	38	29.1%	91	70	30.7%
Adjusted profit for the period**	38	29	31.0%	64	51	23.7%
Adjusted free cash flow***	38	60	-35.6%	96	84	14.4%
Adjusted diluted EPS****	0.06	0.04	52.7%	0.09	0.07	33.8%
Total revenue growth	17.3%	40.2%	-22.9 p.p.	22.4%	32.6%	-10.2 p.p.
Organic revenue growth	8.9%	7.4%	1.5 p.p.	7.7%	6.1%	1.6 p.p.
M&A revenue growth	9.4%	35.8%	-26.4 p.p.	16.1%	31.2%	-15.1 p.p.
EBITDA-margin*	13.2%	12.7%	0.5 p.p.	12.8%	12.4%	0.4 p.p.

*) Before special items

**) Profit for the period adjusted for one-off items

***) Cash flow from operating activities less IFRS 16 leases and before investment in new subsidiaries, investments in R&D and special items

****) Earnings per share adjusted for one-off items

Management report – 1 half-year

Financial performance

The ECIT strategy to build a strong organisation through acquisitions and consolidation is gradually showing results as organic growth and especially margins are improving.

Revenue growth at 22.4% (32.6%) with a group revenue at NOK 1.442 million (1.178). Organic growth at 7.7% (6.1%) and acquired growth at 16.1% (31.2%). Currency effects affected growth with minus 1.4% (minus 4.7%).

EBITDA at NOK 184 million (NOK 146 million) with a margin at 12.8% (12.4%). EBIT at NOK 91 million (70) representing an increase at 30.7% compared to last year.

Free cash flow totalled NOK 96 million as of June 2022 compared to NOK 84 million last year. Thus, last year figures would have been at NOK 111 million if adjusted for Covid-19 since most prolonged payments were paid during H1 2021.

The F&A division delivers improved organic revenue growth with Covid-19 effects less visible in the figures.

Stable demand for our services and solutions in the IT division has continued throughout H1 2022. However, revenue growth is affected by postponed IT hardware deliveries (global supply challenge) and organic growth is as a result lower than last year. The outlook for deliveries is expected to improve gradually during 2022 and 2023.

As well H1 performance has been affected by the mergers made in previous quarters whereas the effects are expected gradually to diminish during 2022 leaving a stronger and more consolidated organisation going forward.

The Tech division continues the positive development with organic growth at 71.1% (47.8%) in H1 2022. The growth comes partly from gradual implementation of ECIT-owned software into the F&A business, partly from external demand for the various solutions.

Inflation (margin defending) has been managed through local operations as effects (risks) coming from inflation is a focus area for the Group.

Profit for the period at NOK 63 million (51) is impacted by two one-off items, including special item costs and the gain from the sale of the associated company Cloud Connection AS. Adjusted for one-off items, diluted EPS for the first half year ended at NOK 0.09 compared to NOK 0.07 last year.

Net interest-bearing debt at NOK 215 million (compared to a net cash position of NOK 45 million). The financial gearing ratio (NIBD/EBITDA) is at 0.6X (-0,1X) well below the ratio limit at 2.5x NIBD/EBITDA.

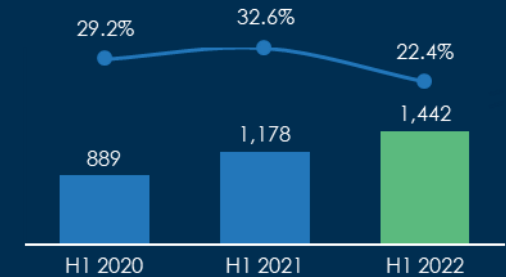
By the end of H1 2022, the ownership share was at 68.2%.

Increasing the average ownership share in subsidiaries through partly exercising the options to acquire minority shares is ongoing.

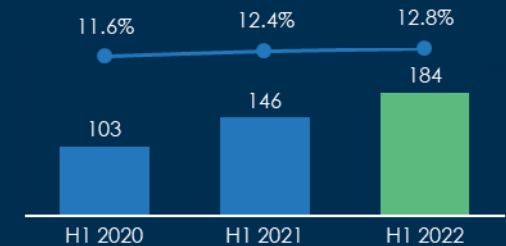
The financial performance H1 2022 is considered 'on track' and in line with expectations.

ECIT Performance H1 2022

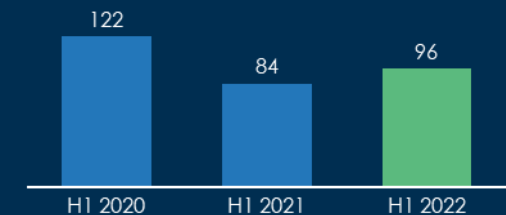
Total revenue (NOKm)



EBITDA (NOKm)



Adjusted free cash flow (NOKm)



M&A activities

During the first half year of 2022, ECIT acquired three companies, including; XACCT Accounting AS, CataCloud AS and Isonor IT AS, representing an acquired annualised revenue of NOK 62 million.

Even though only one company was acquired during Q2 2022 (Isonor IT AS), the M&A activity was significant, resulting in three acquisitions completed in July and one completed in August, representing a total full-year revenue of NOK 68 million. The following companies were acquired;

- Tandem AS, F&A Norway
- Auto-Flow ApS, IT Denmark
- Verismo Systems AB, Tech Sweden*
- Prosys ApS, IT Denmark

The largest of the four companies acquired, Tandem AS, is a Norwegian F&A company, strengthening the ECIT's position in the greater Oslo area. Besides accounting and payroll, the company offers ERP system consulting, specialised industry solutions, and high-end real estate advisory.

Auto-Flow ApS is a Danish RPA consultancy company that provides support and automates business processes using RPA software. The acquisition strengthens ECIT competence and customer deliveries within business process automation.

ECIT acquired 18% of the Swedish HR-software company Verismo Systems AB with an option to acquire all remaining shares in the company. The acquisition strengthens ECIT's position within HR business administration advisory and modern, cloud-based HR-systems.

*) ECIT acquired an ownership share of 18% of Verismo Systems AB and therefore not consolidated in the Group accounts. Verismo Systems AB represents NOK 5 million in annualized revenue (not included in the NOK 68 million)

Prosys ApS is a Danish Managed IT Services provider supporting medium to large customers within digital transformation. The acquisition strengthens ECIT's IT and Cloud services portfolio and our position within managed services.

Integration of acquired companies and merging these into larger units providing scale and strength towards larger customers is a key to the ECIT strategy.

Forming and consolidating the four large units completed in late 2021/Q1 2022, which previously consisted of more than 20 individual companies, is ongoing and progressing as planned. The mergers, representing four large units with approximately NOK 1 billion revenue combined and more than 400 FTEs, has affected both the F&A and the IT division.

M&A is high on the ECIT agenda and there is a substantial pipeline of identified targets within all business areas.

