Exsitec Holding AB

2023

Annual Report

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The report has been published in both English and Swedish. This is an unaudited translation of the Swedish report. Should there be any disparities between the Swedish and the English version, the Swedish version shall prevail.

We deliver digital solutions that improve our customers’ businesses and make a real difference.

By combining selected systems and services into a performing whole, we create the conditions for each customer to achieve their ambitions.

exsitec

Digital solutions that make a difference

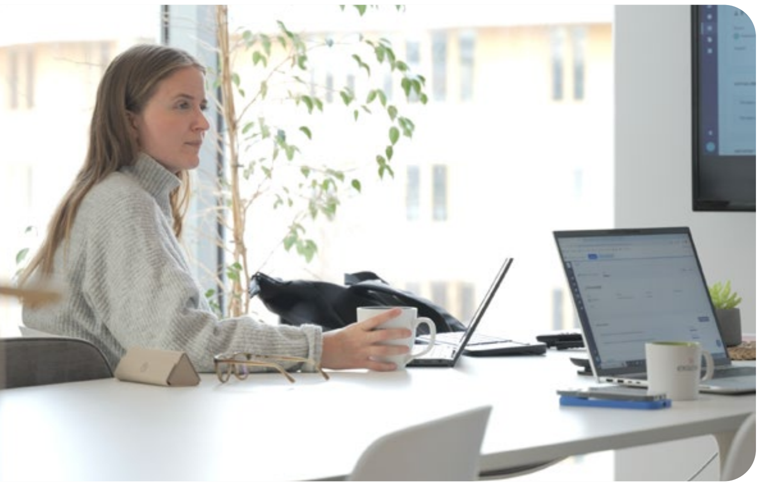
The year in brief

Acquisitions

- Exsitec AB acquire customer base from Amesto Solutions AB
- Exsitec AB acquire customer base from UCS One Business AB
- Exsitec AS acquire IntegrasjonsPartner BITS AS

Rewards

- Partner of the Year to Visma Software
- Partner of the Year to Medius
- Partner of the Year to Planacy
- Exsitec's trainee program - one of Sweden's most attractive according to *Karriärföretagen*



» We invest in our employees from day one and give them opportunities to grow and develop within the company. This award is confirmation that our strategy is right and that we continue to be a strong employer of talent. »

More news

- New CEO in Norway for Exsitec AS
- 81 new employees to Exsitec in this year's trainee program

Hanne wanted to work closer to the technology and was looking for new assignments as a developer

She started at Exsitec as a consultant as part of the business system Visma.net. As time went on, she was ready to take on new challenges, and was eager to pursue more technical assignments.

Today, Hanne today as a developer, and enjoys the feeling of being able to produce something herself and be more creative in her workday.

» What I value the most about Exsitec are the people and the laid-back culture. Everyone is very helpful and it is easy to feel at home. »

EXSITEC

COURAGE TO TRY

The structure and employee focus led Henrik to find his way back to Exsitec

Henrik previously worked at Exsitec within business systems, and related systems for finance and service order management.

After four years, he decided to leave Exsitec, and wanted to gain greater perspective in a consultant role.

» As time went by, I missed an employer with structure, processes, and greater and better employee focus in the way they work. »

Henrik is now back at Exsitec, and has changed focus from business systems to currently working with financial planning, decision support and prognoses.

» In many ways, Exsitec is the same good old company, with the same values as seven years ago. The difference is that it has matured as a company, grown into its clothes, as it were, and can now deal with expanding as a company in a better way than it could 10-12 years ag. »

A few words from our CEO

Precision, profitability, and continued organic growth

As we sum up 2023, we look back on a year of continuous growth and improved profitability, where we navigated through a challenging market and delivered strong results. Our business strategy is about offering digital solutions to medium-sized companies in the Nordic Region. By combining precisely selected systems and services, we create efficient business processes and real value for our customers, something that is prioritised in both good times and bad.

Overall, we are very pleased that we attained steady organic growth in 2023, which remained in the range of 8-10 percent throughout the year. We haven't received the same level of support from acquired growth as previously, so the overall growth of 14 percent is clearly lower than that reached in recent years. Instead of acquisitions, we chose to dedicate ourselves to improving the quality of our underlying business, and creating good financial conditions for the future. This is what I wrote about our priorities for 2023 in the annual report for 2022.

» As we enter a period with higher costs of financing and more overall uncertainty regarding economic activity, it seems like a good time for us to review our existing assets and ensure that we consolidate our position and streamline our operations wherever possible. »

It is very satisfying to note that we performed exactly according to plan on this priority, and our adjusted EBITA margin in the period went from 13.9 percent in 2022 to 17.8 percent for the full year 2023. Focusing on quality and profitability felt like the right priority in the macroeconomically uncertain period in which we found ourselves in 2023.

The single largest contributor to the improved result is the fact our operations in Norway, under new management, made a remarkable improvement with each progressive quarter. However, all segments contributed, and it is our solutions for financial automation that were particularly appreciated by our customers over the year.

A key part of our success has been our ability to attract and retain customers across a range of industries. There is no single customer that makes up more than a small percentage of our revenue, which gives us a diversified customer base and reduces our specific risk exposure. Despite the challenging market situation during the year, we succeeded in attracting many new customers and strengthening our relationships with existing customers - the total order intake increased by over 24 percent compared to the previous year.

The greatest portion of our revenue is not that which is the result of new sales during the year, but rather that our customers continue to use and develop the solutions we have helped them with in the past. Our income there consists both of recurring income for the use of software and integrations, and for the support service we offer customers. There are also many consulting services that we perform for customers without being preceded by any sales effort. We experienced that many existing customers were more cautious than usual during the year, and reviewed their total costs, which meant our growth was more dependent on new sales than is the norm.

A pleasing fact during the year, however, is what we call cross-selling (when an existing customer buys a completely new offer), which increased by more than 50 percent during the year. This type of sale is proof that we have an attractive offer, one which can be expanded for our existing customers.

Investments in developing our personnel were another priority for us during the year. We accepted approximately 80 people to our large trainee programme that began in August, with the start of the programme looking the same as previous years. Our experience is that we are able to recoup the investment within a year from the outset of the programme, and that, in the long term, we not only build a strong corporate but also remove a major obstacle to growth through this investment.

As 2023 was the first year completely free of Covid restrictions, our office environments were given more focus during the year. During the year we moved to larger and more efficient premises, in Stockholm, Malmö and Uppsala, and have agreed to move to new premises for our operations in Oslo at the beginning of 2024. We haven't experienced any significant negative consequences of returning to more office-based work, rather, on the contrary, think that the company culture, joy in collaboration, and our creativity in general, are back to the level that existed before the pandemic.

Despite the fact we were more cautious during 2023 than in previous years, we continuously explored opportunities for company acquisitions in order to strengthen our market position and expand our operations. We ended the year by announcing the acquisition of IntegrasjonsPartner Bits AS in Norway, which further strengthens our presence in the Norwegian market, and gives us approximately 300 new customers. We have been patient in the M&A processes and waited for the right opportunities, however, growth through acquisitions remains a central part of our long-term strategy.

Going into 2024, we are optimistic about the future, despite continued challenging market conditions. Our focus will be on continuing to invest in our growth and development. We plan to build an even bigger sales organisation, invest in developing our integration business, and help our customers manage their data in order to take advantage of AI tools. We are convinced that our strong team and clear business strategy will continue to create value and security for our customers, our personnel, and shareholders in the coming year as well.

Johan
Kallblad

Convendum digitalises the customer journey with Exsitec

» What made us choose Exsitec was the fact they had the entire package. Because this is part of our journey in developing our system flows. »

- Ove Hansson, Chief Commercial Officer

www.convendum.se

Robust reports and budget processes provide Fremtind Service with a more efficient day-to-day set up

» We were looking for a system that could, at just the push of a button, provide us with the explanations that were missing during an audit or in a presentation to the Board of Directors. »

- Gry Silje Løken, Accounting consultant

www.fremtindservice.no

5 reasons to invest in Exsitec

Market-leading position in IT-supporting software for medium sized companies

The combination of a comprehensive and high-quality offering and a market-leading position in our areas of expertise gives us a strong position in the market. We select good software, ensure that it works in the customer's operations, and take responsibility after delivery, which allows our customers to focus on what they do best: their business and their clients. We want to live with our customers for a long time – preferably forever – by applying digital tools to solve the operational problems that arise in their everyday life.

The software we select is in part industry specific but mostly industry agnostic, which means that our customers are active in a very wide range of industries, from wholesalers to IT consultants and software companies.

Underlying growth with selective acquisitions added on top

Our land-and-expand model is about not doing everything at once; rather, we assist new customers with one initial operational problem first to create trust in our ability to accompany them on a long journey of digitalisation. Consequently, our customers tend to stay with us for a long time, and we can grow from an existing customer for an extended period of time from its first software purchase.

In addition, we are using acquisitions to grow our customer base more rapidly. By growing through acquisitions, we can both enhance our market position and achieve certain economies of scale. Moreover, we can help the acquired customer base with more business problems by means of our wider offering.

In the past ten years, we have carried out more than 15 acquisitions of varying sizes, and, in combination with our land-and-expand model, our annual average growth rate has been 34 percent since 2012.

Popular trainee programme

We have implemented trainee programmes ever since 2013, and today, the trainee programme ranks among the largest and most popular in Sweden. The trainee programme is one of the cornerstones of our growth journey and without all hungry trainees, Exsitec would not have been the organisation it is today. We are very proud of our ability to accept students from different universities and get them to deliver customer value after completing the trainee programme, and this has ensured that Exsitec is less restricted by a lack of IT skills than other companies in our industry. About 40 percent of all employees have completed the trainee programme, and a majority of our managers have received training through our internal leadership programmes. In 2023, we accepted about 80 trainees in Sweden, Norway, and Denmark.

Proven good profitability

Our financial target is to achieve an EBITA margin of 20 percent by the end of 2025. Over the past five years, the average EBITA margin was 17 percent. The enhancing of performance will be derived from improved efficiency in the consultancy organisation coupled with a slightly higher proportion of bundled deliverables and more recurring software revenue.

Balanced revenue model with limited capital requirements and low risk

During 2023, we served approximately 4 000 customers, none of which accounted for more than 1.5 percent of our sales. Our revenue model is based on three cornerstones: revenue from software, from consultancy services, and from ongoing support. The basis of our software revenue is that we are a retailer for about 20 software products delivered in a SaaS model, which gives us low internal development costs but high customer loyalty as we offer ready-made integrations between the software products and provide overall support through a single point of contact. Over the years, we have proved our ability to add new offerings and gradually reduce our dependency on individual suppliers. Thus, our revenue is, for the most part, recurring in nature, and we have a low degree of reliance on individual customers and suppliers.

EXSITEC
COURAGE TO TRY

Johanna was looking for something new after being on parental leave – switched career paths, from ERP solutions to business intelligence

For more than five years, Johanna was happy in her daily work with ERP projects, tight go-live deadlines, and critical processes. After a period on parental leave, she was ready for something new, and applied to join the business intelligence field.

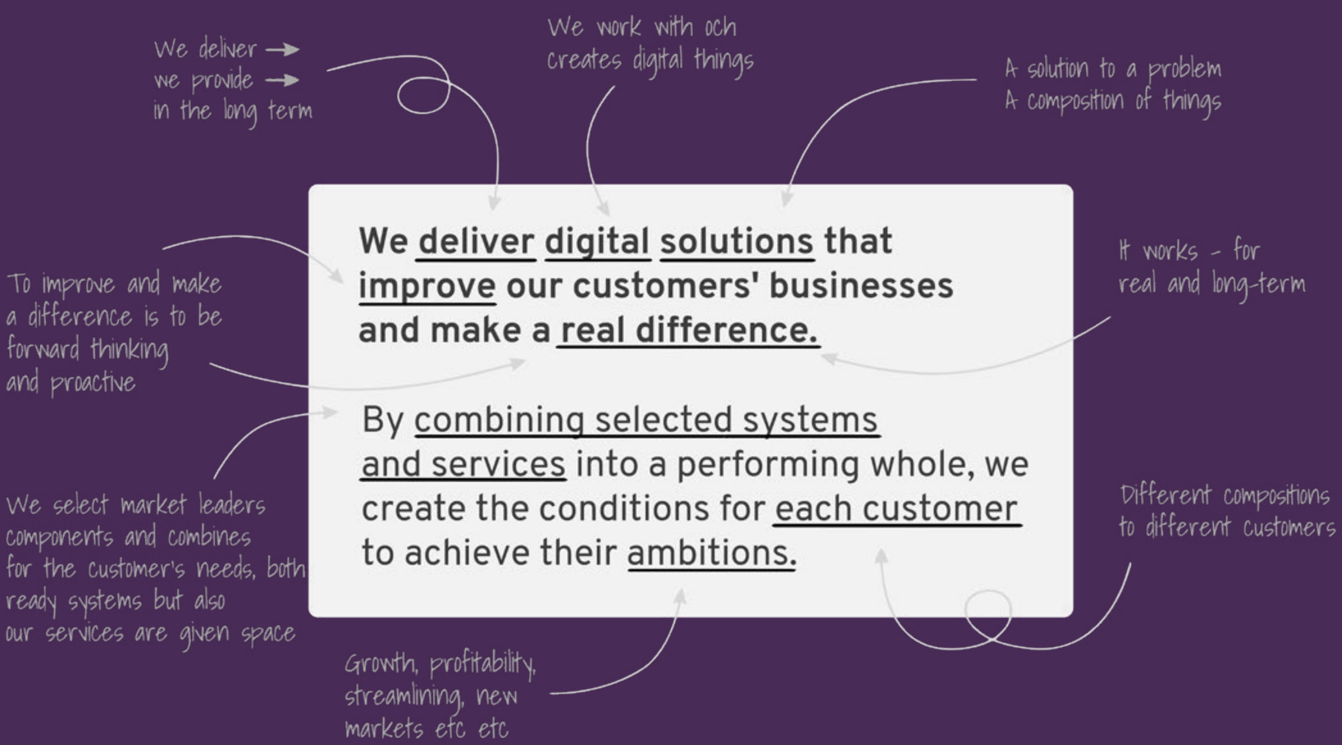
» Business intelligence solutions are usually not prone to the same time pressure, and as such there is greater possibility to work interactively and look for the best solution. »

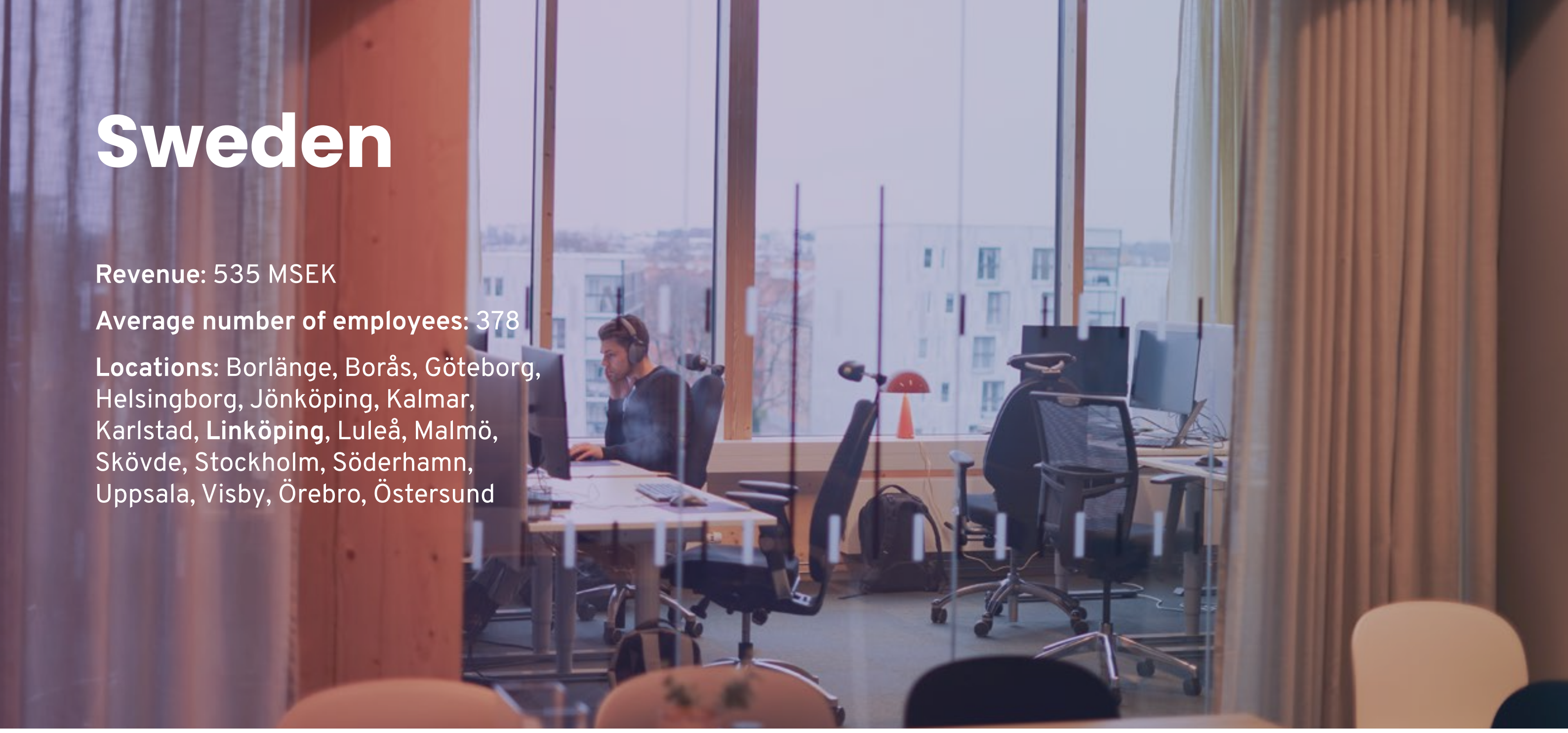
As well as changing field, Johanna has also moved and changed office, and now calls Stockholm her home.

