

# ecit

## Annual Report 2023



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Annual Report for the year ending  
31 December 2023  
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Rolfsbuktveien 4A  
1364 Fornebu  
Norway

# Letter to our stakeholders

2023 has been a satisfactory year for ECIT with good performance across most metrics and with challenges in two areas – IT-consultants for hire plus IT-hardware sales and Group costs especially in the second half of 2023.

Financial highlights for 2023 is a revenue of NOK 3.4 billion, revenue growth of 21.7%, including 3.8% organic growth. 2023 EBITDA at NOK 497 million, with a margin of 14.5% (14.8%). Free cash flow improved by nearly 40%, while adjusted earnings per share increased by +20%. 14 acquisitions were completed, representing an annualised revenue of NOK 372 million in comparison the recently introduced dynamic M&A target of NOK 364 million, equivalent to 10% of LTM proforma revenue.

The F&A business achieved robust organic revenue growth in 2023, whereas certain areas of the IT business experienced a revenue decline compared to last year – IT consultants for hire and IT hardware sales. The remaining part of the IT business performed at an organic growth according to expectations.

Revenue from IT consultants for hire have been impacted due to recent political changes in the Norwegian labour law. Additionally, there has been a slowdown in IT spending, including hardware and IT projects, affected by tight macroeconomic conditions. Both business areas experienced a decline in 2023 in comparison to a strong growth last year, resulting in a revenue decrease at ~25%. However, adjusted for these specific IT business areas, the 2023 organic revenue growth for the group would have exceeded 10%, rather than the reported 3.8%.

As EBITDA 2023 margins has shown improvement across our three-division compared to the previous year, the EBITDA results have been impacted by increased group costs. These costs encompass investments and projects related to business development, the nearshoring setup in Lithuania, as well as group functions aimed at supporting the overall business operations. Even though these investments have raised the cost base in 2023 compared to last year, resulting in a slight decrease in EBITDA margins, they have strengthened the foundation for the future development of ECIT.

## The 10th anniversary of ECIT

Since incorporation in 2013, our focus has been on building an organisation through acquisitions and consolidation. This has been one of ECIT's key strategies from the beginning and will continue to be the focus moving forward. Building a high-performance organisation coupled with an efficient proprietary technological platform is essential to ensure that ECIT is a part of the digital journey shaping both the accounting and the IT industries.

Today, ECIT has +2,600 skilled employees and are represented in 10 countries. More than 135 acquisitions have been completed with more than 60 mergers across our three divisions.

Since listing on the Euronext Growth Oslo Stock Exchange in May 2021, we are pleased to have achieved good results across key financials metrics for the period 2020 to 2023. This includes a CAGR revenue growth of 24.5%, a CAGR of 24.7% in Group EBITDA, and a CAGR of 21.2% in free cash flow.

## Increasing ownership share in subsidiaries

In Q3 2023 it was announced that ownership share in subsidiaries (measured 50% / 50% by revenue and EBITDA) should increase to ~75% by the end of 2023, and further to ~85% by the end of 2024.

The increase in ownership is seen as an important enabler for further consolidating ECIT, aligning with the strategic objective to evolve into a Group rather than into a group of companies. More important, the increase in ownership will increase the Group's share of cash flow.

The acquisition model will continue unchanged with strategy focused on acquiring a majority stake in relevant companies, typically accompanied by a call option to acquire the remaining shares after a designated period. As such, the ownership share might fluctuate over time depending on future acquisitions.

The target of meeting 75% ownership has almost been achieved, as our ownership share in subsidiaries by the end of 2023 was 73.3% - followed by further subsidiary share acquisition early 2024.

## Financial review

Full-year 2023 revenue amounted to NOK 3,438 million (2,826), with revenue growth at 21.7% (21.9%). Organic revenue growth was 3.8% (10.0%). EBITDA was NOK 497 million (418) with a margin of 14.5% (14.8%). Currency development was positive by 3.3% (minus 1.1%).

The F&A division delivered a Q4 2023 revenue growth at 17.5% (29.2%), and a FY 2023 revenue growth at 26.5% (19.3%). Despite some macroeconomic headwinds, there has been demand for the F&A services. Revenue growth has been good driven by organic growth through up-sales and new customers, and through acquisition activities. FY 2023 EBITDA has increased by more than 17%, with a margin improvement from 17.0% to 17.2%.

The IT division delivered a Q4 2023 revenue at NOK 433 million (373), representing a revenue growth of 16.4% (20.2%), Q4 2023 saw impact from significantly reduced IT hardware including new projects revenue. The decline can be attributed to the high IT hardware revenue recorded in Q4 2022 as postponed projects due to global supply challenges were delivered during Q4 2022. Full year 2023 revenue delivered a growth at 14.5% (20.1%) and EBITDA margin was 12.9% (12.8%). Although the IT business has been affected by lower revenue, a result of less IT spending within IT consultants for hire and IT hardware (new IT projects), the underlying business has performed satisfactorily.

The Tech division delivered a Q4 2023 revenue growth at 59.8% (1.8%) and an FY 2023 growth at 34.3% (49%). Annual recurring software revenue (ARR) has increased by 31.6%.

Adjusted profit for the year 2023 ended at NOK 184 million (159) an increase of nearly 16%. Majority share of the adjusted profit accounts for 63.8% (58.8%).

2023 delivered a strong free cash flow at NOK 308 million (221), an increase of almost 40%. Partly to be explained by the EBITDA results and partly from a positive change in net working capital.

2023 adjusted diluted earnings per share (EPS) was 0.25 (0.21) an increase of +20%. The increase is partly from improved results and partly from increase in the majority ownership share.

Net interest-bearing debt, excluding IFRS16 lease accounting, closed the year at NOK 354 million (124). NIBD including IFRS16 lease accounting was at NOK 637 million (350), with the financial gearing ratio (NIBD/EBITDA) at 1.2x (0.8x) – well below the ratio limit at 2.5x NIBD/EBITDA.

Low net interest-bearing debt position, coupled with good cash flow, fortifies a strong financial position and the ability to continue the M&A activity.

## Acquisitions

Acquisitions are key to ECIT growth and business development, as they add volume, competence, capacity, products/services, technology, and geographical presence.

14 acquisitions were completed in 2023, representing NOK 372 million in annualised revenue.

During 2023, ECIT's annual financial M&A target was changed to follow the continued growth in ECIT. The new M&A target is a dynamic metric calculated as 10% of the pro forma revenue for the last 12 months. To be seen in comparison to the former metric a static measurement of NOK 350 million in annualised revenue per year.

As the top line continues to grow organically and through acquisitions, the M&A target will adjust accordingly.

Based on the reported full-year 2023 proforma revenue of NOK 3,641 million, the annualised acquired revenue target for 2023 was NOK 364 million, meaning the M&A target for 2023 was met.

## Sustainability in ECIT

Sustainability is in focus for ECIT as a new business area as well as at strategic level. Data collection is crucial to gain insights into how to improve sustainable performance, making data capture important. In 2023, new procedures were implemented to collect and monitor ESG data, which has improved data quality compared to previous years.

Tracking and reporting on electricity and power usage, as well as improving energy effectiveness in our data centres (both owned and on colocations) continued in 2023, alongside efforts to improve the Social and Governance areas.

As a people-focused business, employee development is important. Learning and development opportunities are vital to attract, retain, and motivate skilled employees. Increased focus, time and efforts spend on internal training and education through our "ECIT Academy" represents a further step for ECIT in ensuring a talent pipeline and enabling the personal development of our employees.



## 2024

Uncertainty linked to macroeconomic conditions will affect 2024 as well and may impact organic growth in ECIT. However, given the vital role of both Accounting and IT services in business operations of all companies, we expect the business areas in ECIT as less vulnerable to effects from macroeconomic downturns.

A high level of group costs in 2023, originating from investments and projects, are expected gradually to normalise throughout 2024. Investing in ECIT as a Group through strengthening the foundation is important to secure continued growth and remains a pivotal aspect of building ECIT long term.

Improved profitability, including organic revenue growth, is clear performance targets for 2024. While the three divisions delivered slightly improved EBITDA margins, they have yet to realise their earnings potential. In 2024, focus will be cost management, nearshoring and roll-up regarding ownership shares in subsidiaries. Increasing share of offshore employees, enhancing efficiency through automation (and utilisation of ECIT owned software) and exercising cost control measures, namely a cost reduction exercise of minimum NOK 40 million measured against the 2023 cost base.

Despite challenges posed by changing market conditions and limited visibility we do have for now, we remain secure in the commitment to drive growth and maximise value for our employees, customers, business partners, and shareholders.

We maintain our commitment to achieve the mid-to-long-term financial targets.



Peter Lauring,

# Financial Highlights 2023

(NOKm)	2023	2022	2021	(NOKm)	2023	2022	2021
<b>Condensed Income Statement</b>				<b>Key figures</b>			
Revenue	3,438	2,826	2,318	Total revenue growth, %	21.7%	21.9%	30.1%
EBITDA	497	418	339	Total organic revenue growth, %	3.8%	10.0%	5.5%
EBITA	366	306	237	Total M&A revenue growth, %	14.6%	13.0%	27.8%
EBIT	267	230	173	Currency effect on growth, %	3.3%	-1.1%	-3.2%
Transaction and restructuring costs	-20	-13	-9	EBITDA margin, %	14.5%	14.8%	14.6%
Financial items, net	-19	11	-14	EBITA margin, %	10.6%	10.8%	10.2%
Profit for the year	174	177	115	EBIT margin, %	7.8%	8.1%	7.5%
Adjusted profit for the year	184	159	118	Effective tax rate, %	23.3%	23.0%	23.6%
<i>Profit for the year attributable to</i>				<b>Other financial ratios</b>			
ECIT AS' shareholders, NOKm	110	105	49	Recurring & repeatable revenue share	79.0%	77.0%	71.0%
Non-controlling interests, NOKm	64	72	66	Proforma revenue, last 12 months	3,641	3,026	2,493
<b>Financial position</b>				Proforma EBITDA, last 12 months	514	440	359
Total assets	3,769	3,045	2,576	Proforma EBITDA-%	14.1%	14.5%	14.4%
ECIT shareholders' share of equity	1,383	1,288	1,217	<b>ESG Data (selected)</b>			
Non-controlling interest	500	364	223	Full-time workforce (FTEs)	2,602	2,371	2,221
Net working capital	-70	-23	-53	Gender diversity (F/M)	58/42	59/41	59/41
Net interest-bearing debt (NIBD)	637	350	137	Gender diversity, managerial (F/M)	58/42	54/46	50/50
Net Interest-bearing debt ex. leasing debt	354	125	-99	Employee engagement score (EES)	84	83	83
Estimated option obligation (not part of NIBD)	570	460	460	Electricity, MWh consumption per FTE	2.0	2.1	n/a
Net debt to EBITDA (Leverage ratio)	1.2x	0.8x	0.4x	<b>Ownership structure</b>			
Solvency ratio, %	50.0%	54.2%	52.9%	Average majority share of revenue & EBITDA, %	73.8%	69.0%	69.3%
<b>Cash Flow</b>				Majority share of profit for the year, %	62.7%	59.3%	42.6%
Operating activities	423	327	249	Majority share of adjusted profit for the year, %	63.8%	58.8%	43.7%
Free cash flow	308	221	154	<b>Stock-related key figures</b>			
Investing activities	-284	-314	-319	Diluted EPS, NOK	0.24	0.23	0.12
Financing activities	-137	-96	95	Adjusted diluted EPS, NOK	0.25	0.21	0.13
Cash flow for the year	2	-83	25	Total number of shares issued ('000)	454,105	452,050	445,455
CAPEX in % of revenue	0.8%	0.7%	0.8%	Total number of treasury shares ('000)	1,198	2,737	1,179
Software development in % of revenue	2.0%	2.0%	1.1%				

**Notes:**

EBITDA, EBITA and EBIT are presented before transaction and restructuring costs

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

# ECIT – at a glance



## Our divisions

ECIT is a leading provider of business process outsourcing in the Nordics within IT, Finance & Accounting and Tech across sectors and industries.

**3 Divisions**  
**10 Countries**



## Our acquisitions and mergers

+135 acquisitions and +60 mergers of subsidiaries have been completed since the establishment of ECIT in 2013, making ECIT a M&A compounder.

**+135 Acquisitions**  
**+60 Mergers**



## Our Employees and Partners

+2,600 employees and +250 partners across 10 countries contribute with knowledge and important insights from a variety of sectors and industries to our customers' service.

**+2,600 Employees**  
**+250 Partners**



## Our values

Our values describe what drives us as an organization.

Integrity, courage, entrepreneurship and open communication.

**84**  
**Employee Engagement Score**

# Geographical footprint

**ECIT**  
124 locations  
2,602 FTEs

**Iceland**  
1 location  
16 FTEs

**Norway**  
75 locations  
1,354 FTEs

**Finland**  
2 locations  
22 FTEs

**United Kingdom**  
2 locations  
28 FTEs

**Sweden**  
26 locations  
372 FTEs

**Denmark**  
14 locations  
288 FTEs

**Lithuania**  
1 location  
317 FTEs

**Germany**  
1 location  
14 FTEs

**Poland**  
1 location  
171 FTEs

**Romania**  
1 location  
20 FTEs



# ECIT History and milestones

2013

ECIT is founded  
F&A services in Norway  
IT services in Denmark

2014

F&A services in Denmark  
The ECIT name is established

2015

F&A services in Sweden  
IT services in Norway  
Debt collection services in Norway

2016

First big merger with more than 100 employees

2017

Tech services are established  
Acquisition of Bookkeeper

2018

ECIT reaches 1 billion (NOK) in revenue  
F&A services in UK

2019

IT services in Sweden  
Acquisition of Intect

2020

Acquisition of Modern Ekonomi  
ECIT values are established

2021

Listed on Euronext G.  
Acquisition of Norian (Enters 4 new countries)  
ECIT reaches 2 billion (NOK) in revenue

2022

Acquisition of Catacloud and Verismo  
4 large mergers completed (30% of the business)

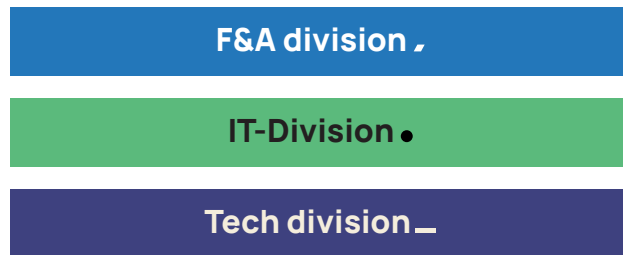
2023

**10-year anniversary + F&A services in Iceland + New headquarter is announced + ECIT reaches 3 billion (NOK in revenue)**

# Offerings and Business model

ECIT is a young growth company based on business development, organic growth, acquisitions, and integration.

We offer high level competence solutions and services within Accounting, Payroll, Software Technology and IT, including Managed Services & Consulting.



These services are designed to enable our customers to make clever business decisions and to serve as an efficient back-office function.

Our solutions and services are constantly modified to streamline and significantly improve the operational efficiency of our customers. Based on a strong local presence and a deep comprehension of local markets, we deliver tailor-made solutions. Simultaneously, we leverage global and coordinated expertise, with a workforce of more than 2,600 employees across 100 locations in 10 countries.

# Your partner – now and in the future

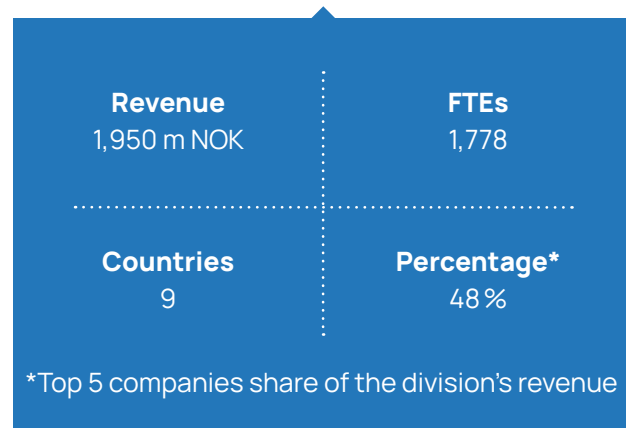


# F&A Division

ECIT's F&A division offers a wide range of services in areas such as Finance, Accounting, Payroll & HR, Staffing, Financial Advisory, Collecting as well as Sustainability Reporting.

It provides solutions for organisations of all sizes, both through local presence and through nearshore/onshore delivery models. With experts and services across Europe, the F&A division provides an international service model helping our customers grow internationally.

As a Tech-driven service provider, we make large investments in supporting technology solutions including Robotics and AI automation, which makes services from ECIT F&A cost efficient and value driving for our customers.



## Your partner – now and in the future

### Operations

#### F&A division,

- Accounting
- AR & AP
- Payroll & HR
- Budgeting
- Reporting/BI
- Annual reporting/Tax

### Optimisation

#### F&A division,

- Robot & AI supported automation
- Nearshoring
- Recruiting & Interim Services
- Advisory Services
- International Subsidiary support
- Implementation of core business solutions



# Case study F&A: Geveko Markings

**Geveko Markings about ECIT: “The strong international collaborative partner we were searching for.”**

Geveko Markings is an international company headquartered in Sweden, with additional offices in 13 countries worldwide. Experiencing significant growth, Geveko Markings felt the need to optimise their processes and explore alternative solutions for routine tasks. Consequently, they decided to outsource their accounts payable function to ECIT – a collaborative partner with the capacity to handle a company of their size, featuring a complex finance function spanning across international borders.

## Facts about Geveko Markings

- Founded in 1924
- Locations: 13 countries worldwide
- Industry: Manufacturing
- Number of Employees: 500+

## Full story at [www.ecit.com](http://www.ecit.com)

This is an extract from a case story made in collaboration with Geveko Markings. You can read the full story on our website [www.ecit.com](http://www.ecit.com)!



## A winning nearshoring strategy

“We chose ECIT because we were looking for a supplier present in the countries where we conduct business, and at the same time, could provide scalability. As a rapidly growing company, we sought a long-term solution. We have outsourced our accounts payable function as it is an essential part of our business.”

“We collaborate with ECIT in Denmark on setting up the outsourcing task, where it is ECIT’s nearshoring centre in Vilnius that manages the task. In connection with onboarding and the start of the collaboration, they sent a team leader to Denmark for a week. She spent the week understanding our processes and getting to know the business so that she could easily and quickly return and train her employees to initiate the task.”

“The best thing about collaborating with ECIT is that our routine operational tasks are always handled, and we have a dedicated contact person whom we can always reach out to. This individual understands our business, making it easier to address the challenges we face.”

**Katja Busk Larsen, Head of Group Finance, Geveko Marking**

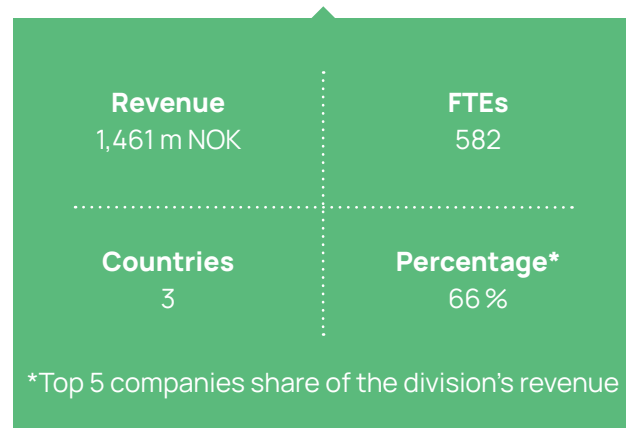


# IT Division

The IT division offers value creating IT solutions within Hybrid Multi Cloud, Digitalisation, Network Services and Endpoint Device Management.

ECIT can be a single point of contact for all IT needs, offering solutions that are tailored for specific demands and requirements. We always make sure to maintain and optimise the security level of our customers, so that they are equipped to survive the next cyber-attack.

Thanks to over 500 experts across the Nordic countries, we are confident of delivering IT operations that are up to date with the latest technology and trends.



# Your partner – now and in the future

## Operations

### IT-Division •

- Cloud & Data Center Services
- IT security
- Procurement & Green IT
- Network Services
- Implementation of Business Solutions
- Services of Customer Endpoints

## Optimisation

### IT-Division •

- Strategic Advisory
- Flow & Ecosystem
- Activation of Data Value
- AI, Automation & Robotics
- IT-project Management
- Interim Services



# Case study IT: Asker kommune

## Asker kommune about ECIT: “A partner driving us forward”

Asker kommune is one of Norway’s larger municipalities with over 95,000 inhabitants. Currently, the municipality has approximately 9,500 employees, distributed across 6,500 full-time equivalents, spread over 300 locations. In addition, they are responsible for 13,500 students. We have spoken with Kolbjørn Johansen, Head of IT Operations in Asker kommune, about having ECIT as an IT partner.

### Facts about Asker kommune

- 95,000 inhabitants
- 9,500 employees
- Located in Viken county in Norway
- A customer of ECIT since 2018

### Full story at [www.ecit.com](http://www.ecit.com)

This is an extract from a case story made in collaboration with Asker kommune. You can read the full story on our website [www.ecit.com](http://www.ecit.com)!



Asker  
kommune

## Good communication and tailored solutions

“ECIT has been one of our external expertise partners in IT for many years. They are our preferred partner for both network and security solutions and are collaborating closely with our internal IT department. ECIT has proven to be a highly flexible, responding promptly and finding effective solutions when the need arises. We value these qualities highly.”

“Our tasks are continually becoming larger and more complex. ECIT is a company that has experienced significant growth in recent years and has provided us with specialised expertise through several skilled resources. We appreciate collaborating with a limited number of suppliers who can offer broad expertise, and this is what we get with ECIT.”

“Through close dialogue and thorough follow-up, we have established strong relationships that allow for open and honest communication. ECIT’s existing and past experiences from similar tasks/customers have been a valuable resource that has strengthened our own expertise. ECIT assists us in developing and improving our IT solutions and is a knowledge partner that drives us forward.”

**Kolbjørn Johansen, Head of Department at Asker kommune**

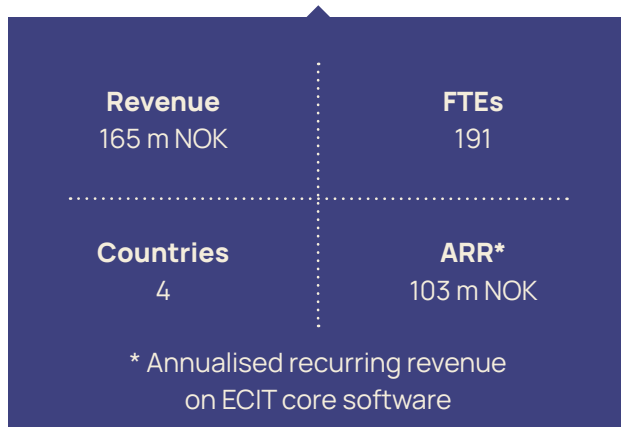
# Tech Division

The Tech division collaborates closely with F&A and IT to deliver cutting-edge technological solutions.

We are deeply committed to driving forward the development of our own competitive tech solutions, ensuring they are positioned to be competitive on the global market.

Our efforts span across various system sectors, including ERP, Payroll, HR, Document Processing, and more.

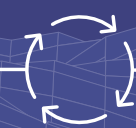
By continually developing and optimising our proprietary systems, we are confident in our ability to provide solutions tailored to the specific needs of our customers.



# Your partner – now and in the future

## Operations

- Tech division\_**
- Project management
  - Implementation
  - Support
  - Adapting
  - Software development
  - Software R&D



## Optimisation

- Tech division\_**
- Integration
  - Digitilisation
  - Automation
  - AI
  - Streamlining
  - F&A Services

# Case study Tech: Scandic Hotels

**Scandic Hotels about Intect and ECIT: “We have obtained a payroll system that future-proofs our payroll administration.”**

Scandic Hotels is a publicly traded hotel and restaurant chain, founded back in 1963. With over 280 hotels across the Nordic region and a total of 28 hotels in Denmark, Scandic Hotels is unquestionably the largest hotel chain in the Nordics. In the Danish department, the staff consists of over 2400 employees who, with the new agreement, will transition to having their payroll processed in Intect, ECIT's own developed payroll system.

## Facts about Scandic Hotels

- Founded in 1963
- Locations: +280 hotels across six countries
- Industry: Hospitality
- Number of Employees: 19,000

## Full story at [www.ecit.com](http://www.ecit.com)

This is an extract from a case story made in collaboration with Scandic Hotels. You can read the full story on our website [www.ecit.com](http://www.ecit.com)!

# Scandic

## Embracing flexibility: A foundation of success

“When we made the final decision to bring payroll administration back in-house, it was with an awareness that we needed to find an agile payroll system that could provide us with a flexibility we hadn't experienced in our previous solutions. Intect was appealing in this context because the system could be tailored to our specific needs, including flexible data import from our time registration system, Timeplan.”

“It was important for us at Scandic Hotels to find a partner where outsourcing could be an option at a later stage. We have a strong and experienced in-house payroll team, but we are highly dependent on key individuals. Therefore, it is crucial that we are covered if one or more of them are unavailable. With Intect, there is a clear opportunity for ECIT to take over our payroll task in the future, making this solution essential for future-proofing our payroll administration.”