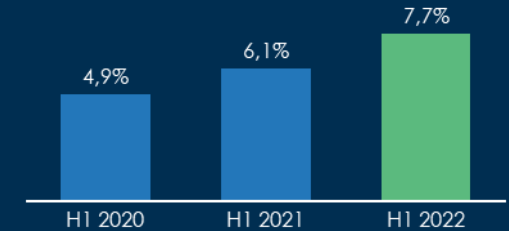
Capital allocation policy

A capital allocation policy has been made which below outline our priority for allocation of free cash flow:

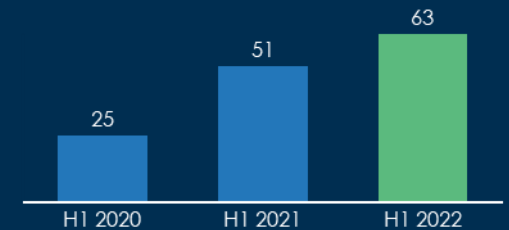
1. Repayment of NIBD in periods, when the financial gearing is above limit range,
2. Value-adding investments, acquisitions or development of existing business,
3. Distribution to shareholders including dividends and share buybacks.

ECIT Performance H1 2022

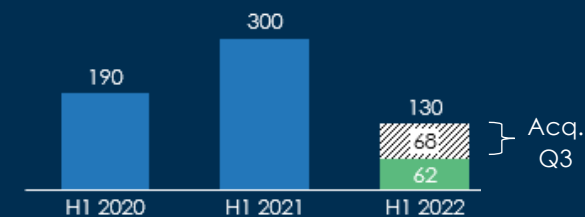
Organic revenue growth



Adjusted profit for the period



M&A acquired revenue (NOKm)



Yearly revenue in acquired companies prior to the acquisition.

Financial Highlights

(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021	(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Condensed Income Statement					Key figures				
Revenue	733	624	1,442	1,178	Total revenue growth, %	17.3%	40.2%	22.4%	32.6%
EBITDA	97	80	184	146	Total organic revenue growth, %	8.9%	7.4%	7.7%	6.1%
EBIT	49	38	91	70	Total M&A revenue growth, %	9.4%	35.8%	16.1%	31.2%
Special items, net	-5	-8	-9	-8	EBITDA margin, %	13.2%	12.7%	12.8%	12.4%
Financial items, net	-1	-7	1	-10	Effective tax rate, %	21.9%	21.7%	22.3%	23.0%
Profit for the period	33	17	65	39	CAPEX in % of revenue	0.5%	0.7%	0.5%	0.8%
Adjusted profit for the period	38	29	64	51	R&D in % of revenue	2.1%	0.7%	1.7%	0.7%
Attributeable to ECIT AS' shareholders	27	16	42	28	Recurring & repeat revenue share	76%	71%	75%	70%
Attributeable to minorities	11	13	22	23	Proforma revenue	736	702	1,457	1,259
Financial position					Stock-related key figures				
Total assets			2,754	2,602	Proforma EBITDA, last 12 months			390	319
ECIT shareholders' share of equity			1,246	1,209	Avg. majority share, %			68.2%	57.1%
Non-controlling interest			215	192	Solvency ratio, %			53.0%	53.9%
Net working capital			-61	-130	ESG data				
Net interest-bearing debt (NIBD)			215	-45	Adjusted diluted EPS, NOK	0.06	0.04	0.09	0.07
Net debt to EBITDA (Gearing ratio)			0.6x	-0.1x	Total number of shares issued ('000)			448,330	442,362
Cash Flow					Total number of treasury shares ('000)				
Operating activities	60	77	140	126	Employees (FTE)			2,201	2,077
Adjusted free cash flow	38	60	96	84	Gender diversity (F/M)			58/42	57/43
Investing activities	-30	-188	-135	-229	Gender diversity, managerial (F/M)			46/54	44/56
Financing activities	-94	286	-39	253	Employee engagement score (EES)			83	80
Cash flow for the period	-64	176	-34	151					

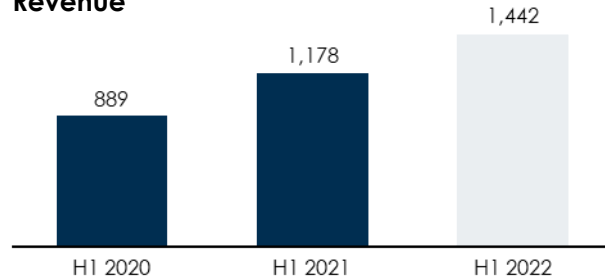
A person's hands are shown typing on a laptop keyboard. The laptop screen displays a document with text and a small image. The background is a blurred office environment. The entire image has a blue overlay.

ECIT Performance

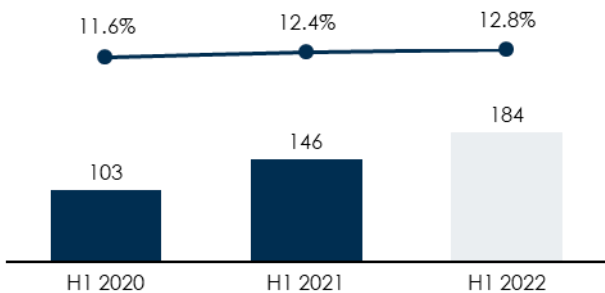
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Financial Review – Group Performance

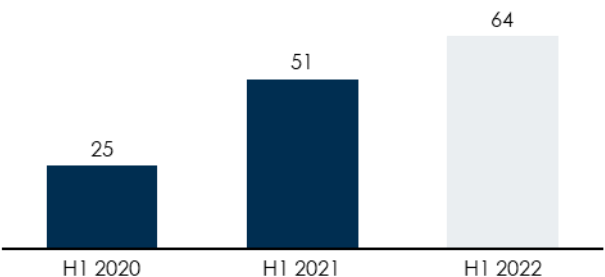
Revenue



EBITDA & Margin



Adjusted profit for the period



Results for the first half-year

Revenue

For the first half-year of 2022, revenue was NOK 1,442 million compared to NOK 1,178 million in 2021, representing total growth of 22.4% (32.6%), of which 7.7% was organic growth (6.1%).

The M&A growth represents 16.1% (31.2%) and has decreased compared to H1; hence Norian Group, acquired in Q2 2021, is part of organic growth in Q2 2022.

The impact of the development in foreign exchange rates was minus 1.4% for H1 2022 (minus 4.7%).

Norway is the largest market ECIT operates in and represents approx. 67% (68%) of the total revenue in H1 2022. The second-largest market is Sweden representing approx. 16% in 2022 compared to 12% last year.

Revenue per division compared to H1 2021 is specified below. All operational divisions delivered positive revenue growth.

Revenue (NOKm)	H1 2022	H1 2021
F&A division	793	669
IT division	631	533
Tech division	77	45
Group & eliminations	-58	-69
Total	1,442	1,178

EBITDA before special items

Group EBITDA came out at NOK 184 million in H1 2022 compared to NOK 146 million last year, representing an increase of 26.1%.

EBITDA per division compared to last year's period is specified below.

EBITDA (NOKm)	H1 2022	H1 2021
F&A division	132	110
IT division	64	49
Tech division	-2	-6
Group & eliminations	-10	-7
Total	184	146

Special items

Special items consist of costs that, by nature, are unrelated to the Group's ordinary operations.