» The culture, the colleagues, and the fact we have grown so much during my time here, are what's best about Exsitec. Even though I've only worked here for a little under ten years, it isn't the same company now as when I started. I have always felt that I've developed with the consulting profession in mind, and that no two customer projects are alike. »

Our fundament

- Our company culture is our most important success factor
- Trainee programmes and internal succession and sales talent management are core elements of our operations
- Our decisions and actions shall be characterised by good ethics and stand up to external scrutiny
- Our customer relations shall be mutually and ever evolving, and we shall be our customers' first choice for new IT investments
- We select good software products, ensure that they work together in the customer's business, and take responsibility for the whole



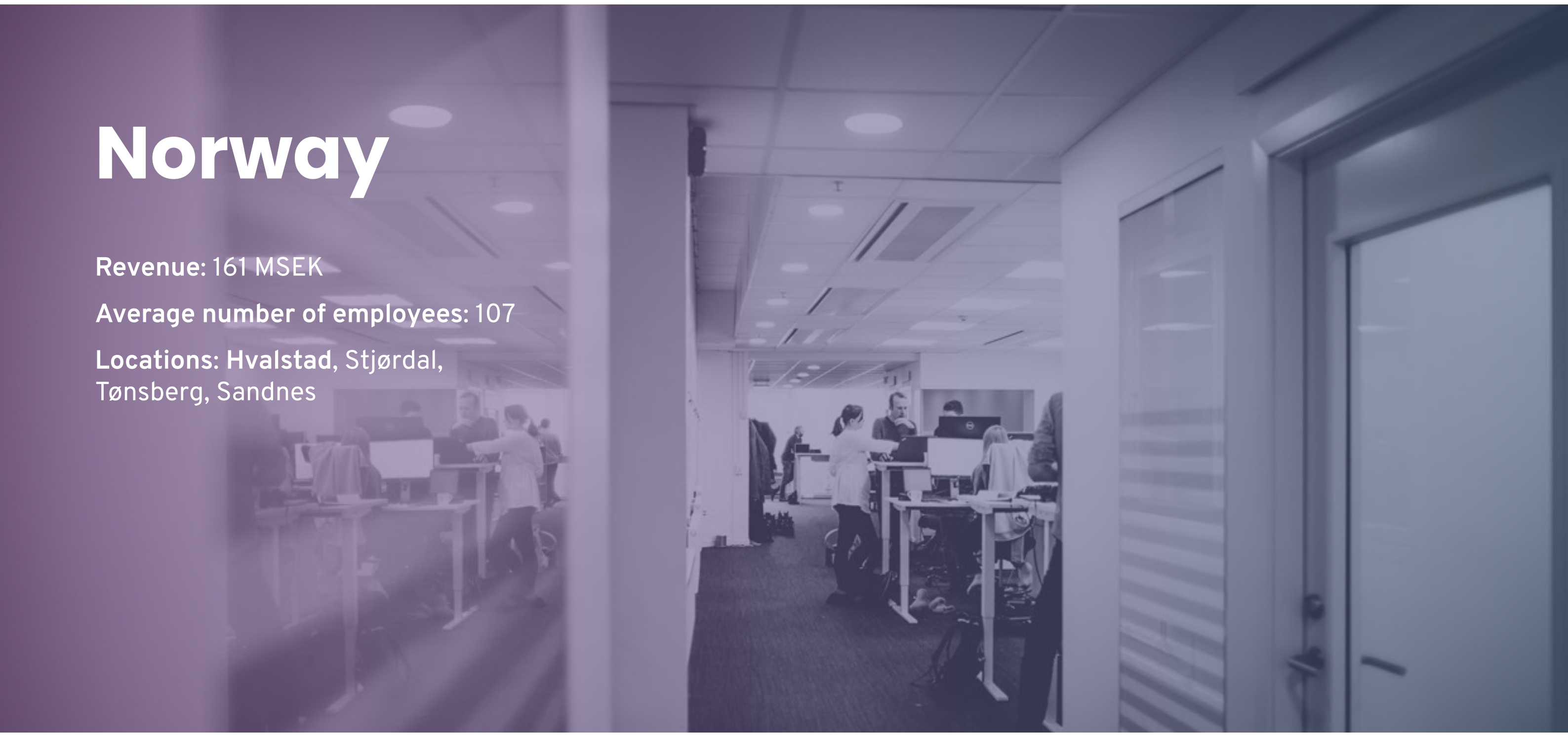


Sweden

Revenue: 535 MSEK

Average number of employees: 378

Locations: Borlänge, Borås, Göteborg, Helsingborg, Jönköping, Kalmar, Karlstad, **Linköping**, Luleå, Malmö, Skövde, Stockholm, Söderhamn, Uppsala, Visby, Örebro, Östersund

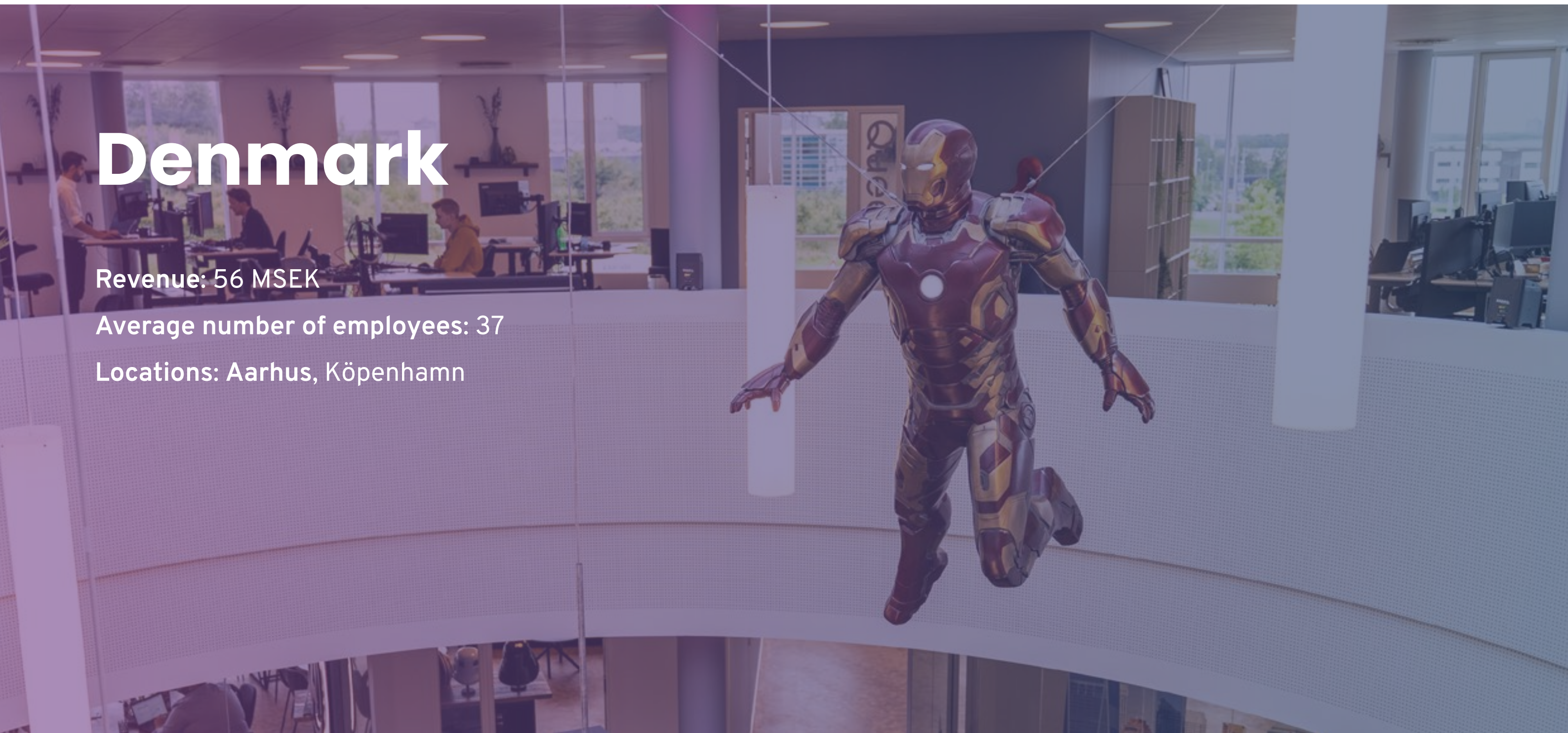


Norway

Revenue: 161 MSEK

Average number of employees: 107

Locations: **Hvalstad**, Stjørdal, Tønsberg, Sandnes



Denmark

Revenue: 56 MSEK

Average number of employees: 37

Locations: **Aarhus**, Köpenhamn

Anders Ranum Nordahl

CEO Exsitec AS

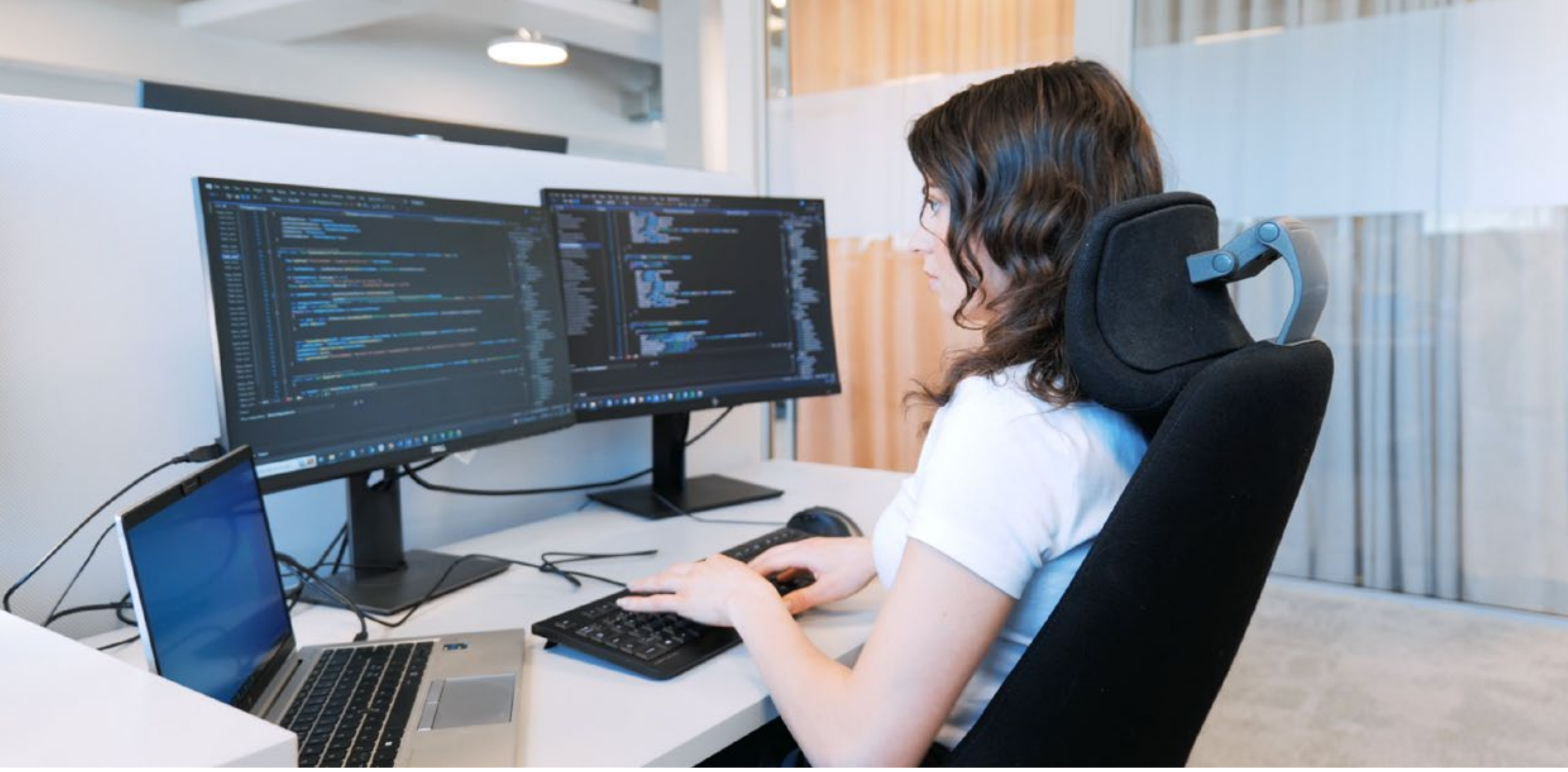
The former CEO of Exsitec AS in Norway retired in 2023, and it proved to be Anders Ranum Nordahl who took over the position of ultimate responsibility for the business.

» I have been part of this industry for several years, and, from the outside, was always very impressed with Exsitec – both in its entirety, but also the Norwegian business in particular. The ambition, the historical results, and the energy of Exsitec triggered me. When the opportunity opened up, and I felt I had something to contribute, the choice was very easy. »

Anders has a background in economics, and started his career as a trainee at Visma. Most recently, he worked at Azets for over 10 years in various management positions, primarily with a technical focus.

» This is a job which is constantly challenging, and that is exactly what makes it so exciting. I thought it would be more demanding coming in as a new Manager, but I have experienced support, understanding, and positivity throughout, which has made my job much easier. »

Norway ended the year by being selected as Partner of the Year to Visma, in strong competition with solid Visma partners. A recognition of the year's development, and great motivation for a strong 2024.



We are Exsitec

We dare to try. We get better together. We make a difference. We are straightforward. We love digital solutions.

We believe that a major part of achieving our growth goals comes down to encouraging our employees to move internally, something that really showed through in 2023. At Exsitec, moving internally entails vertical, horizontal and diagonal movement. This means, for example, that you have opportunities to move between roles with greater or lesser responsibility, roles that belong to different delivery areas, and that deal with different products.

During the year, we have experienced many colleagues who have stepped into new roles that entailed more, and less, responsibility, greater leadership, and, in some cases, in completely new delivery areas.

» Internal movement does not only create an effect in the form of individual growth. When our colleagues move between areas, they bring their experiences, knowledge, and relationships with them. This creates a culture of collaboration, where the areas do not see each other as isolated silos, rather as parts of a larger entity. It also creates a deeper sense of belonging and commitment among our employees. »

Emma Billenius, Director of HR

At Exsitec, our HR specialists work closely with our delivery area managers in order to identify potential opportunities for movement, and to ensure that transitions are smooth.

It is important for our employees to be open to change, to be proactive in their career aspirations, and to view each new role as an opportunity for learning and growth.

Exsitec's culture

A strong company culture is one of the most important success factors for Exsitec. The culture is in a constant state of flux and takes on new forms in a professional environment where our employees thrive and develop. Exsitec's culture is based on the values that guide our actions: ambition, simplicity, commercial reasonableness, and joy.

» As an addition to our value concepts, we have developed a number of statements in 2023 that describe our culture. We use these in our external and internal communications in order to strengthen our employer brand. »

Carl Öberg, Head of employer branding

Our culture ultimately stems from the people working with us and their unique contributions to the company. Every person at Exsitec is an important part of our culture, and we encourage diversity and pluralism to create a dynamic and inclusive workplace. As a rapidly growing company, we look at our culture as an organic process that is constantly changing and evolving as new colleagues join the company, not least through our acquisitions and large intake of recent graduates!

We believe that recruiting people who share our values and can contribute to our continued development will enable us to create a strong and positive culture at Exsitec.

» The best thing about Exsitec is the sense of community, and the spirit of #bettertogether that permeates everything – it makes going to work fun! »

Lisa Edespong, BI consultant and member of Exsitec since 2012

We continuously strive to improve our working environment and culture. With feedback from our employees, regular internal investigations and a committed management team, we can create the best possible workplace.

We dare to try.

Here, we believe in and encourage each other. This creates the conditions for us to dare to try.

We get better together.

Whether it's with colleagues, customers, or partners, we are at our best when we work together.

We make a difference.

At Exsitec, we make a difference, and take responsibility for an improved industry and a better society.

We are straightforward.

Simplicity is a pillar in everything we do. It's a matter of who we are as people, and how we treat each other and our customers.

We love digital solutions.

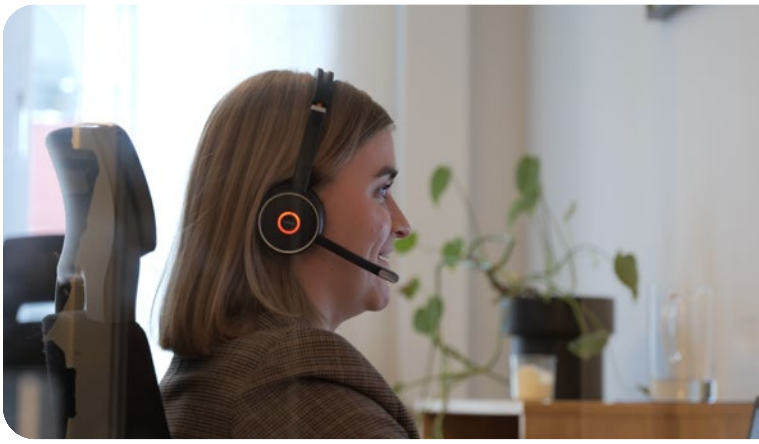
Through our curiosity for IT, we create innovative and sustainable solutions that make a difference for our customers – for real.

We train the IT specialists of the future

We believe that investing in our employees will empower us to continue to supply the best solutions to our customers and at the same time strengthen the IT industry as a whole.

At Exsitec, we are proud to take responsibility for addressing the skills shortage within the IT industry, and we are committed to creating a workplace that promotes the training and development of our employees. By investing in our employees, we can continue to supply the best solutions to our customers and contribute to a stronger IT industry as a whole. Some examples of this are our popular training programmes.