“Throughout the entire process, we have had good and secure communication with Intect. This has provided us with peace of mind because we have had direct contact with those who developed the system, while also being included in the process of setting it up for our company. In this way, we have gained a thorough understanding of the how it works, making us feel well-prepared to take over when it comes to payroll processing. Additionally, we have a positive impression of Intect's support function, which we feel confident reaching out to in case of any challenges.”

**Gitte Møberg, SSC Manager at Scandic Hotels**

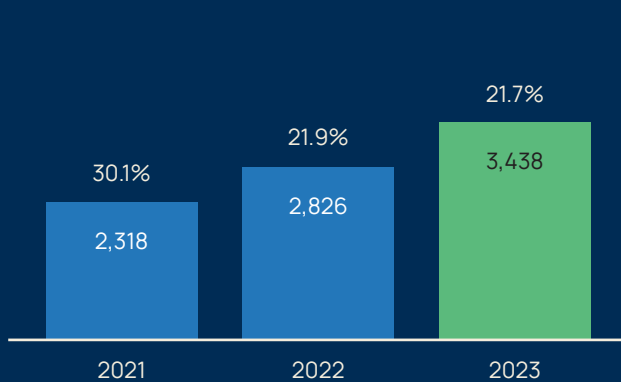


# Performance, Financial Targets and Growth Strategy

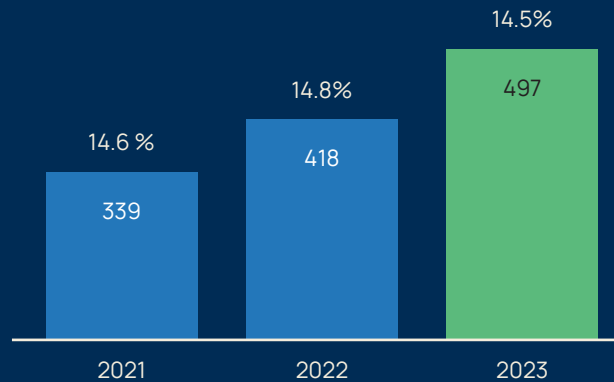
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# Performance Highlights 2023

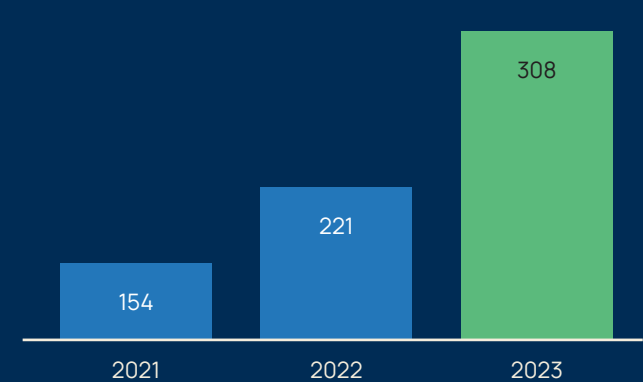
Net revenue (NOKm)



EBITDA (NOKm)



Free cash flow (NOKm)



**3,438 NOK million**

Net revenue

**21.7%**

Total revenue growth

**497 NOK million**

EBITDA

**14.5%**

EBITDA-margin

**308 NOK million**

Free cash flow

**355 NOK million**

Net interest bearing debt ex. leases

- ✓ Total revenue growth of almost 22% - on par with last year's performance
- ✓ Organic revenue growth of 3.8% - lower growth explained by specific parts of our IT business being impacted by changed macroeconomic conditions in 2023

- ✓ EBITDA margins across our three divisions improved compared to last year
- ✓ Although important investments were made to the group support functions increasing the cost base in 2023, it has strengthened the base to further grow the company in the future

- ✓ Solid free cash flow development compared to last year corresponding to an increase of almost 40%
- ✓ Net-interest-bearing debt excluding lease accounting remains at a low level - leverage ratio of 1.2x EBITDA

# Key financial targets

Our mid-to-long-term financial goals were introduced in connection with ECIT's listing on Euronext Growth in May 2021. These targets are based on a three-to-five-year horizon.

The mid-to-long-term revenue growth targets include organic growth of at least 5.5% and total growth of minimum 15.0%. Total growth encompasses both organic growth and growth from acquisitions.

The macroeconomic downturn had an impact to a specific segment of our IT business, which is the primary reason behind the modest organic revenue growth of 3.8% in 2023. The remaining business across our other divisions have delivered satisfactory and in alignment with expectations.

The geopolitical and macroeconomic environment remains uncertain in 2024, which may affect our organic revenue growth target. However, given that ECIT's core purpose is to provide support in the two critical administrative areas for most companies – Accounting and IT, we anticipate that our business will be less vulnerable to impacts stemming from an economic slowdown. Consequently, no changes have been made to the organic revenue growth targets – also considering that financial targets cover mid-to-long-term periods.

Acquisitions play a pivotal role in ECIT's growth and business development. Considering the ongoing expansion of ECIT, we have decided to revise the financial M&A target. Before, the target has been to acquire companies with an annualised revenue at NOK 350 million.

The adjusted M&A target will be 10% of the pro forma revenue for the last 12 months. As the top line continues to grow organically and through acquisitions, the M&A target will grow accordingly.

The EBITDA margins for the year ended at 14.5%, which was slightly below last year's level of 14.8%.

While we acknowledge that the 2023 result falls short of our expectations, we expect that margins will gradually improve over time as we continue to consolidate, implement cost efficiency initiatives, and benefit from operating leverage due to higher revenue. It is important to note that the 17% target is excluding the impact of large acquisitions.

The medium-to-long financial targets is based on the principal assumptions of a stable global macroeconomic environment, as well as ECIT's ongoing commitment to business development and the execution its M&A strategy.

The strategic objectives of the Group are reflected in the following targets to the right. Apart from the adjusted M&A target, all other targets remain unchanged.

	FY 2023	Target
<b>Total growth</b>	<b>21.7%</b>	<b>&gt;15%</b>
<b>Organic growth</b>	<b>3.8%</b>	<b>&gt;5.5%</b>
<b>Recurring &amp; repeatable revenue</b>	<b>79%</b>	<b>&gt;75%</b>
<b>EBITDA margin</b>	<b>14.5%</b>	<b>&gt;17%</b>
<b>Leverage ratio</b>	<b>1.2x</b>	<b>&lt; 2.5x</b>
<b>M&amp;A acquired revenue</b>	<b>372M</b>	<b>&gt;364M</b>

# Mergers & acquisitions

## 2023 was an eventful year within M&A.

We completed 14 acquisitions, generating an annualised revenue of NOK 372 million, surpassing our new M&A target of NOK 364 million (measured by 10% of the proforma revenue for the last 12 months).

### Acquisition growth

Acquisitions are an integrated part of the ECIT business model, adding volume, capacity, competence, products and services, technology, and geography. F&A and IT markets remain fragmented, with many potential acquisition candidates.

ECIT applies a dual ownership model, where it acquires companies and has a call option to acquire the remaining noncontrolling stake. ECIT is hence as an attractive platform for entrepreneurs who want to grow and develop their businesses.

Through the dual ownership model, founders can leverage their business on the benefits of being part of the platform. Subject to a range of criteria being fulfilled, we may consider low-performing candidates that can be merged with existing subsidiaries in geographies with substantial and well-performing operations.

### Acquisitions completed in 2023

Of the 14 acquisitions completed, six were F&A companies, five were IT companies, and three were in the Tech division.

We are pleased with the acquisitions completed across the three divisions, as the new companies have strengthened our position within several areas. By adding ECIT Sustainability AS and ESG Trackr AS, ECIT has made the first steps towards building a presence within sustainability, focusing on developing software to streamline measuring and reporting processes.

Low net interest-bearing debt position in combination with good cash flow, gives ECIT a strong financial position and the ability to continue the pursuit of growth through M&A. Also, changes in the business and market environments may give rise to new opportunities.

## Acquisitions completed in 2023

### F&A division

Acquisitions:

6

Revenue acquisitions:

151 m NOK

### IT division

Acquisitions:

5

Revenue acquisitions:

199 m NOK

### Tech division

Acquisitions:

3

Revenue acquisitions:

22 m NOK



# Buy & Build

Integration of companies and later merging these into larger units to enable and strengthen profitable growth, is a key part of the 'buy-and-build' approach in ECIT.

Typically, the acquisition targets are low-complexity deals following a dual ownership model, wherein ECIT acquires the majority stake in the company with an option to acquire the remaining shares.

Consolidation through mergers plays a crucial role in the development of a unified ECIT. Such mergers are important in all our divisions to establish one Group (as opposed to a group of companies). Common synergies include cross-sale opportunities and scale benefits, enabling cost reductions and efficiency improvements, as well as enhancing organisational strength.

Because of the ongoing consolidation process, large companies ('Multicompetence centres') have been formed across the divisions.

## Buy and build effect

Of total revenue, the 10 largest companies of ECIT accounted for:

60%

## Straight forward process to create multicompetence centers

### Acquisition

Partnership through dual ownership

1

### Relocation

Co-location to realize revenue and cost synergies

2

3

### Integration ( mergers )

As the acquired entity pulls on more ECIT group resources, it becomes natural to merge with other entities.

4

### Multicompetence center

Accounting + Payroll + Consulting + Development + Solutions + Law

✓  
Operational  
scale

✓  
Pooling  
competencies

✓  
Organizational  
strength

ecit

# Board of Directors Report

ecit

# Financial review

## Results for the year

ECIT delivered revenue growth of 21.7% (21.9%) with a group revenue of NOK 3,438 million (2,826). Organic growth of 3.8% (10.0%) and acquired growth at 14.6% (13.0%). Currency effects affected revenue growth by 3.3% (minus 1.1%).

Compared to previous years, the overall growth picture has changed for ECIT. The IT division has previously been the driver of organic growth, with F&A delivering organic growth at a lower level. However, in 2023, the narrative shifted: the F&A division now takes the lead in delivering strong organic growth performance, while the IT division experiences growth at a lower level.

The lower organic revenue growth in the IT division can be attributed to a combination of two main factors; changed macroeconomic conditions impacting IT spendings and a strong comparable period last year. The specific business areas being affected include IT consultants for hire, who are facing challenges due to a recent political change in the Norwegian labour law. Additionally, our customers are adopting a more conservative approach to IT spending, influenced by prevailing macroeconomic conditions. Compared to last year, those specific business areas have experienced a 25% decline in revenue. Such a reduction in revenue is the primary factor contributing to the modest organic revenue growth of 3.8% across the group.

The acquired growth of 14.6% comes partly from last year's acquisitions (full-year impact to 2023) and partly from the acquisitions completed during 2023, adding NOK 372 million in annualised revenue.

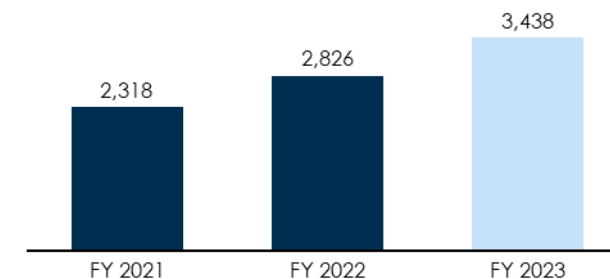
The largest division in ECIT, the F&A division, delivered a revenue of NOK 1,950 (1,543) corresponding to a revenue growth of 26.5% (19.3%). Throughout 2023, we experienced good demand for our services across all countries, where activities generally have been high.

The revenue in the IT division reached NOK 1,461 million (1,275), resulting in a revenue growth of 14.5% (20.1%). Despite the impact of changed macroeconomic conditions, the remaining IT business demonstrated satisfactory growth by providing additional services and products to existing customers, in addition to new customers.

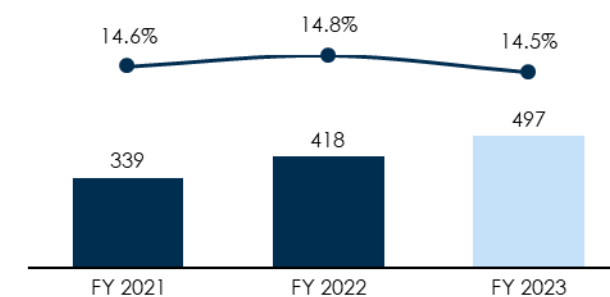
The Tech division delivered revenue growth of 34.3% (49.0%) and revenue at NOK 165 million (122). This growth is driven by heightened utilisation of our proprietary solutions in the F&A division, as well as an increased demand from external customers. Annual recurring revenue, which measures only software revenue, has increased by 22.4%. During 2023, our focus remained steadfast on investing in product development and strengthening our organisation. This included enhancements in management, business support and development, and sales.

ECIT operates in 10 countries, whereas Norway is the most significant contributor to revenue and earnings. In 2023, Norway represented approx. 66% (67%). The second largest country is Sweden, representing approx. 15% (15%) of the total revenue in 2023.

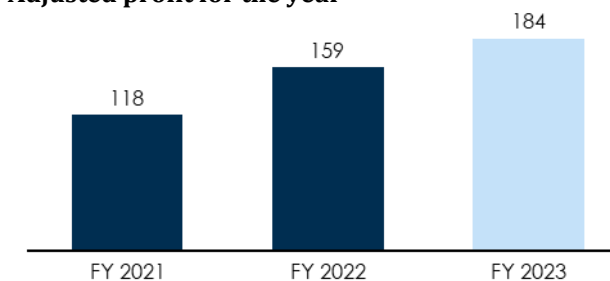
## Revenue



## EBITDA & EBITDA-%



## Adjusted profit for the year



Our adjusted EBITDA, before for transaction and restructuring costs, came out at NOK 497 million in 2023 compared to NOK 418 million the previous year, representing an increase of almost 19%. While the EBITDA margins for 2023 have improved across our three divisions compared to last year, it is important to note that the EBITDA results were somewhat affected by higher group costs compared to last year.

During 2023, we made significant investments in several key areas such as business development, our nearshoring setup in Lithuania, and group functions which are supporting the business. The high group costs incurred in 2023, primarily due to investments and projects, are expected to normalise during 2024.

The adjusted EBIT, accounting for transaction and restructuring costs, came out at NOK 267 million in 2023 (230), corresponding to an increase of 16.0%.

(NOKm)	2023	2022
<b>Profit for the year</b>	<b>174</b>	<b>177</b>
Transaction & restructuring costs	20	13
Earn out adjustment	-14	-7
Divestment profit	0	-24
Loss from associated companies	4	0
<b>One-off items, total</b>	<b>10</b>	<b>-18</b>
<b>Adjusted profit for the year</b>	<b>184</b>	<b>159</b>
<i>Attributeable to:</i>		
Shareholders in ECIT AS, NOKm	118	94
Non-controlling interests, NOKm	66	65
Shareholders in ECIT AS, %	63.8%	58.8%
Non-controlling interests, %	36.2%	41.2%
Diluted EPS, NOK 1	0.24	0.23
<b>Adj. diluted EPS, NOK 1</b>	<b>0.25</b>	<b>0.21</b>

The financial items totalled net expenses of NOK 16 million, compared to a net financial income of NOK 10 million last year. A profit of NOK 24 million, resulting from two small divestments, primarily explained the net financial income in the previous year.

Profit for the year totalled NOK 174 million (177). However, when adjusted for one-off items, the profit for the year rose to NOK 184 million (159), representing an increase of almost 16%.

In 2023, the one-off items primarily consisted of transaction and restructuring expenses as well as earn-out adjustment. Contrastingly, in the previous year, one-off items were influenced by the profit from two small divestments.

The adjusted profit share for ECIT shareholders has risen from 58.8% to 63.8%. The increase can be primarily attributed to the growth in the average ownership share within the subsidiaries.

The adjusted diluted earnings per share represent NOK 0.25 compared to NOK 0.21 last year, corresponding to an increase of 20.8%.

### Cash flow statement

(NOKm)	2023	2022
Cash flow from operations	423	327
Cash flow from investing	-284	-314
Cash flow from financing	-137	-96
<b>Cash flow for the period</b>	<b>2</b>	<b>-83</b>
<b>Cash flow from operations</b>	<b>423</b>	<b>327</b>
Transaction & restructuring costs	20	13
Net investments, tangible assets	-26	-20
Repayment of lease liabilities	-109	-98
<b>Free cash flow</b>	<b>308</b>	<b>221</b>

**Cash flow from operating activities** came out at NOK 423 million (327), representing an increase of 29.4%.

Higher EBITDA positively affected cash flow, considering transaction, and restructuring costs as well as the positive change in net working capital.

The timing of customer invoicing can lead to fluctuations to the working capital development between reporting periods. In Q4 2022, the working capital was unusually high due to customer invoicing, resulting in negative net working capital at year-end. However, this reversed in the first quarter of 2023, leading to a positive impact on the net working capital representing NOK 20 million.

**Cash flow from investing activities** was negative by NOK 284 million (-314). The most significant components contributing to this negative cash flow were the acquired subsidiaries, which amounted to negative NOK 171 million (-250).

**Free cash flow** (adjusted for transaction and restructuring costs, net investments, tangible assets, and lease accounting) represents NOK 308 million (221), corresponding to an increase of almost 40%. Free cash flow was positively impacted by higher EBITDA result and a positive change in net working capital.

**Cash from financing activities** was negative by NOK 137 million (-96). The cash outflow related to transactions with minorities amounted to negative NOK 76 million (3), and this increase was due to the decision to expand ownership shares in subsidiaries.

# Capital structure and allocation

The capital structure of ECIT is designed to ensure financial stability, reduce the company's cost of capital, and maintain sufficient financial strength to achieve its strategic objectives.

The gearing ratio as of 31 December 2023, was 1.2x (0.8x), which is below our prescribed limit 2.5x EBITDA.

On 31st December 2023, ECIT AS reported a shareholders' equity of NOK 1,383 million (1,288). Additionally, ECIT held a portfolio of 1,198,483 treasury shares on the same date. (2,737,168).

## Net interest-bearing debt

As of 31 December 2023, the net interest-bearing debt stands at NOK 637 million, compared to NOK 350 million in the previous year.

Leasing liabilities (IFRS16 lease accounting) have a material impact on the interest-bearing debt of ECIT, which consists mainly of office rentals. Excluding leasing liabilities, net interest-bearing debt represents NOK 354 million (125).

Net interest-bearing debt - (NOKm)	2023	2022
Borrowings	619	367
Lease liabilities	283	225
<b>Total interest bearing liabilities</b>	<b>902</b>	<b>592</b>
Interest bearing receivables	73	60
Cash and cash equivalents	192	183
<b>Total interest bearing assets</b>	<b>265</b>	<b>243</b>
<b>Net debt / Net cash (-)</b>	<b>637</b>	<b>350</b>
Proforma EBITDA, LTM	514	467
<b>Debt leverage</b>	<b>1.2x</b>	<b>0.8x</b>

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

The minority option obligation (i.e., the price to exercise all options to 100%) as of 31st December 2023, is estimated to be NOK 570 million (460). The option obligation has increased due to a combination of acquisitions made in 2023 and improved EBITDA results. The option obligation is not a part of the net interest-bearing debt statement.

## Capital allocation policy

Executive Management and the Board of Directors monitor the capital structure to ensure that ECIT's capital resources support align with the strategic goals and maximize shareholder returns.

The capital allocation policy below outlines the priority for the allocation of free cash flow:

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

## Dividend

The proposed dividend for 2023 amounts to NOK 0.06 per share (0.04) and will be paid out during April 2024.

## Incentive plan

As per the authorisation granted by the Company's annual general meeting on 28th March 2023, ECIT has launched its second incentive program. This program extends to employees, management, and board members of ECIT and its subsidiaries.

The total program – including the first incentive program – represents up to 11.750.000 units as of December 2023 and consists of share options plan (warrants) and share purchase plan. Approx. 95% of this total has been granted.

The incentive plan is covered partly using the Board's authorisation to increase the share capital and partly by treasury shares. The overall purpose of the incentive plan is to ensure an aligned interest with shareholders and to reward long-term and dedicated work deemed valuable to ECIT and its shareholders.

The value of the incentive plan is recognised based on the International Financial Reporting Standards (IFRS) accounting principles. An expense of NOK 5.7 million (0) has been recognised in the 2023 financials.

## Share buy-back program

In 2023, management initiated four share buy-back programs. The share buy-backs were made in accordance with the authorisation granted to the Board of Directors by the Company's annual general meeting on 28th March 2023.

Under the four programs, 3,483,148 shares were acquired at an average price of NOK 8.03. In total, ECIT spent NOK 27.9 million (11.9) on share buy-back programs in 2023.

The share buy-back program serves the purpose of acquiring shares that can be utilised as a settlement in ECIT's incentive plan for employees, management, and board members.

Furthermore, shares acquired under the program may be applied as part of settlement measures in ECIT's acquisitions of companies according to ECIT's growth targets and general corporate purposes.

### Share price development

The ECIT share started the year at a price of NOK 7.36 and closed the year at NOK 7.80, which equals a positive development of 6.0%. During the same period, the Euronext Growth index decreased by 12.0%.

The lowest closing price in 2023 was NOK 6.50 on 29th March 2023, and the highest closing price was NOK 8.70 on 31st July 2023.

At the year-end, the market capitalisation of ECIT was NOK 3.5 billion.

According to data from Euronext Growth, the average daily trading volume of ECIT was 141.421 shares in 2023, corresponding to an average daily turnover of NOK 1.1 million.

### Share capital

The total share capital as of 31 December 2023, comprises 454,105,373 shares, with a nominal value of NOK 1 each.

Among the three share classes, only the B-shares are subject to trade on the Euronext Growth stock exchange.

A-shares are not subject to listing but carry ten votes per share and are all owned by Peter Lauring through holding companies. A-shares will be converted to B-shares upon Peter Lauring's departure from ECIT or in the event of a sale to a third party or listing of the A-shares. C-shares are not subject to listing and carry one vote per share.

Number of shares in three classes per December 2023:

- A-shares: 41,336,068
- B-shares: 345,017,074
- C-shares: 67,752,231

### Shareholders

Our shareholders are mainly located in the Nordic countries in Europe, with more than half of our shareholders being in Norway.

More than 65% of the shares are still owned by employees and management, with the top management representing more than 20% and employees and partners within the group representing more than 45% of the shares.

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

### Shares with lock-up

The lock-up period for active shareholders expired in May 2022. Remaining B- and C-shares subject to a lock-up period represents 19 million (4.2% of total shares).

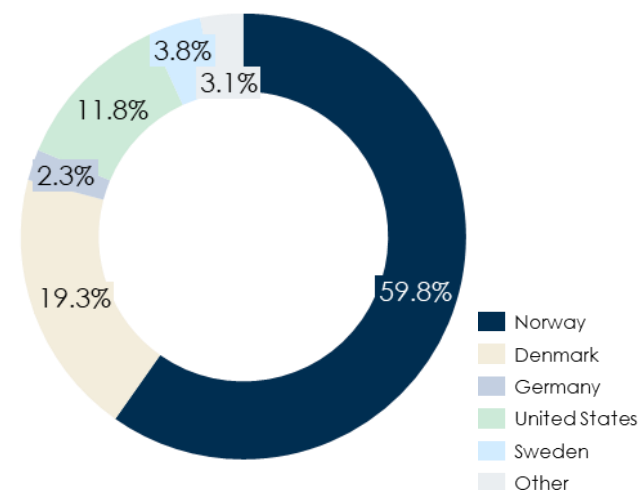
### Investor relations

We aim to maintain a transparent and active dialogue with shareholders, investors, analysts, media, and the public. Our

goal is to ensure equitable information distribution to all market participants and promote fair pricing of the shares.

This includes hosting quarterly investor presentations and participation in investor conferences, as well as one-on-one and group meetings with analysts and investors. Our investor relations policy stipulates a 30-day-calendar silent period before the publication of any full-year or interim financial report.

### Geographical distribution of our shareholders



### Financial calendar

The financial calendar for 2024 is as follows:

Annual report 2023	<b>28 Feb 24</b>
Annual General Meeting 2024	<b>21 Mar 24</b>
Interim financial report Q1 2024	<b>8 May 24</b>
Interim financial report H1 2024	<b>22 Aug 24</b>
Interim financial report Q3 2024	<b>7 Nov 24</b>



# Risk management

ECIT faces risks and uncertainties that may affect some or all group activities.

Managing the identified risks will either decrease the likelihood of financial impact or occurrence, enabling ECIT to respond promptly to protect our people, assets, reputation, and customers.

## Risk Governance

Our organisational structure ensures fast escalation and timely response to issues that may have a material impact on group financial and strategic targets.

The Board of Directors is responsible for the Group's risk management strategy and the overall model for identifying and mitigating risks.