Special items incurred in the first half-year consist mainly of acquisition-related transaction costs. Special item costs amount to NOK 9 million compared to NOK 8 million last year.

Amortisations and depreciations

The amortisation and depreciation for H1 2022 amount to NOK 93 million compared to NOK 76 million for the same period last year. The increase in amortisations and depreciation is coming from acquisitions, increasing amortisations on customer contracts.

Financial items

The financial items totalled a net income of NOK 1 million for the first half year of 2022 compared to a net financial expense of NOK 10 million last year.

The net income comprises mainly a profit of NOK 10 million related to the sale of the associated company, Cloud Connection AS.

Interest expenses are higher due to increased external financing compared to H1 2021. IPO expenses impacted last year's interest expenses.

(NOKm)	H1 2022	H1 2021
<i>Financial income:</i>		
Interest income	4	1
Exchange rate income	3	3
Profit on disposal of associated company	10	0
Income from associated companies	2	0
Other financial income	1	2
Total financial income	18	6
<i>Financial expenses:</i>		
Interest expenses	-12	-6
Exchange rate expenses	-4	-5
IPO expenses	0	-4
Other financial expenses	-1	-1
Total financial expenses	-17	-16
Financial items, net	1	-10

Tax on profit for the period

The effective tax rate for the first half-year of 2022 is 22.3% (2021: 23.0%).

Profit for the period

Profit for H1 2022 was NOK 65 million, up from NOK 39 million for H1 2021.

Profit for the period is impacted by two one-off items, including special item costs and the gain from the sale of the associated company Cloud Connection AS. Last year the profit for the period was impacted by special items and IPO expenses.

An adjusted profit for the period has been made to illustrate the impact of the one-off items.

(NOKm)	H1 2022	H1 2021
Profit for the period	65	39
Special items	9	8
Disposal associated company, profit	-10	0
IPO expenses	0	4
Adjusted profit for the period	64	51
<i>Attributeable to:</i>		
Shareholders in ECIT AS	42	28
Non-controlling interests	22	23
Shareholders in ECIT AS	65.3%	54.9%
Non-controlling interests	34.7%	45.1%

Compared to our average ownership measured at revenue and EBITDA of 68.2% on 31 June 2022 (57.1%), the majority ownership measured at the adjusted profit of the period is 65.3% (54.9%). The development to last year can mainly be explained by option agreements being exercised the last 12 months.

Diluted adjusted earnings per share

The improvement in earnings per share compared to last year can be explained by a combination of increased profit for the period and a higher majority share of ownership.

(NOKm)	H1 2022	H1 2021
Profit of the period	65	39
Shareholders in ECIT AS	40	16
Non-controlling interests	25	23
Adjusted profit of the period*	64	51
Shareholders in ECIT AS	42	28
Non-controlling interests	22	23
(⁰⁰⁰ shares)		
Average number of shares	446,893	415,293
Average number of treasury shares	-1,483	-5,898
Average dilutive effect of warrant/options	0	500
Diluted average number of shares in circulation	445,410	409,895
(NOK 1)		
EPS	0.09	0.04
Diluted EPS	0.09	0.04
Adjusted EPS	0.09	0.07
Adjusted diluted EPS	0.09	0.07

Cash flow & Net working capital

Cash flow summary

(NOKm)	H1 2022	H1 2021
Cash flow from operations	140	126
Cash flow from investing	-135	-229
Cash flow from financing	-39	253
Cash flow for the period	-34	151
Cash flow from operations	140	126
Special items	9	8
Net investments in tangible assets, total	-8	-10
Repayment of lease liabilities	-45	-41
Adjusted free cash flow	96	84

Cash flow from operating activities in H1 2022 came out at NOK 140 million compared to NOK 126 million last year.

The development to last year can be explained by improved operating performance but offset by increased net working capital.

Cash flow from investing activities represents NOK 135 (229). The higher balance last year can mainly be explained by the acquisition of Norian Group in April 2021.

Cash flow from financing activities ended at NOK 39 million compared to a positive NOK 253 million last year, where the positive balance comes from the capital

increase of NOK 382 million in connection with the listing of ECIT in May 2021.

Adjusted free cash flow (cash flow from operations less investments in tangible assets & IFRS 16 leases and before special items) is NOK 96 million compared to NOK 84 million last year, which corresponds to a growth of 14%.

Net investments in research and development equals NOK 24 million in H1 2022 (8) and is not part of adjusted free cash flow.

Net working capital

Changes in net working capital for H1 2022 ended at NOK 3 million compared to NOK 19 million last year.

The change in net working capital was mainly related to higher trade receivables because of the difference in timing of invoicing compared to last year.

Last year's positive development in trade receivables and the opposite development in trade payables can be explained by high IT hardware sales in December 2020, which subsequently were collected/paid during H1 2021.

The amount of overdue trade receivables has not changed compared to last year; hence the negative impact on net working capital comes only from timing in invoicing.

Delayed payments of various duties due to Covid-19 (paid during the first half of 2021) explain the development of NOK 27 million last year and approx. NOK 1 million to 2022 figures.

Change in NWC (NOKm)	H1 2022	H1 2021
Accounts receivables	-41	15
Accounts payable	-4	-27
Delayed payments, Covid-19	-1	-27
Other change in NWC	49	58
Total change in NWC	3	19
Delayed payments, Covid-19	1	27
Adjusted change in NWC	4	46

Capital structure & finances

ECIT shareholder's share of equity

On 30 June 2022, ECIT AS shareholders' equity share is NOK 1,246 million (2021: NOK 1,209 million).

On 30 June 2022, the ECIT's portfolio of treasury shares are 1,786,816 shares (3,903,028 shares on 30 June 2021). The decrease in treasury shares is explained by part-payments of new subsidiaries and exercising options towards existing subsidiaries.

The dividend for 2021 amounted to NOK 0.04 per share and was paid out to the shareholders in April 2022.

Net interest-bearing debt ('NIBD')

The net interest-bearing debt amounts to NOK 215 million as of 30 June 2022, compared to a net cash balance of NOK 45 million last year.

The financial gearing ratio (NIBD/EBITDA) is 0.6x per 30 June 2022 compared to minus 0.1x last year, which is well below our ratio limit of 2.5x NIBD/EBITDA. Last year's leverage ratio level was positively impacted by the capital increase of NOK 382 million as part of the listing of ECIT.

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

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

The minority option obligation (i.e. the price to exercise all options to 100%) per 30 June 2022 is estimated to be

NOK 475 million compared to NOK 458 million as of 31 December 2021. The option obligation is not part of the NIBD statement.

(NOKm)	H1 2022	H1 2021
Borrowings	313	178
Lease liabilities	199	241
Total interest bearing liabilities	512	419
Interest bearing receivables	63	72
Cash and cash equivalents	234	393
Total interest bearing assets	297	464
Net debt / Net cash (-)	215	-45
EBITDA*, LTM	390	319
Debt leverage	0.6x	-0.1x

Credit facility

As of 30 June 2022, NOK 287 million of the credit facility has been utilised, leaving an undrawn balance of NOK 463 million.