We urge our employees to take initiatives and try out new roles within the company, at the same time as we ensure that training and development opportunities are available to strengthen their skills and abilities. Examples of training include the trainee programme, the mentoring programme, the project management academy, and our leadership programme.



Hybrid model

At Exsitec, we want our employees to feel at home in the workplace. We are proud to have offices from Copenhagen to Luleå, and we ensure that each office has its own unique culture while maintaining a strong corporate identity across the entire company.

We believe it to be of importance that our employees get the opportunity to work in a location that feels right for them, and that they have access to support and resources that make it possible for them to flourish within the company regardless of where they are located geographically.

We strive to create a workplace where our employees can thrive and develop and where they can feel like part of a community that extends across our officies, cities and countries.

Popular employer among young talents

Today we have one of the most attractive trainee programmes in Sweden. In our latest trainee program, we examined a total of 81 employees. In early 2024, we were named among the best trainee programmes in IT by Karriärföretaget. This award reflects the achievements during 2023.

» We are incredibly proud to have once again been recognised as one of the most attractive trainee programmes in the country. We invest in our trainees from day one and give them opportunities to grow and develop in the company. This award is a confirmation that our strategy is right and that we continue to be a strong employer for talents. »

Emma Billenius, Director of HR

To ensure continued and long-term growth, Exsitec will work towards establishing the employer brand more strongly in relation to both young talents and candidates of a more executive nature.

Work on gender equality

At Exsitec, we are incredibly proud that Cision named us a gender-equal consulting company in 2023. This award is very important to us, as we actively promote gender equality and diversity both within the company and in the industry at large. Today, the proportion of women at Exsitec is around 40 percent.

Although there is a positive trend for more companies to achieve the title 'Equal Consulting Company', the industry still has a long way to go to achieve complete equality. We are committed to continue working to promote gender equality in the workplace and promote the position of women in the technology sector.

Employee surveys

At Exsitec, we are continuously engaged in efforts to improve our working environment and culture, and we seek to always be one of the most attractive employers. As such, we conduct regular employee surveys to measure employee satisfaction and identify where we can intensify our efforts to make Exsitec a better place to work together. We believe that listening to our employees and continuously developing our culture are our best means to continue to offer present and future colleagues the best possible career prospects.

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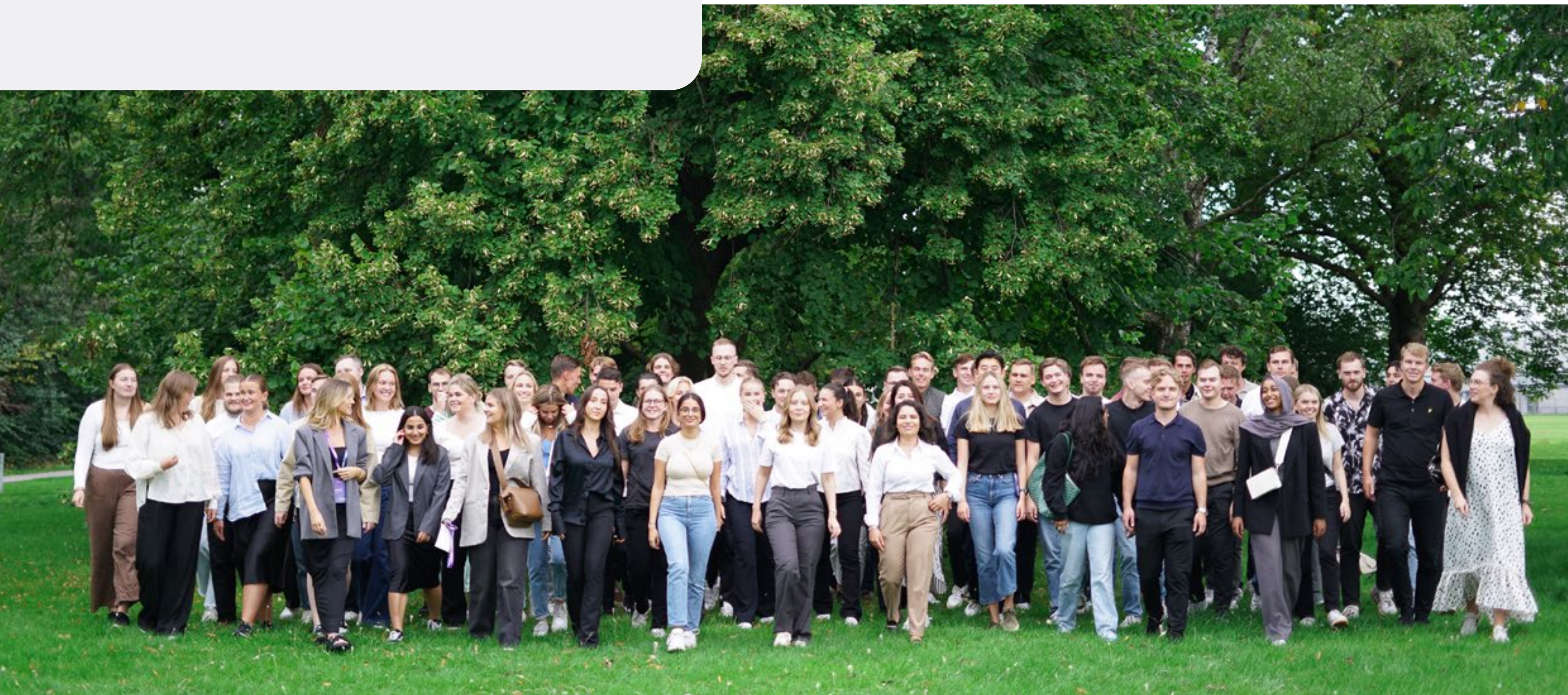
applications for the 2023 trainee programme



Fotograf Frida Ström

Zelmerlöw & Björkman Foundation makes education in Africa possible with SuperOffice CRM

» Our vision is a world where all children and young people feel hope, and have the opportunity to develop their talents and motivation to influence their own future. »

- Magdalena Jennstål, Secretary-General

www.zbfoundation.se

Datamatik streamlines with Visma.net

» Exsitec's expertise and experience have been invaluable in the project, and they have truly contributed to our success in implementing and benefiting from Visma.net. »

- Kerstin Sjöberg, System Manager

www.datamatik.dk

Heliodorus decided to return due to the exciting challenges and lovely colleagues

Heliodorus worked previously as a consultant within business intelligence at Exsitec, but opted to cross off an item on his 'bucket list' and worked for a number of years in the sports industry.

He has now returned, and is focusing on systems in the invoice management field.

» I really felt like coming back, due to the exciting challenges in working in, what was for me, a new field. I also missed the clarity associated with a consultant role, but above all my lovely colleagues. »

The Exsitec he left has now doubled in size, and the growth is palpable, but, according to Heliodorus, that just means even more wonderful people to get to know.

» The absolute best thing is the people who work here, followed by the daily challenges and good career opportunities, with the possibility to develop further. »

According to Camilla, it's the culture that is Exsitec's greatest advantage

She worked as a ERP consultant, with focus on a report module where development stopped. After completing a major implementation project, it felt natural for Camilla to try something new.

Today, she spends her days helping customers analyse their data using systems for decision support.

As a consultant within ERP, the work often involves a number of different customers each week, meaning there are more issues that need to be solved quickly, which is why it is usually more disjointed, Camilla believes. She explains that her new daily work in business intelligence entails more entire days allocated to the same customer, which is often also needed in order to gain the maximum benefit from the dedicated time.

» The world's most wonderful people work at Exsitec, and we have an excellent corporate culture that we want to nurture. »

We let sustainability take place in our everyday life

Exsitec's greatest opportunity to contribute to a sustainable future is closely linked to the business model and its capacity to create more efficient and simpler modes of working for our customers. In addition, there is strong and healthy awareness of sustainability issues among our staff as we let such matters take place in our everyday lives.

An obvious guideline

The human impact on the climate and the ecological balance undermines the conditions for the planet in the long term.

The lack of equality and diversity and poor mental and physical health present considerable costs and inefficiencies to society.

In view of these challenges, it is a matter of course for us to hold sustainability as one of the key strategic guidelines of the company.

Our potential

Quality work on sustainability issues is important to us because it breeds involvement and dissemination of knowledge among our staff.

In addition, it makes us relevant as an employer and a supplier, as, in our view, the sustainability issue today has become an integral part of everyday life and is not something that can be addressed internally as a distinct focus area.

Our way of working

Sustainability work is constantly evolving. Our Sustainability Manager has, in consultation with the company's Board of Directors, defined a set of objectives based on the recognised ESG framework.

We have opted to translate the terms to instil a more casual feeling together with our own concept 'The Sustainability Year', which involves dividing the year into focus periods. More information about this can be found below.

The work involves initiatives aimed at establishing sustainable business practices in tandem with our customers as well as supporting activities such as cooperation with women's associations in IT, but of course also the continuous improvement of internal procedures and policies.

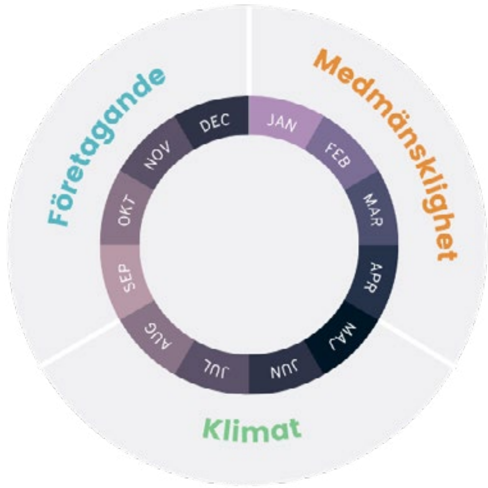
Reporting

Together with our auditors, we have evaluated the extent to which our operations fall under the EU taxonomy or the newer Corporate Sustainability Reporting Directive.

We have jointly assessed that we are not currently covered by sustainability reporting under the Swedish Annual Accounts Act. We are equipping our organisation to adhere to the broader CSRD.

Sustainability risks

Through materiality analysis, we have identified a number of sustainability risks. The risks are based on the ESG model, and are associated with our business relationships, products, and services.



Personnel risks

In the IT industry, there are risks linked to burnout syndrome among employees, especially due to high workloads. Sexual harassment and abuse in the workplace pose other serious risks to both the mental and physical health of our employees.

To mitigate these risks, Exsitec carries out continuous work to create a more equal working environment, and strengthen compliance with policies within human rights and social conditions.

Financial risks

Transgressions in sustainability work can result in a loss of trust among existing and potential employees, customers, and other stakeholders. Unwanted behaviour or deliberate violations of company policies can lead to financial losses and damage to the brand.

Mitigation of financial risks is addressed through training, and ensuring compliance with IT and information security, as well as anti-corruption policies.

Environmentally-related risks

Unnecessary climate impact is not only harmful to the environment, but can also damage the company's reputation and lead to financial losses. Lack of understanding of the possibilities of digitalisation from a climate perspective can result in missed business opportunities and unnecessary environmental impact.

We address these risks through training, adaptation of premises, and encouraging our personnel to make climate-smart choices.

Exsitec's Sustainability Year

The Sustainability Year is a concept of our own invention, which aims to create a recurring structure for initiatives linked to sustainability.

We divide the year into three focus periods, based on humanity, climate, and entrepreneurship, respectively.

These periods consist of planned activities but also encourage our aware employees to contribute to the effort.

Humanity

As part of our work with humanity, we place focus on social responsibility, which includes gender equality, diversity, human rights, work environment, and personal development.

We work actively to ensure fair and equal working conditions, and to support the development of our employees in the form of skills enhancement programmes.

Starting in 2013, Exsitec has, over the years, implemented what has become the Nordic Region's largest trainee programme within IT. This has seen a constantly high percentage of women, and thereby created a career start that was not only first-rate but also allowed development for the IT talents of the future.

In addition to this programme, there are similar programmes for further development in, for example, mentoring and leadership.

Good health, good results

Our initiatives for a healthy working environment include clear policies, insurances, and flexible working hours. This contributes to a sound balance between work and private life.

Healthcare and well-being among personnel leads to increased productivity, reduced sickness absence, and greater commitment.

A high healthcare allowance goes without saying for us, but we also complement this by raising awareness and motivating our personnel to use the contribution together.

Since 2020, we are proud sponsors of the Fannys Förebilder podcast [Fanny's role models]. This is a cooperation that gives exposure as well as internal pride.

Overall goal

To provide a workplace free from discrimination, where our employees can develop and thrive.

Gender equality, a given

We work to create a more gender equal IT industry. This includes taking an active standpoint in recruitment processes, monitoring key figures, and carrying out continuous training in the area of gender equality.

Through partnership and collaboration with external organisations, we also contribute to promoting these values outside the company. Our collaborations with educational institutions and their associations, with a focus on gender equality or sustainability issues, are good examples of this.

Role models in the industry

We endeavour to be a role model in the industry by promoting a work culture that is characterised by humanity. Every employee should feel valued, and have the opportunity to develop long-term in an inspiring environment.

This creates good prerequisites so that all employees are able to contribute to our joint success.

Key figures

Gender distribution

	Women	Men
2023	39 %	61 %
2022	38 %	62 %
2021	36 %	64 %

Gender distribution, managers

	Women	Men
2023	44 %	56 %
2022	40 %	60 %
2021	39 %	61 %

Used well-being allowance

2023	69 %
2022	66 %
2021	67 %

Climate

This area focuses on our environmental impact and how we manage the earth's resources in a responsible and sustainable manner.

Our significant impact

As an IT company, we are aware that our main environmental challenges are within travel and the handling of electronics. Within these areas, we have clear key figures that we continuously monitor.

In order to reduce our climate impact, we have adopted a number of clear strategies.

Travel management

When it comes to a consulting company, the management of travel is the most important area from a climate perspective. We have opted to place our offices in the vicinity of train stations. This promotes the use of public transport, for our employees and partners.

Furthermore, we have actively chosen electrically-driven cars for our shared company vehicles.

In addition to creating a sound basis for travel, we have equipped our offices with excellent conditions for conducting digital meetings. This allows us to reduce travel by collaborating effectively in a digital way.

Through the use of training, we inspire our employees to make climate-smart decisions.

Digital solutions demand electronics

When it comes to the handling of electronics, we take a holistic responsibility from purchase to recycling. We select IT equipment that is not only energy efficient but also sustainable in its lifespan.

We also ensure that all discarded electronics are recycled responsibly, which reduces the environmental impact and promotes a circular economy.

Overall goal

To document our environmental impact and reduce our footprint on an annual basis.

Klimatkampen – Our own climate challenge

Education and awareness of climate impact are also key components of our work. They play a natural part in the training of new personnel, but also by way of a dedicated and annual climate challenge.

Through these measures, we strive to continuously reduce our climate impact, and lead the way for sustainable practices in the IT industry.

Key figures

Percentage of business trips using public transport

2023	79 %
2022	85 %
2021	47 %

Percentage of business trips using environmentally-friendly vehicles*

2023	88 %
2022	90 %
2021	65 %

Number of activities in Klimatkampen

2023	1448
2022	551
2021	601

* Electric car, train or bus

Business enterprise

Within the framework of business enterprise, we address key aspects of corporate governance, which include sustainability reporting, due diligence, business models, strategies, and whistleblower systems.

Our work is characterised by an aspiration to operate our business in a responsible and transparent manner, which means that we maintain a high level of reporting and transparency, in line with the size of our operations and the challenges specific to our sector.

Reporting principles

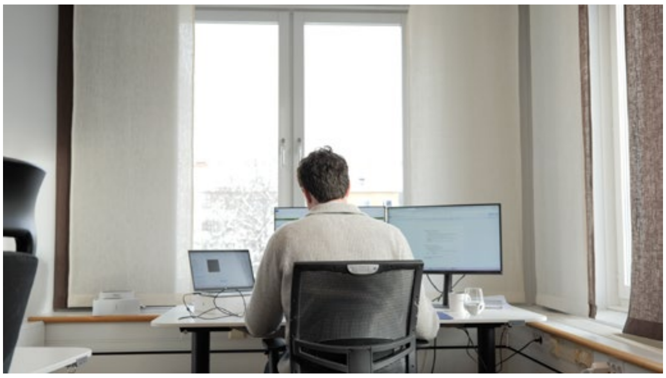
Since autumn 2022, Exsitec has reported in accordance with IFRS. This standard ensures that financial information is comparable, transparent, and reliable, which is important to investors and other stakeholders. This also makes it easier for international investors to follow.

In accordance with the law, we have implemented a whistleblower function, where both internal and external stakeholders can report serious misconduct in work-related contexts.

Risk management and anti-corruption

We place great emphasis on continuous risk management, where we identify and reduce both financial and non-financial risks through careful processes and strategies.

We actively prevent corruption, and demonstrate that we are categorically against child labour, by establishing policies and via regular training.



Overall goal

To carry out operations that can stand up to external scrutiny.

In this way, we ensure that our employees and business partners act ethically and responsibly. Furthermore, our due diligence process for reviewing business relationships is another measure to maintain high standards of business ethics and transparency.

Sustainability on a daily basis

Our sustainability report comprises a central part of our business. We strive to be open regarding our efforts and impact in the areas of environment, social responsibility, and corporate governance.

This work is fundamental to maintaining a sustainable and responsible corporate culture that contributes to long-term success and a positive impact on society and the environment.

Key figures

Number of whistleblower cases

2023	1
2022	2
2021	0

Gender distribution of management team and Board of Directors

	Women	Men
2023	44 %	56 %
2022	33 %	67 %
2021	23 %	77 %

Foodtech saves time and resources when employees can do more themselves

» Sellers prefer to register their receipts as quickly as possible. They are now able to take pictures of and register their expenses directly in the app. »

- Bente Gustavsen, Finance Manager

www.foodtech.no

IDG-Tools: the road to digitalisation and efficient logistics

» The biggest difference compared to previously is that we get a significant amount automated. The thing we are most pleased with is the flexibility. »

- Kerstin Sjöberg, System Manager

www.industriverktyg.se

Share information

Exsitec Holding AB is listed on Nasdaq First North Growth Market since 16 September 2020 and trades under the ticker EXS. The ISIN code is SE0014035762.