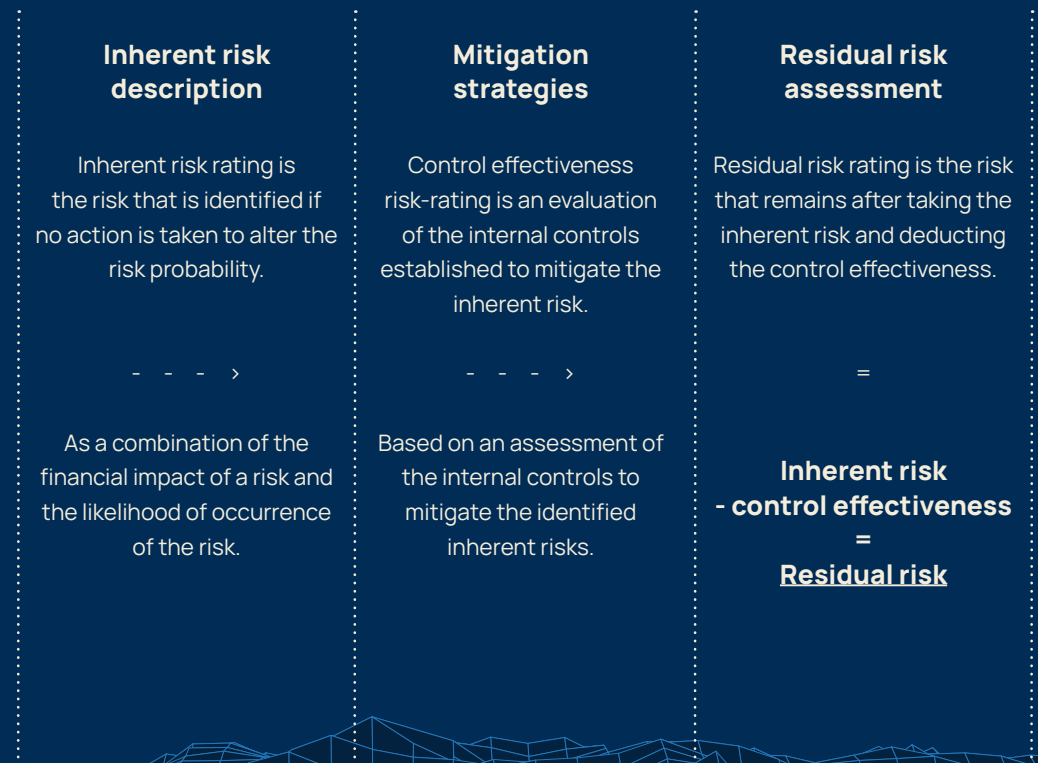
The Executive Board oversees the day-to-day risk management processes and continuously enhance the Group's risk management activities.

## Risk management

ECIT continually improves the risk management framework to strengthen the management of risks across the Group. In 2023, a Group risk analysis was conducted, wherein risks identified by key senior management across the Group were analysed and consolidated into a key risk model.

## Risk assessment model:

The ECIT risk management model consists of the following three components. The Risk management methodology used for risk and control self-assessment in ECIT is described below.



Assessment of inherent risk, internal controls, and residual risk

# Risk management

## Key risk analysis

The key risk analysis confirmed seven overall key risk categories that could significantly impact the Group's financial position and the attainment of other strategic objectives.

The following pages detail the key risks identified (inherent risk), the preventive actions implemented to mitigate these risks (control effectiveness), and our ongoing approach to manage these risks (residual risks).

None of the seven identified key risks have a high residual risk rating. The risks are not listed in a specific order.

Financial exposures, including liquidity and credit risk, are overseen by Group Management and will be elaborated on following after the description of the seven key risk areas.

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## 01: Employee retention and attraction

## 02: Technological adaptations

## 03: Merger and Acquisitions

## 04: Macroeconomic impact

## 05: IT systems and security

## 06: Compliance

## 07: Realization of organic growth strategies

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## 01. Employee retention and attraction

As a people's business, identifying and retaining skilled employees is key. Competition for talented employees is tough, requiring the ability to offer attractive conditions. Failure to continue to grow the employee base will limit the growth opportunities.

ECIT aims to be an attractive workplace, accomplishing this through attractive working conditions, incentive programs for employee and manager development, and a strong emphasis on company culture.

Throughout 2023, we further developed our internal training program 'ECIT Academy', which encompasses ECIT Leadership, ECIT Talent, ECIT Advisory, and ECIT Associate.

## 02. Technological adaptations

ECIT operates in a competitive market which is subject to changing technologies and shifting customer needs and expectations.

Failing to spot and follow market trends and technology development could have a negative impact on growth opportunities and existing businesses.

ECIT continuously improves and develops new market- and industry-relevant services and solutions.

Significant investments are allocated to the Tech division to further develop the solutions offered within the F&A business segment.

We measure and respond to customer loyalty, monitor market developments and competition, and continually develop our skilled employees to ensure high-quality delivery of projects and services.

## 03. Merger and Acquisitions

A key part of ECIT's growth strategy involves expansion through acquisitions. Consequently, the current ECIT network largely stems from past acquisitions.

Acquisitions always entail a risk of unsuccessful integration of the acquired company, which could result in cost synergies, strategic advantages, and economies of scale being delayed or not fully achieved.

In any acquisition, detailed due diligence will be conducted. Additionally, payment of parts of the valuation can be based on future performance and paid only when such performance metrics is met.

There is a continuous focus on achieving integration goals through a structured process, which includes thorough management oversight post-acquisition.

#### 04. Macroeconomic impact

Like all companies, ECIT is exposed to the general economic climate in the countries where the company operates.

Global economic and political development is outside of ECIT's direct influence. Maintaining an agile operational setup and a flexible financial structure are the main steps taken by the Group to mitigate such risks.

Also, as the fundament of ECIT is to support the two most important administrative areas for most companies, Accounting and IT, we consider our business to be less exposed to significant effects coming from macroeconomic changes.

#### 05. IT systems and security

IT systems, networks, and related processes are crucial to our day-to-day operations.

Key IT risks are unauthorized attacks, operational dependency, and potential non-compliance to personal data regulation, including the General Data Protection Regulations (GDPR).

Our centralised IT functions oversees IT risks in close cooperation with the rest of the organisation. Monitoring of controls, as well as continuous updates of systems and centralisation, alleviates the risk and impact of security breaches.

#### 06. Compliance

ECIT is subject to extensive regulatory requirements and

must therefore ensure compliance with relevant legislation and regulatory standards.

To provide a responsible basis for operations, ECIT has implemented codes of conduct encompassing employees of the Group and suppliers.

At the group level, we monitor and manage areas of risk in close cooperation with all subsidiaries.

Short lines of communication and ECIT's whistleblower system make identification of non-compliance more visible and provide the ability to limit the legal impact of non-compliance.

#### 07. Realisation of organic growth strategies

To successfully integrate acquired businesses and foster organic growth, maintaining a strong commercial focus is imperative, which includes continued emphasis on understanding and meeting customer needs. Failure in this area, will impact our ability to meet our financial objectives on a mid-to-long-term basis.

ECIT's exposure to market and operational risks is limited by the following:

*Resilient business model* - Since accounting and IT capabilities are vital to our customers' underlying operations, ECIT is less exposed to economic downturns.

*The number of customers* - ECIT has more than 50,000 customers across different countries and business segments, lowering the exposure to events affecting individual countries or segments.

*Large product suite* - Across the three divisions, ECIT offers a wide range of products to customers, providing both up-selling and cross-selling opportunities that lower the risk of churn.

*Investment in technology* - Significant investments are made in the Tech division to further develop the solutions offered to external and internal customers within the F&A business segment.

*'Net Promoter Score'* - Customer satisfaction through "Net Promoter Score" research is an integrated part of customer follow-up procedures in ECIT.

#### Liquidity and credit risk

ECIT faces liquidity risk in meeting future obligations associated with its financial liabilities, primarily encompassing trade payables, other payables, and the credit facility.

ECIT ensures adequate liquidity by managing cash flow forecasts and close monitoring of cash inflows and outflows. In addition to cash flow from operations, the ECIT's liquidity position is secured through committed credit facilities with ECIT's primary bank. On 31st December 2023, the undrawn amount of committed credit facilities totalled NOK 216 million.

ECIT's credit risk mainly relates to trade receivables and is not dependent on customer segments or specific customers. The Board of Directors deems credit risk to be at an acceptable level.

# Governance model

Together, the Board of Directors and the Executive management team constitute the governing body of ECIT. The ultimate governing authority rests with the General Meeting.

## Board of Directors

Responsible for the overall management and strategic direction of the Group, including:

- Strategy plan and annual budget
- Supervising the activities of the Group
- Reviewing the financial position and capital resources to ensure that these are adequate
- Risk management and internal controls

The Board receives financial reports and is briefed on important matters between board meetings.

Eight ordinary board meetings were held in 2023. The agendas and the topics for each of the ordinary meetings are based on the Board of Directors' annual wheel.

## Executive management

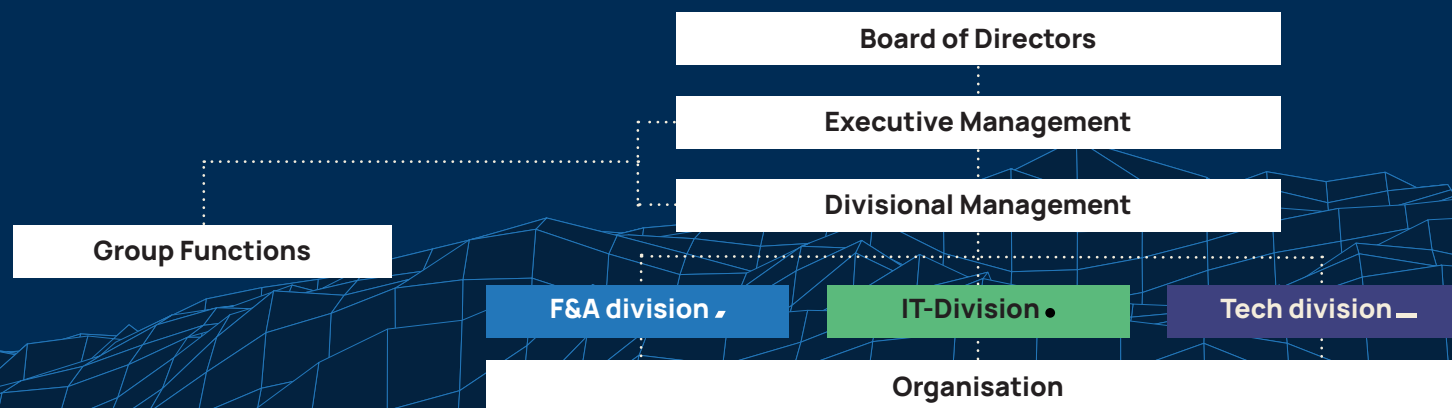
Responsible for the day-to-day management of the Group, including:

- Strategic initiatives and Group policies
- Organisational structure
- Group performance
- Mergers & acquisitions
- Assessing on an ongoing basis whether the Group has adequate capital resources and liquidity to meet its existing and future liabilities
- Risk management and internal controls

## Divisional management team

Responsible for the day-to-day management of the operational activities of the three divisions in ECIT, supported by the centralised group functions, including:

- Implementation of the ECIT strategy and business model on a division level
- Business performance of the divisions
- Operate the business in accordance with the Group's policies and procedures as well as local legislation and practice of each country
- Risk management and internal controls



# Investments and sustainability

## Investment activities

### *Merger & Acquisitions (M&A)*

In 2023, ECIT completed 13 acquisitions of new subsidiaries and one associated company, representing annualised revenue of NOK 372 million (302).

Out of the 14 acquisitions completed, six were F&A companies, five were IT companies, and three were in the Tech division.

The acquisitions completed across the three divisions have strengthened ECIT's competence base, industry position, and geographical presence.

Nine mergers were completed in 2023. Integration and consolidation of mergers completed remains high on the agenda in ECIT. In 2022, four large mergers within the IT and F&A division were completed. Altogether, 20 companies were merged into four, representing approximately NOK 1 billion in revenue combined and 422 FTEs.

### *Other investments*

Other investments include companies in which we hold less than 50% ownership stake. In 2023, ECIT invested in ESG Trackr AS which have developed a solution to help companies with their sustainability reporting. The investment contributes to our ongoing commitment in the sustainability consultancy sector.

Furthermore, we have increased our ownership share in some of our existing portfolio through further investments.

### *Investments in software development*

ECIT has software development activities primarily in the Tech division, which covers software solutions within Payroll, Accounting, and Office Support.

ECIT will continue to improve and invest in software development, to ensure that all solutions are aligned with the current market trends and to provide the best possible customer experience.

A total of NOK 199 million (147) has been capitalised as software in the balance sheet on 31 December 2023.

## Sustainability / Corporate governance

In 2023, we have continued to focus on improving our procedures to gain reliable data and knowledge to be able to track our ESG performance within ECIT.

The assessment results in accordance with the Norwegian Transparency Act will be published on [www.ecit.com](http://www.ecit.com) no later than 30th June 2024.

### *Healthy work environment*

Ensuring a safe and healthy work environment for our employees is a top priority at ECIT. The Group has a direct and indirect ability and responsibility to minimise the risks for health issues etc.

In the realm of health, working environment, and safety, we are proud to report zero accidents this year and limited sick-leave, sustaining a positive trend from 2022.

Our Code of Conduct and Supplier Code of Conduct (implemented in 2022) covers various areas such as human rights, gender equality, business ethics, supplier relationships, labour standards, and environmental responsibility.

We monitor employee satisfaction through employee engagement score (EES) surveys and reached a score of 84 in 2023 compared to a score of 83 in the last two years.

### *Diversity, inclusion, and equal opportunities*

Society is increasing its expectations of companies' corporate actions and transparency about diversity and equal employment opportunities. ECIT, guided by its Code of Conduct, is committed to building a skilled workforce. Our recruitment processes are intentionally designed to promote equal opportunities and diversity.

The company prohibits discrimination in any form, whether based on political views, union membership, sexual orientation, disability, and/or age.

ECIT has a total workforce of 2,602. The gender composition in ECIT is made up of approx. 58% women and 42% men. The same diversity extents to managerial roles as well.

### *Business ethics and integrity*

ECIT has zero tolerance for corruption. The Group does not operate in any countries with a higher perceived corruption risk according to the Corruption Perception Index (CPI).

### *Climate*

ECIT supports the United Nations Global Compact principle of a precautionary approach to environmental challenges. Last year,

ECIT started monitoring the energy consumption from the different locations and Power Usage Effectiveness from data centres, allowing comparisons across companies. ECIT consequently have a minor direct impact on the climate. We view this as an important step in improving sustainability management.

### **Insurance for the Executive Board and Board of Directors**

ECIT AS holds liability insurance for the Board and Executive Management, which covers indemnity for financial losses resulting from personal managerial liability. This includes personal liability for the company's debts arising from any claim initially made against the company.

### **Going concern**

In accordance with the Accounting Act § 3-3a, the Board of Directors confirm that the annual financial statements for 2023 are presented according to the going concern principle.

As a result, the conditions for operation as a going concern exist.

## **Expectations to 2024**

In 2024, ECIT will continue to focus on driving a profitable business through organic growth as well as acquisition growth.

Considering the challenges we faced in 2023, it's prudent to acknowledge that 2024 may also present it's shares of uncertainties related to macroeconomic conditions. However, the Board of Directors is optimistic about the future.

### **Events after the balance sheet date**

With reference to company announcement no. 217, Ziriut AS became a part of ECIT on 19 January 2024. ECIT has acquired 24.988% of Ziriut AS.

With reference to company announcement no. 224, Frejs Konsulter AB became a part of ECIT on 15 February 2024. ECIT has acquired 100% of Frejs Konsulter AB.

## **ECIT AS – Parent company**

ECIT AS is the parent company of the ECIT Group and supplies and performs services for the Group's other companies. In 2023, ECIT AS delivered a profit after tax of minus NOK 22 million (121). Last year ECIT AS received ordinary dividend from its subsidiaries for the financial year 2022 which were recognised as financial income in 2022. For the financial year 2023 no ordinary dividend from the subsidiaries will be paid out to ECIT AS.

On 31 December 2023, ECIT AS had total assets of NOK 1,756 million (1,716). The equity ratio was 86.2% (86.2%). The gender composition in ECIT AS is approx. 46% women and 54% men (9 FTE in total).

### **Disposition of profit for the year**

In 2023, ECIT AS posted a comprehensive income of minus NOK 22 million. The Board of Directors proposes the following allocation:

- Proposed dividend NOK 28 million
- Transferred from equity minus NOK 50 million

As of 31 December 2023, ECIT AS had total equity of NOK 1,529 million (1,480). The Board of Directors has determined that ECIT AS had adequate equity and liquidity at the end of 2023.

The Board of Directors proposes to pay an ordinary dividend of NOK 0.06 per share for the 2023 financial year (0.04).



# Board of Directors report approval

Oslo, 27 February 2024

Oslo, 27 February 2024

## Executive Board

Peter Lauring  
CEO

## Board of Directors

Thomas Plenborg  
Chairman of the board

Pedro Fasting  
Deputy Chairman

Klaus Jensen  
Board member

Linda Forberg  
Board member

Cato A. Holmsen  
Board member

Espen Karlsen  
Board member

# Divisional highlights

ecit

# F&A Division Highlights

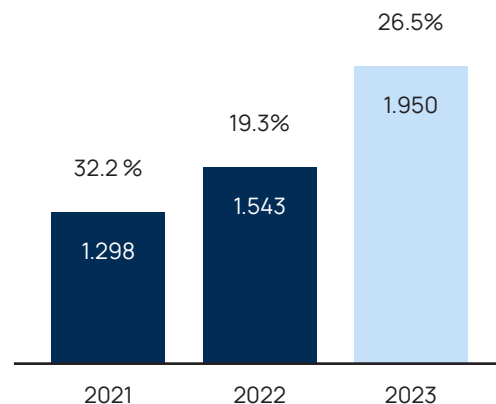
Our F&A division delivered good results in 2023, demonstrating a positive development in organic revenue growth. Despite shifts in macroeconomic conditions, we continue to experience good demand for our services across countries within the F&A division.

During 2023, six companies were acquired, representing NOK 151 million in annualised revenue (2022). Collectively, these acquired companies have strengthened our local presence, expanded our customer base, and enriched our industry knowledge across various domains. ECIT Virtus ehf representing our entry into the Icelandic F&A market, while ECIT Sustainability AS has bolstered ECIT's expertise and customer offerings in sustainability consultancy and reporting.

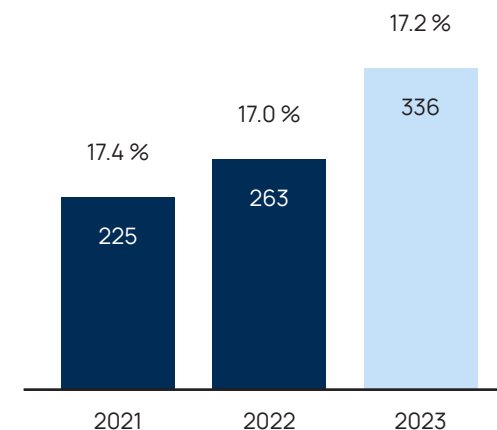
In the previous year, we prioritised the consolidation and integration of acquired and merged businesses. Such work can lead to fluctuations in our EBITDA margin performance, which has been the case in the fourth quarter, resulting in a lower margin compared to last year. However, our full-year EBITDA margins showed a slight improvement, rising from 17.0% to 17.2%. Notably, the Norian group – our largest acquisition completed in 2021 – has consistently improved EBITDA margins since then: 2021 8.1%, 2022 11.4%, and 2023 14.2%.

We have made further progress in implementing nearshoring in our subsidiaries' production setup. This is an area that will continue to grow over the coming years.

Total revenue (NOKm)



EBITDA & EBITDA margin (%)



(NOKm)	Q4 2023	% 2023	Q4 2022	% 2022	FY 2023	% 2023	FY 2022	% 2022
Revenue growth	17.5%		29.2%		26.5%		19.3%	
EBITDA growth	9.5%		22.9%		29.0%		16.8%	
<b>Revenue</b>	<b>482</b>	<b>100%</b>	<b>410</b>	<b>100%</b>	<b>1,950</b>	<b>100%</b>	<b>1,543</b>	<b>100%</b>
Cost of HW and SW	-8	1.6%	-20	4.9%	-133	6.8%	-114	7.4%
<b>Contribution margin</b>	<b>474</b>	<b>98.4%</b>	<b>390</b>	<b>95.0%</b>	<b>1,817</b>	<b>93.2%</b>	<b>1,429</b>	<b>92.6%</b>
Personnel expenses	-307	63.6%	-249	60.7%	-1,209	62.0%	-948	61.4%
Other operating costs	-83	17.2%	-63	15.3%	-272	14.0%	-218	14.1%
<b>EBITDA</b>	<b>85</b>	<b>17.6%</b>	<b>77</b>	<b>18.6%</b>	<b>336</b>	<b>17.2%</b>	<b>263</b>	<b>17.0%</b>
EBITDA-%	17.6%		18.6%		17.2%		17.0%	

# IT Division Highlights

The macroeconomic downturn had an impact on a specific part of our IT business, which explains the low revenue growth in the fourth quarter and full-year figures.

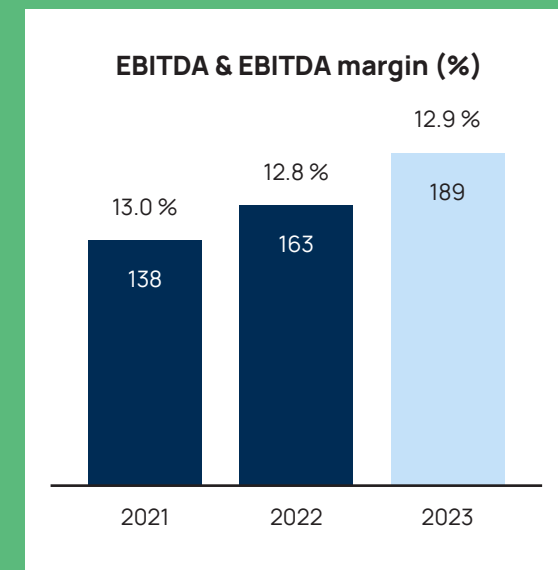
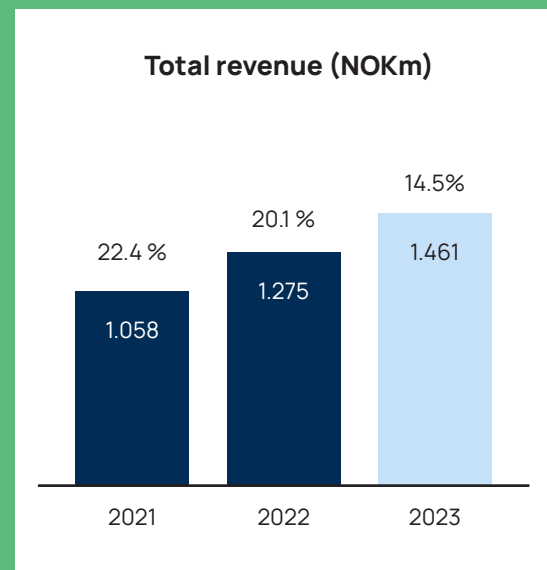
The specific IT business areas that have been affected are as follows: IT consultants for hire have been affected by a (political) change in the Norwegian labour law, and lower hardware and IT projects sales have occurred due to a slowdown in IT spending. Both business areas experienced a significant decline in revenue compared to the strong growth of the previous year, representing a decrease of ~25%.

The remaining IT business performed according to expectations.

High M&A activity in 2023 resulted in five acquisitions, representing NOK 199 million in annualised revenue (2022). Notably, Evercom AS – one of the largest acquisitions – has strengthened ECIT's industry position and competence base within the AV industry. Additionally, the acquisition of BusinessPartner I Helsingborg AB has expanded our service delivery in Sweden to include IT Consulting.

Although the EBITDA margins fell behind in the fourth quarter of 2023, we are pleased that our full-year margins improved compared to last year.

Consolidation of the IT division in both Norway and Denmark remains a focus area in 2024.



(NOKm)	Q4 2023	% 2023	Q4 2022	% 2022	FY 2023	% 2023	FY 2022	% 2022
Revenue growth	16.4%		20.2%		14.5%		20.1%	
EBITDA growth	10.2%		-0.6%		13.7%		57.7%	
<b>Revenue</b>	<b>433</b>	<b>100%</b>	<b>373</b>	<b>100%</b>	<b>1,461</b>	<b>100%</b>	<b>1,275</b>	<b>100%</b>
Cost of HW and SW	-160	37.0%	-126	33.9%	-506	34.6%	-422	33.1%
<b>Contribution margin</b>	<b>273</b>	<b>63.0%</b>	<b>246</b>	<b>66.1%</b>	<b>956</b>	<b>65.4%</b>	<b>854</b>	<b>66.9%</b>
Personnel expenses	-182	41.9%	-167	48.8%	-667	45.6%	-601	47.1%
Other operating costs	-31	7.1%	-24	6.5%	-100	6.8%	-90	7.1%
<b>EBITDA</b>	<b>61</b>	<b>14.5%</b>	<b>55</b>	<b>14.9%</b>	<b>189</b>	<b>12.9%</b>	<b>163</b>	<b>12.8%</b>
EBITDA-%	14.0%		14.9%		12.9%		12.8%	

Note: Personnel expenses include cost to external consultants

# Tech Division Highlights

The Tech division continued to grow the business with a focus on implementing ECIT-owned software from our three key product lines: Payroll, Accounting, and Office Support.

The revenue for the year was NOK 165 million (122). Of this total, software revenue accounted for NOK 115 million (81), and services associated with software deliveries amounted to NOK 50 million (41). The acquired companies during the year have contributed to the revenue growth in 2023.