(NOKm)	H1 2022	H1 2021
Revolving facility gross	750	475
Revolving facility utilized	-287	-123
Net revolving facility available	463	352
Leasing facility gross	50	50
Leasing facility utilized	-12	-13
Net leasing facility available	38	37

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

To hedge against interest rate risks, ECIT has entered into an interest rate swap contract effective from July 2022, representing NOK 100 million. The Group's debt is managed centrally by its Treasury department.

Capital allocation policy

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 and to maximize the returns for shareholders.

A capital allocation policy has been made which below outline our priority for allocation of free cash flow:

1. Repayment of NIBD in periods, when the financial gearing is above limit range,
2. Value-adding investments, acquisitions or development of existing business,
3. Distribution to shareholders including dividends and share buybacks.

F&A Division

Highlights

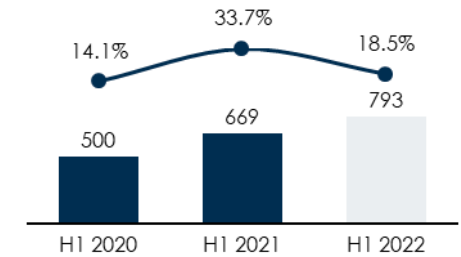
- F&A division delivered total H1 revenue growth of 18.5% compared to 33.7% last year.
- The acquisition of Norian Group can mainly explain last year's high M&A growth.
- The higher than usual employee sick leave due to Covid-19 recognised in the first quarter of the year has diminished as we moved into the year's second quarter.
- EBITDA margin ended at 16.7% (16.4%) for the first half year, which was in alignment with management expectations.
- In H1 2022, Norwegian-based XACCT Accounting was acquired, strengthening ECIT's position within the medium to larger customers. Also, the combination of XACCT and Norian is now viewed as one of Norway's largest X-ledger partners.

Improved organic revenue growth - Covid-19 effects are diminishing.

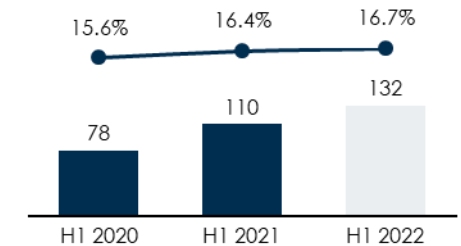
EBITDA margin is slightly improving with 16.7% (16.4%).

Merger effects are gradually absorbed by the organisation.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q2	2022	Q2	2021	H1	2022	H1	2021
	2022	%	2021	%	2022	%	2021	%
Total revenue growth	9.2%		47.4%		18.5%		33.7%	
Total EBITDA growth	20.2%		46.8%		20.3%		31.4%	
Revenue	403	100.0%	369	100.0%	793	100.0%	669	100.0%
COGS	-33	8.2%	-27	7.3%	-67	8.4%	-48	7.2%
Gross Profit	370	91.8%	342	92.7%	726	91.6%	620	92.7%
Personnel expenses	-244	60.5%	-239	64.6%	-480	60.6%	-431	64.4%
Other operating costs	-55	13.7%	-45	12.1%	-113	14.3%	-81	12.1%
EBITDA	71	17.6%	59	16.0%	132	16.7%	110	16.4%
EBITDA-%	17.6%		16.1%		16.7%		16.4%	

IT Division

Highlights

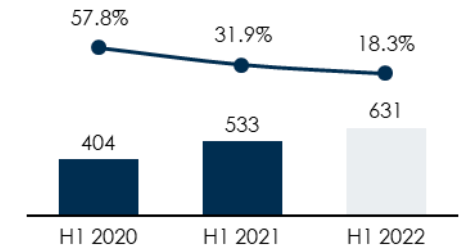
- The global HW supply-chain challenges continued in the second quarter; however, the activity levels in the IT division remained high with increased demand for our services from existing and new customers.
- The postponed HW deliveries (certain product groups) for the first half year of 2022 were the primary explanation for the lower organic growth compared to last year.
- In late 2021 / Q1 2022, 13 IT companies were merged into three large companies representing a total revenue of approx. NOK 700 million and more than 200 FTEs. The process of consolidation is progressing as planned.
- Compared to The EBITDA margin last year, the margin dropped slightly in the second quarter but remained higher than last year (measured at the half year).

Good demand for our IT solutions and services.

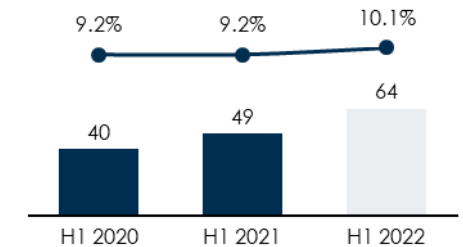
Order backlog due to HW supply challenges.

Merger effects gradually diminishing.

Total revenue (NOKm)



EBITDA & EBITDA-margin (%)



(NOKm)	Q2	2022	Q2	2021	H1	2022	H1	2021
	2022	%	2021	%	2022	%	2021	%
Total revenue growth	17.6%		29.6%		18.3%		31.9%	
Total EBITDA growth	10.0%		16.7%		29.7%		22.5%	
Revenue	314	100.0%	267	100.0%	631	100.0%	533	100.0%
COGS	-111	35.3%	-106	39.5%	-222	35.2%	-214	40.2%
Gross Profit	203	64.7%	162	60.5%	409	64.8%	319	59.8%
Personnel expenses*	-151	47.9%	-116	43.5%	-302	47.8%	-233	43.7%
Other operating costs	-22	6.9%	-17	6.5%	-44	7.0%	-36	6.7%
EBITDA	31	9.8%	28	10.5%	64	10.1%	49	9.2%
EBITDA-%	9.8%		10.5%		10.1%		9.2%	

*) Personnel expenses include cost to external consultants

Tech Division

Highlights

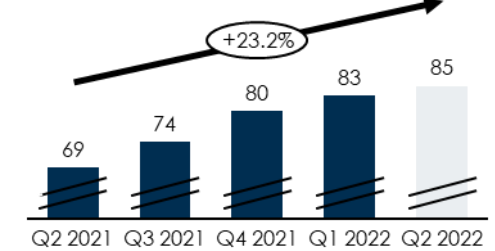
- The Tech division continues the revenue growth journey in the second quarter of 2022 - almost with a double-up in revenue compared to last year. Revenue growth represents 71.1% (47.8%) for the first half-year.
- The growth results from the gradual implementation of ECIT-owned software and increased external demand for the various solutions offered by the division.
- ECIT continues to invest in developing the three Tech solution business lines; Accounting, Payroll and Office support, which will gradually serve a bigger part of internal and external markets.
- In the year's first quarter, ECIT acquired CataCloud AS, which added an ERP system to the Tech product portfolio. The acquisition is a big step toward our ambition to offer close to a full range of products for the SME segment of Finance.

Good revenue growth for the first half year of 2022 of 71.1% (47.8%).