Turnover

During the year, 1 454 003 shares were traded, and the average volume per day of trading was 5 792 shares. The total value traded in 2023 amounted to MSEK 208. At the end of the year, Exsitec Holding's market capitalisation amounted to MSEK 2 010, and the closing share price for the year was SEK 150 per share. During the year, the share traded at a high of SEK 174 (on 4 May) and a low of SEK 120.5 (on 5 January).

Share capital

As of 31 December, the share capital amounted to SEK 670 045 (644 420). The number of shares amounted to 13 400 896 (12 888 396), none of which held in own custody, and the quota value was SEK 0.05 per share. All shares carry the same voting rights at the Annual General Meeting, which means that one share entitles the holder to cast one vote. Moreover, all shares carry equal entitlement to the company's earnings and assets. Exsitec Holding AB did not hold any of its own shares during 2023, nor at the time of publication of this report.

Share performance

Ownership

The largest shareholders as of 2023-12-31 and known changes thereafter.

Owner	Shares	%
Syntrans AB (Chairman)	2 400 137	17,9 %
Grenspecialisten	1 355 000	10,1 %
Creades AB	1 298 483	10,1 %
Cliens Fonder	1 229 936	9,2 %
South Street Invest AB (CEO)	1 070 696	8,0 %
Berenberg Funds	525 189	3,9 %
Danske Invest	470 000	3,5 %
Alcur Fonder	440 080	3,3 %
Swedbank Robur Fonder	399 357	3,0 %
Humle Fonder	385 000	2,9 %
Other shareholders	3 827 018	28,6 %
	13 400 896	**100 %**

Dividend policy

Exsitec's target is to distribute 40 percent of profit after tax, taking into account the company's financial position, capital structure and future growth prospects.

Ordinary dividend

The Board of Directors proposes a dividend of SEK 1.75 per share, totalling MSEK 23.5, which is 33% of the 2023 profit after tax.

Management Team

Johan Kallblad

Chief Executive Officer since 2010

Born: 1972

Education: Master of Science in Industrial Economics at the University of Technology at Linköping University. Executive Management Program at Stockholm School of Economics.

Ongoing assignments: Board member of Southstreet Invest AB and Östsvenska Handelskammaren.

Holdings in Exsitec: 1 079 696 shares (through company)

Anna Gustafsson

Chief Financial Officer since 2010

Born: 1977

Education: Degree of Master of Science in Business Administration and Economics at Jönköping International Business School.

Holdings in Exsitec: 44 950 shares

Emma Billenius

Chief Human Resources Officer since 2013

Born: 1981

Education: Subject teacher education in Swedish with a focus on upper secondary school at Linköping University.

Ongoing assignments: Board member of Redeploy AB and board deputy in Carsoftus Invest AB.

Holdings in Exsitec: 97 755 shares

Jonas Boquist

Chief Operating Officer since 2016

Born: 1973

Education: Master of Science in Physics and Electrical Engineering at KTH Royal Institute of Technology.

Ongoing assignments: Board deputy in Boquist Psykoterapi AB.

Holdings in Exsitec: 45 742 shares

Board of Directors

Peter Viberg

Chairman since 2017

Born: 1963

Education: Master of Science in Physics and Electrical Engineering at Linköping University.

Ongoing assignments: Board member and CEO of Syntrans AB, chairman of Maskinia AB, board member Vita Vonni AB.

Other assignments over the past 5 years: Chairman of the Board of Attentec AB, Shapeline AB and Skyqraft AB. Board member of Wematter AB.

Dependent in relation to major shareholders.

Holdings in Exsitec: 2 400 137 shares (through company)

Christine Ahlstrand

Board member since 2023

Born: 1986

Education: Master's degree in Accounting and Financial Management at the Stockholm School of Economics.

Ongoing assignments: General Partner in Course Corrected, board member of Petgood AB and Globhe Drones AB.

Other assignments over the past 5 years: Board member of Axel Health AB and Kundo AB.

Independent in relation to major shareholders.

Holdings in Exsitec: 1 500 shares

Erlend Sogn

Board member since 2022

Born: 1964

Education: Gothenburg School of Economic.

Ongoing assignments: Board member in Sportscomputing AB and Subscription Asset AB, Chairman of the Board of Onetwo3 AB.

Other assignments over the past 5 years: Managing Director Visma Software AS, Managing Director Visma Real Estate AS.

Independent in relation to major shareholders.

Holdings in Exsitec: -

Lotta Jarleryd

Board member since 2023

Born: 1966

Education: Bachelor of Economics and journalism education at Stockholm University.

Civilekonom- och journalistutbildning vid Stockholms Universitet.

Ongoing assignments: CFO at Addnode Group and board member in CellaVision AB.

Other assignments over the past 5 years: -

Independent in relation to major shareholders.

Holdings in Exsitec: -

Per Eriksson

Board member since 2022

Born: 1961

Education: Bachelor of Economics at Stockholm University.

Ongoing assignments: Chairman of the Board of Accedo.tv, Elysium Studios AB and Lady Luck Games, Senior Advisor of eEquity.

Other assignments over the past 5 years: Executive CASCADE GLOBAL LTD, CEO NetEnt.

Independent in relation to major shareholders.

Holdings in Exsitec: -

Financial reports

Org.nr. 559116-6532

Management Report

The Board of Directors and Chief Executive Officer of Exsitec Holding AB, corporate registration number 559116-6532, seated in Östergötland county, municipality of Linköping, hereby present the annual and consolidated accounts for the financial year 2023. All amounts are stated in KSEK, Swedish krona, unless specified otherwise.

The operations in general

Exsitec supplies IT support with the aim of reducing our customers' administration and helping our customers derive insights from their data, retain and acquire customers, use e-commerce and digital marketing to increase their sales and presence, and provide access to the support systems for as many users as possible in their operations. Our vision is to make the daily lives of our customers more efficient, simple, and enjoyable by means of the best possible IT support for their businesses. We select good software and cloud services, ensure that they work together in the customer's operations, and take responsibility after the project by offering support, management, and further development of the customer's IT systems.

Net sales and profit

In 2023, net sales amounted to MSEK 751, which corresponds to a growth of 14 percent over the 2022 turnover. Organic growth accounted for 9 percent of the sales growth, while the rest was attributable to acquisitions. Adjusted EBITA amounted to MSEK 133, which is an increase compared with the previous year's MSEK 92 and entails an adjusted EBITA margin of 18 percent.

Significant events during the financial year

At the end of the year, the acquisition of IntegrasionsPartner BITS AS was signed, which was completed in January 2024.

The Annual General Meeting resolved on a long-term incentive programme for key individuals in the Group. The incentive programme started in the third quarter and runs until 2026.

During the autumn, all warrants related to the Exsitec Incentive Programme 2017/2023 were exercised.

In 2023, Exsitec's trainee programme was awarded by Karriärföretagen as one of Sweden's most attractive. We have a strong focus on attracting young talent, and in August, we once again launched our trainee programme – this time with 81 new colleagues in Sweden, Norway and Denmark.

In addition, we were named Partner of the Year by Visma, Medius, and Planacy, among others, which we take as a token that we are doing a good job for both our partners and the customers that use their software.

Future development

During 2023, we continued to work towards reaching our financial targets sometime between 2023 and 2025: an EBITA margin adjusted for acquisition-related personnel expenses of 20 percent and net sales of MSEK 1 000. We have made some progress towards our goal this year, both in terms of sales and, above all, in terms of margin, and we still see that the growing proportion of recurring contract revenue gives us a good opportunity to strengthen our margins in the future. When we succeed in our vision of serving our customers in ever-evolving customer relations, it lays a solid foundation for our operations and finances.

In 2024, we expect to continue prioritising profitability but also to establish some new initiatives for long-term organic growth. Furthermore, we believe that the market for business combinations has the potential to be more attractive than in 2023, so we still have a great deal of patience but hope to make one or more acquisitions that add new customers and strengthen our offering to our existing customers.

Multi-year overview

Multi-year overview, The Group

	2023	2022	2021	2020*	2019*
Net sales	751 273	656 582	460 187	292 352	261 884
EBITA	119 346	97 516	66 604	52 482	36 803
EBITA %	16%	15%	15%	18%	14%
Adjusted EBITA**	133 430	91 571	76 548	49 182	36 803
Adjusted EBITA %	18%	14%	17%	17%	14%
Profit or loss before tax	93 275	73 901	52 985	13 611	874
Operating margin (%)	13%	12%	12%	5%	1%
Return on equity (%)	22%	20%	18%	9%	1%
Balance sheet total	805 241	748 795	660 658	216 888	196 263
Solidity (%)	52%	49%	45%	68%	50%
Average number of employees	522	490	431	207	168

*The periods 2019 to 2020 are prepared in accordance with previously applied accounting policies, K3.
** Adjusted EBITA excludes the following: acquisition-related personnel expenses for all periods; MSEK 21 from the Danish subsidiary's sale of business in 2022; adjustment for economic relief packages of MSEK 3.3 from the Swedish Agency for Economic and Regional Growth recognised as revenue in Q4 2020 and expensed in 2021 in connection with a repayment claim.

Multi-year overview, Parent Company

	2023	2022	2021	2020	2019
Net sales	17 025	14 545	6 950	2 400	–
EBITA	-2 537	508	1 084	406	-2
Profit or loss before tax	3 071	2 954	765	-8 741	-23 441
Balance sheet total	228 661	231 471	243 124	130 627	126 954
Solidity (%)	96%	99%	99%	100%	72%
Average number of employees	7	5	1	–	–

Proposed appropriation of profit or loss

The following funds are available to the Annual General Meeting (SEK):

Share premium	352 758 673
Retained profit	-137 971 008
Profit or loss for the year	2 421 130
	217 208 795

The Board of Directors proposes the following distribution:

Dividend to shareholders (SEK 1.75 per share)	23 451 568
Carried forward to new account	193 757 227
	217 208 795

Financial reports, The Group

Consolidated income statement

	Note	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Operating income			
Net sales	6	751 273	656 582
Other operating income	9	6 159	25 574
Total operating income		**757 432**	**682 156**
Operating expenses			
Costs of external subcontractors and direct costs		-47 014	-50 096
Merchandise		-6 301	-6 744
Other external expenses	7, 31	-71 219	-68 136
Personnel costs	8	-469 062	-420 102
Acquisition-related personnel expenses	34	-14 084	-15 054
Other operating expenses	10	-2 481	-1 504
Depreciation and impairments of tangible fixed assets	15,17	-27 924	-23 005
Depreciation and impairments of intangible assets	16	-18 555	-18 317
Total operating expenses		**-656 639**	**-602 958**
Operating profit		**100 793**	**79 198**
Other interest income and similar profit/loss items		1 104	144
Interest expenses and similar items		-8 622	-5 441
Total profit from financial items	**11**	**-7 518**	**-5 297**
Profit or loss before tax		**93 275**	**73 901**
Income tax	12	-22 453	-17 784
Profit or loss for the year		**70 822**	**56 117**

Earnings per share calculated based on profit or loss for the year attributable to the Parent Company's shareholders	Note	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Weighted average number of shares before dilution	13	12 934 732	12 842 150
Weighted average number of shares after dilution	13	13 400 896	13 354 650
Earnings per share in SEK, before dilution	13	5,48	4,37
Earnings per share in SEK, after dilution	13	5,28	4,20

Other comprehensive income	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Profit or loss for the year	**70 822**	**56 117**
Items that may be reclassified to profit or loss		
Translation differences for the year	-6 957	5 724
Other comprehensive income for the year	**-6 957**	**5 724**
Comprehensive income for the year	**63 865**	**61 841**

Profit or loss for the period and other comprehensive income for the period are as a whole attributable to the Parent Company's shareholders.

Consolidated balance sheet

	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Goodwill	16	338 379	341 621
Other intangible assets	16	139 785	148 063
Tangible fixed assets	15,30	12 412	12 491
Right-of-use assets	17	59 832	27 518
Other long-term receivables	21	1 513	1 782
Deferred tax assets	26	763	970
Total fixed assets		**552 685**	**532 445**
Current assets			
Inventories	18	635	1 240
Accounts receivable	3,20	142 265	119 300
Other receivables	21	10 628	14 638
Prepaid expenses and accrued income	22	47 677	34 913
Cash and cash equivalents	23	51 351	46 259
Total current assets		**252 556**	**216 350**
TOTAL ASSETS		**805 241**	**748 795**
EQUITY AND LIABILITIES			
Equity	24		
Share capital		670	644
Other contributed capital		352 759	343 610
Reserves		– 408	5 834
Retained earnings incl. net profit for the year		61 994	13 728
Total equity attributable to Parent Company's shareholders		**415 015**	**363 816**
Long-term liabilities			
Liabilities to credit institutions	25,30	60 962	85 062
Lease liabilities	17	35 548	9 179
Other non-current liabilities	27	11 068	17 247
Deferred tax liabilities	26	26 810	31 083
Total long-term liabilities		**134 388**	**142 571**
Short-term liabilities			
Liabilities to credit institutions	25,30	34 167	54 299
Lease liabilities	17	19 958	15 198
Accounts payable		54 209	38 176
Current tax liabilities		24 328	16 810
Other short-term liabilities	28	52 227	46 539
Accruals and deferred income	29	70 949	71 386
Total short-term liabilities		**255 838**	**242 408**
Total liabilities		**390 226**	**748 795**
TOTAL EQUITY AND LIABILITIES		**805 241**	**748 795**

Consolidated statement of changes in equity

	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total equity
Opening balance on 1 January 2022	**638**	**318 684**	**110**	**-25 439**	**293 994**
Profit or loss for the year	–	–	–	56 117	**56 117**
Other comprehensive income	–	–	5 724	–	**5 724**
Total comprehensive income	**–**	**–**	**5 724**	**56 117**	**61 841**
Transactions with shareholders					
New issuance	6	24 991	–	–	**24 997**
Issuance expenses	–	-65	–	–	**-65**
Group adjustments	–	–	–	2 183	**2 183**
Dividend	–	–	–	-19 135	**-19 135**
Total shareholder transactions	**6**	**24 926**	**–**	**-16 952**	**7 980**
Closing balance on 31 December 2022	**644**	**343 610**	**5 834**	**13 727**	**363 816**

	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total equity
Opening balance on 1 January 2023	**644**	**343 610**	**5 834**	**13 727**	**363 816**
Profit or loss for the year	–	–	–	70 822	**70 822**
Other comprehensive income	–	–	-6 957	–	**-6 957**
Total comprehensive income	**–**	**–**	**-6 957**	**70 822**	**63 865**
Transactions with shareholders					
New issuance	26	9 200	–	–	**9 226**
Issuance expenses		- 51	–	–	**-51**
Share-related incentive programme	–	–	715	–	**715**
Dividend	–	–	–	-22 555	**-22 555**
Total shareholder transactions	**26**	**9 149**	**715**	**-22 555**	**-12 665**
Closing balance on 31 December 2023	**670**	**352 759**	**-408**	**61 994**	**415 015**

Consolidated cash flow statement

	Note	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Cash flow from operating activities			
Profit or loss before tax		93 275	73 902
Adjustment for items not included in cash flow	36	61 655	56 283
Income tax paid		−18 484	−17 852
Cash flow from operating activities before changes in working capital		**136 446**	**112 333**
Cash flow from change in working capital			
Increase/Decrease in operating receivables		−34 224	−3 979
Increase/Decrease in operating liabilities		4 148	−18 253
Total change in working capital		**−30 076**	**−22 232**
Cash flow from operating activities		**106 370**	**90 101**
Cash flow from investing activities			
Acquisition of subsidiaries less acquired cash and cash equivalents	33	−7 954	−78 346
Change in long-term receivables		281	−349
Acquisition of intangible assets	35	−5 789	−3 371
Investments in tangible fixed assets		−4 166	−2 467
Cash flow from investing activities		**−17 628**	**−84 533**
Cash flow from financing activities			
Borrowings	32	–	50 000
Amortisation of loans		−44 233	−54 710
Amortisation of lease liabilities	32	−24 903	−19 803
New issuance, net of issuance expenses		9 174	–
Dividend to shareholders		−22 555	−19 135
Cash flow from financing activities		**−82 517**	**−43 648**
Cash flow for the year		**6 225**	**−38 080**
Cash and cash equivalents at beginning of year		46 259	82 782
Exchange rate difference on cash and cash equivalents		−1 133	1 557
Cash and cash equivalents at the end of the year		**51 351**	**46 259**
Cash flow disclosures			
Interest paid		−6 039	−5 297

Financial reports, Parent Company

Parent Company's income statement

	Note	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Operating income			
Net sales	39	17 025	14 545
Other operating income		2	12
Total operating income		**17 027**	**14 557**
Operating expenses			
Other external expenses	40	−5 158	−5 195
Personnel costs	41	−14 406	−8 854
Depreciation/amortisation of fixed tangible and intangible assets	44	0	−22 322
Total operating expenses		**-19 564**	**-36 371**
Operating profit		**-2 537**	**-21 814**
Other interest income and similar items	42	6 076	2 962
Interest expenses and similar items	42	− 468	−8
Total profit from financial items		**5 608**	**2 954**
Year-end appropriations			
Profit or loss before tax		**3 071**	**-18 860**
Tax on profit for the year	43	− 650	−157
Profit or loss for the year		**2 421**	**-19 017**

There are no items recognised in other comprehensive income in the Parent Company. Total comprehensive income thus equals profit or loss for the year.