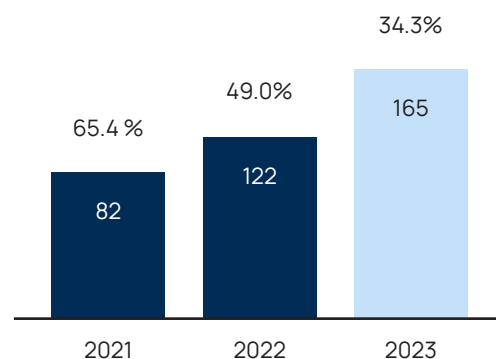
Annual recurring revenue (ARR), which measures only software revenue, has increased by 31.6%. This growth is a result of our products gaining more demand internally (mainly within the F&A division) as well as from external customers.

Important investments in the division were made in 2023, further strengthening our expertise in IT development, business support, and sales.

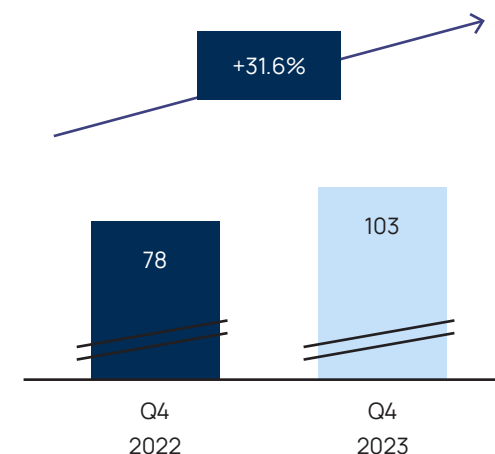
In 2023, ECIT acquired and developed software products that enable us to provide an almost complete suite of offerings to our customers. By developing our Accounting, Payroll, and Office Support products, ECIT is gradually expanding its reach in both internal and external markets.

In the long term, the Tech division aims to ensure that ECIT actively participates in the digital transformation that currently is reshaping the accounting industry.

Total revenue (NOKm)



Annual Recurring Revenue (ARR)



(NOKm)	Q4 2023	% 2023	Q4 2022	% 2022	FY 2023	% 2023	FY 2022	% 2022
Revenue growth	59.8%		1.8%		34.3%		49.0%	
<b>Revenue</b>	<b>52</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>165</b>	<b>100%</b>	<b>122</b>	<b>100%</b>
SaaS services	36	69.2%	23	67.7%	115	69.7%	81	66.4%
Sale of service	16	30.8%	11	32.3%	50	30.3%	41	33.6%
Cost of HW and SW	-7	12.3%	-4	11.2%	-25	15.0%	-19	15.3%
<b>Contribution margin</b>	<b>47</b>	<b>87.7%</b>	<b>30</b>	<b>88.8%</b>	<b>140</b>	<b>85.0%</b>	<b>103</b>	<b>84.7%</b>
Personnel expenses	-27	50.4%	-17	51.1%	-92	55.9%	-64	53.0%
Other operating costs	-12	22.4%	-9	27.4%	-36	21.8%	-31	25.3%
<b>EBITDA</b>	<b>8</b>	<b>14.9%</b>	<b>3</b>	<b>10.3%</b>	<b>12</b>	<b>7.3%</b>	<b>8</b>	<b>6.5%</b>
Capitalized software	-23	42.1%	-18	53.6%	-69	41.8%	-50	41.1%
EBITDA-%	14.9%		10.3%		7.3%		6.5%	

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

E

Environmental

S

Social

G

Governance



# /E/

2023 marks the second year of ECIT's environmental data publication. Throughout the year, our focus has centered on enhancing data quality by deepening our understanding of ESG data and further streamlining the reporting process within the organisation. This effort aligns with our progression towards implementing the CSRD framework from 2025.

A significant portion of ECIT's energy consumption stems from its office locations across ten countries. In addition to our office locations, we expanded our data center capacity in 2023 through acquisitions. Recognising the significance of this expansion, we now disclose the energy consumption from data centers separately.

In 2023, our total energy consumption reached 5,172 MWh (4,939), with a rate of 2.0 MWh per Full-Time Equivalent (2.1). Total emissions for 2023 amounted to 181 tons of CO2 equivalents (182) and is one level with last year.

ECIT currently operates 15 data centers, including co-located facilities, with Power Usage Effectiveness (PUE) figures ranging from 1.2 to 2.0, averaging at 1.4 in 2023 and is on level with last year. Measures are in place to ensure the efficient utilisation of heat generated by our data centers within local communities wherever feasible.

Some of our subsidiaries have obtained certifications in compliance with ISO 14001 for Environmental Management Systems and ISO 9001 for Quality Management Systems.

ECIT upholds the principles of the United Nations Global Compact.

Environmental data	Unit	2023	2022	2021
<b>Scope 2, direct emissions</b>				
<b>Location based approach</b>				
Electricity, MWh consumption	MWh	5,172	4,939	x
Electricity, tCo2 consumption	tCo2	181	182	x
Electricity, MWh consumption/FTE	MWh/FTE	2.0	2.1	x
Electricity, tCo2 consumption/FTE	tCo2/FTE	0.07	0.08	x
Energy efficiency of data centers*	PUE (range)	1,15-2,00	1,16-2,00	x
Energy MWh consumption data centers	MWh	3,047	1,018	
Energy tCo2 consumption data centers	tCo2	63	46	

\* PUE range from lowest to highest for own and co-located  
 2022 figures have been restated due to errors found within the specified 2022 figures. As a result adjustments were made to ensure the accuracy and integrity of the emission data for 2022.



# ISI

ECIT is driven by its people-centric approach, recognising our employees as the cornerstone of the organisation. Their dedication and talent constitute the primary assets of the Group. Rooted in an entrepreneurial mindset, decentralised operations, and collaborative efforts across entities, our business model is designed to foster a safe workplace, ensure employee engagement, minimise churn, and offer equal talent-based advancement opportunities for all.

Embracing the core value of 'open communication,' ECIT's management transparently shares and discusses the employee engagement surveys result with employees. This proactive approach helps identify areas for enhancement and formulate effective strategies, contributing to the EES score of 84 compared to 83 last year.

In the area of health, working environment, and safety, we are proud to report zero accidents this year, sustaining a positive trend from 2022.

Within ECIT, the gender composition stands at 58% women and 42% men (59%/41%), with a total employee count of 2,602. Notably, in managerial roles, the representation of women aligns with the overall group, reflecting an increase of +4%points more females in managerial positions compared to 2022.

Through 2023 we have continued developing our internal training programs ('ECIT Academy'), including ECIT Leadership, ECIT Talent, ECIT Advisory, and ECIT Associate. At ECIT, we recognise that structured training and development are vital for attracting and retaining skilled employees.

## Social data

	Unit	2023	2022	2021
Full time workforce	FTE	2,602	2,371	2,221
Gender diversity (female/male)	%	58% / 42%	59% / 41%	59% / 41%
Gender diversity, Management (female/male)	%	58% / 42%	54% / 46%	50% / 50%
Employer Engagement Score measure	EES	84	83	83



# The ECIT Academy

ECIT is a people-focused business, and as such, education and development are crucial for our employees. ECIT Academy organises four programs:

## ECIT Academy arrange 4 programs:



All the programs are physical gatherings with employees from various offices in the company. Some of the courses also bring together employees from different divisions and countries. In this way, we create meeting places that help build a common ECIT culture.

Teaching is done by internal lecturers, either employees in ECIT Academy or from various companies within the group. This makes the courses more relevant and precise. It is also beneficial for those who are presenting.

# Academy method

ECIT Academy's method relies on learning by training with real-time feedback. Everything is based on relevant and up-to-date theory:



Activity-based learning is more motivating for our participants, and it leads to better learning outcomes. Additionally, all participants in the various programs receive extensive training in delivering presentations. These are crucial skills both internally and in customer interactions. It contributes to personal development and builds specialised expertise.



# Academy programs

## Talent

The Talent program is designed to develop skilled employees from all countries and divisions within our company. To be eligible for the program, employees must have worked in the company for more than a year and have demonstrated potential for growth and development.

To attend the program, employees must first be nominated and then chosen by a committee. The selection process takes place each year in February.

During this program, we aim to inspire and develop talented employees. The course language is English, and the speakers are representatives from the top management in the Nordic countries. The program focuses on providing participants with a comprehensive understanding of ECIT and its business model, as well as fostering networking opportunities across countries and divisions. The program has a duration of one year and consists of three two-day sessions held in Stockholm, Copenhagen, and Oslo.

## Leadership

The Leadership program is specifically constructed for managers with personnel responsibility, development responsibility, and first-line management roles across all divisions.

The program consists of three three-day sessions, as well as a certification day. Through a combination of theory and practical training, participants will acquire the skills and

tools necessary to lead themselves and others effectively. The course also provides an understanding of the customer's business. provide an understanding of the customer's business.

## Associate

Every year in September, the Finance & Accounting division organises "The Associate Program" for graduated accountants in Norway and Lithuania.

The program consists of seven gatherings, with durations of four and three days, spread over a two-year period.

## Advisory

The Advisory program is specifically developed for our operational senior employees who possess some experience, good skills, and ambitious career goals.

The program offers two alternatives that cater to different levels of ambition:

The Advisory program provides personal and theoretical training in various advisory tools. This program consists of two days of coursework spread across three gatherings.

The Advisory+ program offers the same foundational training but includes additional focus on personal development, such as presentations, communication, and role-play.



Academy team 2023



Talents 2023

# Takeaways

## Talent



Gathering colleagues from six countries has provided me with insights. My key realisation is that despite our cultural disparities, collaborating with people from various backgrounds has helped me understand our differences while recognising our shared values.

**Tobias Jensen, Denmark**

## Associate



ECIT Academy promotes the development of tomorrow's advisors through its unique program, with a focus on personal growth and theory. The program represents a fantastic arena for experimentation, learning from mistakes, a sense of achievement, and further development.

**Fajko Novalic, Norway**

## Leadership



ECIT Leadership has given me the knowledge, skills and confidence to become an even better leader and a great investment in my personal development. The course has given me the opportunity to reflect on my own leadership style and identify areas where I can grow and improve.

**Silje Rysjedal, Norway**



It's fascinating to gain a deeper understanding of ECIT, the various divisions, group functions, and our global culture. We're learning about valuation, acquisition, financing, cash flow, and why these aspects are crucial parts of ECIT's strategy.

**Pawel Palicki-Maj, Poland**



What's great about ECIT Academy is that you learn to push your own limits, and you get to be part of a lot of fun activities. The Academy is a safe and good place for learning, challenging me professionally, and pushing me outside my comfort zone.

**Jeanette Haugen Arefjord, Norway**



The leadership program has been a valuable source of insights, providing me with a heightened level of understanding of what it means to be a good leader. The course impressed me with its well-structured combination of theory and practice.

**Lena Brønstad, Norway**

# IGI

Responsible behavior is the very foundation of ECIT, and our commitment to conducting business responsibly is a priority, meeting the expectations of our customers and stakeholders. Central to this commitment are the Code of Conduct for our employees and subcontractors.

The ECIT Code of Conduct (CoC), established in 2022, saw further implementation across the organisation in 2023. Recognising the importance of compliance training in mitigating the risk of rule violations, including those related to corruption and human rights, we initiated compliance training for our employees in 2023. This initiative is set to continue, encompassing both existing and new employees joining ECIT.

In 2022, the Transparency Act came into effect, mandating specific Norwegian companies to undertake due diligence on human rights and working conditions within their supplier chains. ECIT fully endorses this legislation and has undertaken necessary actions to ensure compliance across the Group and relevant subsidiaries.

The ECIT Board of Directors, consists of six members including one female director and five male directors. The attendance rate for the ordinary board meetings in 2023 reached 94%.

Our Whistle-blower system empowers both internal and external individuals to confidentially report serious or suspected offenses that could impact individuals or the ECIT Group. Unlike previous years, there was one incident reported through our whistle-blower system, and appropriate follow-up actions have been diligently taken.

## Governance data

	Unit	2023	2022	2021
Whistle-blower-number of incidents reported	Times	1	0	0
Board meeting attendance rate	%	94	-	-
Gender diversity, BoD ( female/male)	%	17%/83%	17%/83%	0%/100%



### ECIT partners:



**IKT Norge**

**TechSverige**



**UN** University of South-Eastern Norway





# Quarterly overview & definitions

# Quarterly financial overview

TOTAL (NOKm)	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	3,438	933	766	877	862	2,826	792	645	704	685
<b>EBITDA</b>	<b>497</b>	<b>142</b>	<b>118</b>	<b>122</b>	<b>115</b>	<b>418</b>	<b>135</b>	<b>99</b>	<b>97</b>	<b>87</b>
Total revenue growth	21.7%	17.9%	18.6%	24.5%	25.9%	21.9%	25.9%	19.5%	16.1%	26.6%
EBITDA-%	14.5%	15.2%	15.4%	13.9%	13.4%	14.8%	17.0%	15.3%	13.7%	12.8%
<b>F&amp;A DIVISION (NOKm)</b>	<b>FY 2023</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>FY 2022</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
Revenue	1,950	482	436	523	509	1,543	410	340	403	390
<b>EBITDA</b>	<b>336</b>	<b>85</b>	<b>72</b>	<b>93</b>	<b>86</b>	<b>263</b>	<b>77</b>	<b>53</b>	<b>71</b>	<b>61</b>
Total revenue growth	26.5%	17.5%	28.0%	29.8%	30.8%	19.3%	29.2%	9.5%	9.2%	30.0%
EBITDA-%	17.2%	17.6%	16.5%	17.8%	16.9%	17.0%	18.6%	15.5%	17.6%	15.7%
<b>IT DIVISION (NOKm)</b>	<b>FY 2023</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>FY 2022</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
Revenue	1,461	433	323	350	355	1,275	373	309	295	299
<b>EBITDA</b>	<b>189</b>	<b>61</b>	<b>49</b>	<b>37</b>	<b>42</b>	<b>163</b>	<b>55</b>	<b>46</b>	<b>30</b>	<b>32</b>
Total revenue growth	14.5%	16.4%	4.1%	18.8%	18.7%	20.1%	20.2%	31.4%	14.9%	15.0%
EBITDA-%	12.9%	14.0%	15.2%	10.5%	13.2%	12.8%	14.9%	14.9%	10.1%	10.7%
<b>TECH DIVISION (NOKm)</b>	<b>FY 2023</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>FY 2022</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
Revenue	165	52	40	38	35	122	34	29	31	28
<b>EBITDA</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>-2</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>-1</b>
Total revenue growth	34.3%	59.8%	38.8%	22.3%	23.6%	49.0%	1.8%	43.0%	123.1%	93.5%
EBITDA-%	7.3%	13.3%	11.7%	-4.0%	2.3%	6.5%	10.3%	14.0%	5.9%	-5.2%

# 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

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

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

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

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

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

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

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

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

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

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

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

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

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

$$\text{EBITDA margin} = \frac{\text{EBITDA, before special items} \times 100}{\text{Net revenue}}$$

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

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

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

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

PAT = Profit after tax or net income.

FTE = Calculated full-time employees.

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

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

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

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

Annualised recurring revenue (ARR) = Annualised recurring revenue from core own-developed software products for the coming twelve months. The core software products are defined

as products supporting accounting production. The measure is based on proforma revenue.

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

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

Electricity, tCO2 consumption = The amount of carbon dioxide (tCO2) emissions associated with the generation and utilisation of electricity, measured in metric tons per unit of electrical energy consumed (tCO2/kWh). It quantifies the environmental impact of electricity consumption.

Electricity kWh consumption per FTE = The average kilowatt-hours (kWh) of electricity consumed per Full-Time Equivalent (FTE) employee. This metric provides insight into the efficiency of energy use within an organisation relative to its workforce.

Electricity tCO2 consumption per FTE = The carbon dioxide emissions associated with the electricity consumption per Full-Time Equivalent (FTE) employee, measured in metric tons of CO2 per employee. It offers a specific measure of the environmental impact of energy use per workforce unit.

PUE (Power Usage Effectiveness) = A metric widely used in datacentres to assess energy efficiency. PUE is the ratio of total energy used by a datacentre to the energy delivered to the computing equipment. A lower PUE value indicates higher energy efficiency. The typical PUE range for well-designed and efficiently operated datacentres is between 1.2 and 1.6. Lower PUE values indicate higher energy efficiency, while values closer to 2.0 or above suggest less efficient operations.

Electricity kWh consumption, datacentres = This metric represents the overall kilowatt-hour (kWh) consumption of

electricity by our datacentres. These datacentres are specifically designated for hosting customer data and constitute a key service offered within our IT division to meet our customers' needs.

EES (Employee Engagement Score) = Employee Engagement Score (EES) is a metric used to measure the level of commitment, satisfaction, and involvement of employees within an organisation. A higher EES is indicative of a more engaged and motivated workforce, often associated with increased productivity and employee retention.

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

# Consolidated Financial statements

ecit

# Income Statement

(NOKm)	Note	FY 2023	FY 2022
Revenue	2.1, 2.2	3,438	2,826
Cost of hardware and software licences	2.1, 2.3	-624	-529
<b>Contribution margin</b>		<b>2,814</b>	<b>2,297</b>
Personnel expenses	2.4, 7.1, 7.7	-2,070	-1,677
Other operating costs	2.5, 7.2, 7.3	-247	-203
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs</b>		<b>497</b>	<b>418</b>
Restructuring & transaction costs	2.7	-20	-13
<b>Operating profit before amortisation, depreciation</b>		<b>477</b>	<b>405</b>
Amortisations and depreciations	2.6	-230	-188
<b>Operating profit</b>		<b>247</b>	<b>217</b>
Share of profit or loss of associates accounted for using the equity method	7.6	-3	1
Financial income	2.8	37	48
Financial expenses	2.8	-53	-38
<b>Profit before tax</b>		<b>227</b>	<b>229</b>
Tax on profit for the period	2.9	-53	-52
<b>Profit for the period</b>		<b>174</b>	<b>177</b>
<b>Attributable to:</b>			
Shareholders in ECIT AS		110	105
Non-controlling interests		64	72

# Statement of Other Comprehensive Income

(NOKm)	Note	FY 2023	FY 2022
<b>Profit for the period</b>		<b>174</b>	<b>177</b>
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments of subsidiaries		31	5
Value adjustments of hedging instruments	5.6	1	0
<b>Other comprehensive income</b>		<b>32</b>	<b>5</b>
<b>Total comprehensive income</b>		<b>206</b>	<b>182</b>
<i>Attributable to:</i>			
Shareholders in ECIT AS		150	108
Non-controlling interests		56	74
<b>Earnings per share</b>			
Earnings per share (NOK)	5.2	0.24	0.23
Diluted earnings per share (NOK)	5.2	0.24	0.23

# Cash Flow Statement

(NOKm)	Note	FY 2023	FY 2022	(NOKm)	Note	FY 2023	FY 2022
Revenue excluding investment income		3,438	2,826	Repayment of lease liabilities	4.5	-109	-98
Operating expense excluding amortisations & depreciations		-2,941	-2,408	Net change in credit facilities	3.7	225	153
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs</b>		<b>497</b>	<b>418</b>	New loans received	3.7	3	4
Restructuring & transaction costs	2.7	-20	-13	Downpayments on loans	3.7	-21	-33
Corporation tax, paid		-69	-58	Interest received	2.8	11	6
Change in net working capital (NWC)		15	-20	Interest paid	2.8	-32	-27
<b>Cash flow from operating activities (A)</b>		<b>423</b>	<b>327</b>	Capital increase		0	0
Investments in tangible assets	4.3	-26	-20	Purchase of treasury shares	5.1	-28	-13
Investments in software	4.2	-69	-55	Sale of treasury shares	5.1	11	1
Investments in subsidiaries	6.2	-171	-250	Transactions with minorities		-76	3
Proceeds from sale of subsidiaries	6.2	0	14	Dividends distributed, ECIT AS		-18	-18
Investments in other activities		-24	-29	Dividends distributed, minorities		-101	-74
Proceeds from sale of other financial instruments		2	25	<b>Cash flow from financing activities</b>		<b>-137</b>	<b>-96</b>
Change in other financial assets		5	2				
<b>Cash flow from investing activities (B)</b>		<b>-284</b>	<b>-314</b>	<b>Cash flow for the period</b>		<b>2</b>	<b>-83</b>
<b>Cash flow from operating and investing activities (A+B)</b>		<b>139</b>	<b>13</b>	Cash and cash equivalents 1 January		183	265
				Cash flow for the period		2	-83
				Currency translation adjustments		7	1
				<b>Cash and cash equivalents end of period</b>		<b>192</b>	<b>183</b>



# Balance Sheet

(NOKm)	Note	31 DEC 2023	31 DEC 2022	(NOKm)	Note	31 DEC 2023	31 DEC 2022
Goodwill	4.1, 4.2	1,670	1,279	Share capital	5.1, 5.3	454	452
Customer contracts	4.2	411	386	Treasury shares	5.1	-1	-3
Software	4.2	199	147	Reserves and retained earnings	5.1	930	839
<b>Total non-current intangible assets</b>		<b>2,280</b>	<b>1,811</b>	<b>ECIT AS shareholders share of equity</b>		<b>1,383</b>	<b>1,288</b>
Land, buildings and equipment	4.3	64	48	Non-controlling interest	5.1	500	364
Right-of-use assets	4.5	272	217	<b>Total equity</b>		<b>1,883</b>	<b>1,652</b>
<b>Total non-current tangible assets</b>		<b>336</b>	<b>266</b>				
Other financial assets	3.4	68	45	Lease liabilities	3.7, 5.4	181	145
Investments in associates	7.6	68	51	Borrowings	3.7, 5.4	584	350
Other receivables, interest bearing	3.3	61	50	Provisions and earn out liabilities	4.6	58	39
Other receivables	3.3	15	7	Other non-current liabilities	3.6, 3.7	7	4
Deferred tax assets	2.9	53	38	Deferred tax liabilities	2.9	106	84
<b>Total non-current financial assets</b>		<b>265</b>	<b>191</b>	<b>Total non-current liabilities</b>		<b>936</b>	<b>623</b>
<b>Total non-current assets</b>		<b>2,881</b>	<b>2,268</b>				
Inventories	4.4	15	12	Lease liabilities	3.7, 5.4	102	80
Trade receivables	3.1, 5.5	500	407	Borrowings	3.7, 5.4	35	17
Tax receivables	2.9	2	24	Provisions and earn out liabilities	4.6	11	23
Other receivables, interest bearing	3.3	10	11	Tax payables	2.9	47	68
Other receivables	3.3	106	90	Trade payables	3.6	184	142
Prepaid expenses	3.3	63	51	Contract liabilities	3.2, 3.6	65	49
Cash and cash equivalents	3.5	192	183	Other current liabilities	3.6, 3.7	505	392
<b>Total current assets</b>		<b>888</b>	<b>778</b>	<b>Total current liabilities</b>		<b>949</b>	<b>770</b>
<b>Total assets</b>		<b>3,769</b>	<b>3,045</b>	<b>Total equity and liabilities</b>		<b>3,769</b>	<b>3,045</b>

# Statement of Changes in Equity

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2023	452	6	769	5	57	1,288	364	1,652
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>110</b>	<b>64</b>	<b>174</b>
Net exchange differences recognised in OCI	0	0	0	39	0	39	-8	31
Value adjustments of hedging instruments	0	0	0	1	0	1	0	1
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>-8</b>	<b>32</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>110</b>	<b>150</b>	<b>56</b>	<b>206</b>
<i>Transactions with shareholders:</i>								
Capital increase	2	72	14	0	0	88	0	88
Dividends distributed (note 5.1)	0	0	0	0	-18	-18	-100	-118
Sale of treasury shares (note 5.1)	0	0	0	2	11	13	0	13
Purchase of treasury shares (note 5.1)	0	0	0	-4	-24	-28	0	-28
Effect of business combinations	0	0	0	4	23	27	211	238
Transactions of shares with non-controlling interests*	0	0	0	0	-122	-130	-35	-165
Share-based payments	0	0	0	0	5	5	1	6
Other adjustments	0	0	-1	0	-11	-12	3	-9
<b>Total transactions with shareholders</b>	<b>2</b>	<b>72</b>	<b>13</b>	<b>1</b>	<b>-143</b>	<b>-55</b>	<b>80</b>	<b>25</b>
<b>Equity at 31 December 2023</b>	<b>454</b>	<b>78</b>	<b>782</b>	<b>46</b>	<b>23</b>	<b>1,383</b>	<b>500</b>	<b>1,883</b>

*Notes:*

*Of which cash transactions equals a net cash outflow of NOK 76 million. Other transactions with minorities are settled with shares or loans. The transactions are part of ECIT's strategy in increasing the average ownership in the subsidiaries.*

# Statement of Changes in Equity

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2022	445	12	723	4	33	1,217	223	1,440
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>105</b>	<b>72</b>	<b>177</b>
Net exchange differences recognised in OCI	0	0	0	3	0	3	2	5
Value adjustments of hedging instruments	0	0	0	0	0	0	0	0
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>5</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>105</b>	<b>108</b>	<b>74</b>	<b>182</b>
<i>Transactions with shareholders:</i>								
Capital increase	7	-6	46	0	0	47	0	47
Dividends distributed (note 5.1)	0	0	0	0	-18	-18	-77	-95
Sale of treasury shares (note 5.1)	0	0	0	1	0	1	0	1
Purchase of treasury shares (note 5.1)	0	0	0	-3	-10	-13	0	-13
Effect of business combinations	0	0	0	0	1	1	131	132
Transactions of shares with non-controlling interests*	0	0	0	0	-56	-56	19	-38
Share-based payments	0	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	2	2	-6	-4
<b>Total transactions with shareholders</b>	<b>7</b>	<b>-6</b>	<b>46</b>	<b>-2</b>	<b>-80</b>	<b>-36</b>	<b>67</b>	<b>30</b>
<b>Equity 31 December 2022</b>	<b>452</b>	<b>6</b>	<b>769</b>	<b>5</b>	<b>57</b>	<b>1,288</b>	<b>364</b>	<b>1,652</b>

*Notes:*

*Of which cash transactions equals a net cash inflow of NOK 3 million. Other transactions with minorities are settled with shares or loans. The transactions is part of ECIT's strategy in increasing the average ownership in the subsidiaries.*

# Financial statements board approval

Oslo, 27 February 2024

Oslo, 27 February 2024

## Executive Board

Peter Lauring  
CEO

## Board of Directors

Thomas Plenborg  
Chairman of the board

Pedro Fasting  
Deputy Chairman

Klaus Jensen  
Board member

Linda Forberg  
Board member

Cato A. Holmsen  
Board member

Espen Karlsen  
Board member

# Notes to the Consolidated Financial Statements

# 1. Basis for Preparation

The annual consolidated financial statements for the Group are prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

The Annual Report for 2023 was approved by the Executive Management and the Board of Directors on 27 February 2024. It will be presented for approval at the subsequent Annual General Meeting on 21 March 2024.