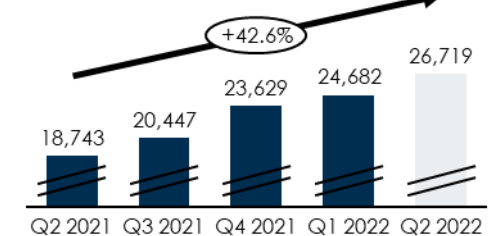
Gradually implementing ECIT SW products into the F&A Division (mainly NO).

The product portfolio is gradually improved – completed.

Annual recurring revenue



Number of customers



(NOKm)	Q2	2022	Q2	2021	H1	2022	H1	2021
	2022	%	2021	%	2022	%	2021	%
Total revenue growth	99.4%		47.8%		71.1%		47.8%	
Total EBITDA growth	97.2%				-69.3%			
Revenue	45	100.0%	23	100.0%	77	100.0%	45	100.0%
COGS	-19	43.3%	-5	20.8%	-28	37.2%	-9	20.0%
Gross Profit	25	55.6%	18	79.2%	48	62.8%	36	80.0%
Personnel expenses	-18	41.2%	-16	70.8%	-35	45.9%	-31	68.9%
Other operating costs	-7	14.7%	-6	26.6%	-15	19.4%	-11	24.4%
EBITDA*	0	-0.3%	-4	-18.2%	-2	-2.5%	-6	-14.0%
Capitalized R&D	-12	27.5%	-4	19.5%	-22	29.0%	-8	18.0%
EBITDA-%*	-0.5%		-18.2%		-3.1%		-14.0%	



Shareholder information

Shareholder information

Share capital

The total share capital on 30 June 2022 consists of 448,330,101 shares of nominal NOK 1 each. There are three share classes, whereas the B-shares are subject to trade on the Euronext Growth stock exchange.

Treasury shares

A total of 42,026 treasury shares were sold during the first half-year of 2022.

A total of 650,000 treasury shares were acquired during the first half-year of 2022.

On 30 June 2022, 1,786,816 shares were held as treasury shares, corresponding to 0.4% of the share capital.

Shareholders

ECIT has the philosophy that local ownership will create a more robust group, which reflects the many minority owners in the Group. Another and equally important philosophy is that if the local management and 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. Employees and management own more than 60% of the shares. The top management represents 18%, and employees and partners within the Group represent more than 41% of the shares.

When ECIT became listed on 20 May 2021, a lock-up period for certain shareholders was established.

A 6-month lock-up period for selected shareholders expired on 20 November 2021, whereas certain shareholders employed in the Group had a 1-year lock-up period which expired on 20 May 2022.

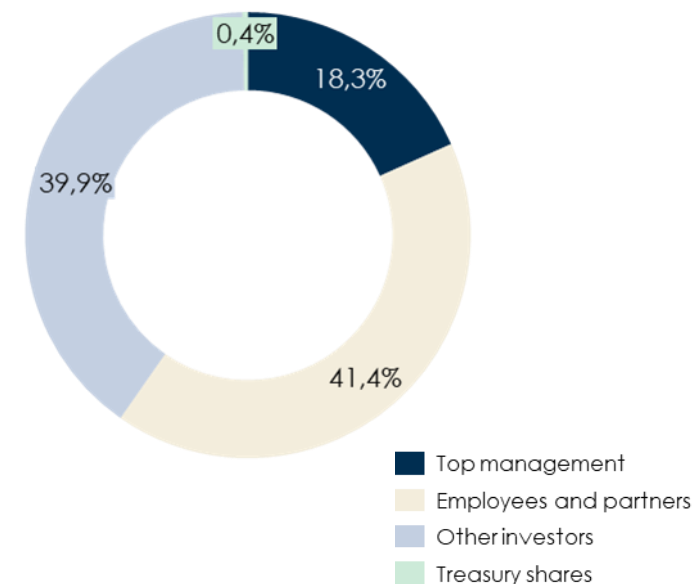
Our shareholders are mainly located in the Nordic countries in Europe, with two-thirds of our shareholders being in Norway.

CEO Peter Luring holds however, 49.9% of the voting shares of the Group.

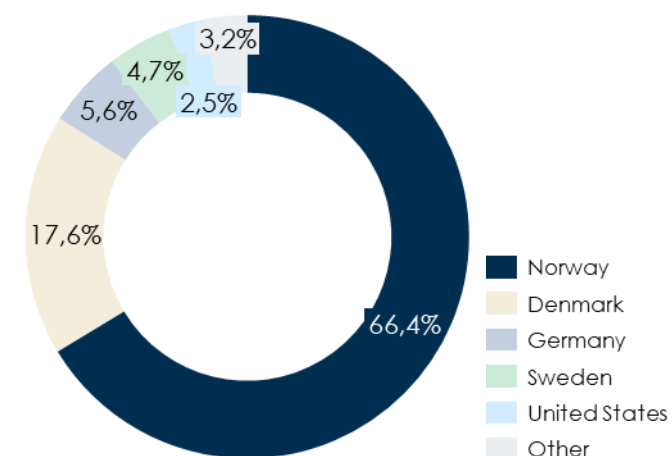
Dividends

The dividend for 2021 amounted to NOK 0.04 per share and was paid out to the shareholders in April 2022.

Shareholders per type



Shareholders per country





Condensed Consolidated Interim Financial Statements

ecit

Income statement

(NOKm)	Note	Q2 2022	2022 %	Q2 2021	2021 %	H1 2022	2022 %	H1 2021	2021 %
Revenue	2.1	733	100.0%	624	100.0%	1,442	100.0%	1,178	100.0%
COGS		-165	22.5%	-130	20.8%	-313	21.7%	-261	22.1%
Gross Profit		568	77.5%	494	79.2%	1,129	78.3%	918	77.9%
Personnel expenses		-425	58.0%	-370	59.2%	-845	58.6%	-695	59.0%
Other operating costs		-46	6.3%	-45	7.2%	-100	6.9%	-77	6.5%
EBITDA		97	13.2%	80	12.8%	184	12.8%	146	12.4%
Amortizations and depreciations		-48	6.5%	-42	6.7%	-93	6.4%	-76	6.5%
EBIT		49	6.7%	38	6.1%	91	6.3%	70	5.9%
Special items, net	2.2	-5	0.7%	-8	1.3%	-9	0.6%	-8	0.7%
Financial items, net		-1	0.2%	-7	1.1%	1	-0.1%	-10	0.9%
Profit before tax		42	5.8%	23	3.6%	84	5.8%	50	4.3%
Tax on profit for the period	2.3	-9	1.3%	-5	0.9%	-19	1.3%	-12	1.0%
Profit for the period		33	4.5%	17	2.8%	65	4.5%	39	3.3%
Attributeable to:									
Shareholders in ECIT AS		22		4		40		16	
Non-controlling interests		11		13		25		23	

Statement of Other comprehensive income

(NOKm)	Note	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit for the year		33	17	65	39
<i>Items that may be reclassified to the income statement:</i>					
Foreign exchange adjustments of subsidiaries		23	25	8	-3
Other comprehensive income		23	25	8	-3
Total comprehensive income		56	42	73	37