Parent Company’s balance sheet

	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Goodwill	44	0	0
Participations in Group companies	45	111 331	111 331
Receivables from Group companies		90 000	90 000
Total fixed assets		**201 331**	**201 331**
Current assets			
Receivables from Group companies		–	27 823
Other receivables	46	292	4
Prepaid expenses and accrued income	47	263	405
Cash and cash equivalents	48	26 775	1 908
Total current assets		**27 330**	**30 140**
TOTAL ASSETS		**228 661**	**231 471**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	24, 49	670	644
Reserves		715	–
Total restricted equity		**1 385**	**644**
Non-restricted equity			
Share premium reserve		352 759	343 611
Retained profit or loss		-137 971	-96 400
Profit or loss for the year		2 421	-19 017
Total non-restricted equity		**217 209**	**228 194**
Total equity		**218 594**	**228 838**
Long-term liabilities			
Total long-term liabilities		**–**	**–**
Short-term liabilities			
Liabilities to Group companies		4 925	0
Accounts payable		505	447
Current tax liabilities		1 160	291
Other short-term liabilities	50	1 199	952
Accrued expenses and deferred income	51	2 278	943
Total short-term liabilities		**10 067**	**2 633**
TOTAL EQUITY AND LIABILITIES		**228 661**	**231 471**

Parent Company’s statement of changes in equity

	Share capital	Reserves	Share premium reserve	Retained earnings including net profit for the year	Total equity
Opening balance on 1 January 2022	**638**	**–**	**318 684**	**-77 264**	**242 058**
Profit or loss and comprehensive income for the year	–	–	–	-19 017	**-19 017**
Total comprehensive income	**–**	**–**	**–**	**-19 017**	**-19 017**
Transactions with shareholders					
New issuance	6	–	24 991	–	**24 997**
Issuance expenses	–	–	-65	–	**-65**
Dividend	–	–	–	-19 135	**-19 135**
Total shareholder transactions	**6**	**–**	**24 926**	**-19 135**	**5 797**
Closing balance on 31 December 2022	**644**	**–**	**343 610**	**-115 416**	**228 838**

	Share capital	Reserves	Share premium reserve	Retained earnings including net profit for the year	Total equity
Opening balance on 1 January 2023	**644**	**–**	**343 610**	**-115 416**	**228 838**
Profit or loss and comprehensive income for the year	–	–	–	2 421	**2 421**
Total comprehensive income	**–**	**–**	**–**	**2 421**	**2 421**
Transactions with shareholders					
New issuance	26	–	9 200	–	**9 226**
Issuance expenses	–	–	- 51	–	**- 51**
Share-related incentive programme	–	715	–	–	**715**
Dividend	–	–	–	-22 555	**-22 555**
Total shareholder transactions	**26**	**715**	**9 149**	**-22 555**	**-12 665**
Closing balance on 31 December 2023	**670**	**715**	**352 759**	**-135 550**	**218 594**

Parent Company's cash flow statement

	Note	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Cash flow from operating activities			
Profit or loss before tax		3 071	−18 860
Adjustment for items not included in cash flow	52	166	22 268
Income tax paid		151	125
Cash flow from operating activities before changes in working capital		**3 388**	**3 533**
Cash flow from change in working capital			
Change in short-term operating receivables		− 146	105 361
Change in short-term operating payables		2 257	1 284
Total change in working capital		**2 111**	**106 645**
Cash flow from operating activities		**5 499**	**110 178**
Cash flow from investing activities			
Change in intra-group receivables		32 749	−90 000
Shareholder contributions		–	–
Cash flow from investing activities		**32 749**	**−90 000**
Cash flow from financing activities			
New issuance		9 174	–
Dividend to shareholders		−22 555	−19 135
Cash flow from financing activities		**−13 381**	**−19 135**
Cash flow for the year		**24 867**	**1 044**
Cash and cash equivalents at the beginning of the year		1 908	864
Cash and cash equivalents at the end of the year		**26 775**	**1 908**

Notes

Note 1. General information

These consolidated financial statements cover the Parent Company Exsitec Holding AB, corporate registration number 559116-6532, and its subsidiaries. Exsitec Holding AB is a Parent Company registered in Sweden and seated in Linköping with address at Snickaregatan 40, 582 26, Linköping, Sweden.

The activities of the Parent Company and its subsidiaries include IT support by providing support, management, and further development of the IT systems of the customers. These consolidated financial statements were approved for publication by the Board of Directors on 22 March 2024.

Unless otherwise specified, all amounts are stated in thousands of SEK (KSEK). The figures in brackets refer to the comparison period.

Note 2. Summary of important accounting policies

The note contains a list of the significant accounting policies applied in the preparation of these consolidated financial statements. These policies have been applied consistently for all presented years. The consolidated financial statements cover Exsitec Holding AB and its subsidiaries.

Basis of preparation of the financial statements

The consolidated accounts of the Exsitec Group have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU.

The consolidated accounts have been prepared in accordance with the cost model, except for certain financial liabilities measured at fair value. The preparation of reports in accordance with IFRS requires certain estimates to be made for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles.

Segments that involve a high degree of judgement, are complex, or where assumptions and estimates are of material significance to the consolidated financial statements, are presented in Note 5.

New and amended standards not yet applied by the Group

A number of new standards and interpretations come into force for financial years beginning 1 January 2024 and later and have not been applied in the preparation of these financial statements. No published standards and interpretations that have not yet come into effect have impacted the Group.

Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group holds a controlling influence. Subsidiaries are included in the consolidated financial statements as of the date when the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling interest ceases.

When recognising the Group's business acquisitions, the purchase method is used.

Intra-group transactions, balance-sheet items, and unrealised gains and losses arising from transactions between Group companies are eliminated. Intra-group losses may be an indication of impairment, which must be recognised in the consolidated accounts. Where appropriate, the accounting policies for subsidiaries have been amended to ensure consistent application of the Group's policies.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the CEO.

Exsitec's CEO judges the performance of the business based on the three operating segments of the Group: Sweden, Norway and Denmark. These segments are also the reportable segments of the Group. The Group management's assessment of the Group's performance is primarily based on adjusted EBITA.

cont. note 2

Translation of foreign currency

Functional currency and reporting currency

The items included in the financial statements of the various entities in the Group are measured in the currency used in the economic environment in which each entity is principally active (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used. This is the Parent Company's functional currency and the Group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the rates of exchange applicable on the transaction date or the date when the items are remeasured. Exchange rate gains and losses that arise in conjunction with payments of such transactions or in conjunction with translation of monetary assets and liabilities denominated in foreign currency at the exchange rate on the balance sheet date are recognised in the income statement.

Exchange rate gains and losses that relate to loans, and cash and cash equivalents, are recognised in profit or loss as financial income or expenses. All other exchange rate gains and losses are recognised in the other operating income/expenses items in profit or loss.

Group companies

The performance and financial position of all Group companies with different functional currencies to the reporting currency (none of which have a high-inflation currency as their functional currency) are translated to the Group's reporting currency as below:

- The assets and liabilities for each of the balance sheets are translated at the prevailing rate on the balance sheet date;
- revenues and expenses for each of the income statements are translated at average rates of exchange (provided that the average rate is a reasonable approximation of the accumulated effect of the rates prevailing on the balance sheet date – and otherwise at the prevailing rate on the balance sheet date); and
- any translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the rate on the balance sheet date.

Revenue recognition

The Group offers its customers IT support and process solutions by implementing, configuring and integrating software in the customer's environment and developing analyses and reports according to the customer's requirements. In addition to implementation services, Exsitec offers ongoing consulting services to its customers, in the form of support and software upgrades.

Consulting services (including implementation, configuration, software upgrades and ongoing support) are usually performed at a fixed hourly rate, and the total price depends on the number of hours purchased by the customer. Revenues from consulting services are recognised over time, as the commitment is fulfilled, which coincides with the amount Exsitec is entitled to invoice.

Support and hosting services (infrastructure) where the customer pays a fixed amount for Exsitec's services are recognised as revenue on a straight-line basis over the contractual period.

The software implemented by the Group is supplied by a third party. As such, Exsitec has analysed whether Exsitec acts as an agent or principal in relation to the sale of third-party licences (software revenue). As Exsitec does not obtain control of the software before its transfer to the customer, it has been assessed that Exsitec is acting as an agent. Revenue from this performance obligation is thus recognised at the net amount to which the Group is entitled less the fee paid to the software provider and is recognised as revenue at the start of each license period.

Contracts with customers do not contain any material discounts, penalties or other forms of variable remuneration. Where customers pay in advance, a contractual liability arises, which is recognised as deferred income. Receivables are recognised when the obligations have been satisfied, as this is the point at which the consideration becomes unconditional (that is, only the passage of time is required for payment to be made).

Interest income

Interest income is recognised as revenue using the effective interest method.

Current and deferred income tax

The taxation expense for the period comprises current tax calculated on the taxable profit for the period at the applicable tax rates adjusted for changes in deferred tax assets and liabilities relating to temporary differences and unused tax losses.

The current tax expense is calculated on the basis of the tax rules that as of the balance sheet date have been enacted or in practice enacted in the countries in which the Parent Company and its subsidiaries operate and generate taxable income. The management regularly evaluates the claims made in tax returns with regard to situations where applicable tax rules are subject to interpretation and assesses whether it is likely that a Tax Authority will deem an uncertain tax treatment as acceptable. The Group measures its recognised taxes either based on the most likely amount or the expected value, depending on which method best predicts the outcome of the uncertainty.

Deferred tax is reported on all temporary differences arising between the value for tax purposes of assets and liabilities and their carrying amounts in the consolidated accounts. However, a deferred tax liability is not recognised if it arises from the initial recognition of goodwill. Deferred tax is also not recognised if it arises from a transaction that is the initial recognition of an asset or liability that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is calculated by applying the tax rates (and laws) adopted or announced at the balance sheet date and is expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary deductible differences can be utilised.

Deferred taxes relating to temporary differences arising from interests in subsidiaries are not recognised if the parent entity is able to control the timing of the reversal of the temporary difference and it is considered probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for current tax assets and liabilities and when the deferred tax assets and liabilities pertain to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, and where the intention is to settle the balances through net payments.

Current and deferred tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income and equity, respectively.

Leases

The Group's leases relate essentially to premises and cars. Leases normally specify a fixed duration between 1 and 5 years, but there may be an option to extend the lease.

Contracts may contain both leasing and non-leasing components. The Group allocates the consideration in the lease to the lease and non-lease components based on their relative stand-alone prices. However, for lease payments for properties where the Group is the lessee, the Group has elected not to separate the lease and non-lease components. Instead, they are recognised as a single lease component.

The terms are negotiated separately for each contract and include a wide range of contractual terms. There are no specific terms or restrictions associated with the leases, except that the lessor shall retain the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from leases are initially measured at present value.

Lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payments that depend on an index or a rate, initially measured using the index or rate applicable at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of any call option if the Group is reasonably certain to exercise such a possibility
- lease termination penalties, if the lease term reflects that the Group will exercise an option to terminate the lease.

If the Group is reasonably certain of exercising an option to extend a lease, then any lease payments for that extension period are included in the measurement of the liability.

Lease payments are discounted at the implicit interest rate of the lease. If this rate cannot be determined easily, as is normally the case for the Group's leases, the lessee's marginal borrowing rate is used, which is the interest rate that the individual lessee would have to pay to borrow the funds necessary to purchase an asset of similar value to the right of use, in a similar economic environment and with similar terms and collateralisation.

The Group is exposed to possible future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they become effective. When adjustments to lease payments based on an index or interest rate take effect, the lease liability is remeasured and adjusted against the right of use.

Lease payments are allocated between repayment of the liability and interest. Interest is recognised in profit or loss over the lease term, in a manner that results in a fixed rate of interest for the lease liability recognised in the respective period.

Right-of-use assets are measured at cost and include the following:

- the initial measurement of the lease liability; and
- payments made on or before the date the leased asset is made available to the lessee.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the Group is reasonably certain that a purchase option will be exercised, the right of use is amortised over the useful life of the underlying asset.

Lease payments that are attributable to short-term leases and leases for which the underlying asset has a low value are recognised as a cost on a straight-line basis over the lease term. Short-term leases are leases where the lease term is 12 months or less. Leases for which the underlying asset is of low value relate mainly to IT equipment, office equipment, and small office furniture.

Options to extend and terminate contracts

Options to extend or terminate leases are included in the Group's leases contracts. These terms are used to maximise flexibility in managing the contracts. Options to extend or terminate leases are included in the asset and the liability where it is reasonably certain that they will be exercised.

Accounting in subsequent periods

The lease liability is remeasured when the lease agreement is amended or if there are changes in the cash flow based on the original contractual terms. Changes in cash flows based on original contractual terms occur when: the Group changes its initial assessment of whether extension and/or termination options will be exercised; there are changes in previous assessments of whether a purchase option will be exercised; and lease payments change as a result of changes in an index or interest rate. A remeasurement of the lease liability leads to a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining remeasurement shall be recognised in profit or loss. The right-of-use asset is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Business combinations

The purchase method is used to account for the Group's business combinations, irrespective of whether the acquisition comprises equity interests or other assets. The purchase price for the acquisition of a subsidiary comprises the fair values of:

• assets transferred

• liabilities incurred by the Group to previous owners

• shares issued by the Group

• assets or liabilities arising from a contingent consideration arrangement

• previous equity interest in the acquiree

Identifiable assets acquired, liabilities assumed, and contingent liabilities assumed in a business combination are, with rare exceptions, measured initially at their fair values on the acquisition date. For each acquisition – that is, on an acquisition-by-acquisition basis – the Group determines whether non-controlling interests in the acquiree are recognised at fair value or at the non-controlling interest's proportionate share of the carrying amount of the acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Goodwill is the amount whereby:

• consideration transferred,

• any non-controlling interest in the acquiree, and

• the fair value of the previous equity interest in the acquiree on the acquisition date (if the business combination was implemented in stages) exceed the fair value of the identifiable net assets acquired. If the amount is less than the fair value of the net assets acquired, in the case of a bargain purchase, the difference is recognised directly in profit or loss.

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In cases where a purchase consideration is deferred, in part or in full, future payments shall be discounted to their present value on the acquisition date. The discount rate is the company's incremental lending rate, which is the interest rate that the company would incur to finance the purchase by borrowing over a similar period and on similar terms.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured each period at fair value. Any revaluation gains and losses are recognised in profit or loss.

If the business combination is achieved in stages, the previous equity interest in the acquiree is remeasured to the fair value on the acquisition date. Any profit or loss arising from the revaluation will be recognised in the income statement.

In some of the acquisitions carried out, purchase prices have been conditional on sellers remaining with the company. These are not recognised as a purchase price but as a separate transaction. As such, a personnel expense arises, and, in subsequent periods, accrued expenses.

Intangible assets

Goodwill

Goodwill arising from business combinations is included in intangible assets. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. Goodwill is recognised at cost less accumulated impairment losses. On the sale of an entity, the carrying amount of goodwill is included in the resulting gain/loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management purposes.

In some of the acquisitions carried out, purchase prices have been conditional on sellers remaining with the company. These are not recognised as a purchase price but as a separate transaction. As such, a personnel expense arises, and, in subsequent periods, accrued expenses.

Brands and customer relationships

All brands and customer relationships have been acquired through acquisitions. Brands and customer relationships acquired by means of an acquisition are recognised at fair value on the acquisition date. They have a finite useful life and are recognised at cost less accumulated amortisation and impairment losses. The estimated useful life of brands is 1 year, as acquired entities are integrated relatively quickly, and the useful life of customer relationships is 10 years.

Asset acquisitions

Contingent considerations attributable to asset acquisitions are recognised as part of the cost of the asset. The contingent consideration is measured at the fair value of the future conditional payments at the time of acquisition and a financial liability is recognised at the same value. In the subsequent period, the financial liability is recognised at amortised cost in accordance with IFRS 9.

Subsequent changes in the value of the financial liability are recognised as a change in the value of the asset when the change in value of the conditional purchase price depends on the use of the asset. Separately acquired intangible assets are recognised at cost. In subsequent periods, they are recognised at cost less accumulated amortisation and impairment. The useful life of separately acquired intangible assets is 10 years.

An individual assessment is made for each acquisition to determine whether it should be classified as a business combination or an asset acquisition. If the acquisition entails that the acquiree's processes, personnel and systems are taken over, it is usually a business combination. Otherwise, the acquisition is an asset acquisition.

Tangible fixed assets

Tangible fixed assets are recognised at cost less depreciation. The cost includes such expenses that are directly attributable to the acquisition of the asset.

Depreciation is performed on a straight-line basis to allocate their cost of acquisition less estimated residual value over the estimated useful life. The useful lives are as follows:

- Buildings and land 5–20 years
- Equipment, tools, fixtures and fittings 5–7 years

The residual value and useful life of the assets are assessed on each balance sheet date and adjusted as required.

The carrying amount of an asset is immediately written down to its recoverable value if the carrying amount is higher than the assessed recoverable value. Gains or losses from divestments are established through a comparison between the sales revenue and the carrying amount, and are recognised, as appropriate, in the operating result in the income statement.

Financial instruments

The Group's financial assets and liabilities consist of the following items: other long-term receivables, accounts receivable, cash and cash equivalents, other receivables (in part), accrued income, liabilities to credit institutions, accounts payable, other liabilities (short- and long-term, in part), contingent consideration, and accrued expenses.

a) Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the instrument's contractual terms. Purchases and sales of financial assets and liabilities are recognised on the trade date, which is the date on which the Group commits to buy or sell the asset.

Financial instruments are recognised at fair value on initial recognition plus, for an asset or financial liability not recognised at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and liabilities recognised at fair value through profit or loss are expensed in the income statement.

b) Financial assets – Classification and valuation

The Group classifies and measures all its financial assets in the 'amortised cost' category. The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows.

c) Financial liabilities – Classification and valuation

The Group classifies and measures its financial liabilities in the category of amortised cost and fair value through profit or loss. Financial liabilities are classified as short-term liabilities if they fall due within 12 months of the balance sheet date. If they fall due later than 12 months from the balance sheet date, they are classified as long-term liabilities.