## 1.1 Accounting policies, estimates, and judgments

The Annual Report for the period 1 January – 31 December 2023 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 Rolfsbuktveien 4 A, NO-1364 Fornebu, Norway. The Group's activities are accounting, payroll services, financial advisory services, IT services, tech sales and services, and debt collection services (other).

The financial statements apply principles based on historical cost, except for liabilities related to contingent consideration for acquisitions that are measured at fair value. If specific valuation techniques and inputs are used, these are disclosed under each relevant chapter and sub-chapter. The consolidated financial statements are prepared based on uniform accounting policies for equivalent transactions and events in otherwise similar circumstances.

### 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.

#### *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 "Investments in subsidiaries" or "Proceeds from sale of subsidiaries" and corresponds to net cash payment. The effect of the new subsidiary's balance sheet items is eliminated and has no impact on the cash flow items at acquisition.

### Management judgements, estimates, and assumptions

In preparing the annual financial statements, the Management has exercised judgements, made estimates, and relied on assumptions that have impacted the valuation of assets, liabilities, income, and costs, including unsecured assets and liabilities on the balance sheet date.

Judgements, estimates, and assumptions are based on historical experience and other factors that Management considers reliable. However, by their very nature, they are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unforeseen 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 4.1 and 4.2
- Earn out obligations, note 4.6
- Acquisitions of enterprises, note 6

Estimates may undergo modifications as a result 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 in 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. Key assumptions about the future and other sources of key estimation uncertainty at the end of the reporting period are disclosed, and if material, quantified. In the case of the year 2023, there are no such assumptions.

## 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 reflect our division and Group reporting used for management decision-making. The Executive management is considered the Chief Operating Decision Maker (CODM) following the International Financial Reporting Standards and monitors the operating results of its business units separately. This is done with the aim of making informed decisions about resource allocation and performance assessment.

In 2023, a minor adjustment to the divisions was made, where a group of companies were moved from the Tech division to the IT division. The change is considered immaterial. Both current and last year's figures have been restated.

No single customer during this year or the previous year accounted for 10% or more of the Group's revenues.

#### Operating divisions

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

##### *IT*

Within IT services, ECIT provides full-stack solutions comprising managed services, hosting & hybrid cloud, IT consulting, and digitisation (BI/AI/ML and Robotics) for SMEs and larger companies. ECIT's broad range of services allows for one point of contact for all customer IT needs and flexibility to meet a wide range of customer demands.

##### *Finance & Accounting*

The F&A segment offers comprehensive solutions within finance and accounting to our customers. This includes basic accounting, management consulting and support, payroll & HR, and debt collection. The broad service offering gives customers flexibility, expertise, and one point of contact.

##### *Tech*

The Technology division 'Tech' was established in 2017 to provide customers with actionable financial insight into their business. ECIT eases customers' administrative processes through a customer-facing portal with user-friendly applications and automated workflows. The Technology division is also working to increase the F&A division's operational efficiency, allowing it to take full ownership of the customer experience and relationship.

#### Measurement of earnings by segment

Our business segments are measured and reported down to operating profit before amortisation, depreciation, and restructuring & transaction costs. 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.

Internal transactions between the operating segments are not eliminated within the operating segments but is eliminated on Group level under 'Group & Elim'. Internal revenue between the operating segments is limited and consists mainly of shared services in form of accounting services, IT hosting solutions and SaaS services and is not presented separately.

There are no material differences in accounting policies between the operating segments and the Group annual accounts.

Income and expenses related to Group functions and investing activities are managed at Group level. These items are not included in the statement of segment information but are presented under 'Group & Elim'.

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.



## Geographical information

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

- Norway
- Sweden
- Denmark
- Other

Other includes the United Kingdom, Germany, Finland, Poland, Iceland, Lithuania, 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 the tables on the below.

### Note 2.1 Segments information (NOKm)

	2023					2022				
	F&A Division	IT Division	Tech Division	Group & Elim.	Total	F&A Division	IT Division	Tech Division	Group & Elim.	Total
<b>Revenue</b>	<b>1,950</b>	<b>1,461</b>	<b>165</b>	<b>-139</b>	<b>3,438</b>	<b>1,543</b>	<b>1,275</b>	<b>122</b>	<b>-114</b>	<b>2,826</b>
Sale of service	1,839	999	50	-93	2,795	1,470	826	41	-70	2,267
Sale of goods	0	209	0	-7	202	0	284	0	-6	279
SaaS services	111	253	115	-37	442	73	164	81	-39	279
Cost of hardware and software licences	-133	-506	-25	39	-624	-114	-422	-19	26	-529
<b>Contribution margin</b>	<b>1,817</b>	<b>956</b>	<b>140</b>	<b>-100</b>	<b>2,814</b>	<b>1,429</b>	<b>854</b>	<b>103</b>	<b>-88</b>	<b>2,297</b>
Personnel expenses	-1,209	-667	-92	-102	-2,070	-948	-601	-64	-64	-1,677
Other operating costs	-272	-100	-36	161	-247	-218	-90	-31	137	-203
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>336</b>	<b>189</b>	<b>12</b>	<b>-40</b>	<b>497</b>	<b>263</b>	<b>163</b>	<b>8</b>	<b>-16</b>	<b>418</b>
Total revenue growth	26.5%	14.5%	34.3%	n/a	21.7%	19.3%	20.1%	49.0%	n/a	21.9%
EBITDA-%	17.2%	12.9%	7.3%	n/a	14.5%	17.0%	12.8%	6.5%	n/a	14.8%
<b>Non-current assets</b>	<b>1,096</b>	<b>777</b>	<b>468</b>	<b>540</b>	<b>2,881</b>	<b>1,029</b>	<b>511</b>	<b>327</b>	<b>401</b>	<b>2,268</b>

### Note 2.1 Segments information (NOKm)

	2023					2022				
	Norway	Sweden	Denmark	Other	Total	Norway	Sweden	Denmark	Other	Total
Revenue	2,264	501	515	159	<b>3,438</b>	1,897	436	377	115	<b>2,826</b>
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs (EBITDA)</b>	<b>296</b>	<b>73</b>	<b>92</b>	<b>36</b>	<b>497</b>	<b>259</b>	<b>69</b>	<b>69</b>	<b>21</b>	<b>418</b>
<b>Non-current assets</b>	<b>2,166</b>	<b>215</b>	<b>377</b>	<b>122</b>	<b>2,881</b>	<b>1,665</b>	<b>200</b>	<b>316</b>	<b>87</b>	<b>2,268</b>

## 2.2 Revenue

Revenue from services delivered is 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. Revenues are disclosed per segment as described in note 2.1.

### 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 degree of completion of the project, using either an input or output data method. The method used is the one that best reflects the transfer of control.

### Revenue from goods

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

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 relatively separate sales prices for the underlying goods and services.

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

### Revenue from SaaS services

SaaS services consists of subscription fees for both external and internally developed systems. The material part of the Group's performance obligation is satisfied over time (as "right to access"). The customer receives the right to access the system's intellectual property throughout the subscription period, for which revenue is recognised over the subscription period. The customer may only access the software through a network (cloud). The customer cannot take possession of the software/code and is not able to run the software on its own server. Revenue is recognised over the subscription period.

Last year guidance from the IFRS interpretations committee was published on how a software reseller applies the principal/agent criteria in IFRS 15, "Revenue from Contracts with Customers", to the resale of standard software to a customer.

ECIT has determined that it acts as an agent in the resale of selected standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". Revenue from these software and vendor services are recognised on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

### Implementation fee

At the time of delivery, ECIT frequently offers specific services to the customer, enabling access to the license, including customisation tailored to the specific needs of the customer. These services are separated into pure setup services and implementation services.

Setup services encompass activities associated with software implementation, allowing the customer to access the software from their IT platform. These services do not provide any incremental benefit to the customer beyond enabling them to

access and use the application. As a result, they are generally not considered to be distinct performance obligations. Implementation services that involve substantial modification and customisation of the software for the customer's own use would also comprise one combined performance obligation along with the license.

These setup and implementation services are recognised over time together with the SaaS license. In addition, the Group provides implementation services related to solutions that are considered distinct performance obligations (i.e., accounted for separately) as these implementation services add value to the customer independently of the arrangements. These implementation services do not involve changing the software code and are, typically, "non-complex" services such as training of customer personnel, data conversion or migration, and similar, provided on-premises. The implementation fee is disclosed as a component of both revenue from services and revenue from goods and services.

### Contract balances

Contract assets are recognised for revenue earned from the delivery of services when the receipt of consideration is not yet invoiced and is conditional upon the successful completion of the services. These contract assets are presented as other receivables in the balance sheet. Accounting policies for trade receivables and other receivables are presented in note 3.1 and 3.3.

Contract liabilities relate to remuneration received in advance for the license. The license is normally prepaid by the customer for 12 months or less. As such, the balance of the account at the end of the year represents the Group's deferred revenue related to performance obligations that will be satisfied within 12 months. The Group contract liabilities are disclosed in note 3.2.

## 2.3 Cost of hardware and software licences

Cost of hardware and software licences comprises 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.

Note 2.4 Personnel expenses (NOKm)	2023	2022
Wages and salaries	1,704	1,395
Pension costs	87	71
Other social security costs	215	171
Other personnel expenses	58	39
Share-based payments	6	0
<b>Total</b>	<b>2,070</b>	<b>1,677</b>
<b>Average full time employees</b>	<b>2,602</b>	<b>2,371</b>

Share-based payments is disclosed in note 7.7.

## 2.5 Other operating expenses

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

## 2.6 Amortisation and depreciation

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

Note 2.6 Amortisation and depreciation (NOKm)	2023	2022
Research & Development	34	25
Customer contracts	65	52
Fixed tangible assets	30	24
Right-of-use assets	101	88
<b>Total</b>	<b>230</b>	<b>188</b>

Amortisation and depreciation profiles depend on the underlying assets; refer to:

- Intangible assets, note 4.2
- Property, plant, and equipment, note 4.3
- Right-of-use assets, note 4.5

## 2.7 Restructuring & transaction costs

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

Note 2.7 Restructuring & transaction costs (NOKm)	2023	2022
Transactions costs	9	8
Restructuring costs	11	5
<b>Total</b>	<b>20</b>	<b>13</b>

Restructuring and transaction costs comprise of:

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

### Management judgements and estimates

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

Note 2.7 - Restructuring & transaction costs Bridge (NOKm)	2023			2022		
	Reported income statement	Restruct- uring & transactio n costs	Adjusted income statement	Reported income statement	Restruct- uring & transactio n costs	Adjusted income statement
Revenue	3,438	0	3,438	2,826	0	2,826
Cost of hardware and software licences	-624	0	-624	-529	0	-529
<b>Contribution margin</b>	<b>2,814</b>	<b>0</b>	<b>2,814</b>	<b>2,297</b>	<b>0</b>	<b>2,297</b>
Personnel expenses	-2,070	-3	-2,073	-1,677	-5	-1,682
Other operating costs	-247	-17	-264	-203	-8	-211
<b>Operating profit before amortisation, depreciation and restructuring &amp; transaction costs</b>	<b>497</b>	<b>-20</b>	<b>477</b>	<b>418</b>	<b>-13</b>	<b>405</b>
Restructuring & transaction costs	-20	20	0	-13	13	0
<b>Operating profit before amortisation, depreciation</b>	<b>477</b>	<b>0</b>	<b>477</b>	<b>405</b>	<b>0</b>	<b>405</b>
Amortisations and depreciations	-230	0	-230	-188	0	-188
<b>Operating profit</b>	<b>247</b>	<b>0</b>	<b>247</b>	<b>217</b>	<b>0</b>	<b>217</b>
Share of profit or loss of associates accounted for using the equity method	-3	0	-3	1	0	1
Financial income	37	0	37	48	0	48
Financial expenses	-53	0	-53	-38	0	-38
<b>Profit before tax</b>	<b>227</b>	<b>0</b>	<b>227</b>	<b>229</b>	<b>0</b>	<b>229</b>

## 2.8 Financial items

Note 2.8 Financial items (NOKm)	2023	2022
<i>Financial income:</i>		
Interest income	11	10
Exchange rate income	12	5
Earn out assessment	14	7
Gain on divestments	0	24
Other financial income	0	2
<b>Total</b>	<b>37</b>	<b>48</b>
<i>Financial expenses:</i>		
Interest expense, other	-33	-22
Interest expense, lease	-7	-7
Exchange rate expense	-11	-9
Other financial expenses	-2	0
<b>Total</b>	<b>-53</b>	<b>-38</b>

## 2.9 Tax

Note 2.9 Tax - Current tax - (NOKm)	2023	2022
Profit before tax	227	229
Calculated tax on profit for the year	50	50
<i>Tax effect of:</i>		
Adjustment of calculated tax in foreign group enterprises relative to 22.0%	-1	0
Non-deductible expenses/non-taxable income	0	5
Temporary differences, net	4	-3
<b>Tax of the year</b>	<b>53</b>	<b>52</b>
<b>Effective tax rate</b>	<b>23.3%</b>	<b>23.0%</b>

Note 2.9 Tax - Tax for the year - (NOKm)	2023	2022
<i>Tax for the year is disaggregated as follows:</i>		
Tax on profit for the year	53	52
<b>Total tax of the year</b>	<b>53</b>	<b>52</b>
<i>Tax on profit for the year is calculated as follows:</i>		
Current tax	46	68
Deferred tax	8	-17
Tax adjustments prior years	-1	0
<b>Total tax on profit for the year</b>	<b>53</b>	<b>52</b>

### Deferred tax

#### Management judgements and estimates

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

Deferred tax assets, which includes the tax base of tax loss carry-forward, 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 utilised.

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. The Group does not have any ongoing disputes related to tax.

Deferred tax not recognised in the balance sheet equals NOK 24 million (2022: 28). The amount corresponds tax loss carried forward.

Note 2.9 Tax (NOKm)	2023	2022
Intangible assets	382	350
Tangible assets	11	38
Other receivables	-8	-9
Other liabilities	40	-2
Loss carry forwards	-176	-169
<b>Total</b>	<b>250</b>	<b>208</b>
<i>Classifications:</i>		
Deferred tax assets	53	38
Deferred tax liabilities	106	84
<i>Reflected in the statement of financial position as follows:</i>		
Deferred tax assets	53	38
Deferred tax liabilities:		
Continuing operations	107	84
<b>Deferred tax liabilities, net</b>	<b>54</b>	<b>46</b>

# 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. Each category of financial asset and liability is disclosed with the method of measurement in their respective sections below.

The Group holds the following financial instruments:

Note 3. Financial assets and liabilities (NOKm)	2023	2022
<i>Financial assets:</i>		
Trade receivables	500	407
Other financial assets	68	45
Other receivables	192	158
Cash and cash equivalents	192	183
<i>Financial liabilities:</i>		
Borrowings	619	367
Lease liabilities	283	225
Trade and other payables	761	723

The Group's exposure to various risks associated with the financial instruments is presented in note 5.5. 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 Trade Receivables

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

### Expected credit losses

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Note 3.1 Trade Receivables (NOKm)	2023	2022
Trade receivables	512	423
Write-downs	-12	-15
<b>Trade receivables net</b>	<b>500</b>	<b>407</b>

## 3.2 Contract assets and liabilities

### Contract assets

All the Group's contracts with customers are generally prepaid 12 months or less in advance. Hence, the Group has no significant contract assets for the period presented, and the amount is presented in trade and other receivables, note 3.1 and 3.3.

### Contract liabilities

Contract liabilities have a carrying amount of NOK 65 million (49). The Group does not have any performance obligations with an original expected duration of more than 12 months recognised in the balance sheet.

## 3.3 Other receivables and prepaid expenses

Other receivables consist of non-interest-bearing receivables NOK 121 million (97), interest-bearing receivables of NOK 71 million (61) and prepaid expenses of NOK 63 million (51), which are measured at amortised cost.

Other receivables consist of receivables linked to the operation of ECIT but not considered trade receivables.

### 3.4 Other financial assets

Other financial assets comprise other equity investments than group companies. Investments in listed securities are measured at fair value through the profit and loss and is based on quoted active market prices. Other non-listed equity investments are based on significant unobservable inputs.

For investments in associated companies, please refer to note 7.6.

### 3.5 Cash and cash equivalents

A minor part of cash and cash equivalents consists of employees' tax deduction accounts. On 31 December 2023, cash in employees' tax deduction accounts equals NOK 7 million (14).

#### Cash Pool account

The Group has 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.

### 3.6 Trade and other payables

Trade payables represent liabilities for services provided to the Group prior to the end of the financial year, which are unpaid at the balance sheet date. Other current liabilities comprise public obligations, including VAT and employer-related liabilities, other payroll-related obligations, and other accrued expenses. The amounts are unsecured and are usually paid on a short-term basis. Carrying amounts of trade and other payables are the same as their fair values due to their short-term nature. Trade and other payables are not pledged through third-party credit enhancements.

The increase in other current liabilities is subject to the growth in ECIT, both on financials but also increased FTE's. The growth impacts public obligations including VAT and employer-related liabilities.

Note 3.4 Other financial assets (NOKm)	2023		2022	
	Carrying amount	Ownership in %	Carrying amount	Ownership in %
Wint Group AB	8	6.4%	8	6.4%
Visual Information Systems A/S	9	15.8%	5	9.4%
Siffer System AS	3	12.6%	3	12.6%
Luca Labs AS	1	3.1%	1	3.1%
Adline Professional AS	5	20.0%	3	5.0%
ZTL Payment Solutions AS	15	6.9%	10	4.2%
21st Company AS	2	11.0%	0	0.0%
Legal Plant AS	2	13.0%	0	0.0%
Ofinda ApS	2	20.0%	2	20.0%
Verismo Systems AB	6	18.0%	6	18.0%
Intunor AS	9	19.8%	0	0.0%
Other	1	n/a	0	n/a
Investments in listed securities	5	n/a	7	n/a
<b>Total</b>	<b>68</b>		<b>45</b>	

Note 3.6 Trade and other payables (NOKm)	2023	2022
Other non-current liabilities	7	4
Trade payables	184	142
Contract liabilities	65	49
Dividends	0	1
Other current liabilities	505	391
<b>Total</b>	<b>761</b>	<b>587</b>



### 3.7 Other financial liabilities

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

The Group is exposed to certain risks relating to its ongoing business operations. On 31 December 2023, the Group had two interest rate swap agreements in place with a notional amount of NOK 1 million rounded (0). For further information, see note 5.6.

Other financial liabilities including covenants are, to some extent, pledged. Further information hereby is presented in note 7.4. 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 4.5.

Note 3.7 Other financial liabilities - (NOKm)	2023				2022			
	Carrying amount	Interest rate	Duration (years)	Undrawn facility	Carrying amount	Interest rate	Duration (years)	Undrawn facility
Credit facility	575	Nibor 3m + margin	2	175	327	Nibor 3m + margin	3	423
Long-term loan I	7	Nibor 6m + 2%	3	0	7	Nibor 6m + 2%	4	0
Long-term loan II	1	0.0%	1	0	1	0.0%	2	0
Long-term loan III	1	5.0%	3	0	0	n/a	0	0
Long-term loan IV	0	n/a	0	0	14	3.9%	4	0
<b>Total long-term liabilities</b>	<b>584</b>			<b>175</b>	<b>350</b>			<b>423</b>
Short term borrowings	35		0	0	17		0	0
<b>Total short-term liabilities</b>	<b>619</b>			<b>175</b>	<b>367</b>			<b>423</b>

Note 3.7 Other financial liabilities - (NOKm)	2023				2022			
	Carrying amount	0-1 year	1-5 years	>5 years	Carrying amount	0-1 year	1-5 years	>5 years
Borrowings	619	35	584	0	367	17	350	0
Lease liabilities	283	102	177	4	225	80	139	6
Trade and other payables	761	754	7	0	587	583	4	0
<b>Total financial liabilities</b>	<b>1,663</b>	<b>891</b>	<b>768</b>	<b>4</b>	<b>1,179</b>	<b>680</b>	<b>493</b>	<b>6</b>

Note 3.7 Other financial liabilities - (NOKm)	Non-cash change									
	1 JAN	New loans	Down-payment	Paid interest	Additions acq. co	New leases	Change in leases	Currency effects	Other	31 DEC
<b>2023</b>										
Credit facility	327	225	0	23	0	0	0	0	0	575
Loans	40	3	-21	3	19	0	0	0	0	44
Lease liabilities (current and non-current)	225	0	-109	7	26	60	66	7	0	283
<b>Total liabilities from financing activities</b>	<b>592</b>	<b>228</b>	<b>-130</b>	<b>33</b>	<b>45</b>	<b>60</b>	<b>66</b>	<b>7</b>	<b>0</b>	<b>902</b>
<b>2022</b>										
Credit facility	162	153	0	12	0	0	0	0	0	327
Loans	54	0	-33	2	17	0	0	0	0	40
Lease liabilities (current and non-current)	236	0	-98	7	39	33	7	2	-1	225
<b>Total liabilities from financing activities</b>	<b>452</b>	<b>153</b>	<b>-131</b>	<b>21</b>	<b>56</b>	<b>33</b>	<b>7</b>	<b>2</b>	<b>-1</b>	<b>592</b>

# 4. Non-financial Assets and Liabilities

## 4.1 Impairment testing

### Goodwill

Goodwill is allocated to operating segments, which is the level management monitors goodwill.

The sensitivity analysis shows the allowed decline in the growth rate, the allowed decline in the earnings before interest, depreciation, amortisation and restructuring and transaction costs-margin, or the highest acceptable increase in the discount rate in percentage points. This indicates the extent to which the assumptions can change before goodwill is deemed impaired.

### 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 three cash-generating units and on historical data and assumptions of future expected market developments, including expected long-term average market growth rates.

During the budget process areas as nearshoring in our F&A division, the market development on the IT consultancy area and our expectations on internal and external usage of our own-developed tech-product suite have been considered.

No write-downs of intangible or tangible assets have been carried out during 2023. No write-downs of intangible or tangible assets were carried out during the year prior either.

In the event of impairment losses or reversal of impairment losses, this will affect the goodwill and other non-current intangible assets, property plant and equipment. No impairment losses or reversal of impairment losses have been performed during 2023. The growth rate in the terminal period is estimated to equal the long-term inflation rate of 2.0%.

The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will modify the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

Note 4.1 Impairment testing (NOKm)	2023				2022			
	F&A	IT	Tech	Total	F&A	IT	Tech	Total
Carrying amount of goodwill at 31 December	877	582	211	1,670	788	377	114	1,279
<i>Budget period - five years</i>								
Annual revenue growth	8.6%	8.2%	27.9%		7.6%	7.6%	14.1%	
<i>Terminal period</i>								
Growth	2.0%	2.0%	2.0%		0.0%	0.0%	0.2%	
Pre-tax discount rate	8.0%	9.5%	8.5%		7.0%	9.5%	7.0%	
<i>Sensitivity analysis</i>								
Growth in budget period - allowed decline in percentage points	14.9%	20.4%	30.0%		22.5%	27.0%	n/a	
Operating margin in budget period - allowed relative decline in percentage	29.2%	49.7%	64.5%		15.4%	13.8%	23.9%	
Discount rate - allowed increase in percentage points	4.4%	9.9%	7.9%		8.5%	11.5%	7.0%	

## 4.2 Intangible assets

### Management judgements and estimates

Judgement is applied in determining the depreciation period and the future residual value of the recognised assets, typically relying 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. Capitalisation is made from the date of meeting the recognition criteria in accordance with IAS 38.

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

- Customer contracts 10 years
- Software 5 years

### Software

Capitalised software development costs are related to customer-oriented applications. Total earnings from ongoing development are expected to correspond to the total expenses involved. All software development expenses have been capitalised during the year, and no material software research expenses were incurred as expenses through the income statement in 2023.

Expenses capitalised in the balance sheet include costs of materials, direct payroll costs and a share of directly attributable joint expenses.