(NOKm)	Note	Q2 2022	Q2 2021	H1 2022	H1 2021
Earnings per share					
EPS (NOK)	3.2	0.05	0.01	0.09	0.04
Diluted EPS (NOK)	3.2	0.05	0.01	0.09	0.04
Adjusted earnings per share					
Adj. EPS (NOK)	3.2	0.06	0.04	0.09	0.07
Adj. diluted EPS (NOK)	3.2	0.06	0.04	0.09	0.07

Cash Flow Statement

(NOKm)	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	(NOKm)	Note	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit before tax		42	23	84	50	Repayment of lease liabilities		-23	-21	-45	-41
Amortizations & Depreciations		48	42	93	76	Loans and credit facilities		-10	8	86	5
Special items		5	8	9	8	Financial items, net		0	-7	-8	-4
Financial items		1	7	-1	10	Capital increase		0	378	0	378
EBITDA		97	80	184	146	Sale and purchase of treasury shares		-1	0	-1	3
Corporation tax, paid		-7	-5	-38	-30	Transactions with minorities		15	-11	13	-23
Special items		-5	-8	-9	-8	Dividends distributed		-75	-60	-84	-66
Change in net working capital		-24	11	3	19	Cash flow from financing activities		-94	286	-39	253
Cash flow from operating activities (A)		60	77	140	126	Cash flow for the period		-64	176	-34	151
Investments in tangible assets		-4	-4	-8	-10	Cash and cash equivalents beginning of period		292	215	265	246
Investments in R&D		-15	-4	-24	-8	Cash flow for the period		-64	176	-34	151
Investments in subsidiaries	4.1	-7	-196	-113	-225	Currency translation adjustments		6	2	2	-4
Investments in other activities		-2	0	-2	0	Cash and cash equivalents end of period		234	393	234	393
Gain on other activities		0	13	15	9						
Change in other financial assets		-3	3	-3	6						
Cash flow from investing activities (B)		-30	-188	-135	-229						
Cash flow from operating and investing activities (A+B)		30	-111	5	-102						

Balance Sheet

(NOKm)	Note	H1 2022	H1 2021	FY 2021	(NOKm)	Note	H1 2022	H1 2021	FY 2021
Goodwill		1,088	918	955	Share capital	3.1	448	442	445
Customer contracts		333	317	335	Treasury shares		-2	-4	-1
Research & development		128	85	113	Reserves and retained earnings		799	771	754
Deferred tax assets		30	26	31	ECIT AS shareholders share of equity		1,246	1,209	1,198
Total intangible assets		1,579	1,345	1,434	Non-controlling interest		215	192	165
Land, buildings and equipment		45	61	50	Total equity		1,461	1,401	1,363
Right-of-use assets		191	234	226	Lease liabilities	3.3	130	169	160
Total tangible assets		236	296	276	Borrowings	3.3	300	144	181
Other financial assets		69	60	67	Provisions		26	29	26
Other receivables, interest bearing		45	36	34	Other non-current liabilities		3	10	7
Other receivables		10	21	11	Deferred tax liabilities		75	70	78
Total Financial assets		124	117	112	Total non-current liabilities		534	423	451
Total non-current assets		1,939	1,757	1,822	Lease liabilities	3.3	68	72	76
Inventories		12	12	12	Borrowings	3.3	13	34	36
Trade receivables		372	288	325	Provisions		17	8	5
Tax receivables		19	3	18	Tax payables		51	33	59
Other receivables, interest bearing		18	21	16	Trade payables		109	87	111
Other receivables		159	128	119	Deferred income		64	41	40
Cash and cash equivalents	3.3	234	393	265	Dividend		5	69	76
Total current assets		815	844	754	Other current liabilities		432	433	358
Total assets		2,754	2,602	2,576	Total current liabilities		759	777	762
					Total equity and liabilities		2,754	2,602	2,576

Statement of Changes in Equity 2022

(NOKm)	Share Capital	Not reg. Capital increase*	Share premium	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	445	12	722	-1	20	1,198	165	1,363
Profit for the year	0	0	0	0	40	40	25	65
Net exchange differences recognized in OCI	0	0	0	0	7	7	1	8
Other comprehensive income	0	0	0	0	7	7	1	8
Total comprehensive income	0	0	0	0	47	47	26	73
<i>Transactions with shareholders:</i>								
Capital increase registered	3	0	20	0	0	23	0	23
Capital increase approved not registered	0	17	0	0	0	17	0	17
Dividends distributed	0	0	0	0	0	0	-16	-16
Sale and purchase of treasury shares	0	0	0	-1	0	-1	0	-1
Addition of non-controlling interests	0	0	0	0	0	0	37	37
Transactions of shares with non-controlling interests	0	0	0	0	-38	-38	6	-32
Other adjustments	0	0	0	0	0	0	-3	-3
Total transactions with shareholders	3	17	20	-1	-39	0	24	24
Equity at 30 June	448	29	742	-2	28	1,246	215	1,461

*) All capital increases are registered within three months

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	16	16	23	39
Net exchange differences recognized in OCI	0	0	0	0	-5	-5	2	-3
Other comprehensive income	0	0	0	0	-5	-5	2	-3
Total comprehensive income	0	0	0	0	11	11	26	37
<i>Transactions with shareholders:</i>								
Capital increase registered	54	1	351	0	0	406	0	406
Capital increase approved not registered	0	0	0	0	0	1	0	1
Dividends distributed	0	0	0	0	0	0	0	0
Sale and purchase of treasury shares	0	0	0	4	18	22	0	22
Addition of non-controlling interests	0	0	0	0	0	0	18	18
Transactions of shares with non-controlling interests	0	0	0	0	-18	-18	-12	-30
IPO Expenses	0	0	-24	0	0	-24	0	-24
Total transactions with shareholders	54	1	327	4	0	387	6	393
Equity at 30 June	442	5	698	-4	67	1,209	192	1,401

*] All capital increases are registered within three months



Notes to the Condensed Consolidated Financial Statements

1. Basis for preparation

General information

ECIT (the Group) consists of ECIT AS (the company) and its subsidiaries. The head office is located in Oslo, Norway.

ECIT's condensed consolidated interim financial statements for the second quarter and first half-year of 2022 were authorised for issue by the board of directors on 22 August 2022.

Basis for preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting with requirements according to Norwegian GAAP "Forenklet IFRS". The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2021.

In preparing the condensed consolidated interim financial statements, management makes various accounting estimates and judgements that form the basis of the presentation, recognition, and measurement of the Group's assets, liabilities, income, and expenses. The estimates and judgements made are based on historical experience and other factors that management assesses to be reliable but that, by nature, are associated with uncertainty and unpredictability and may prove incomplete or incorrect.

As a result of the uncertainties inherent in connection to the above, periodic adjustments may occur.

Reference is made to ECIT Group's 2021 Annual Report for a description of accounting policies.

The condensed consolidated interim financial statements are unaudited.

2. Profit for the year

2.1 Segments information

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

Operating divisions

Three divisions carry out our business operations, forming our segment reporting.

Finance & Accounting

The F&A division delivery is divided into four services; Accounting, Payroll & HR, F&A management support and Debt collection.