Financial liabilities measured at amortised cost

After initial recognition, the Group's financial liabilities are measured at amortised cost using the effective interest method. Any difference between the amount received (net of transaction costs) and the repayment amount is recognised in profit or loss over the period of the loan. Fees paid for borrowing facilities are recognised as transaction costs for the borrowing to the extent that it is probable that some or all of the credit line will be drawn. In such cases, the fee is recognised when the credit line is drawn. When there is no evidence that it is probable that some or all of the credit line will be drawn, the fee is recognised as a prepayment for financial services and spread over the term of the relevant loan commitment.

Financial liabilities measured at amortised cost consist of liabilities to credit institutions, accounts payable, other liabilities (short- and long-term, part of the items) and accrued expenses.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value are recognised in the balance sheet on the trade date and are measured at fair value, both initially and in subsequent revaluations. All changes in fair value are recognised directly in profit or loss in the rows Other operating income or Other operating expenses. Financial liabilities at fair value through profit or loss consist entirely of contingent considerations and are included in the items other long-term and short-term liabilities.

d) Derecognition of financial assets and financial liabilities

Financial assets are removed from the statement of financial position when the right to receive cash flows of the financial instrument has expired or been transferred, and the Group has transferred the significant risks and rewards of ownership of the asset.

Financial liabilities are removed from the statement of financial position when the contractual obligation is fulfilled or otherwise extinguished. When the terms of a financial liability are renegotiated, and not derecognised from the balance sheet, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

e) Set-off of financial instruments

Financial assets and liabilities are set off and recognised at a net amount in the balance sheet, but only when there is a legal right to set off the recognised amounts and there is an intention to settle them with a net amount or to simultaneously realise the asset and settle the debt. The legal right must not be dependent on future events and must be legally binding on the company and the counterparty, both in normal business operations and in the event of suspension of payments, insolvency, or bankruptcy.

f) Impairment of financial assets

Assets recognised at amortised cost.

The Group assesses the expected future credit losses that are associated with assets recognised at amortised cost. The Group recognises a credit loss allowance for such expected credit losses on each reporting date. For accounts receivable, the Group applies the simplified approach to providing for expected credit loss; that is, the loss allowance will correspond to the expected loss over the life of the receivable. To measure the expected credit losses, trade receivables have been grouped based on allocated credit risk characteristics and days overdue. The Group utilises forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated income statement under the other operating expenses item.

Inventory

Inventories are recognised at the lower of cost or net realisable value. The cost of merchandise is determined after deduction of discounts. Net realisable value is the estimated selling price in operating activities less applicable variable sales expenses.

Accounts receivable

Accounts receivable are initially recognised at the amount that is unconditional. Subsequently, they are recognised at amortised cost using the effective interest method less any credit provision.

Cash and cash equivalents

In both the balance sheet and the cash flow statement, cash and cash equivalents include balances with banks.

Share capital

Ordinary shares are classified as equity. Transaction expenses that are directly attributable to the issue of new shares or options are recognised net after tax in equity as a deduction from the issue proceeds.

Accounts payable

Accounts payable are payment obligations related to goods or services acquired from suppliers in the course of the operating activities. The amounts are unsecured and are usually paid within 30 days. Accounts payable and other payables are classified as short-term liabilities if they fall due within one year (or in the normal operating cycle if that is longer).

If not, they are classified as long-term liabilities. Accounts payable are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net after transaction expenses. Borrowings are subsequently recognised at amortised cost, and any difference between the amount received (net after transaction expenses) and the repayment amount is recognised in profit or loss over the period of the loan using the effective interest method. Fees paid for borrowing facilities are recognised as transaction costs for the borrowing to the extent that it is probable that some or all of the credit line will be drawn. In such cases, the fee is recognised when the credit line is drawn. When there is no evidence that it is probable that some or all of the credit line will be drawn, the fee is recognised as a prepayment for financial services and spread over the term of the relevant loan commitment.

Borrowings are removed from the balance sheet when the obligations have been settled, cancelled, or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

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Remuneration of employees

Short-term employee remuneration

Liabilities for salaries and remunerations, including non-monetary benefits and compensated absences, that are expected to be settled within 12 months after the end of the financial year are recognised as short-term liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognised in the statement of comprehensive income as the services are rendered by the employees. The liability is recognised as an obligation relating to remuneration of employees in the consolidated balance sheet.

Pension obligations

The Group only has defined contribution plans. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance schemes pursuant to mandatory or contractual obligations or on a voluntary basis. The Group has no further payment obligations once the contributions are paid. Contributions are recognised as staff costs when they fall due. Prepaid contributions are recognised as an asset to the extent the Group may benefit from cash repayments or a reduction in future payments.

Warrants

Premium received for warrants issued at market price has been recognised in equity as an increase in retained earnings. In the case that a warrant in the future is exercised to subscribe for shares, the exercise price received is recognised in part in share capital (corresponding to the quota value) and in part in other contributed capital (relating to the premium). As the participants paid market price for the warrants, no cost has been charged to the income statement.

Share-related incentive programme

Following their investment in the company's shares, at market price, participants have received performance share rights that can be exchanged for warrants based on the Group's performance. During the duration of the programme, personnel expenses for LTI programmes are recorded on an ongoing basis, which is reflected as reserves on equity.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- profit attributable to the Parent Company shareholders
- by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

To calculate diluted earnings per share, the amounts used to calculate basic earnings per share are adjusted by taking the following into account:

- The effect after tax of dividends and interest expenses on potential ordinary shares, and
- the weighted average of the additional ordinary shares that would have been outstanding assuming the conversion of all potential ordinary shares.

Dividend

Dividend to the shareholders of the Parent Company is recognised as a liability in the consolidated financial statements in the period when the dividend is approved by the Parent Company's shareholders.

Cash flow statement

The cash flow statement is drawn up using the indirect method. The reported cash flow covers only transactions resulting in cash payments.

Note 3. Management of financial risk

The Group's activities expose it to a range of financial risks, including various market risks (currency risk and interest rate risk), credit risk, liquidity risk, and refinancing risk. The Group seeks to minimise potential adverse effects on its financial performance. The objective of the Group's financial activities is to:

- ensure that the Group can fulfil its payment obligations,
- manage financial risks,
- ensure access to adequate funding, and

optimise the Group's net financial result. The Group's risk management is handled by a central finance division, which identifies, evaluates and hedges financial risks in close cooperation with the operational units of the Group.

Currency risk

The Group is exposed to currency risk arising from exposure to various currencies, primarily with respect to accounts receivable and accounts payable in euro (EUR) and dollars (USD). The risk mainly consists of fluctuations in the currencies of the receivables or payables that have arisen in a functional currency other than that of the company in question. Currency risk also includes contracted payment flows in a currency other than the respective company's functional currency. To financially hedge future flows in foreign currency, the Group may enter into forward foreign exchange contracts. At the balance sheet date, there are no outstanding forward foreign exchange contracts.

The table below shows accounts receivable and accounts payable in currencies other than the functional currency of each company:

Sensitivity analysis – transaction exposure

If the Swedish krona had weakened/strengthened by 10 percent against the EUR, with all other variables held constant, the translated profit after tax for the financial year 2023 would have been KSEK 4 (88) lower/higher, mainly due to gains/losses from the translation of accounts receivable and payable.

	2023-12-31		2022-12-31	
Amount in KSEK	EUR	USD	EUR	USD
Accounts receivable	289	7 153	1 287	5 080
Accounts payable	508	5 390	127	4 949

If the Swedish krona had weakened/strengthened by 10 percent against the USD, with all other variables held constant, the translated profit after tax for the financial year 2023 would have been KSEK 294 (261) lower/higher, mainly due to gains/losses from the translation of accounts receivable and payable.

Moreover, currency risk arises from the translation of foreign subsidiaries' income statements and balance sheets into the reporting currency of the Group, which is SEK – so-called translation exposure. The Group has subsidiaries in Norway and Denmark. Hence, there is exposure to NOK as well as DKK.

Sensitivity analysis – translation exposure

If the Swedish krona had weakened/strengthened by 10 percent against the NOK on the balance sheet date, with all other variables held constant, the effect on other comprehensive income and equity would have been KSEK 12 699 (13 219) lower/higher when translating the foreign subsidiaries' balance sheets and income statements.

If the Swedish krona had weakened/strengthened by 10 percent against the DKK on the balance sheet date, with all other variables held constant, the effect on other comprehensive income and equity would have been KSEK 2 033 (2 549) lower/higher when translating the foreign subsidiaries' balance sheets and income statements.

Interest rate risk

All liabilities to credit institutions consist of loans in SEK with floating interest rates that expose the Group to interest rate risk in respect of the cash flow. The floating interest rate is based on STIBOR 3M. The Group does not hedge its interest rate risk with respect to future cash flows.

Sensitivity analysis

If interest rates on borrowings as of 31 December 2023 had been 200 basis points higher/lower with all other variables held constant, the estimated profit after tax for the financial year would have been KSEK 1 862 (2 203) lower/higher, mainly as an effect of higher/lower interest expenses for variable rate borrowings.

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Credit risk

Credit risk arises through balances with banks and credit institutions and through customer credit exposure, including outstanding receivables. Only banks and credit institutions that have been awarded a credit rating of at least 'A' by an independent assessor are accepted. The Group has no contract assets.

Credit risk is managed at Group level, with the exception of credit risk in respect of outstanding accounts receivable, where an analysis is performed by each respective company within the Group. Each Group company is responsible for monitoring and analysing the credit risk of each new customer. In cases where there is no independent credit assessment, a risk assessment of the customer's creditworthiness is carried out, considering their financial position, past experiences, and other factors. Individual risk limits are set based on internal or external credit assessments, in accordance with the limits established by the Board of Directors. The use of credit limits is monitored on a regular basis.

No credit lines were exceeded during the reporting period, and management does not expect any losses due to non-payment by counterparties. Historically, the Group has experienced insignificant credit losses. Based on historical data showing very low credit losses and a forward-looking assessment, the expected credit losses are not significant for any customers.

As of 2022-12-31	Receivables not past due	Up to 30 days past due	31–60 days past due	61–120 days past due	More than 120 days past due	Total
Gross carrying amount – accounts receivable	109 302	6 896	3 036	601	1 365	**121 200**
Loss allowance	–	–	-327	-481	-1 092	**-1 900**
Net carrying amount – accounts receivable	109 302	6 896	2 709	120	273	**119 300**

As of 2023-12-31	Receivables not past due	Up to 30 days past due	31–60 days past due	61–120 days past due	More than 120 days past due	Total
Gross carrying amount – accounts receivable	130 481	9 575	1 031	1 419	1 532	**144 039**
Loss allowance	-107	-42	-38	-1 135	-452	**-1 774**
Net carrying amount – accounts receivable	130 374	9 533	993	284	1 080	**142 265**

The change in the loss allowance during the financial year is specified below:

	Accounts receivable 2023-12-31	Accounts receivable 2022-12-31
As of 1 January	1 900	2 455
Increase/Decrease of loss allowance, change recognised in profit or loss	406	- 533
Accounts receivable derecognised during the year	- 532	- 22
As of 31 December	1 774	1 900

Liquidity and refinancing risk

The Group ensures through prudent liquidity management that sufficient cash is available to meet the needs of its operating activities. At the same time, it is ensured that the Group has sufficient credit lines available under agreed credit facilities to be able to repay debts as they fall due. The executive management monitors rolling forecasts for the Group's liquidity reserve (including undrawn credit facilities) and cash and cash equivalents based on expected cash flows. The analyses are customarily carried out by the operating companies, taking into account the guidelines and limitations established by Group management. The limitations vary across regions, considering the liquidity of different markets. The Group also monitors balance-sheet-based liquidity measures against internal and external requirements and ensures access to external financing.

Refinancing risk is defined as the risk that difficulties arise in refinancing the Group, that financing cannot be obtained, or that it only can be obtained at greater cost. The Group's ongoing evaluation of different financing solutions limits the risk. The Group's borrowings consist of liabilities to credit institutions (SEB). There is a bank overdraft facility, which has not been utilised on any of the balance sheet dates. The borrowings with SEB are subject to covenants. All covenants were fulfilled on each balance sheet date. Covenants are tested quarterly, and in the event of a breach, SEB is entitled to renegotiate the terms of all credits and other involvements with SEB for each of the companies in the Group, or, if negotiation fails to lead to an agreement, to immediately terminate all credits and other agreements concluded with companies within the Group.

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There is an undrawn bank overdraft facility of MSEK 50 as of 2023-12-31 (20). For additional information about the Group's borrowings and details on covenants, see Note 25 Borrowings.

The table below analyses the financial liabilities of the Group broken down by the time remaining on the balance sheet date until the contractual due date. The amounts specified in the table are the contractual undiscounted cash flows. Future cash flows in foreign currency have been calculated based on the exchange rate effective at the balance sheet date, and future cash flows related to floating rates are based on the interest rate prevailing on the balance sheet date.

As of 2022-12-31	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Reported value
Financial liabilities							
Liabilities to credit institutions	15 048	44 526	57 021	31 706	–	**148 301**	**139 361**
Lease liabilities	4 547	13 642	5 772	5 358	–	**29 319**	**24 377**
Accounts payable	38 176	–	–	–	–	**38 176**	**38 176**
Contingent consideration	5 377	3 933	8 683	6 317	–	**24 310**	**24 310**
Other liabilities	6 159	–	–	–	–	**6 159**	**6 159**
Accrued expenses	8 130	–	–	–	–	**8 130**	**8 130**
Total financial liabilities	**77 437**	**62 101**	**71 476**	**43 381**	**–**	**254 395**	**240 513**

As of 2023-12-31	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Reported value
Financial liabilities							
Liabilities to credit institutions	9 969	35 794	37 976	25 501	–	**109 240**	**95 128**
Lease liabilities	5 498	16 494	17 838	24 759	–	**64 589**	**55 505**
Accounts payable	54 209	–	–	–	–	**54 209**	**54 209**
Contingent consideration	7 183	5 087	8 693	2 000	–	**22 963**	**22 963**
Other liabilities	4 221	–	–	–	–	**4 221**	**4 221**
Accrued expenses	9 728	–	–	–	–	**9 728**	**9 728**
Total financial liabilities	**89 866**	**57 808**	**64 507**	**52 260**	**–**	**264 950**	**241 754**

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Calculation and disclosure of fair value

Below is information about financial instruments measured at fair value based on their classification within the fair value hierarchy. At present, only financial liabilities in the form of contingent considerations are measured at fair value. The different levels are defined as follows:

(a) Level 1 financial instruments.

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments.

Observable data for the asset or liability other than quoted prices included in Level 1, either directly (that is, as price quotations) or indirectly (that is, derived from price quotations).

(c) Level 3 financial instruments.

In cases where one or several significant inputs are not based on observable market information.

There are no financial assets measured at fair value in any of the periods.

The Group's financial liabilities measured at fair value consist, in all periods, of contingent consideration recognised in Level 3 of the fair value hierarchy.

Specific measurement techniques used to measure financial instruments include:

Contingent consideration – expected cash flows are estimated based on the terms of the acquisition agreement and the company's knowledge of the business and how the current economic environment is likely to affect it.

There were no transfers between levels during the year.

Level 3 financial instruments

	Contingent consideration in connection with business combinations
Opening balance on 2022-01-01	**17 353**
Acquisition	14 183
Payment	-6 816
Change in fair value recognised in the statement of comprehensive income	-410
Closing balance on 2022-12-31	24 310

	Villkorad tilläggsköpeskilling i samband med rörelseförvärv
Opening balance on 2023-01-01	**24 310**
Acquisition	–
Payment	-7 954
Change in fair value recognised in the statement of comprehensive income	– 604
Closing balance on 2023-12-31	**15 752**

Level 3 inputs for fair value measurement and the measurement process

Contingent consideration: The fair value of the contingent consideration arrangement is based on management's assessment of what is likely to be paid given the terms of the contract for transfer of shares.

Note 4. Management of capital

The Group's objective in respect of capital structure is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares, or sell assets in order to reduce liabilities.

The Group assesses its capital based on net debt in relation to adjusted EBITA. This indicator is calculated as net debt divided by adjusted EBITA. Net debt is calculated as total borrowings (comprising the items Long-term liabilities to credit institutions and Short-term liabilities to credit institutions) less cash and cash equivalents. Adjusted EBITA is calculated as operating profit before depreciation/amortisation and impairment of intangible assets and acquisition-related personnel expenses.

The Group's strategy is to have a balanced capital structure where the debt ratio between net debt and adjusted EBITA is monitored continuously at each balance sheet date, as follows:

	2023-12-31	2022-12-31
Interest-bearing liabilities	95 128	139 361
Less: cash and cash equivalents	-51 351	-46 259
Net debt	**43 777**	**93 102**
Adjusted EBITA	**133 430**	**91 571**
Net debt / Adjusted EBITA	**0,33**	**1,02**

Note 5. Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. By definition, the estimates for accounting purposes that follow from such estimates and assessments will rarely correspond to the actual outcome. The estimates and assumptions that involve a material risk of significant adjustments to the carrying amounts of assets and liabilities during the next financial year are set out in general terms below.

Impairment testing of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policy described in Note 2. The recoverable amount of the cash-generating units has been determined by calculating the value in use. This calculation requires certain estimates to be made. The calculation is based on cash-flow projections based on budgets set by management for the next five years. Cash flows beyond the five-year period are extrapolated at the growth rate of 2 percent (2 percent). The growth rate used is consistent with industry forecasts. For each cash-generating unit to which a significant amount of goodwill has been allocated, the key assumptions on which the calculation of value in use is based are set out below. The same discount rate and long-term growth rate have been used for all segments.

- Discount rate before tax amounting to 9 percent (9 percent).
- Long-term growth rate amounting to 2 percent.

Further information can be found in Note 16.

Significant estimates and judgements concerning the term of the lease

When the term of the lease is established, management takes into consideration all information that provides a financial incentive to exercise an option to extend or renounce an option to terminate the lease. Options to extend a lease are included in the lease term only where it is reasonable to assume that the lease will be extended (or not terminated). This assessment is reviewed when a significant event or change in circumstances that affects this assessment occurs and the change is within the lessee's control.