All software projects must be approved by Group Management before the project is started and consequently before capitalisation of costs is made.

Capitalisation of software expenses are made when the following criteria are met:

- It is the intention to complete the software projects and use or sell it.
- The technical feasibility of completing the software projects so that it will be available for use or sale.
- The software projects will generate probable future economic benefits.
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the software.
- Its ability to measure the expenditure attributable to the software reliably during its development.

Note 4.2 - Intangible assets (NOKm)	2023				2022			
	Goodwill	Customer Contracts	Software	Total	Goodwill	Customer Contracts	Software	Total
Cost at 1 January	1,296	564	252	2,113	973	462	192	1,627
Additions for the year	0	2	69	71	0	0	55	55
Additions through business combinations	364	81	15	459	316	100	4	420
Remeasurement of price purchase allocation	0	0	0	0	0	0	0	0
Disposals at cost	0	0	0	0	0	1	-2	-1
Currency translation adjustments	28	12	5	45	7	2	3	12
<b>Cost at 31 December</b>	<b>1,688</b>	<b>659</b>	<b>342</b>	<b>2,688</b>	<b>1,296</b>	<b>564</b>	<b>252</b>	<b>2,113</b>
Amortisations at 1 January	0	-178	-105	-283	0	-128	-79	207
Amortisations for the year	0	-65	-34	-99	0	-52	-25	-79
Disposals during the year	0	0	0	0	0	3	0	3
Currency translation adjustments	0	-5	-4	-8	0	-1	-2	-3
<b>Amortisations at 31 December</b>	<b>0</b>	<b>-248</b>	<b>-143</b>	<b>-391</b>	<b>0</b>	<b>-178</b>	<b>-105</b>	<b>-283</b>
Impairment at 1 January	-18	0	0	-18	-18	0	0	-18
Impairments for the year	0	0	0	0	0	0	0	0
Currency translation adjustments	0	0	0	0	0	0	0	0
<b>Impairment at 31 December</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>-18</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>-18</b>
<b>Carrying amount at 31 December</b>	<b>1,670</b>	<b>411</b>	<b>199</b>	<b>2,280</b>	<b>1,279</b>	<b>386</b>	<b>147</b>	<b>1,811</b>

## 4.3 Land, buildings, and equipment

### Management judgements and estimates

Judgement is applied in determining the depreciation period and the future residual value of the recognised assets, typically relying 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.

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

## 4.4 Inventories

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 consist only of finished goods.

Note 4.3 - Land, buildings and equipment (NOKm)	2023			2022		
	Land and buildings	Equip-ment, etc.	Total	Land and buildings	Equip-ment, etc.	Total
Cost at 1 January	21	199	220	15	182	197
Additions for the year	3	23	26	1	18	20
Additions through business combinations	0	17	17	5	1	6
Disposals at cost	0	-4	-4	0	-5	-4
Currency translation adjustments	0	5	5	0	2	2
<b>Cost at 31 December</b>	<b>24</b>	<b>241</b>	<b>265</b>	<b>21</b>	<b>199</b>	<b>220</b>
Depreciations at 1 January	-12	-160	-172	-9	-138	-147
Depreciations for the year	-3	-27	-30	-3	-21	-24
Disposals during the year	0	4	4	0	2	2
Currency translation adjustments	1	-4	-3	0	-3	-2
<b>Depreciations at 31 December</b>	<b>-14</b>	<b>-187</b>	<b>-201</b>	<b>-12</b>	<b>-160</b>	<b>-172</b>
Impairment at 1 January	0	0	0	0	0	0
Impairments for the year	0	0	0	0	0	0
<b>Impairment at 31 December</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>10</b>	<b>54</b>	<b>64</b>	<b>9</b>	<b>39</b>	<b>48</b>

## 4.5 Leases

### 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 ECIT buy and build strategy includes consolidation of our companies, extension options are not included when measuring the lease liability, as it is not considered reasonably certain that they will be exercised. On 31 December 2023, the total amount of extension options was NOK 7 million (36).

In cases where the incremental borrowing rate is not stated in the lease contract an appropriate incremental borrowing rate for ECIT is used. The appropriate incremental borrowing rate is determined based on the current interest level for ECIT.

The Group has chosen to exclude the recognition of right-of-use assets and lease liability for leases of low value assets (below NOK 50,000) 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. The Group has no lease contracts with variable payments on 31 December 2023.

### Lease categories

Right-of-use assets classified as Land & Buildings mainly relate to 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 years.

Note 4.5 - Lease effects in profit or loss and cash flow (NOKm)	2023	2022
<i>Profit and loss:</i>		
Interest expenses	-7	-7
Short-term contracts	0	0
Low-value contracts	0	0
Income from subleasing	6	8
<i>Cash flow items:</i>		
Cash outflow lease principal	-102	-91
Cash outflow lease interests	-7	-7
Note 4.5 - Contractual maturity of lease liabilities (MNOK)	2023	2022
0-1 years	101	85
1-5 years	187	155
> 5 years	4	6
<b>Total undiscounted lease liabilities at 31 December</b>	<b>292</b>	<b>246</b>
<i>Current/non-current classification (discounted):</i>		
Current	102	80
Non-current	181	145

Note 4.5 - Leases (NOKm)	2023			2022		
	Buildings	Equip-ment, etc.	Total	Buildings	Equip-ment, etc.	Total
Cost at 1 January	383	30	413	351	28	379
Additions for the year	60	0	60	24	10	34
Additions through business combinations	23	3	26	39	0	39
Changes in current leases	65	0	65	7	0	7
Disposals at cost	-24	-6	-30	-40	0	-40
Currency translation adjustments	12	0	12	2	-8	-6
<b>Cost at 31 December</b>	<b>519</b>	<b>27</b>	<b>546</b>	<b>383</b>	<b>30</b>	<b>413</b>
Depreciations at 1 January	-183	-14	-197	-143	-11	-154
Depreciations for the year	-93	-8	-101	-76	-12	-88
Disposals during the year	24	6	30	37	9	46
Currency translation adjustments	-6	0	-6	-1	0	-1
<b>Depreciations at 31 December</b>	<b>-258</b>	<b>-16</b>	<b>-274</b>	<b>-183</b>	<b>-14</b>	<b>-197</b>
<b>Carrying amount at 31 December</b>	<b>261</b>	<b>11</b>	<b>272</b>	<b>200</b>	<b>17</b>	<b>217</b>

## 4.6 Provisions and earn out liabilities

The Group's provisions are divided into three categories:

- Earn out obligation
- Pension obligations
- Legal disputes

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

Management's estimation of provisions for legal disputes, including those related to taxes and duties, relies on the information available regarding the substance of the cases and a legal assessment of the situations. The resolution of legal disputes, whether through negotiations or litigation, can span

several years before a conclusion is reached, and the outcomes are subject to considerable uncertainty.

Within the scope of ongoing legal proceedings, a lawsuit by the Danish Competition and Consumer Authorities (DCCA) dating back to the year 2000 has been filed against one of the subsidiaries of the Group. The subsidiary has been found guilty in violation of "anti-competitive agreements" in accordance with The Danish Competition Act.

The case pertains to certain customers of the subsidiary within the entertainment industry, specifically nightclubs. The case dates back many years, and the subsidiary itself has not been directly implicated in any violation. The subsidiary's role has primarily been facilitation and administration of the network of the nightclubs.

The Danish Competition and Consumer Authority has announced its intention to pursue a substantial penalty.

The subsidiary has brought the guilt determination decision before the Danish Maritime and Commercial Court, seeking dismissal of the lawsuit.

Despite the substantial exposure in comparison to the provision set aside, the Management maintains the expectation that the provision adequately accounts for the resolution of the legal dispute. The current provision of NOK 1.5 million has been recognised in 2023 based on external legal judgments, drawing insights from analogous legal cases.

Since the case is ongoing, it is not possible to estimate when the resolution of the legal case will occur. Anticipated resolution of this case is projected to occur within the next 2-3 years.

In the preparation of the annual financial statements, the Group's Management has applied discretionary estimates that are considered to be realistic. Situations or changes in market conditions may arise that could lead to modifications in estimates, thereby impacting the Group's assets, liabilities, equity, and results.

Earn-out provisions inherently involve uncertainty regarding outflows of economic benefit. The liability is due in accordance with the terms outlined in the underlying agreement entered upon the acquisition of the individual subsidiary.

Note 4.6 - Provisions (NOKm)	2023				2022			
	Earn Out obligation	Pension obligation	Legal disputes	Total	Earn Out obligation	Pension obligation	Legal disputes	Total
Carrying amount at 1 January	58	4	0	62	28	3	0	31
Acquired through business combinations	30	0	0	30	42	0	0	42
Additional provisions recognised	0	1	4	5	0	1	0	1
Earn out assessment	-12	0	0	-12	-7	0	0	-7
Amounts used during the year	-15	0	0	-15	-5	0	0	-5
<b>Carrying amount at 31 December</b>	<b>60</b>	<b>5</b>	<b>4</b>	<b>69</b>	<b>58</b>	<b>4</b>	<b>0</b>	<b>62</b>
Non-current	49	5	4	58	35	4	0	39
Current	11	0	0	11	23	0	0	23



## 4.7 Pension obligation

Pension obligations related to defined contribution plans, where the Group makes regular pension contributions to independent pension funds, are recognised in the income statement for the period in which they are earned.

Contributions payables are recognised in the balance sheet under other current liabilities.

The Group has a defined contribution pension plan for its Norwegian employees that satisfies the statutory requirements in the Norwegian law on required occupational pensions.

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. On 31 December 2023, total booked value of benefit plans equals NOK 5 million (4). In determining the pension obligations, Management makes use of external and independent actuaries as the basis for the estimates applied in measuring the obligation.

We are continuously working to convert 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

On 31 December 2023, the share capital of ECIT AS equals NOK 454 million with a nominal value of NOK 1. The corresponding value the previous year was NOK 452 million with a nominal value of NOK 1.

During the year, capital increases were made in connection with new acquisitions with a total value of NOK 13 million (16). The capital increases registered in 2023 is connected to both acquisitions in 2023 and 2022. Other capital increases are connected to transactions with existing minorities.

Shares consist of three share classes A-, B-, and C-shares. As of 31 December 2023, total shares comprise:

- A-shares: 41,336,068 (2022: 41,336,068)
- B-shares: 345,017,074 (2022: 343,031,470)
- C-Shares: 67,752,231 (2022: 67,682,956)

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.

C-shares are not subject to listing and carry one vote per share. They are established to accommodate 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 holder's C-shares may be converted to B-shares in December of 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 held each year.

Note 5.1 - Other reserves specification (NOKm)	2023				2022			
	Treasury shares	Hedging reserve	Trans-lation reserve	Total	Treasury shares	Hedging reserve	Trans-lation reserve	Total
Other reserves at 1 January	-3	0	8	5	-1	0	5	4
Other comprehensive income net	0	1	39	40	0	0	3	3
<b>Total comprehensive income</b>	<b>0</b>	<b>1</b>	<b>39</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>
<i>Transactions with owners:</i>								
Purchase of treasury shares	-4	0	0	-4	-3	0	0	-3
Sale of treasury shares	2	0	0	2	1	0	0	1
Transfer of treasury shares as business combination consideration	4	0	0	4	0	0	0	0
<b>Other reserves at 31 December</b>	<b>-1</b>	<b>1</b>	<b>47</b>	<b>47</b>	<b>-3</b>	<b>0</b>	<b>8</b>	<b>5</b>

## 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.

## Treasury shares

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

A total of 5,076,833 treasury shares were utilised in 2023. A total of 3,538,148 treasury shares were acquired in 2023.

On 31 December 2023, 1,198,483 shares were held as treasury shares (2,737,168). The reserve is a distributable reserve.

## Hedging reserve

The hedging reserve encompasses the fair value of hedging instruments that qualify for hedge accounting. These hedging instruments are associated with interest rate instruments.

## 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.

## Dividends

Dividends are recognised as a liability when the dividend is approved by the Annual General meeting.

The dividend proposed for the fiscal year 2023 is NOK 0.06 per share (0.04), equal to a total dividend of NOK 28 million (18).

The dividend is paid out to all shareholders of ECIT AS, and no shares have special rights in connection with the dividend payout.

## 5.2 Earning per share

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

Note 5.2 - Earnings per share (NOKm)	2023	2022
<b>Profit of the year</b>	<b>174</b>	<b>177</b>
Non-controlling interests' share of consolidated profit for the	64	72
<b>ECIT AS shareholders' share of profit for the year</b>	<b>110</b>	<b>105</b>
('000 shares)		
<b>Total average number of shares</b>	<b>453,078</b>	<b>448,753</b>
<b>Diluted average number of shares in circulation</b>	<b>457,889</b>	<b>446,795</b>
Earnings per share, NOK 1	0.24	0.23
Diluted earnings per share, NOK 1	0.24	0.23

Note 5.1 - Treasury share reserves specification (NOKm)	2023			2022		
	Market Value	% of share capital	Nominal Value	Market Value	% of share capital	Nominal Value
Portfolio 1 January	20	0.6%	3	8	0.2%	1
Purchase of treasury shares	28	0.8%	4	13	0.6%	3
Sale of treasury shares	-13	-0.3%	-2	-1	-0.2%	-1
Transfer of treasury shares as business combination consideration	-27	-0.8%	-4	-1	0.0%	0
Value adjustment	1	0.0%	0	1	0.0%	0
<b>Portfolio 31 December</b>	<b>9</b>	<b>0.3%</b>	<b>1</b>	<b>20</b>	<b>0.6%</b>	<b>3</b>

## 5.3 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 9.4% 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 66% of the shares in ECIT AS.

Note 5.3 - Top 20 shareholders of ECIT AS ('000)

	A-shares	B-shares	C-shares	Total shares	Owner-ship in %	Voting share
Cgl Holding AS & CGL Holding II AS	41,336	1,282	0	42,618	9.4%	49.9%
Varner Kapital AS	0	25,000	0	25,000	6.1%	3.0%
IC Services 2 AS	0	24,423	0	24,423	5.9%	3.0%
Long Path Partners LP	0	22,798	0	22,798	5.5%	2.8%
Paradigm Capital Value Fund	0	17,445	0	17,445	3.6%	2.1%
Mikkel Walde Holding ApS	0	139	15,525	15,664	4.0%	1.9%
Y-Not ApS	0	229	14,840	15,069	3.8%	1.8%
Bras Kapital AS	0	14,509	0	14,509	3.5%	1.8%
Mp Pensjon Pk	0	10,622	0	10,622	2.6%	1.3%
Deka Investment GmbH	0	10,200	0	10,200	2.5%	1.2%
Anglo Supply AS	0	9,764	0	9,764	2.4%	1.2%
Paradigm Capital Value LP	0	7,370	0	7,370	1.8%	0.9%
Veiby Invest AS	0	5,621	0	5,621	1.7%	0.7%
Pa Kompetens Lön Sverige AB	0	5,217	0	5,217	1.4%	0.6%
Loe Equity AS	0	4,714	0	4,714	1.3%	0.6%
Infolink Holding AS	0	4,503	0	4,503	1.1%	0.5%
Litu AS	0	4,338	0	4,338	1.1%	0.5%
Sewell AS	0	3,812	0	3,812	1.1%	0.5%
Y ApS	0	0	3,502	3,502	0.9%	0.4%
P H Mathiesen Holding Af 2018 ApS	0	3,474	0	3,474	0.8%	0.4%
<b>Top 20 shareholder total</b>	<b>41,336</b>	<b>175,459</b>	<b>33,867</b>	<b>250,662</b>	<b>56.1%</b>	<b>75.2%</b>
Other shareholders	0	169,558	33,885	203,443	43.9%	24.8%
<b>Total number of shares</b>	<b>41,336</b>	<b>345,017</b>	<b>67,752</b>	<b>454,105</b>	<b>100.0%</b>	<b>100.0%</b>

### Notes:

CGL Holding AS & CGL Holding II AS consists of all shares held by Peter Lauring, companies he has the majority of shares in, and his relatives. Peter Lauring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

Y-Not ApS consists of all shares held by Klaus Jensen, companies he has the majority of shares in and his relatives.

## 5.4 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern 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.

Note 5.4 - (NOKm)	2023	2022
Borrowings	619	367
Lease liabilities	283	225
<b>Total interest bearing liabilities</b>	<b>902</b>	<b>592</b>
Interest bearing receivables	73	60
Cash and cash equivalents	192	183
<b>Total interest bearing assets</b>	<b>265</b>	<b>243</b>
<b>Net debt / Net cash (-)</b>	<b>637</b>	<b>350</b>

## Capital allocation policy

Executive Management and the Board of Directors monitor the capital structure to ensure that the Group's capital resources support the strategic goals and maximise shareholder returns.

The capital allocation policy below outlines the priority for the allocation of free cash flow:

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

## 5.5 Financial risks

The Group's finance functions manage financial risk at a centralised 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.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. It includes interest rate risk and foreign currency risk.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk relates to the long-term floating-rate loans. These loans are partly converted to fixed-rate loans by using interest-rate swap

agreements with a duration of up to 120 months. The Group's loans and credit facilities break down as shown in note 3.7.

### Interest rate sensitivity

As of December 2023, ECIT has limited interest-bearing debt. However, the group is still exposed to interest rate fluctuations from the long-term floating-rate loans (credit facility).

The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, has been calculated. In the sensitivity analyses made, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

On 31 December 2023, 32% (27%) of Group borrowings were partly secured through an interest rate swap contract. The duration of hedges relating to net borrowings of the Group was 102 months (114).

The weighted average interest rate on the Group's loans, credit facilities and interest rate hedging were 5.9% at the end of 2023 (4.9%).

Based on the average net interest-bearing debt for 2023, a one percentage point increase in interest rates would result in a decrease in profit for the year of NOK 3 million (2) and a decrease in other comprehensive income of NOK 3 million (0),

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of exposure will fluctuate because of changes in foreign exchange rates.

The Group's cross border business activities expose it to foreign exchange transaction risk and translation risk. The Group's risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenues and expenses denominated in a foreign currency), external financing through interest bearing liabilities and the Group's net investment in foreign subsidiaries.

The Group's presentation currency is NOK. Accordingly, changes in the value of the currencies in which it generated revenues and incurs costs in relation to NOK affect the Group's overall revenue, profit or loss and financial position.

Transactional risk arises when the Group's entities enter transactions in currencies different than the entities' functional currencies. A significant part of revenues is denominated in NOK, with a smaller portion in EUR, SEK, DKK, PLN, GBP, and ISK. In total, 34% of the Group's revenue in 2023 came from countries outside Norway, as opposed to 33% in 2022.

A large portion of the Group's operations are conducted in Norway, where transactions is primarily made in NOK and as such the Group has significant costs in NOK.

In case of unfavourable exchange rate fluctuations, such as a strengthening currency in the country of a supplier, and if the Group is unable to increase its prices due to competitive, it may experience reduced gross margins leading to a decline in net results and a competitive disadvantage. Products and services provided and invoiced to the Group in markets with weaker local currencies may also result in lower profit margins,

potentially adversely affecting the Group's business, results of operations, financial condition, and cash flow.

The Group does not hedge currency exposure with the use of financial instruments at the current time but monitors the net exposure over closely.

## Foreign currency sensitivity

The following table illustrates the sensitivity of the Group's financial instruments denominated in a foreign currency to a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant.

## Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurances. For an over-view of the expected credit losses recognised for trade receivables, refer to note 3.1.

Note 5.5 - Foreign currency sensitivity (NOKm)	2023			2022		
	Change in fx rate	Impact on profit before tax	Impact on OCI	Change in fx rate	Impact on profit before tax	Impact on OCI
Increase in EUR/NOK	+10%	0	9	+10%	0	8
Increase in SEK/NOK	+10%	4	32	+10%	4	36
Increase in DKK/NOK	+10%	5	40	+10%	4	31
Increase in PLN/NOK	+10%	0	1	+10%	0	1
Increase in GBP/NOK	+10%	1	1	+10%	1	1
Increase in RON/NOK	+10%	0	0	+10%	0	0
Increase in ISK/NOK	+10%	0	1	+10%	0	0



## Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group mitigates its risk of a funds shortage by monitoring its working capital, overdue trade receivables, and establishing credit facilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility using credit facilities agreement to finance working capital and investments. The Group has flexible debt financing through a Revolving Credit Facility and may further draw funds or establish additional incremental revolving facilities if deemed necessary (see note 3.7). Additionally, the Group has a significant positive cash flow from operating activities which limits its liquidity risk.

The table below analyse the maturity profile of the Group's financial liabilities with corresponding cash flow effect.

## 5.6 Derivative financial instruments

In 2023, the Group entered its second contract for interest rate hedging.

The Group has obtained long-term loans on a floating rate basis, implying that the Group is exposed to interest rate fluctuations.

The Group uses interest rate swaps to hedge future cash flows relating to interest rate risks. Thereby, floating-rate loans are converted to fixed-rate financing.

The weighted average contractual fixed rate for existing interest rate instruments used as hedges of long-term loans was 3.1% at the reporting date (3.1%). The weighted average contractual fixed rate for the new, short term interest rate swap was 3.3% at the reporting date.

Fair value adjustment is low and rounding to nearest million results in a value of NOK 1 million in 2023 (0).

Note 5.6 - External hedging instruments (NOKm)	2023	2022
<b>Contract I</b>		
Contractual value, long term	100	100
Maturity (year)	2032	2032
<i>Fair value</i>		
Of which recognised in income statement	0	0
Of which recognised in other copenhensive income	1	0
<b>Contract II</b>		
Contractual value, long term	100	n/a
Maturity (year)	2028	n/a
<i>Fair value</i>		
Of which recognised in income statement	0	0
Of which recognised in other copenhensive income	0	0

Note 5.5 - Contractual maturities of financial liabilities (NOKm)	2023				2022			
	0-1 year	1-5 years	>5 years	Total	0-1 year	1-5 years	>5 years	Total
Borrowings	72	619	0	691	36	385	0	421
Lease	104	193	4	300	87	160	6	253
Other debt	754	7	0	761	583	4	0	587
<b>Total</b>	<b>930</b>	<b>819</b>	<b>4</b>	<b>1,752</b>	<b>706</b>	<b>549</b>	<b>6</b>	<b>1,261</b>

## 5.7 Financial instruments – fair value hierarchy

ECIT Group has financial instruments measured at fair value based on all three levels in the fair value hierarchy:

- Level 1 - Quoted active market prices
- Level 2 - Significant observable inputs
- Level 3 - Significant unobservable inputs

Classification of the Group's financial instruments is presented in the matrix below.

There has been transfers between levels in the fair value hierarchy in 2023, moving figures from level 2 to level 3.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions when they significantly impact the measure of recoverable amount.

Note 5.7 - Financial instruments by category (NOKm)	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>Assets measured at fair value:</i>								
Interest rate derivatives	0	0	0	0	0	0	0	0
Listed equity investments	5	0	0	5	7	0	0	7
Non-listed equity investments	0	0	63	63	0	0	38	38
<b>Total financial assets measured at fair value</b>	<b>5</b>	<b>0</b>	<b>63</b>	<b>68</b>	<b>7</b>	<b>0</b>	<b>89</b>	<b>96</b>
<i>Assets measured at amortised cost:</i>								
Trade receivables	0	0	500	500	0	0	407	407
Other receivables	0	0	191	191	0	0	271	271
Cash and cash equivalents	0	0	192	192	0	0	183	183
<b>Total financial assets measured at amortised cost</b>	<b>0</b>	<b>0</b>	<b>883</b>	<b>883</b>	<b>0</b>	<b>0</b>	<b>861</b>	<b>861</b>
<i>Financial liabilities measured at fair value:</i>								
Contingent consideration liability	0	0	68	68	0	0	62	62
<b>Total financial liabilities measured at fair value</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>62</b>
<i>Financial liabilities measured at amortised cost:</i>								
Borrowings	0	0	619	619	0	0	367	367
Trade payables	0	0	184	184	0	0	142	142
Other liabilities	0	0	618	618	0	0	509	509
<b>Total financial liabilities measured at amortised cost</b>	<b>0</b>	<b>0</b>	<b>1,420</b>	<b>1,420</b>	<b>0</b>	<b>0</b>	<b>1,243</b>	<b>1,243</b>

# 6. Composition of the group

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

## 6.1 Acquisition and disposal 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 often unavailable.

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.

In 2023, the Group did not sell any shares. There were no other losses of control in subsidiaries.

## 6.2 Acquisitions during the year

During 2023, ECIT completed 14 acquisitions, consisting of six in the F&A division, five in the IT division, and three in the Tech division.

The largest acquisitions made during the year are presented separately. For information on other acquisitions please refer to our website [www.ecit.com](http://www.ecit.com).

### Dataplan AS

From their offices in Sandnes, Bryne, Egersund and Porsgrunn, Dataplan delivers accounting and payroll services, BI consulting, IT managed services and digitalisation & consulting services including point of sale to customers. Dataplan

strengthens ECIT's presence within accounting, payroll, IT consulting and managed services in the Stavanger area. Additionally, it adds point-of-sale technology to ECIT's Tech division.

96.016% of the shares in Dataplan AS were acquired on 6 June 2023.

### Evercom AS

Evercom is a Norwegian IT company specialising in audio visual solutions for the public sector and larger organisations. The acquisition strengthens ECIT's position and competence base within the AV industry.

50.1% of the shares in Evercom AS were acquired on 27 October 2023.