IT

Full-stack services provider serving as a one-stop-shop within IT through Managed Services, Hosting & Hybrid cloud, IT Consulting and Digitalization.

Tech

The Tech division develops software applications primarily used in Finance & Accounting business.

Measurement of earnings 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 and the items that may be allocated to the respective 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 'Group & Elim.'.

(NOKm)	Q2 2022					Q2 2021				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	403	314	45	-29	733	369	267	23	-35	624
COGS	-33	-111	-19	-1	-165	-27	-106	-5	7	-130
Gross Profit	370	203	25	-30	568	342	162	18	-28	494
Personell expenses	-244	-151	-18	-12	-425	-239	-116	-16	1	-370
Other operating costs	-55	-22	-7	37	-46	-45	-17	-6	23	-45
EBITDA	71	31	0	-5	97	59	28	-4	-3	80
Total revenue growth	9.2%	17.6%	99.4%	15.8%	17.3%	47.4%	29.6%	47.8%	-34.6%	32.6%
EBITDA-%	17.6%	9.8%	-0.5%	17.3%	13.2%	16.1%	10.5%	-18.2%	-9.6%	12.4%

(NOKm)	H1 2022					H1 2021				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
Revenue	793	631	77	-58	1,442	669	533	45	-69	1,178
COGS	-67	-222	-28	4	-313	-48	-214	-9	11	-261
Gross Profit	726	409	48	-53	1,129	620	319	36	-57	918
Personell expenses	-480	-302	-35	-28	-845	-431	-233	-31	0	-695
Other operating costs	-113	-44	-15	72	-100	-81	-36	-11	52	-77
EBITDA	132	64	-2	-10	184	110	49	-6	-7	146
Total revenue growth	18.5%	18.3%	71.1%	16.3%	22.4%	33.7%	31.9%	47.8%	-47.8%	32.6%
EBITDA-%	16.7%	10.1%	-3.1%	17.7%	12.8%	16.4%	9.2%	-14.0%	-10.4%	12.4%

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 the 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 to the right.

Revenue (NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Norway	492	446	960	806
Sweden	118	96	231	197
Denmark	96	59	193	144
Other	28	23	58	30
Total	733	624	1,442	1,178

EBITDA (NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Norway	63	52	113	89
Sweden	17	12	38	28
Denmark	12	11	26	23
Other	5	5	7	6
Total	97	80	184	146

2.2 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.

Special items comprise:

- Transactions costs relating to the 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 non-recurring items are included.

(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Transactions costs	2	6	5	6
Restructuring costs	3	2	4	2
Total	5	8	9	8

2.3 Tax

Tax for the year

Tax for the year comprises current and deferred tax on profit or loss for the year 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.

(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit before tax	42	23	84	50
Calculated tax on profit for the period	9.3	5.0	18.4	11.0
<i>Tax effect of:</i>				
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-0.2	-0.4	-0.3	-0.8
Non-deductible expenses/non-taxable income	-0.2	0.2	0.6	0.4
Non-deductible losses/non-taxable gain on shares	0.0	0.0	-2.2	0.0
Temporary differences, net	0.9	0.4	2.3	0.8
Other tax adjustments	-0.5	-0.3	-0.2	0.1
Tax of the period	9.3	5.0	18.6	11.8
Effective tax rate	21.9%	22.2%	22.3%	23.5%

3. Capital and financial risk

3.1 Top 20 shareholders of ECIT AS

ECIT AS is owned through a multiple share class structure. 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 approximately 59.7% of the shares in ECIT AS.

A-shares are not subject to listing but carry 10 votes per share and are all owned by Peter Lauring. A-shares are to be converted to B-shares when Mr. Lauring 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.

('000)	A-shares	B-shares	C-shares	Total shares	Ownership in %	Voting share
CGL Holding AS & CGL Holding II AS*	41,336	1,212		42,548	9.5%	49.9%**
Varner Kapital AS		25,000		25,000	5.6%	3.0%
Ic Services 2 AS		24,423		24,423	5.4%	3.0%
Bras Kapital AS		16,467		16,467	3.7%	2.0%
Paradigm Capital Value Fund		16,180		16,180	3.6%	2.0%
Mikkel Walde Holding ApS		198	15,525	15,723	3.5%	1.9%
Y-Not ApS***		125	14,840	14,965	3.3%	1.8%
Mp Pensjon Pk		10,622		10,622	2.4%	1.3%
Anglo Supply AS		9,988		9,988	2.2%	1.2%
Ubs Ag (Private Banking)		9,477		9,477	2.9%	1.2%
Deka Investment Gmbh		8,900		8,900	2.0%	1.1%
Paradigm Capital Value LP		7,195		7,195	1.6%	0.9%
Veiby Invest AS		6,566		6,566	1.5%	0.8%
Pa Kompetens Lön Sverige AB		5,217		5,217	1.2%	0.6%
Loe Equity AS		4,714		4,714	1.1%	0.6%
Infolink Holding AS		4,503		4,503	1.0%	0.5%
Litu AS		4,261		4,261	1.0%	0.5%
Long Path Partners Lp		4,013		4,013	0.9%	0.5%
Sewell AS		3,625		3,625	0.8%	0.4%
Job Gruppen AS		3,578		3,578	0.8%	0.4%
Top 20 shareholder total	41,336	166,264	30,365	237,965	53.1%	73.7%
Other shareholders		175,789	34,576	210,365	46.9%	26.3%
Total number of shares	41,336	342,053	64,941	448,330	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.

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

3.2 Earning per share

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

Earnings per share are impacted by two one-off items in the first half-year of 2022: special item cost and the profit from the sale of the associated company Cloud Connection. Last year's earnings per share were impacted by special items and IPO costs in the second quarter.

(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit of the period	33	17	65	39
Shareholders in ECIT AS	22	4	40	16
Non-controlling interests	11	13	25	23
Adjusted profit of the period	38	29	64	51
Shareholders in ECIT AS	27	16	42	28
Non-controlling interests	11	13	22	23
(⁰⁰⁰ shares)				
Average number of shares	448,330	417,278	446,893	415,293
Average number of treasury shares	-1,462	-5,901	-1,483	-5,898
Average dilutive effect of warrant/options	0	500	0	500
Diluted average number of shares in circulation	446,868	411,877	445,410	409,895
(NOK 1)				
EPS	0.05	0.01	0.09	0.04
Diluted EPS	0.05	0.01	0.09	0.04
Adjusted EPS	0.06	0.04	0.09	0.07
Adjusted diluted EPS	0.06	0.04	0.09	0.07

3.4 Net interest bearing debt

The net interest-bearing debt amounts to NOK 215 million as of 30 June 2022, compared to a net cash balance of NOK 45 million last year.

(NOKm)	H1 2022	H1 2021
Borrowings	313	178
Lease liabilities	199	241
Total interest bearing liabilities	512	419
Interest bearing receivables	63	72
Cash and cash equivalents	234	393
Total interest bearing assets	297	464
Net debt / Net cash (-)	215	-45
EBITDA LTM	390	319
Debt leverage	0.6x	-0.1x

3.4 Events after the reporting period

ECIT Services AS, a 74.6% owned subsidiary of ECIT AS, has accepted an offer to sell its shares in ECIT Invent AS. ECIT Services AS owns 50.1% of ECIT Invent AS. The sale has no material financial impact to the Group consolidated financials.