Note 6. Segment reporting and information on net sales

The Group's highest operating decision maker is the CEO, who primarily uses adjusted EBITA to assess the performance of the operating segments.

The Group's operations are managed and reported through the three operating segments Sweden, Norway, and Denmark. The operations of all operating segments offer business-supporting IT to medium-sized companies.

	Sweden		Norway		Denmark		Other/ Eliminations		Total, Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net sales, external	535 060	460 699	160 606	147 089	55 606	48 794	–	–	**751 273**	**656 582**
Net sales, internal	2 993	6 130	226	448	631	103	-3 850	-6 681	**–**	**0**
Total net sales	**538 053**	**466 829**	**160 832**	**147 537**	**56 238**	**48 897**	**-3 850**	**-6 681**	**751 273**	**656 582**
Other income	5 912	3 881	245	538	0	21 143	2	12	**6 159**	**25 574**
Total income	**543 965**	**470 710**	**161 077**	**148 075**	**56 238**	**70 040**	**-3 848**	**-6 669**	**757 432**	**682 156**
Operating costs excluding depreciation, amortisation and impairment, external	-405 016	-366 688	-137 640	-137 705	-47 941	-43 277	-19 564	-13 965	**-610 161**	**-561 635**
Operating costs excluding depreciation, amortisation and impairment, internal	-15 608	-12 948	-4 288	-7 520	– 980	-751	20 875	21 219	**–**	**0**
Depreciation of tangible fixed assets	-20 397	-15 417	-3 935	-4 294	-3 592	-3 223	–	-71	**-27 924**	**-23 005**
Total costs	**-441 021**	**-395 053**	**-145 863**	**-149 519**	**-52 513**	**-47 251**	**1 311**	**7 183**	**-638 085**	**-584 640**
EBITA	**102 945**	**75 657**	**15 214**	**-1 444**	**3 724**	**22 789**	**-2 537**	**514**	**119 346**	**97 516**
Depreciation and impairments of intangible assets									**-18 555**	**-18 317**
Operating profit									**100 793**	**79 198**
Other interest income and similar profit/loss items									**1 104**	**144**
Interest expenses and similar profit/loss items									**-8 622**	**-5 441**
Total profit from financial items									**-7 518**	**-5 297**
Profit or loss before tax									**93 275**	**73 901**
Income tax									**-22 453**	**-17 784**
Profit or loss for the year									**70 822**	**56 117**

	Sweden		Norway		Denmark		Other/ Eliminations		Total, Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
EBITA	**102 945**	**75 657**	**15 214**	**-1 444**	**3 724**	**22 789**	**-2 537**	**514**	**119 346**	**97 516**
Acquisition-related personnel expenses	11 757	13 747	–	–	2 327	1 308	–	–	**14 084**	**15 055**
Other exceptional items affecting comparability	–	–	–	–	–	-21 000*	–	–	**–**	**-21 000**
Adjusted EBITA	**114 701**	**89 404**	**15 214**	**-1 444**	**6 052**	**3 097**	**-2 537**	**514**	**133 430**	**91 571**

* Relates to the sale of a business branch.

Intersegment sales are made on market conditions and are eliminated on consolidation. The amounts provided to the CEO in respect of segment revenue are measured consistently with the financial statements.

Interest income and interest expenses are not allocated to the segments, as this type of activity is driven by the central financing function, which manages the liquidity of the Group.

The Group has recognised the following amounts attributable to revenue in the statement of comprehensive income:

	2023	**2022**
Revenue from customer contracts	751 273	656 582
Other revenue	6 159	25 574
Total revenue	**757 432**	**682 156**

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The Group's revenue from customer contracts is set out in the table below, broken down by category:

	Sweden		Norway		Denmark		Total, Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Consultancy services	384 469	343 811	86 303	76 429	39 772	30 670	**510 545**	**450 910**
Revenue from software	84 708	58 252	46 902	44 295	8 406	9 705	**140 016**	**112 252**
Support and infrastructure services	53 934	45 636	21 949	20 149	–	–	**75 883**	**65 785**
Other	11 950	12 999	5 452	6 216	7 428	8 420	**24 829**	**27 635**
Total revenue	**535 060**	**460 698**	**160 606**	**147 089**	**55 606**	**48 795**	**751 273**	**656 582**

Revenue from external customers by country, based on the location of the customers:	Sweden		Norway		Denmark		Total, Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	508 827	441 715	2 544	1 558	1 189	444	**512 561**	**443 717**
Norway	15 860	13 440	158 023	145 489	303	331	**174 186**	**159 260**
Denmark	1 220	1 555	20	19	52 569	46 277	**53 809**	**47 851**
Other	9 153	3 988	19	23	1 545	1 742	**10 717**	**5 754**
Total Revenue	**535 060**	**460 698**	**160 606**	**147 089**	**55 606**	**48 794**	**751 273**	**656 582**

Fixed assets, other than financial instruments, and deferred tax assets based on the physical location of the asset, are set out in the table below:

	2023-12-31	2022-12-31
Sweden	421 679	384 516
Norway	113 903	128 103
Denmark	17 103	19 826
Total	**552 685**	**532 445**

The Group's contracts usually either run at a fixed hourly rate or have an expected duration of not more than one year. Hence, the practical expedient available in IFRS 15 is applied, and no disclosure is given on unfulfilled commitments attributable to said contracts.

Assets and liabilities attributable to customer contracts

The Group recognises the following assets and liabilities attributable to customer contracts:

	2023-12-31	2022-12-31
Short-term non-invoiced receivables from customers	26 294	23 393
Contract liabilities – Advances from customers	17 542	14 355

Short-term non-invoiced receivables from customers are recognised as accrued income in the balance sheet, and contract liabilities are recognised as deferred income in the balance sheet.

Revenue recognised in relation to contract liabilities

The table below shows the share of revenue recognised during the financial year that is attributable to contract liabilities.

Recognised revenue attributable to contract liabilities that existed at the start of the period:

	2023	2022
Advances from customers	14 355	16 589

Note 7. Auditor’s fees

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Öhrlings PricewaterhouseCoopers AB		
Audit engagement	1 112	–
Fees for audit-related services	45	–
Tax consultancy services	0	–
Other services	578	–
Total, Öhrlings PricewaterhouseCoopers AB	**1 734**	**–**
Ernst & Young AB		
Audit engagement	400	1 189
Fees for audit-related services	0	45
Tax consultancy services	30	27
Other services	53	355
Total, Ernst & Young AB	**483**	**1 616**
Other auditors		
Audit engagement	338	587
Fees for audit-related services	28	119
Tax consultancy services	15	8
Other services	157	87
Total, other auditors	**538**	**801**
Total auditor’s fees	**2 755**	**2 417**

Note 8. Remuneration of employees, etc.

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Remuneration of employees		
Salaries and remunerations	324 263	291 641
Bonus payment	5 094	3 057
Social security contributions	86 994	77 180
Pension expenses (defined contribution)	26 105	23 633
Total remuneration of employees	**442 456**	**395 511**

	2023-01-01 - 2023-12-31		2022-01-01 - 2022-12-31	
	Salaries and remunerations	Of which bonus payments	Salaries and remunerations	Of which bonus payments
Salaries and remunerations				
Board members, CEOs and other senior executives	15 064	1 675	11 896	–
Other employees	314 293	3 419	282 802	3 057
Total salaries and other remunerations	**329 357**	**5 094**	**294 698**	**3 057**

	2023-01-01 - 2023-12-31		2022-01-01 - 2022-12-31	
	Social security contributions	Of which pension expenses	Social security contributions	Of which pension expenses
Social security contributions				
Board members, CEOs and other senior executives	7 488	2 345	5 806	2 079
Other employees	105 611	23 760	95 007	21 554
Total social security contributions	**113 099**	**26 105**	**100 813**	**23 633**

	2023-01-01 - 2023-12-31			2022-01-01 - 2022-12-31		
	Number	Of whom women	Of whom others	Number	Of whom women	Of whom others
Average number of employees with geographic distribution by country						
Sweden	378	155	222	345	138	207
Denmark	37	4	33	38	6	32
Norway	107	41,73	65,27	107	44	63
Total average number of employees with geographic distribution by country	**522**	**201**	**320**	**490**	**188**	**302**

	2023-01-01 - 2023-12-31			2022-01-01 - 2022-12-31		
	Number on the balance sheet date	Of whom women	Of whom others	Number on the balance sheet date	Of whom women	Of whom others
Gender distribution of the Group's board members and other senior executives (including subsidiaries)						
Board members	5	2	3	5	1	4
CEO and other senior executives	13	3	10	13	3	10
Total	**18**	**5**	**13**	**18**	**4**	**14**

	2022-01-01 - 2022-12-31				
	Basic salary / board fees	Bonus payment	Other benefits	Pension expenses	Total
Remuneration and other benefits					
Chairman of the Board Peter Viberg	330	–	–	–	**330**
Board member – Anders Englund	165	–	–	–	**165**
Board member – Per Eriksson	133	–	–	–	**133**
Board member – Åsa Holmström	165	–	–	–	**165**
Board member – Erlend Sogn	133	–	–	–	**133**
Chief Executive Officer Johan Kallblad	2 203	–	84	634	**2 921**
Other senior executives (3)	2 440	–	67	706	**3 213**
Total remuneration and other benefits	**5 569**	**–**	**151**	**1 340**	**7 060**

	2023-01-01 - 2023-12-31				
	Basic salary / board fees	Bonus payment	Other benefits	Pension expenses	Total
Remuneration and other benefits					
Chairman of the Board Peter Viberg	400	–	–	–	**400**
Board member - Anders Englund (until April)	67	–	–	–	**67**
Board member - Per Eriksson	200	–	–	–	**200**
Board member - Åsa Holmström (until April)	67	–	–	–	**67**
Board member - Erlend Sogn	200	–	–	–	**200**
Board member - Christine Ahlstrand (from May)	133	–	–	–	**133**
Board member - Ann-Charlotte Jarleryd (from September)	67	–	–	–	**67**
Chief Executive Officer Johan Kallblad	2 900	900	74	686	**4 560**
Other senior executives (3)	2 955	–	73	796	**3 824**
Total remuneration and other benefits	**6 989**	**900**	**147**	**1 482**	**9 518**

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Board member Erlend Sogn received KSEK 264 (261) in addition to board fees via his own company for consultancy relating to management assistance within the Group.

Other benefits relate to car benefits.

Guidelines

The Chairman and members of the Board of Directors are paid fees in accordance with the resolutions of the General Meeting on 2023-04-28. No fees have been paid to other board members who are in receipt of a salary for employment in Group companies.

As regards management, the General Meeting have resolved upon the following guidelines relating to remuneration. The remuneration of the Chief Executive Officer and other senior executives consists of basic salary, variable remuneration, other benefits, pensions, etc. Other senior executives are the three people who, together with the Chief Executive Officer, comprise the Group management.

Other senior executives also include business area managers, who were part of the group management in the previous year, and other key personnel.

Pension benefits and other benefits to the Chief Executive Officer and other senior executives are paid out as part of the total remuneration.

Pension (defined contribution plans)

The retirement age for the Chief Executive Officer and other senior executives is 65. The pension premium shall amount to 4.5 percent up to 7.5 times the income base amount and 30 percent of the pensionable pay thereafter. There is a possibility of salary conversion.

No pension commitments have been made regarding board members that do not have a permanent employment relationship with any of the companies within the Group.

Severance payment

Between the company and the Chief Executive Office, a mutual notice period of six months applies. In the event of termination at the request of the company or the Chief Executive Officer, no severance payment shall be made.

Share-based payments

The general meeting on 11 December 2017 resolved to introduce an incentive scheme by means of a directed issue of 5 125 warrants to, at that point, senior executives and key individuals in Exsitec Holding AB. In November, the option programme was terminated, resulting in 512 500 new shares being issued. The warrants entitle the holder to subscribe for one hundred (100) new shares in Exsitec at a subscription price of SEK 18.00 per share.

During the year, the option program was ended where all warrants were exercised. This resulted in 512,500 new shares being issued and SEK 9.2 million being added to Exsitec in cash and cash equivalents.

	2023-01-01 - 2023-12-31		2022-01-01 - 2023-12-31	
Warrants	Average exercise price in SEK per warrant	Number of warrants	Average exercise price in SEK per warrant	Number of warrants
As of 1 January	1 800	5 125	1 800	5 125
As of 31 December	–	–	1 800	5 125

As of each balance sheet date, senior executives hold the following number of warrants:

2023-12-31	2022-12-31
0	1 875

The Annual General Meeting on 28 April 2023 resolved to introduce a performance-based incentive programme aimed at Group management, other senior executives and key individuals in the Group (‘LTI 2023’).

A total of 54 participants have invested in the company’s shares and thus received performance share rights. The performance shares were valued at the closing price on the start date of 2023-08-25. If the participants keep their performance shares and are still employed at the end of the programme in August 2026, the performance shares can be exchanged for warrants based on the Group’s performance. Upon full exercise of all warrants issued under LTI 2023, up to 43 900 shares (subject to possible recalculation) may be issued, corresponding to a dilution of approximately 0.33% of the total number of shares in the company.

Note 9. Other operating income

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Other operating income		
Foreign exchange gains	2 017	1 901
Gains from divestment of fixed assets	1 602	698
Gains from divestment of business branch*	–	21 000
Change in fair value contingent consideration	1 531	373
Other income	1 009	1 602
Total other operating income	**6 159**	**25 574**

* The Danish subsidiary's divestment of a smaller business branch that was outside the company's core business.

Note 10. Other operating expenses

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Other operating expenses		
Foreign exchange losses	-2 128	-1 503
Losses from divestments of fixed assets	– 353	-1
Total other operating expenses	**-2 481**	**-1 504**

Note 11. Financial income and expenses

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Financial income		
Interest income	915	144
Other financial income	1	–
Exchange rate differences	187	—
Total financial income	**1 104**	**144**

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Financial expenses		
Interest expenses, liabilities to credit institutions	-6 039	-3 970
Interest expenses, lease liabilities	-1 546	-772
Other financial expenses	-1 018	-387
Exchange rate differences	– 19	-312
Total financial expenses	**-8 622**	**-5 441**
Net financial items	**-7 518**	**-5 297**

Note 12. Income tax

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Current tax on profit for the year	-26 077	-21 501
Adjustments relating to previous years	97	–
Total current tax	**-25 980**	**-21 501**
Origination and reversal of temporary differences	3 526	3 717
Total deferred tax	**3 526**	**3 717**
Total income tax	**-22 453**	**-17 784**

Reconciliation between theoretical tax cost and reported tax

Tax at Swedish tax rate of 20.6 percent (20.6).

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Profit or loss before tax	93 275	73 901
Income tax calculated at the Swedish tax rate (20.6 percent)	-19 215	-15 224
Tax effect of:		
Non-taxable income	6 189	1
Non-deductible costs	-9 275	-3 056
Deductible expenses not included in profit or loss	11	–
Effect of changed tax rate	0	–
Previously unrecognised tax losses used during the year	0	566
Difference in foreign tax rates	– 260	-72
Tax attributable to previously reported results	97	–
Income tax	**-22 453**	**-17 784**

The weighted average tax rate for the Group was 24.1 percent (24.1).

Note 13. Earnings per share

Earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the period.

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Basic earnings per share	5,48	4,37
Diluted earnings per share	5,28	4,20

Performance measures used in the calculation of earnings per share	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Profit attributable to the parent company's shareholders, KSEK	70 822	56 117

Calculation of weighted average number of shares	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Weighted average number of ordinary shares, used in the calculation of basic earnings per share	12 934 732	12 842 150
Adjustment for calculation of diluted earnings per share		
Options	–	512 500
Weighted average number of ordinary shares and potential ordinary shares, used as denominator for calculation of diluted earnings per share	13 400 896	13 354 650

Note 14. Investments in subsidiary undertakings

The Group had the following subsidiaries on 2023-12-31:

	Country of registration and operation	Operation	Proportion of ordinary shares held directly by the Parent Company (%)	Proportion of ordinary shares held by the Group (%)
Exsitec AB	Sweden	IT consultant	100	100
Exsitec AB AB owns in turn:				
Exsitec AS	Norway	IT consultant	100	100
Exsitec ApS	Denmark	IT consultant	100	100
Exsitec Helsingborg AB	Sweden	dormant	100	100
Zedcom AB	Sweden	IT consultant	100	100

Note 15. Tangible fixed assets

Financial year 2022	Buildings and land	Equipment, tools, fixtures and fittings	Total
Opening balance	**6 500**	**5 762**	**12 262**
Acquisitions during the year	506	1 961	2 467
Added through business combinations	–	725	725
Disposals and retirements	–	–	–
Exchange rate differences	21	28	49
Depreciation for the year	-80	-2 932	-3 012
Carrying amount	**6 947**	**5 544**	**12 491**

As of 2022-12-31	Buildings and land	Equipment, tools, fixtures and fittings	Total
Cost	7 060	12 863	19 923
Accumulated depreciation	-113	-7 319	-7 432
Carrying amount	**6 947**	**5 544**	**12 491**

Financial year 2023	Buildings and land	Equipment, tools, fixtures and fittings	Total
Opening balance	**6 947**	**5 544**	**12 491**
Acquisitions during the year	–	4 166	4 166
Added through business combinations	–	–	–
Disposals and retirements	– 253	– 134	– 387
Exchange rate differences	– 364	4	– 361
Reclassification	– 460	460	–
Depreciation for the year	– 197	-3 300	-3 497
Carrying amount	**5 673**	**6 740**	**12 412**

As of 2023-12-31	Buildings and land	Equipment, tools, fixtures and fittings	Total
Cost	5 983	17 359	23 342
Accumulated depreciation	– 310	-10 619	-10 929
Carrying amount	**5 673**	**6 740**	**12 412**

Note 16. Intangible assets

Financial year 2022	Goodwill	Customer relations	Trade-marks	Total
Opening balance	**261 145**	**117 684**	**1 454**	**380 283**
Acquisitions during the year	77 962	44 070	1 781	123 813
Exchange rate diffe-rences	2 514	1 373	18	3 905
Depreciation for the year	–	-15 649	-2 668	-18 317
Carrying amount	**341 621**	**147 478**	**585**	**489 684**

As of 2022-12-31	Goodwill	Customer relations	Trade-marks	Total
Cost	341 621	171 475	5 711	518 807
Accumulated depreciation	–	-23 997	-5 126	-29 123
Carrying amount	**341 621**	**147 478**	**585**	**489 684**

Financial year 2023	Goodwill	Customer	Trade-marks	Summa
Opening balance	**341 621**	rela-tions	**585**	**489 684**
Acquisitions during the year	–	13 000	–	13 000
Exchange rate diffe-rences	-3 242	-2 717	– 6	-5 965
Depreciation for the year	–	-17 976	– 579	-18 555
Carrying amount	**338 379**	**139 785**	**0**	**478 163**

As of 2023-12-31	Goodwill	Customer relations	Trade-marks	Total
Cost	338 379	181 758	5 705	525 842
Accumulated depreciation	–	-41 973	-5 705	-47 678
Carrying amount	**338 379**	**139 785**	**0**	**478 164**

Impairment testing of goodwill

Exsitec monitors goodwill allocated to the three operating segments Sweden, Norway, and Denmark. Goodwill is monitored on the operating segment level.