Note 6.2 - Acquired companies (NOKm)	Revenue 2022	Revenue 2023	PAT 2023	FTE	Owner- ship	Acq. Month
Progresso AS, Norway, F&A	19	20	5	10	60.0%	Jan
ECIT Virtus ehf, Iceland, F&A	18	23	2	16	50.1%	Mar
Micropartner A/S, Denmark, IT	18	21	-3	6	55.0%	Apr
Dataplan Group, Norway, F&A, IT & Tech	91	115	3	79	96.0%	Jun
ITsjefen AS, Norway, IT	50	58	4	19	50.1%	Jun
Kovert AS, Norway, IT	5	5	0	3	50.1%	Jun
Kreatif AS, Norway, Tech	12	12	2	10	55.6%	Jun
ECIT Sustainability AS, Norway, F&A	0	1	-1	0	50.1%	Jun
BusinessPartner i Helsingborg AB, Sweden, IT	14	18	0	13	50.1%	Sep
Rubic AS, Norway, Tech	10	12	-1	10	56.3%	Oct
Evercom AS, Norway, IT	112	114	8	20	50.1%	Oct
Elverum Regnskab AS, Norway, F&A	19	19	1	20	50.1%	Nov
Aktiv Revisjon og Regnskap AS, Norway, F&A	4	4	1	5	100.0%	Dec
<b>Total acquired subsidiaries</b>	<b>372</b>	<b>422</b>	<b>21</b>	<b>211</b>	<b>n/a</b>	<b>n/a</b>
ESG Trackr AS, Norway, Tech	0	0	-1	0	43.1%	Jun
<b>Total associated companies</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>n/a</b>	<b>n/a</b>

## Earnings impact

The acquisitions made by the Group contributed NOK 215 million to the Group's YTD revenue and NOK 38 million to the Group's EBITDA, corresponding to an EBITDA margin of 17.7%.

## Transaction costs

Total transaction costs related to the acquisitions amount to NOK 9 million. Transaction costs are accounted for in the income statement as transaction & restructuring costs as presented in note 2.7.

## Investments in subsidiaries

The acquisitions have been paid partly with cash, partly with shares through treasury shares or a capital increase and partly with an earn out obligation amounted to a total of NOK 279 million (319).

Adjusted for the fair value of acquired cash, cash equivalents, and paid-out earn-out for prior acquisitions of NOK 15 million (5), the cash outflow for new subsidiaries amounted to NOK 212 million in 2023 (269).

Cash amount paid in new subsidiaries includes cash payment in connection with capital increases in the subsidiary at closing. In the cash flow statement, those payments are eliminated.

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

## Note 6.2 Investments in subsidiaries (NOKm)

	2023	2022
Cash payment	-212	-269
Paid earn out obligation	-15	-5
Acquired cash	56	25
<b>Investment in subsidiaries</b>	<b>-171</b>	<b>-250</b>
<b>Sales of subsidiaries</b>	<b>0</b>	<b>14</b>
<i>New subsidiaries:</i>		
Cash payment	-212	-269
Share payment	-37	-8
Earn out obligation	-30	-42
<b>Investment in new subsidiaries</b>	<b>-279</b>	<b>-319</b>

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

The table 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.

Evercom AS, and Dataplan Group are shown separately since the acquisitions are significant compared to the total acquisitions of 2023.

Other acquisitions completed during 2023 are aggregated as they are not individually considered significant.

### Note 6.2 - Acquisitions during the year (NOKm)

	Evercom	Dataplan Group	Other	Total 2023
Research & Development	0	1	15	15
Customer Contracts	18	15	47	81
Property, plant and equipment	2	3	12	17
Financial fixed assets	0	5	12	17
Right-of-use assets	0	5	21	26
Deferred tax assets	0	0	0	0
Inventories	3	2	1	6
Trade receivables	17	15	25	57
Other receivables	2	12	12	27
Cash and cash equivalents	6	17	33	56
<b>Total Assets</b>	<b>48</b>	<b>74</b>	<b>178</b>	<b>301</b>
Lease liabilities	0	5	21	26
Provisions	0	0	0	0
Long-term debt	0	8	6	14
Deferred tax liabilities	4	3	10	17
Trade payables	9	3	14	26
Other payables	15	35	41	91
<b>Total Liabilities</b>	<b>28</b>	<b>54</b>	<b>94</b>	<b>174</b>
Non-controlling interest' share of acquired net assets	11	2	39	52
<b>Acquired net assets</b>	<b>10</b>	<b>18</b>	<b>45</b>	<b>74</b>
Cash payments	40	60	111	212
Share payments, capital increase	10	0	0	10
Share payments, treasury shares	0	8	19	27
Earn Out obligation	6	0	24	30
<b>Total</b>	<b>56</b>	<b>68</b>	<b>154</b>	<b>279</b>
<b>Majority goodwill arising from the acquisition</b>	<b>46</b>	<b>50</b>	<b>110</b>	<b>205</b>
Minority goodwill arising from the acquisition	45	0	113	159
Total goodwill arising from the acquisition	92	50	222	364

## 6.3 Acquisitions prior year

During 2022, ECIT completed ten acquisitions, consisting of four within the F&A division, two within the Tech division, and four within the IT division.

### Intunor Group

Intunor is a Norwegian finance and accounting company offering services based on modern ERP systems for business administration, as well as services for specialised industry solutions and advisory services. Intunor, with an experienced staff and an attractive portfolio of customers, will strengthen the geographical presence, industry position and competence base in ECIT.

The acquisition of Intunor Group was paid partly with cash and partly through a capital increase in the company, Intunor Services AS. The capital increase was used as a settlement of financial liabilities. The financial liabilities have subsequently been paid in December 2022 and are presented as part of the net investment in the company.

50.1% of the shares in Intunor Services AS were acquired on 11 November 2022. Intunor Services AS own 100% of the shares in Intunor Finans AS, Intunor People AS, Intunor Software AS and Intunor Services Saltdal AS.

For information regarding our other acquisitions, please visit our website.

#### Notes:

Revenue and profit after tax figures are equal to figures presented in local annual report

Verismo Systems AB is an equity investment and is not consolidated in the group financial accounts.

Prosys ApS merged with other ECIT companies within the year and the full year revenue and profit after tax are therefore not showed.

Note 6.3 - Acquired companies (NOKm)	Revenue 2021	Revenue 2022	PAT 2022	FTE	Owner- ship	Acq. Month
Catacloud AS, Norway, Tech	0	0	-1	2	50.1%	Mar
Xacct Accounting AS, Norway, F&A	50	64	8	37	100.0%	Mar
Isonor IT AS, Norway, IT	12	12	1	6	65.0%	May
Tandem AS, Norway, F&A	49	50	6	32	100.0%	Jul
Auto-Flow ApS, Denmark, IT	4	4	-3	11	50.1%	Jul
Verismo Systems AB, Sweden, Tech	6	n/a	n/a	7	18.0%	Jul
Prosys ApS, Denmark, IT	10	n/a	n/a	4	100.0%	Aug
Argus Kreditt AS, Norway, F&A	7	7	1	4	90.0%	Oct
Intunor Group, Norway, F&A	123	134	-35	110	50.1%	Nov
Agidon A/S, Denmark, IT	40	39	5	22	69.9%	Dec
<b>Total</b>	<b>302</b>	<b>310</b>	<b>-18</b>	<b>235</b>	<b>n/a</b>	<b>n/a</b>



## Earnings impact

The acquisitions made by the Group contributed NOK 112 million to the Group's YTD revenue and NOK 18 million to the Group's EBITDA, corresponding to an EBITDA margin of 16.1%.

## Transaction costs

Total transaction costs related to the acquisition amount to NOK 8 million. Transaction costs are accounted for in the income statement as transaction & restructuring costs as presented in note 2.7.

## Fair value of acquired net assets and recognised goodwill

The table gives the provisional 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.

Intunor Group is shown separately since the acquisitions are significant compared to the total acquisitions of 2022.

Other acquisitions completed during 2022 are aggregated as they are not individually considered significant.

## Note 6.3 - Acquisitions prior year (NOKm)

	Intunor Group	Other	Total 2022
Research & Development	0	4	4
Customer Contracts	35	65	100
Property, plant and equipment	5	2	6
Financial fixed assets	8	0	8
Right-of-use assets	24	14	38
Deferred tax assets	0	0	0
Inventories	1	0	1
Trade receivables	16	20	37
Other receivables	4	72	76
Cash and cash equivalents	10	10	20
<b>Total Assets</b>	<b>102</b>	<b>188</b>	<b>290</b>
Lease liabilities	24	14	38
Provisions	0	0	0
Long-term debt	10	8	18
Deferred tax liabilities	8	14	22
Trade payables	3	6	9
Other payables	11	71	82
<b>Total Liabilities</b>	<b>55</b>	<b>113</b>	<b>169</b>
Non-controlling interest' share of acquired net assets	23	9	33
<b>Acquired net assets</b>	<b>24</b>	<b>65</b>	<b>89</b>
Cash payments	55	214	269
Share payments, capital increase	0	7	7
Share payments, treasury shares	0	1	1
Earn Out obligation	15	27	42
<b>Total</b>	<b>70</b>	<b>249</b>	<b>319</b>
<b>Majority goodwill arising from the acquisition</b>	<b>46</b>	<b>184</b>	<b>230</b>
Minority goodwill arising from the acquisition	38	48	86
Total goodwill arising from the acquisition	84	232	316

# 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 Management and the Board of Directors

Benefits for Executive Management concern the Chief Executive Officer (CEO).

No additional remuneration or bonus has been paid for services beyond the normal functions of a manager. The Executive Management does not have any pension plans besides the ones required by law.

In January 2023, the CEO received warrants of 550,000 shares with a strike price of NOK 7.01. In July 2023, the CEO received additional warrants of 495,000 shares with a strike price of NOK 7.83. The total cost for the warrants equals NOK 0.5 million in 2023 (0).

Note 7.1 - Executive management (NOKm)	2023	2022
Base salary	5.6	4.7
Cash bonus	0.0	0.0
Pensions and Benefits	0.1	0.1
Share-based payments	0.5	0.0
Other salary costs	0.1	0.1
<b>Total</b>	<b>6.3</b>	<b>4.9</b>

The CEO hold 9.4% of the share capital (9.4%).

Members of the Board of Directors receive a fixed fee for their participation as a member of the board in ECIT totalled NOK 1.1 million (1.1). Fee per board member including cost related to share-based payments amounting to NOK 0.6 million (0) are specified in the table below.

Board of Directors' members holds 11.7% of the share capital (9.8%).

In January 2023, the Board of Directors received warrants of 150,000 with a strike price of NOK 7.01 and warrants of 393,750 with a strike price of NOK 6.95.

In July 2023, the Board of Directors received warrants of 489,375 with a strike price of 7.83.

The Board of Directors has not exercised any warrants during the financial year, hence total outstanding warrants for the Board of Directors on 31 December 2023 equals 1,033,125 (0).

Note 7.1 - Remuneration of the Board of Directors - (NOKm)	2023		2022	
	Fixed fees	Share-based payments	Fixed fees	Share-based payments
Thomas Plenborg, Chairman of the board	0.30	0.13	0.30	0.00
Pedro Fasting, Deputy chairman	0.19	0.10	0.19	0.00
Linda Forberg, Board member	0.15	0.08	0.15	0.00
Klaus Jensen, Board member	0.15	0.08	0.15	0.00
Cato A. Holmsen, Board member	0.15	0.08	0.15	0.00
Espen Karlsen, Board member	0.15	0.08	0.15	0.00
<b>Total</b>	<b>1.10</b>	<b>0.55</b>	<b>1.10</b>	<b>0.00</b>

The Group has no obligations to the Board Member or the Management team regarding termination or changes in employment/positions.

## 7.2 Fees to the auditor appointed at the Annual general meeting

Statutory audit fee includes fees to other auditors and the Group auditor. The Group auditor has been changed in 2023 hence the full-year audit fee is not presented as group auditor fee in 2023. The statutory audit has not change significantly from previous years. Auditor fee included in non-statutory are only fees paid to the Group auditor.

Note 7.2 - Fees to the auditor (NOKm)	2023	2022
Statutory audit, Group auditor	2	5
Statutory audit, Other auditors	5	2
Other assurance services	0	1
<b>Total ex. VAT</b>	<b>7</b>	<b>8</b>

## 7.3 Related party transactions

There have been no material transactions with the Group's Board of Directors, Executive Board, and close family members other than remuneration.

Management remuneration is disclosed in note 7.1.

The Group has no material transactions or balances on 31 December with associates.

## 7.4 Commitments and contingent liabilities

### Pledges

On 31 December 2023, participation in group companies, buildings, stock, equipment, and accounts receivables with a carrying value of NOK 3 million (36) were pledged as security

for long-term loans. NOK 2 million is related to property, plant, and equipment.

On 31 December 2023, participation in group companies, equipment, and accounts receivables with a carrying value of NOK 1,404 million (1,410) were pledged as security for credit facilities. NOK 1 million is related to property, plant, and equipment.

### Bank financing facility

The Group has a credit facility at a total amount of NOK 800 million, consisting of a revolving credit facility of NOK 750 million and a lease financing facility of NOK 50 million. On 31 December 2023, NOK 216 million of this was undrawn from the revolving credit facility. The revolving credit facility agreement covers a period of three years with an extension option of one year.

For this credit facility, security has been pledged against shares in ECIT Midco Holding AS, ECIT F&A Holding AS, ECIT IT Consulting Holding AS, ECIT IT Managed Services Holding AS, and ECIT Tech Holding AS. ECIT AS also provides a surety guarantee to the bank for the entire credit facility.

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. On 31 December 2023, the company fulfilled these requirements.

### Lease financing facility

The ECIT Group has a lease financing facility of NOK 50 million (50). On 31 December 2023, the facility was utilised with NOK 8 million (14).

## 7.5 Events after the balance sheet date

With reference to company announcement no. 217, Zirius AS became a part of ECIT on 19 January 2024. ECIT has acquired 24.988% of Zirius AS.

With reference to company announcement no. 224, Frejs Konsulter AB became a part of ECIT on 15 February 2024. ECIT has acquired 100% of Frejs Konsulter AB.

## 7.6 Investments in associates

Investments in associates is accounted for using the equity method. A total of minus NOK 3 million (1) have been recognised as a financial item through the income statement.

Note 7.6 - Investments in associates (NOKm)	2023		2022	
	Carrying amount	Ownership in %	Carrying amount	Ownership in %
Connect HRM AS	4	34.0%	3	34.0%
Value Group AS	31	40.0%	29	40.0%
Club United AS	19	31.8%	18	26.8%
ESG TrackR AS	13	43.1%	0	0.0%
Other	1	n/a	0	n/a
<b>Total</b>	<b>68</b>		<b>51</b>	

## 7.7 Share option schemes

### Accounting policies

ECIT's share warrant schemes are equity-settled, measured at the grant date, and recognised in the income statement as staff costs over the vesting period. The offsetting item is recognised directly in equity.

The value of employee services received during the vesting period in exchange for or warrants granted corresponds to the fair value of the warrants at the date of granting.

The fair value of the warrants granted is determined based on the Black & Scholes valuation model. The assumptions used in the valuation consider the terms and conditions applicable to the warrants granted and Management's expectations of the various parameters on which the valuation model is based.

Upon initial recognition, an estimate is made of the number of warrants that the employees are expected to earn. The estimated number of warrants is adjusted subsequently to reflect the actual number of share options earned.

The estimated volatility is based on historical data over the preceding three or four years adjusted for any unusual circumstances during the period. The valuation of the warrants granted in 2023 is based on the following assumptions:

Note 7.7 - Assumptions (NOKm)	2023	2022
Share price	7.20-8.40	n/a
Volatility	32.2-37.9%	n/a
Risk-free interest rate	3.4-4.6%	n/a
Expected dividends	1.4-1.7%	n/a
Expected remaining life (years)	3-4	n/a

### The warrant schemes

ECIT has launched incentive share-based payment schemes with the purpose of motivating and retaining key employees across the organisation. The incentive share-based payment schemes consist of share options and share purchase options, referred to as "warrants".

Share warrants are awarded at all levels in the organisation, e.g. from team leads, specialists, division managers, country managers, up to Executive Management. Key employees are therefore not a designated manager group but includes employees on all levels of the organization.

Retention is motivated by requiring continued service for a period covering the vesting period as a minimum. The schemes are also intended to align the interests of employees and shareholders.

All active schemes entail a three- or four-year vesting period and a two-year exercise period. In case of a change of control, all outstanding warrants can vest. Exercise prices are set based on the quoted market prices leading up to the date of granting. The warrants can be exercised by cash purchase of shares only. The obligation relating to the schemes is partly covered by the Company's treasury shares.

Warrants are granted pursuant to the procedures laid down in the Group's Remuneration Policy applicable in the relevant year. A total of 183 employees held share options on 31 December 2023.

Total costs recognised in 2023 for services received but not recognised as an asset amounted to NOK 5.7 million (0).

No shares were exercised in the financial year of 2023.

Note 7.7

Current incentive schemes (NOK and 000s)

	Warrants granted	Exercise period	Exercise price (NOK)	Number of employee	Market value at granting
2023	11,160	2026-2029	6.95 - 8.05	183	83,237
<b>Total</b>	<b>11,160</b>			<b>183</b>	<b>83,237</b>

Outstanding warrants (000s)	Executive board	Board of directors	Key employee	Total	Average exercise price
Outstanding at 1 January 2023	0	0	0	0	n/a
Granted	1,045	1,033	9,082	11,160	6.95 - 8.17
Exercised	0	0	0	0	n/a
Warrants waived/expired	0	0	-60	-60	6.95 - 7.83
<b>Outstanding at 31 December 2023</b>	<b>1,045</b>	<b>1,033</b>	<b>9,022</b>	<b>11,100</b>	
Open for exercise at 31 December 2023	0	0	0	0	n/a

## 7.8 Group Structure

Note 7.8 - Group Structure (Name of entity)	Division	Country	Ownership in % by ECIT AS	Votingshar e in % by ECIT AS	Note 7.8 - Group Structure (Name of entity)	Division	Country	Ownership in % by ECIT AS	Votingshar e in % by ECIT AS
Parrent:									
ECIT AS	Group	Norway	n/a	n/a	ECIT Lillehammer AS	F&A	Norway	70.0 %	70.0 %
Subsidiaries:					ECIT Marketing AS	IT	Norway	50.1 %	50.1 %
3C Technology AS	IT	Norway	50.1 %	50.1 %	ECIT Merkur AS	Group	Norway	70.0 %	70.0 %
Abaci AS	F&A	Norway	50.1 %	50.1 %	ECIT Midco Holding AS	Group	Norway	100.0 %	100.0 %
Adato AS	Tech	Norway	71.0 %	71.0 %	ECIT Net AS	Tech	Norway	100.0 %	100.0 %
Aktiv Revisjon og Regnskap AS	F&A	Norway	100.0 %	100.0 %	ECIT Normann & Øygarden AS	F&A	Norway	60.0 %	60.0 %
ASK Outsourcing Group AB	F&A	Sweden	79.0 %	79.0 %	ECIT OS AS	F&A	Norway	57.3 %	57.3 %
BusinessPartner i Helsingborg AB	Group	Sweden	50.1 %	50.1 %	ECIT Peritus AS	IT	Norway	50.1 %	50.1 %
Catacloud AS	Tech	Norway	53.1 %	53.1 %	ECIT RSBL doo Beograd	F&A	Serbia	100.0 %	100.0 %
Dalby Ekonomiservice AB	F&A	Sweden	97.9 %	97.9 %	ECIT Råd & Regnskap AS	F&A	Norway	85.0 %	85.0 %
DataPartner i Helsingborg AB	IT	Sweden	50.1 %	50.1 %	ECIT Sale & Customer Service AS	F&A	Norway	80.0 %	80.0 %
Dataplan Alpha AS	F&A	Norway	96.0 %	96.0 %	ECIT Services A/S (DK)	F&A	Denmark	82.0 %	82.0 %
Dataplan AS	Group	Norway	96.0 %	96.0 %	ECIT Services AB (SE)	F&A	Sweden	79.1 %	79.1 %
Dataplan Omega AS	IT	Norway	96.0 %	96.0 %	ECIT Services AS	F&A	Norway	82.3 %	82.3 %
ECIT Account A/S	F&A	Denmark	70.0 %	70.0 %	ECIT Services Göteborg AB*	F&A	Sweden	47.3 %	47.3 %
ECIT Accountants Limited**	F&A	England	39.6 %	39.6 %	ECIT Software Holding AS	Group	Norway	51.3 %	51.3 %
ECIT Accounting Holding AS	Group	Norway	50.1 %	50.1 %	ECIT Solutions A/S (DK)	IT	Denmark	83.7 %	83.7 %
ECIT Advisory AB	F&A	Sweden	70.0 %	70.0 %	ECIT Solutions DI AS	IT	Norway	72.6 %	72.6 %
ECIT Aros A/S	F&A	Denmark	59.5 %	59.5 %	Do not use (use DUL) - ECIT Solutions ITS AS	IT	Norway	73.0 %	73.0 %
ECIT Autogear AS	Tech	Norway	58.7 %	58.7 %	ECIT Solutions One AS	IT	Norway	72.4 %	72.4 %
ECIT Automate ApS*	IT	Denmark	41.9 %	41.9 %	ECIT Solutions Pro AB	IT	Sweden	87.0 %	87.0 %
ECIT Business Partner AS	F&A	Norway	50.1 %	50.1 %	ECIT Stord AS	F&A	Norway	70.0 %	70.0 %
ECIT Business Partner Pluss AS	F&A	Norway	50.1 %	50.1 %	ECIT Sustainability AS	F&A	Norway	50.1 %	50.1 %
ECIT Capstone AS	IT	Norway	86.1 %	86.1 %	ECIT Tech Holding AS	Group	Norway	100.0 %	100.0 %
ECIT Consulta AS	F&A	Norway	87.7 %	87.7 %	ECIT Traconet AS	F&A	Norway	51.2 %	51.2 %
ECIT Consulting A/S	IT	Denmark	72.7 %	72.7 %	ECIT Trondheim AS	F&A	Norway	72.9 %	72.9 %
ECIT Digital AS	Tech	Norway	51.3 %	51.3 %	ECIT Valdres AS	F&A	Norway	73.9 %	73.9 %
ECIT F&A Holding AS	Group	Norway	100.0 %	100.0 %	ECIT Veiby Akonto AS	F&A	Norway	73.9 %	73.9 %
ECIT F&A Software AS	Tech	Norway	100.0 %	100.0 %	ECIT Veny AS	IT	Norway	100.0 %	100.0 %
ECIT F&A Tech AS	Tech	Norway	100.0 %	100.0 %	ECIT Virtus ehf	F&A	Iceland	50.1 %	50.1 %
ECIT Group Services ApS	Group	Denmark	100.0 %	100.0 %	ECIT WLCOM AS	Tech	Norway	70.0 %	70.0 %
ECIT Group Services AS	Group	Norway	100.0 %	100.0 %	ECPay AS	F&A	Norway	82.8 %	82.8 %
ECIT Harestua AS	F&A	Norway	51.5 %	51.5 %	Elverum Regnskap AS	F&A	Norway	50.1 %	50.1 %
ECIT Holding DOO	Group	Serbia	100.0 %	100.0 %	ENKLERESTART.NO AS	IT	Norway	97.3 %	97.3 %
ECIT Interim AB	F&A	Sweden	79.0 %	79.0 %	Evercom AS	IT	Norway	50.1 %	50.1 %
ECIT IT Consulting Holding AS	Group	Norway	100.0 %	100.0 %	Figurator AB	IT	Sweden	50.1 %	50.1 %
ECIT IT Managed Services Holding AS	Group	Norway	100.0 %	100.0 %	Global Control Center Design AS*	IT	Norway	30.5 %	30.5 %
ECIT Labs A/S	Tech	Denmark	51.3 %	51.3 %	Intect AB	Tech	Sweden	69.1 %	69.1 %
ECIT DIGITAL SOFTWARE AS	Tech	Norway	51.3 %	51.3 %	Intect ApS	Tech	Denmark	71.0 %	71.0 %
					InterGest Sweden AB	F&A	Sweden	70.0 %	70.0 %
					Intergest UK Ltd**	F&A	England	37.6 %	37.6 %

Name of entity	Division	Country	Ownership in % by ECIT AS	Votingshare in % by ECIT AS
Interpalm Group Ltd**	Group	England	39.6 %	39.6 %
Intunor Employee Holding AS	Group	Norway	55.4 %	55.4 %
Intunor Finance AS	F&A	Norway	50.1 %	50.1 %
ECIT Employ AS*	F&A	Norway	40.1 %	40.1 %
ECIT Intunor AS	F&A	Norway	50.1 %	50.1 %
Intunor Software AS	F&A	Norway	50.1 %	50.1 %
If Consult AS	IT	Norway	70.0 %	70.0 %
Ifc Holding AS	Group	Norway	70.0 %	70.0 %
ITsjefen AS	IT	Norway	50.1 %	50.1 %
John Skårland AS	F&A	Norway	96.0 %	96.0 %
Kovert AS	IT	Norway	50.1 %	50.1 %
Kreatif AS	Tech	Norway	55.6 %	55.6 %
ME Finans AB	F&A	Sweden	80.0 %	80.0 %
Meriva AB	IT	Sweden	50.1 %	50.1 %
Micropartner A/S	IT	Denmark	55.0 %	55.0 %
Modern Bolagsservice Sverige AB	F&A	Sweden	100.0 %	100.0 %
Modern Ekonomi Sverige AB	F&A	Sweden	100.0 %	100.0 %
Modern Ekonomi Sverige Holding AB	F&A	Sweden	87.0 %	87.0 %
Modern Tellos Sverige AB	F&A	Sweden	100.0 %	100.0 %
My Salary Nordic AB**	Tech	Sweden	35.4 %	35.4 %
Norian Accounting AB	F&A	Sweden	87.8 %	87.8 %
Norian Accounting GmbH	F&A	Germany	87.8 %	87.8 %
Norian Accounting Oy	F&A	Finland	87.8 %	87.8 %
Norian Accounting Sp. z o.o.	F&A	Poland	87.8 %	87.8 %
Norian Accounting UAB	F&A	Lithuania	87.8 %	87.8 %
Norian FAS Holding Oy	Group	Finland	87.8 %	87.8 %
Norian ManCo AS	Group	Norway	59.4 %	100.0 %
Norian Regnskap AS	F&A	Norway	87.8 %	87.8 %
Norian TopCo AS	Group	Norway	87.8 %	87.8 %
PA Kompetens Løn AB**	F&A	Sweden	50.0 %	50.0 %
Pilen Holding AS***	Group	Norway	0.0 %	100.0 %
Pramo ApS	F&A	Denmark	58.8 %	58.8 %
Pramo Ekonomi & Data AB	F&A	Sweden	97.9 %	97.9 %
Progresso AS	F&A	Norway	60.0 %	60.0 %
Proviso AS	Tech	Norway	90.1 %	90.1 %
RacelT Digital SRL	Tech	Romania	51.3 %	51.3 %
Rubic AS	Tech	Norway	56.3 %	56.3 %
Råd & Regnskap Eiendom AS	Group	Norway	85.0 %	85.0 %
Sarec Lønn AS***	F&A	Norway	41.1 %	41.1 %
SecBase AS**	Group	Norway	34.0 %	34.0 %
Tandem AS	F&A	Norway	100.0 %	100.0 %

Name of entity	Division	Country	Ownership in % by ECIT AS	Votingshare in % by ECIT AS
TICE Invest AB*	Group	Sweden	9.8 %	100.0 %
Touch Soft AS	Tech	Norway	96.0 %	96.0 %
Touch Soft Technology AS	Tech	Norway	96.0 %	96.0 %
Unilei ApS*	IT	Denmark	38.5 %	38.5 %
XACCT Accounting AS	F&A	Norway	76.0 %	76.0 %
Xtracon A/S	IT	Denmark	85.0 %	85.0 %
Økonomispecialisten AS	F&A	Norway	50.1 %	50.1 %

\*) 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.