With reference to the company announcement No. 79, Tandem AS has become part of ECIT as of the 5 July 2022. ECIT has acquired 100.0% of Tandem AS.

With reference to the company announcement No. 80, Auto-Flow ApS has become part of ECIT as of the 8 July 2022. ECIT has acquired 50.1% of Auto-Flow ApS.

With reference to the company announcement No. 81, Verismo Systems AB has become part of ECIT as of the 11 July 2022. ECIT has acquired 18.0% of Verismo Systems.

With reference to the company announcement No. 87, Prosys ApS has become part of ECIT as of the 15 August 2022. ECIT has acquired 100% of Prosys ApS.

4. Acquisitions of the Group

4.1 Acquisitions during the first half-year

During the first half-year of 2022, ECIT has made three acquisitions, one in the F&A division, one in the Tech division, and one in the IT division.

Earnings impact

The three acquisitions made by the Group contributed NOK 23.0 million to the Group's YTD revenue and NOK 3.0 million to the Group's EBITDA, corresponding to an EBITDA - margin of 13.0%.

Transaction costs

Total transaction costs related to the acquisitions amount to NOK 5 million. Transaction costs are accounted for in the income statement as special items.

Acquired companies (NOKm)	Revenue 2021*	Revenue H1 2022**	PAT H1 2022**	FTE
Xacct Accounting, Norway, F&A	49.8	31.5	3.9	37
Catacloud, Norway, Tech	0.3	0.2	-0.5	2
Isonor IT, Norway, IT	11.8	5.9	0.9	6
Total	61.9	37.6	4.3	45

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 4 million, the net cash flow for new subsidiaries amounted to NOK 132 million (outflow) during the first half-year of 2022.

Paid earn-out obligations are subject to prior acquisitions. The earn-out obligation for the new subsidiaries is due within the next 12 months.

(NOKm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Cash payment	-8	-228	-116	-239
Sales of subsidiaries	0	0	0	0
Paid earn out obligation	-1	3	-4	-17
Majority share of cash***	3	29	6	31
Net investment in subsidiaries	-7	-196	-113	-225
<i>New subsidiaries:</i>				
Share payment	0	-15	0	-16
Cash payment	-8	-228	-116	-239
Earn out obligation	0	0	-16	0
Investment in new subsidiaries	-8	-243	-132	-256

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

**) Proforma figures calculated from 1 January to the end of the period

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

The fair value of acquired net assets and recognised goodwill

The table to the right gives the principal fair values of acquired assets and liabilities at the acquisition date.

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

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

In the first half-year of 2021, the Group acquired Norian Group, which is a significant acquisition for the Group and therefore specified individually. In the first half-year of 2022, no single acquisitions were of a size where it could be defined as significant.

(NOKm)	Total 2022	Norian Group	Other 2021	Total 2021
Research & Development	0.4	7.4	0.0	7.4
Property, plant and equipment	0.2	2.2	0.6	2.8
Financial fixed assets	0.0	0.0	8.2	8.2
Right-of-use assets	0.0	56.0	0.0	56.0
Deferred tax	0.1	2.1	0.1	2.2
Inventories	0.0	0.0	0.0	0.0
Trade receivables	5.7	33.6	2.6	36.3
Other receivables	21.7	160.5	0.7	161.2
Cash and cash equivalents	3.3	33.4	4.9	38.3
Total Assets	31.4	295.3	17.1	312.4
Lease liabilities	0.0	56.0	0.0	56.0
Provisions	0.0	6.3	1.5	7.8
Long-term debt	1.5	0.0	0.0	0.0
Trade payables	0.8	27.8	1.0	28.7
Other payables	20.4	184.0	6.0	190.0
Total Liabilities	22.7	274.0	8.5	282.5
Non-controlling interest ¹ share of acquired net assets	3.0	5.7	2.4	8.1
Acquired net assets	5.7	15.6	6.2	21.8
Cash payments	115.6			239.5
Share payments	0.0			16.2
Earn Out obligation	15.8			0.0
Goodwill and intangible assets arising from the acquisition	125.7			233.9

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

Definition of Financial Highlights and Ratios

The management provides selected financial ratios and key figures in the report to allow the reader to understand the Group's underlying performance better. The alternative performance measures provided may be defined or calculated differently than for other companies.

Key figures for financial performance

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

Acquisitions impact = The impact on the total growth that relies on new acquisitions.

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

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

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

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

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

Annualised recurring revenue (ARR) = Annual recurring revenue (ARR) refers to revenue, normalised on an annual basis, that is expected to be received from customers for providing them with products or services. Essentially, annual recurring revenue is a metric of predictable and recurring revenue generated by customers within the next twelve months.

EBITDA = Operating profit before amortisations, depreciation, financial items and taxes.

Proforma EBITDA, last twelve months = Proforma EBITDA equals EBITDA with all companies represented in all twelve months no matter the date of acquisition.

Special items = Income or expense that by nature are not related to the Group's ordinary operation or investments in future activities.

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	=	$\frac{\text{Net interest-bearing debt}}{\text{Proforma EBITDA, before special items, last twelve months}}$

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. The management uses adjusted profit for the year to measure the performance of the Group, excluding one-off items.

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

Net working capital = Receivables and other current operating assets less trade payables and other current operating liabilities. Tax payable and earn-out obligations are not included. Net working capital is not to 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 = consists of interest-bearing assets less interest-bearing debt. Interest-bearing debt consists mainly of bank loans (credit facility) and lease liabilities, whereas interest-bearing assets mainly consist of cash and outstanding loans to minority shareholders.

Leverage ratio = Proforma EBITDA last twelve months are used to match the full impact from new acquisitions on net interest-bearing debt.

Net investments in subsidiaries = Net cash payment corresponds to the cash payment for the shares, less cash included in the subsidiaries at the time of acquisition or sale. The effect of the new subsidiary's balance sheet is therefore eliminated.

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

DSO = Days sales outstanding (DSO) is a measure of the average number of days a company takes to collect payment for a sale. DSO is determined by the number of days. DSO is calculated based on proforma revenue last twelve months.

CAPEX in % of revenue = Investments in tangible assets excluding lease agreements and additions from business combinations per cent of revenue.

R&D in % of revenue = Investments in research & development excluding additions from business combinations per cent of revenue.

The number of customers = customers who have generated revenue for the Group within the last twelve months.

FTE = Calculated full-time employees.

The majority share of revenue and EBITDA = Shareholders of ECIT AS' share of revenue and EBITDA. The share is calculated on legal figures for the last twelve months (LTM) and with the ownership as of 30 June 2022.

Gender diversity = Gender diversity is measured between male, female and non-binary. Non-binary is not shown in the overview since the share of non-binary people in the Group is less than 1%.

Gender diversity, managerial = Managerial level is defined by people within ECIT Group 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.