# Independent Auditors Report

To the General Meeting of ECIT AS

## Opinion

We have audited the financial statements of ECIT AS, which comprise:

- the financial statements of the parent company ECIT AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of ECIT AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its

cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

## Basis for 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 as required by 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report:

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

## Responsibilities for Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Oslo, 27 February 2024

**PricewaterhouseCoopers AS**

Øystein Sandvik  
State Authorised Public Accountant  
(This document is signed electronically)

# Parent Company Financial statements

ecit

# Income statement

(NOKm)	Note	FY 2023	FY 2022
Revenue	2.1	40	33
Cost of service		0	0
Personnel expenses	2.2, 4.3	-21	-13
Other operating costs	2.3	-49	-42
<b>Operating profit before amortisation and</b>		<b>-30</b>	<b>-22</b>
Amortizations and depreciations		0	0
<b>Operating profit</b>		<b>-30</b>	<b>-23</b>
Financial items, net	2.4	4	144
<b>Profit before tax</b>		<b>-26</b>	<b>121</b>
Tax on profit for the period	2.5	4	0
<b>Profit for the period</b>		<b>-22</b>	<b>121</b>
<b>Proposed distribution of result</b>			
Proposed dividend per share is NOK 0.06		28	18
Transferred to equity reserves		-50	103
<b>Total distribution</b>		<b>-22</b>	<b>121</b>

# Cash Flow Statement

(NOKm)	Note	FY 2023	FY 2022
Revenue		40	33
Operating expenses excluding amortisations and depreciations		-70	-55
<b>Operating profit before amortisation and depreciation</b>		<b>-30</b>	<b>-22</b>
Change in net working capital (NWC)		7	6
<b>Cash flow from operating activities (A)</b>		<b>-23</b>	<b>-17</b>
Change in other financial assets	3.3	38	-40
<b>Cash flow from investing activities (B)</b>		<b>38</b>	<b>-40</b>
<b>Cash flow from operating and investing activities (A+B)</b>		<b>15</b>	<b>-57</b>
Net change in credit facilities		-7	14
Interest received	2.4	10	31
Interest paid	2.4	-6	-1
Capital increase	3.7	0	0
Sale and purchase of treasury shares	3.7	-17	-12
Dividend distributed		-18	-18
<b>Cash flow from financing activities</b>		<b>-39</b>	<b>15</b>
<b>Cash flow for the period</b>		<b>-24</b>	<b>-42</b>
Cash and cash equivalents 1 January		77	119
Cash flow for the period		-24	-42
<b>Cash and cash equivalents end of period</b>		<b>53</b>	<b>77</b>

# Balance Sheet

(NOKm)	Note	31 DEC 2023	31 DEC 2022	(NOKm)	Note	31 DEC 2023	31 DEC 2022
Deferred tax assets	2.5	11	7	Share capital	4.1. 4.2	454	452
<b>Intangible assets</b>		<b>11</b>	<b>7</b>	Treasury shares	4.1	-1	-3
Land, buildings and equipment	3.1	0	1	Reserves and retained earnings	4.1	1,075	1,031
<b>Tangible asset</b>		<b>0</b>	<b>1</b>	<b>Total equity</b>		<b>1,528</b>	<b>1,480</b>
Investment in subsidiaries	3.2	1,368	1,368	Earn out obligation	3.6	0	16
Loan to subsidiaries		0	16	Trade payables		2	2
Other financial assets	3.3	40	27	Trade payables, subsidiaries		11	3
Other receivables, interest bearing	3.4	21	23	Dividend		28	18
Other receivables	3.4	0	0	Loan from subsidiaries		184	190
<b>Total non-current assets</b>		<b>1,429</b>	<b>1,434</b>	Other current liabilities	3.8. 3.9	4	7
Trade receivables		0	0	<b>Total current liabilities</b>		<b>228</b>	<b>236</b>
Trade receivables, subsidiaries		0	4	<b>Equity and liabilities</b>		<b>1,756</b>	<b>1,716</b>
Other receivables (interest bearing)		4	6				
Other receivables		5	5				
Other receivables, subsidiaries		254	182				
Cash and cash equivalents	3.5	53	77				
<b>Total current assets</b>		<b>315</b>	<b>275</b>				
<b>Total assets</b>		<b>1,756</b>	<b>1,716</b>				

# Statement of Changes in Equity

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total equity
Equity at 1 January 2023	452	6	768	-3	256	1,480
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-22</b>	<b>-22</b>
<i>Transactions with shareholders:</i>						
Capital increase	2	72	14	0	0	88
Dividends distributed	0	0	0	0	-28	-28
Sale of treasury shares	0	0	0	6	34	40
Purchase of treasury shares	0	0	0	-4	-24	-28
Share-based payments	0	0	0	0	2	2
Other adjustments	0	0	-1	0	-3	-4
<b>Total transactions with shareholders</b>	<b>2</b>	<b>72</b>	<b>13</b>	<b>2</b>	<b>-19</b>	<b>70</b>
<b>Equity at 31 December 2023</b>	<b>454</b>	<b>78</b>	<b>782</b>	<b>-1</b>	<b>215</b>	<b>1,528</b>

(NOKm)	Share Capital	Not reg. Capital increase	Share premium	Other reserves	Retained earnings	Total equity
Equity at 1 January 2022	445	12	722	-1	162	1,341
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121</b>	<b>121</b>
<i>Transactions with shareholders:</i>						
Capital increase	7	-6	46	0	0	47
Dividends distributed	0	0	0	0	-18	-18
Sale of treasury shares	0	0	0	1	1	2
Purchase of treasury shares	0	0	0	-3	-10	-13
Share-based payments	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0
<b>Total transactions with shareholders</b>	<b>7</b>	<b>-6</b>	<b>46</b>	<b>-2</b>	<b>-27</b>	<b>18</b>
<b>Equity at 31 December 2022</b>	<b>452</b>	<b>6</b>	<b>768</b>	<b>-3</b>	<b>256</b>	<b>1,480</b>



# Financial statements board approval

Oslo, 27 February 2024

Oslo, 27 February 2024

## Executive Board

Peter Lauring  
CEO

## Board of directors

Thomas Plenborg  
Chairman of the board

Pedro Fasting  
Deputy chairman

Klaus Jensen  
Board member

Linda Forberg  
Board member

Cato A. Holmsen  
Board member

Espen Karlsen  
Board member

# 1. Basis for preparation

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 2023 has been prepared in accordance with the provisions of the Norwegian Financial Statements Act.

The company's Financial Statements for 2023 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. However, due to their inherent nature, they 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:

- Deferred tax, note 2.5
- Investments in subsidiaries, note 3.2
- Earn out obligations, note 3.8

An 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 in 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

The cash flow statement is prepared according to the indirect method.

## 2. Profit for the year

### 2.1 Revenue

Revenue from the sale of services is recognised in the income statement if 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 discounts relating to sales.

Revenue consists of management fee invoiced to the subsidiaries and amounted to NOK 39.9 million (33.2) in 2023.

### 2.2 Personnel expenses

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

Note 2.2 - Personnel expenses (NOKm)	2023	2022
Wages and salaries	15.5	10.9
Pension costs	0.4	0.2
Other social security costs	2.3	1.5
Other personnel expenses	2.5	0.7
<b>Total</b>	<b>20.7</b>	<b>13.3</b>
<b>Average full time employees</b>	<b>9</b>	<b>4</b>

Benefits for Executive Management concern the Chief Executive Officer (CEO).

No additional remuneration or bonus has been paid for services beyond the normal functions of a manager. The Executive Management does not have any pension plans besides the ones required by law.

In January 2023, the CEO received warrants of 550,000 shares with a strike price of NOK 7.01. In July 2023, the CEO received additional warrants of 495,000 shares with a strike price of NOK 7.83. The total cost for the warrants equals NOK 0.5 million in 2023 (0).

The CEO hold 9.4% of the share capital (9.4%).

Members of the Board of Directors receive a fixed fee for their participation as a member of the board in ECIT totalled NOK 1.1 million (1.1). Costs related to share-based payments amounting to NOK 0.6 million (0) for the Board of Directors.

Board of Directors' members holds 11.7% of the share capital (9.8%).

In January 2023, the Board of Directors received warrants of 150,000 with a strike price of NOK 7.01 and warrants of 393,750 with a strike price of NOK 6.95.

In July 2023, the Board of Directors received warrants of 489,375 with a strike price of 7.83.

The Board of Directors has not exercised any warrants during the financial year, hence total outstanding warrants for the Board of Directors on 31 December 2023 equals 1,033,125 (0).

For share-based payments please refer to note 4.3.

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

There are no loans or securities towards the company's executive management or Board of Directors.

Note 2.2 - Executive management (NOKm)	2023	2022
Base salary	5.6	4.7
Cash bonus	0.0	0.0
Pensions and Benefits	0.1	0.1
Share-based payments	0.5	0.0
Other salary costs	0.1	0.1
<b>Total</b>	<b>6.3</b>	<b>4.9</b>

Note 2.2. - Board of directors (NOKm)	2023	2022
Fixed fees	1.1	1.1
Share-based payments	0.6	0.0
<b>Total</b>	<b>1.7</b>	<b>1.1</b>

## 2.3 Other operating costs

Other operating costs include expenses related to sales and marketing as well as administration. Statutory audit fee amounted to NOK x million (1.9) and other assurance services to NOK x million (1.6).

## 2.4 Financial income and costs

Financial income and costs comprise interests, realised and unrealised gains from exchange rates as well as other financial income and expenses. Last year ECIT AS received ordinary dividend from its subsidiaries for the financial year 2022 which were recognised as financial income in 2022. For the financial year 2023 no ordinary dividend from the subsidiaries will be paid out to ECIT AS.

Note 2.5 - Tax for the year (NOKm)	2023	2022
Profit before tax	-26.1	120.9
Permanent differences	7.5	-106.5
Change in temporary differences	0.0	-0.2
Loss carry forward	0.0	-14.2
<b>Taxable income</b>	<b>-18.6</b>	<b>0.0</b>
<b>Effective tax %</b>	<b>16.9%</b>	<b>0.0%</b>
Tax on profit of the year	0.0	0.0
Change in deferred tax	4.1	0.0
Tax adjustment, prior years	0.0	0.0
<b>Total tax on profit for the year</b>	<b>4.1</b>	<b>0.0</b>

## 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.

The effective tax rate of 16.9% is due to loss carried forward from previous years. Last year the company had tax income from changes in deferred tax due to negative taxable income.

Note 2.5 - Tax for the year (NOKm)	2023	2022
Profit before tax	-26.1	120.9
Permanent differences	7.5	-106.5
Change in temporary differences	0.0	-0.2
Loss carry forward	0.0	-14.2
<b>Taxable income</b>	<b>-18.6</b>	<b>0.0</b>
<b>Effective tax %</b>	<b>16.9%</b>	<b>0.0%</b>
Tax on profit of the year	0.0	0.0
Change in deferred tax	4.1	0.0
Tax adjustment, prior years	0.0	0.0
<b>Total tax on profit for the year</b>	<b>4.1</b>	<b>0.0</b>

### 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 amortisation 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.

Note 2.5 - Deferred tax (NOKm)	2023	2022
Temporary differences		
Land, buildings & equipment	0.0	0.0
Receivables	0.0	0.0
Loss carried forward	-75.2	-56.6
<b>Taxable income</b>	<b>-75.2</b>	<b>-56.6</b>
<b>Deferred tax assets</b>	<b>10.9</b>	<b>6.8</b>
<b>Deferred tax</b>	<b>0.0</b>	<b>0.0</b>
Loss carried forward		
2019	30.7	30.7
2020	16.8	16.8
2021	23.3	23.3
2022	-14.2	-14.2
Change for 2023	18.6	0.0
<b>Total loss carried forward</b>	<b>75.2</b>	<b>56.6</b>

# 3. Assets and liabilities

This section provides information regarding the company's assets and liabilities.

## 3.1 Tangible assets

Tangible assets are measured at acquisition cost, less accumulated depreciation, and write-downs.

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:

- 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.

Carrying amount of equipment equals NOK 0.3 million (0.5).

Notes:

*TICE Invest AB is a subsidiary because of the Group holds the majority of the voting rights despite the minor ownership in the company. SecBase AS is recognized as a subsidiary as the Group holds the control through a shareholder agreement and an option agreement.*

## 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 recognised in the Company's income statement under financial items, net.

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

Note 3.2 - Investments in subsidiaries (NOKm)

ECIT Midco Holding AS
TICE Invest AB*
SecBase AS**
Pilen Holding AS

## 3.3 Other Investments

Note 3.3 - Other investments (NOKm)	2023	Owner-ship %
Siffer System AS	3.0	12.6%
Visuel Information System A/S	9.0	15.8%
Wint Group AB	8.0	6.4%
Ztl Payment Solution AS	15.0	6.9%
Luca Labs AS	1.4	3.1%
21st Company AS	1.5	11.0%
Legal Plant AS	1.5	13.0%
Gripr AS	0.4	2.8%
<b>Total</b>	<b>39.7</b>	

Note 3.3 - Other investments (NOKm)	2022	Owner-ship %
Siffer System AS	3.0	12.6%
Adline Professional AS	1.0	10.0%
Visuel Information System A/S	3.0	9.4%
Wint Group AB	8.0	6.4%
Ztl Payment Solution AS	10.0	4.2%
Luca Labs AS	1.0	3.1%
<b>Total</b>	<b>27.0</b>	

Country	Owner-ship in %	Votes in %	Result 2023	Equity
Norway	100.0%	100.0%	14.7	1,361.0
Sweden	9.8%	52.1%	0.2	0.6
Norway	34.0%	34.0%	0.2	0.1
Norway	0.0%	100.0%	1.2	2.4

### 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 (amortised cost).

### 3.5 Cash and cash equivalents

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

The company has a cash pool arrangement with DnB Bank ASA. 31 December 2023; the cash pool system showed a net balance of NOK 40 million. The company's net borrowings in the cash pool system were NOK 0 million as of 31 December 2023. 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.

The company has a tax deduction guarantee of NOK 1 million (1).

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

### 3.6 Earn out obligation

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

Note 3.6 - Earn out obligation (NOKm)	2023	2022
Carrying amount 1 January	16.0	0.0
New Earn out provisions	0.0	16.0
Earn out assesment	0.0	0.0
Amounts used during the year	16.0	0.0
<b>Earn out obligation</b>	<b>0.0</b>	<b>16.0</b>

### 3.7 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 amortised cost, corresponding to the capitalised value, using the effective interest rate.

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

### 3.8 Related party transactions

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 40 million (2022: NOK 33 million)

Accounting services, IT services and other services received from subsidiaries NOK 35 million (2022: NOK 26 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.

### 3.9 Securities

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

As of 31 December 2023, all liabilities related to bank guarantees amounted to NOK 112 million (2022: NOK 52 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 7.4 in the consolidated financial statements.

# 4. Capital and Financial Risk

## 4.1 Equity

### Share capital

On 31 December 2023, the share capital of ECIT AS equals NOK 454 million (452) with a nominal value of NOK 1.

Shares consist of three share classes A-, B-, and C-shares. As of 31 December 2023, total shares comprise:

- A-shares: 41,336,068 (2022: 41,336,068)
- B-shares: 345,017,074 (2022: 343,031,470)
- C-Shares: 67,752,231 (2022: 67,682,956)

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.

C-shares are not subject to listing and carry one vote per share. They are established to accommodate 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 holder's C-shares may be converted to B-shares in December of 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 held 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.

### Treasury shares

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

A total of 5,076,833 treasury shares were utilised in 2023. A total of 3,538,148 treasury shares were acquired in 2023.

On 31 December 2023, 1,198,483 shares were held as treasury shares (2,737,168). The reserve is a distributable reserve.

### Dividends

Dividends are recognised as a liability when the dividend is approved by the Annual General meeting. The dividend proposed for the fiscal year 2023 is NOK 0.06 per share (0.04), equal to a total dividend of NOK 28 million (18). The dividend is paid out to all shareholders of ECIT AS, and no shares have special rights in connection with the dividend payout.

Note 4.1 - Treasury share reserves specification (NOKm)	2023			2022		
	Market Value	% of share capital	Nominal Value	Market Value	% of share capital	Nominal Value
Portfolio 1 January	20	0.6%	3	8	0.2%	1
Purchase of treasury shares	28	0.8%	4	13	0.6%	3
Sale of treasury shares	-13	-0.3%	-2	-1	-0.2%	-1
Transfer of treasury shares as business combination consideration	-27	-0.8%	-4	-1	0.0%	0
Value adjustment	1	0.0%	0	1	0.0%	0
<b>Portfolio 31 December</b>	<b>9</b>	<b>0.3%</b>	<b>1</b>	<b>20</b>	<b>0.6%</b>	<b>3</b>



## 4.2 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 9.4% 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 66% of the shares in ECIT AS.

Board of Directors' members holds 11.7% of the share capital (9.8%). The Board of Directors holds b-shares without any special rights.

Note 4.2 - Top 20 shareholders of ECIT AS ('000)

	A-shares	B-shares	C-shares	Total shares	Owner-ship in %	Voting share
Cgl Holding AS & CGL Holding II AS	41,336	1,282	0	42,618	9.4%	49.9%
Varner Kapital AS	0	25,000	0	25,000	6.1%	3.0%
IC Services 2 AS	0	24,423	0	24,423	5.9%	3.0%
Long Path Partners LP	0	22,798	0	22,798	5.5%	2.8%
Paradigm Capital Value Fund	0	17,445	0	17,445	3.6%	2.1%
Mikkel Walde Holding ApS	0	139	15,525	15,664	4.0%	1.9%
Y-Not ApS	0	229	14,840	15,069	3.8%	1.8%
Bras Kapital AS	0	14,509	0	14,509	3.5%	1.8%
Mp Pensjon Pk	0	10,622	0	10,622	2.6%	1.3%
Deka Investment GmbH	0	10,200	0	10,200	2.5%	1.2%
Anglo Supply AS	0	9,764	0	9,764	2.4%	1.2%
Paradigm Capital Value LP	0	7,370	0	7,370	1.8%	0.9%
Veiby Invest AS	0	5,621	0	5,621	1.7%	0.7%
Pa Kompetens Lön Sverige AB	0	5,217	0	5,217	1.4%	0.6%
Loe Equity AS	0	4,714	0	4,714	1.3%	0.6%
Infolink Holding AS	0	4,503	0	4,503	1.1%	0.5%
Litu AS	0	4,338	0	4,338	1.1%	0.5%
Sewell AS	0	3,812	0	3,812	1.1%	0.5%
Y ApS	0	0	3,502	3,502	0.9%	0.4%
P H Mathiesen Holding Af 2018 ApS	0	3,474	0	3,474	0.8%	0.4%
<b>Top 20 shareholder total</b>	<b>41,336</b>	<b>175,459</b>	<b>33,867</b>	<b>250,662</b>	<b>56.1%</b>	<b>75.2%</b>
Other shareholders	0	169,558	33,885	203,443	43.9%	24.8%
<b>Total number of shares</b>	<b>41,336</b>	<b>345,017</b>	<b>67,752</b>	<b>454,105</b>	<b>100.0%</b>	<b>100.0%</b>

### Notes:

CGL Holding AS & CGL Holding II AS consists of all shares held by Peter Lauring, companies he has the majority of shares in, and his relatives. Peter Lauring's maximum voting right of 49.9% according to ECIT's articles of association regardless of ownership.

Y-Not ApS consists of all shares held by Klaus Jensen, companies he has the majority of shares in and his relatives.

## 4.3 Share option schemes

### Accounting policies

ECIT's share warrant schemes are equity-settled, measured at the grant date, and recognised in the income statement as staff costs over the vesting period. The offsetting item is recognised directly in equity.

The value of employee services received during the vesting period in exchange for or warrants granted corresponds to the fair value of the warrants at the date of granting.

The fair value of the warrants granted is determined based on the Black & Scholes valuation model. The assumptions used in the valuation consider the terms and conditions applicable to the warrants granted and Management's expectations of the various parameters on which the valuation model is based.

Upon initial recognition, an estimate is made of the number of warrants that the employees are expected to earn. The estimated number of warrants is adjusted subsequently to reflect the actual number of share options earned.

The estimated volatility is based on historical data over the preceding three or four years adjusted for any unusual circumstances during the period. The valuation of the warrants granted in 2023 is based on the following assumptions:

Note 4.3 - Assumptions (NOKm)	2023	2022
Share price	7.20-8.40	n/a
Volatility	36.8-37.9%	n/a
Risk-free interest rate	3.4-4.5%	n/a
Expected dividends	1.4-1.7%	n/a
Expected remaining life (years)	3-4	n/a

### The warrant schemes

ECIT has launched incentive share-based payment schemes with the purpose of motivating and retaining key employees across the organisation. The incentive share-based payment schemes consist of share options and share purchase options, referred to as "warrants".

Share warrants are awarded at all levels in the organisation, e.g. from team leads, specialists, division managers, country managers, up to Executive Management. Key employees are therefore not a designated manager group but includes employees on all levels of the organization.

Retention is motivated by requiring continued service for a period covering the vesting period as a minimum. The schemes are also intended to align the interests of employees and shareholders.

All active schemes entail a three- or four-year vesting period and a two-year exercise period. In case of a change of control, all outstanding warrants can vest. Exercise prices are set based on the quoted market prices leading up to the date of granting. The warrants can be exercised by cash purchase of shares only. The obligation relating to the schemes is partly covered by the Company's treasury shares.

Warrants are granted pursuant to the procedures laid down in the Group's Remuneration Policy applicable in the relevant year. A total of 17 employees held share options on 31 December 2023.

Total costs recognised in 2023 for services received but not recognised as an asset amounted to NOK 1.8 million (0).

No shares were exercised in the financial year of 2023.

Note 4.3 Current incentive schemes (NOK and 000s)	Warrants granted	Exercise period	Exercise price (NOK)	Number of employee	Market value at granting
2023	3,486	2026-2029	6.95 - 7.83	17	25,696
<b>Total</b>	<b>3,486</b>			<b>17</b>	<b>25,696</b>

Note 4.3 - Outstanding warrants (000s)	Executive board	Board of directors	Key employee	Total	Average exercise price
Outstanding at 1 January 2023	0	0	0	0	n/a
Granted	1,045	1,033	1,408	3,486	6.95 - 7.83
Exercised	0	0	0	0	n/a
Warrants waived/expired	0	0	0	0	6.95 - 7.83
<b>Outstanding at 31 December 2023</b>	<b>1,045</b>	<b>1,033</b>	<b>1,408</b>	<b>3,486</b>	<b>6.95 - 7.83</b>
Open for exercise at 31 December 2023	0	0	0	0	n/a

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