The recoverable amount of goodwill is determined based on the calculated value in use. Exsitec has judged that sales growth, EBITDA margin, discount rate and long-term growth rate are the main assumptions involved in the impairment testing. Calculations of value in use are based on estimated future cash flows before tax based on management-approved budgets

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covering a five-year period. The calculation is based on the experience of management and historical data. The growth rate sustainable in the long term for the operating segments has been assessed based on industry forecasts.

Goodwill broken down by operating segment	2023-12-31	2022-12-31
Goodwill		
Sweden	250 889	250 889
Norway	73 095	76 317
Denmark	14 395	14 415
Total goodwill	**338 379**	**341 621**

Calculation parameters	2023-12-31	2022-12-31
Discount rate before tax* (Sweden)	8,7%	9,4%
Long-term growth rate** (Sweden)	2,0%	2,0%
Discount rate before tax* (Norway)	9,9%	9,4%
Long-term growth rate** (Norway)	2,0%	2,0%
Discount rate before tax* (Denmark)	8,9%	9,4%
Long-term growth rate** (Denmark)	2,0%	2,0%

*Discount rate before tax used in discounting of estimated future cash flows.
** Weighted average growth rate used to extrapolate cash flows beyond the forecast period.

Sensitivity analysis for goodwill:

The recoverable amount exceeds the carrying amount of goodwill by a significant margin. This is valid also under the assumptions that:

- the discount rate before tax would have been 5 (5) percent higher
- the estimated growth rate for extrapolating cash flows beyond the five-year period would have been 2 (2) percentage points lower.

The key assumptions, in addition to discount rate and long-term growth rate, are sales growth and EBITDA margin. A change in these assumptions of 5 percentage points would not result in any impairment loss.

Note 17. Leases

The following amounts relating to leases are recognised in the balance sheet:

	2023-12-31	2022-12-31
Right-of-use assets		
Premises	55 131	23 687
Vehicles	4 701	3 831
Total right-of-use assets	**59 832**	**27 518**

	2023-12-31	2022-12-31
Lease liabilities		
Long-term	35 548	9 179
Short-term	19 958	15 198
Total lease liabilities	**55 506**	**24 377**

Added right-of-use assets in 2023 amounted to KSEK 52 220 (6 411).

The following amounts relating to leases are recognised in the income statement:

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Depreciation of right-of-use assets		
Premises	-21 391	-16 806
Vehicles	-3 036	-3 187
Total depreciation of right-of-use assets	**-24 427**	**-19 993**

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Other		
Interest expenses (included in financial costs)	1 546	768
Expenditure attributable to leases for which the underlying asset is of low value that are not short-term leases (included in Other external expenses)	970	985
Total other	**2 516**	**1 753**

No material variable lease payments that are not included in the lease liability have been identified.

Contracted investments regarding rights-of-use assets at the end of the reporting period, which are not yet recognised in the financial statements amount to KSEK 14 730 (32 195).

The total cash flow relating to leases was KSEK 27 419 (21 556).

For information about the maturity of the lease liability, see Note 3 Management of financial risk.

Note 18. Inventory

The Group’s inventory consists entirely of finished goods and merchandise.

Cost of goods is included in the item Merchandise in the income statement and amounts to KSEK 6 301 (6 744).

Note 19. Financial instruments by category

2022-12-31	Financial assets at amortised	Total
Financial assets in the balance sheet		
Other long-term receivables	1 782	**1 782**
Accounts receivable	119 300	**119 300**
Other short-term receivables (part of the item)	3 224	**3 224**
Accrued income	23 393	**23 393**
Cash and cash equivalents	46 259	**46 259**
Total financial assets in the balance sheet	**193 962**	**193 962**

2022-12-31	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised	Total
Financial liabilities in the balance sheet			
Liabilities to credit institutions (long and short term)	–	139 361	**139 361**
Contingent consideration (included in the item other long- and short-term liabilities)	24 310	–	**24 310**
Accounts payable	–	38 176	**38 176**
Other short-term liabilities (part of the item)	–	6 159	**6 159**
Accrued expenses	–	8 130	**8 130**
Total financial liabilities in the balance sheet	**24 310**	**191 826**	**216 136**

2023-12-31	Financial assets at amortised	Total
Financial assets in the balance sheet		
Other long-term receivables	1 513	**1 513**
Accounts receivable	142 265	**142 265**
Other short-term receivables (part of the item)	535	**535**
Accrued income	26 294	**26 294**
Cash and cash equivalents	51 351	**51 351**
Total financial assets in the balance sheet	**221 959**	**221 959**

2023-12-31	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised	Total
Financial liabilities in the balance sheet			
Liabilities to credit institutions (long and short term)	–	95 128	**95 128**
Contingent consideration (included in the item other long- and short-term liabilities)	22 963	–	**22 963**
Accounts payable	–	54 209	**54 209**
Other short-term liabilities (part of the item)	–	4 221	**4 221**
Accrued expenses	–	9 728	**9 728**
Total financial liabilities in the balance sheet	**22 963**	**163 286**	**186 249**

In addition to the financial instruments specified in the tables (above), the Group has financial liabilities in the form of lease liabilities, which are recognised and measured under IFRS 16 Leases.

Note 20. Accounts receivable

	2023-12-31	2022-12-31
Accounts receivable		
Accounts receivable	144 039	121 200
Minus: loss allowance for expected credit losses	-1 774	-1 900
Total accounts receivable	**142 265**	**119 300**

As the discount effects are not material, the fair value of accounts receivable corresponds to the carrying amount.

Note 21. Other receivables (long and short term)

	2023-12-31	2022-12-31
Other long-term receivables		
Rental deposits	1 513	1 782
Total other long-term receivables	**1 513**	**1 782**

	2023-12-31	2022-12-31
Opening balance	**1 782**	**1 136**
Incoming receivables	113	662
Amortisation, outgoing claims	– 13	-37
Exchange rate differences	– 369	21
Carrying amount	**1 513**	**1 782**

	2023-12-31	2022-12-31
Other short-term receivables		
Taxes and charges	10 093	11 414
Other short-term receivables	535	3 224
Total other short-term receivables	**10 628**	**14 638**

Note 22. Prepaid expenses and accrued income

	2023-12-31	2022-12-31
Prepaid expenses and accrued income		
Accrued income	26 294	23 393
Other prepaid expenses	21 383	11 520
Total prepaid expenses and accrued income	**47 677**	**34 913**

Accrued income consists entirely of short-term receivables in the form of time spent that is not yet invoiced. Exsitec has no remaining obligations in respect of these receivables. For additional information, see Note 6 Segment reporting and information about net sales.

Note 23. Cash and cash equivalents

	2023-12-31	2022-12-31
Cash and cash equivalents		
Bank balances	51 351	46 259
Total cash and cash equivalents	**51 351**	**46 259**

Note 24. Share capital and other contributed capital

Share capital and other contributed capital	Number of shares	Share capital	Other contri-buted capital
As of 2022-12-31	**12 888 396**	**644**	**343 610**
New issuance	512 500	26	9 149
As of 2023-12-31	**13 400 896**	**670**	**352 759**

As of 2023-12-31, the share capital consists of 13 400 896 (12 888 396) ordinary shares with a quota value of SEK 0.05 (0.05).

All shares issued by the Parent Company are paid in full.

Note 25. Borrowings

	2023-12-31	2022-12-31
Long-term loans with pledged collateral		
Liabilities to credit institutions (bank loans)	60 962	85 062
Total long-term loans with pledged collateral	**60 962**	**85 062**

	2023-12-31	2022-12-31
Short-term loans with pledged collateral		
Liabilities to credit institutions (bank loans)	34 167	54 299
Total short-term loans with pledged colla-teral	**34 167**	**54 299**

	2023-12-31	2022-12-31
Total borrowings	**95 128**	**139 361**

Liabilities to credit institutions will mature by May 2026 and bear interest at an average rate of 6.0 (3.5) percent annually. All loans bear interest at a floating rate.

There are no long-term loans without collateral.

The Group's borrowings are in SEK.

For liabilities to credit institutions, collateral has been provided in the form of business mortgages in the amount of KSEK 17 000. For additional information, see Note 30 Pledged assets.

Liabilities to credit institutions are subject to pledges to fulfil certain covenants. These covenants are that the ratio between the Group's net debt and EBITDA shall never exceed 1.5. The Group complied with all covenants (loan terms) in 2023 and 2022.

The carrying amount of the Group's borrowings corresponds to the fair value, since the interest rate on the borrowings is variable and the credit risk has not changed since the borrowings were contracted.

Bank overdraft facility

The Group has a granted bank overdraft facility in SEK of KSEK 50 000 (20 000). As at 31 December 2023, KSEK 0 of the granted bank overdraft facility has been utilised (0).

Note 26. Deferred tax

Deferred tax liabilities break down as follows:

Deferred tax liabilities	Trademarks	Customer relations	Right-of-use asset	Total
As of 2022-12-31	**- 122**	**-30 961**	**-5 985**	**-37 068**
Increase through business combinations	–	–	–	–
New and terminated leases	–	–	-6 450	-6 450
Recognised in profit or loss	121	3 561	- 7	3 675
Exchange rate differences	1	590	0	591
As of 2023-12-31	**0**	**-26 810**	**-12 443**	**-39 253**

Deferred tax assets	Tax loss carryforwards	Lease liabilities	Other	Total
As of 2022-12-31	**–**	**6 196**	**759**	**970**
Increase through business combinations	–	–	–	–
New and terminated leases	–	6 450	–	6 450
Recognised in profit or loss	–	–	- 208	- 208
Exchange rate differences	–	0	9	9
As of 2023-12-31	**–**	**12 646**	**560**	**13 206**

Deferred taxes – net	2023-12-31	2022-12-31
Deferred tax assets	13 206	6 955
Amounts set off against deferred tax liabilities	-12 443	-5 985
Carrying amount, deferred tax assets	**763**	**970**
Deferred tax liabilities	39 253	37 068
Amounts set off against deferred tax assets	-12 443	-5 985
Carrying amount, deferred tax liabilities	**26 810**	**31 083**

The Group has merger blocked tax losses totalling KSEK 4 127, which have not been recognised as deferred tax assets.

Note 27. Other long-term liabilities

	2023-12-31	2022-12-31
Other long-term liabilities		
Contingent consideration business combinations	7 068	17 247
Contingent consideration asset acquisitions	4 000	–
Total other long-term liabilities	**11 068**	**17 247**

Note 28. Övriga kortfristiga skulder

	2023-12-31	2022-12-31
Other short-term liabilities		
VAT	22 992	20 455
Personnel-related liabilities (taxes and charges)	12 911	12 862
Contingent consideration business combinations	8 683	7 063
Contingent consideration asset acquisitions	3 211	–
Other liabilities	4 430	6 159
Total other short-term liabilities	**52 227**	**46 539**

Note 29. Accrued expenses and deferred income

	2023-12-31	2022-12-31
Accrued expenses and deferred income		
Accrued interest expenses	1 152	1 072
Accrued salaries	16 542	19 333
Accrued holiday pay	20 595	23 230
Accrued social security contributions	5 391	5 266
Deferred income (contract liabilities)	17 542	14 355
Other items	9 727	8 130
Total accrued expenses and deferred income	**70 949**	**71 386**

Deferred income consists entirely of advances from customers that are contract liabilities in accordance with the definition in IFRS 15 Revenue from Contracts with Customers. For additional information, see Note 6 Segment reporting and information on net sales.

Note 30. Pledged assets and contingent liabilities

	2023-12-31	2022-12-31
Pledged assets		
Business mortgages	17 000	25 400
Equipment subject to retention of title	4 701	3 831
Total pledged assets	**21 701**	**29 231**

Note 31. Related party transactions

Exsitec Holding AB is the ultimate parent company preparing consolidated financial statements. No single party has a controlling influence over Exsitec Holding AB. The company Syntrans AB, which is owned by Exsitec Holding AB's Chairman of the Board, has significant influence over Exsitec Holding AB. In addition to the aforementioned entities, related parties are all subsidiaries within the Group and key management personnel in the Group and persons closely associated with them. Transactions are conducted on market terms.

The following related party transactions have taken place:

(a) Sales of goods and services	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Companies controlled by key management personnel	–	7
Total	**–**	**7**

(b) Purchases of goods and services	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Companies controlled by key management personnel	264	261
Total	**264**	**261**

Outstanding balances arising from sales and purchases of goods and services	2023-12-31	2022-12-31
Receivables from related parties		
Companies controlled by key management personnel	–	–
Total receivables from related parties	**–**	**–**
Liabilities to related parties		
Companies controlled by key management personnel	–	261
Total liabilities to related parties	**–**	**261**

The Group has not made any provisions for doubtful debts attributable to related parties. No security has been provided for the receivables.

Receivables from related parties arise mainly from sales transactions and fall due 1 month after the date of sale.

Liabilities to related parties arise mainly from purchase transactions and fall due 1 month after the date of purchase.

See Note 8 Remuneration of employees, etc. for information about the remuneration of senior executives.

Note 32. Changes in liabilities under financing activities

				Non-cash items	
	2022-01-01	Cash inflow	Cash outflow	New leases	2022-12-31
Lease liabilities	36 295	–	-19 803	7 885	**24 377**
Liabilities to credit institutions	137 411	50 000	-48 050*	–	**139 361**
Total	**173 706**	**50 000**	**-68 853**	**7 885**	**163 738**

*Deductions of repayments in the cash flow statement totalling KSEK 6 660 relate to liabilities to credit institutions incurred through acquisitions.

				Non-cash items		
	2023-01-01	Cash inflow	Cash outflow	Remeasurement	New leases	2023-12-31
Lease liabilities	24 377	–	-24 903	57 389	-1 357	**55 506**
Liabilities to credit institutions	139 361	–	-44 233	–	–	**95 129**
Total	**163 738**	**–**	**-69 136**	**57 389**	**-1 357**	**150 635**

Note 33. Business combinations

Business combinations during the financial year 2023

No business combinations were made during the year.

Payments of contingent considerations for business combinations from previous years amount to KSEK 7 954 (6 816).

Business combinations during the financial year 2022

During 2022, several acquisitions were carried out, which are presented in the table below. Of these, only Spot On Solutions AB is judged to be significant. Other acquisitions have been judged to be individually immaterial and information about them is therefore provided in aggregate.

Company	Included in operating segments	Share acquired	Purchase price	Goodwill
Spot On Solutions AB	Sverige	100 %	79 000	51 063
Vimur AB	Sverige	100 %	17 033	13 239
Atopto AB	Sverige	100 %	15 000	8 310
Info Solution ApS	Danmark	100 %	2 113	1 289
QiS ApS	Danmark	100 %	6 412	2 625
Mantle AS	Norge	100 %	2 142	1 436
Total			**121 700**	**77 962**

Acquisition Spot On Solutions AB

On 9 May 2022, the Parent Company acquired 100% of the share capital of Spot On Solutions AB, a group operating in e-commerce. Identified surplus values are linked to customer relations and brands.

The following table summarises the purchase price paid for Spot On Solutions AB and the fair value of assets acquired and liabilities assumed recognised on the acquisition date.

Amounts in KSEK	
PURCHASE PRICE	
Cash and cash equivalents	50 002
Equity instruments (131 789 common shares)	24 998
Contingent consideration	4 000
Total consideration paid	**79 000**
FAIR VALUE OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED	
Cash and cash equivalents	**3 631**
Intangible assets (customer relations and brands)	29 421
Tangible fixed assets	509
Other current assets	16 504
Long-term liabilities	-4 750
Deferred tax liabilities	-6 061
Accounts payable and other liabilities	-11 317
Total identifiable net assets	**27 937**
Goodwill	**51 063**

Goodwill

Goodwill is attributable to, among other things, synergies and staffing. No part of the goodwill recognised is expected to be tax deductible.

Revenues and performance of acquired business

The acquisition of Spot On Solutions AB contributed revenue of KSEK 42 865 to the Group for the period May to December 2022. Spot On Solutions AB also contributed a loss of KSEK 3 285 for the same period.

If the acquisition of Spot On Solutions AB had been completed on 1 January 2022, the consolidated pro forma revenue and loss for 2022 is KSEK 65 569 and KSEK 1 460, respectively.

These amounts have been calculated using the results of the subsidiary adjusted for differences in accounting principles between the Group and the subsidiary.

Acquisition-related costs

Acquisition-related costs of KSEK 666 are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

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Equity instruments

The fair value of the 131 789 ordinary shares in Exsitec Holding AB that were issued as part of the consideration was based on the market price on the date of acquisition.

Contingent consideration

The contingent consideration is determined by profitability and accrues based on a fixed percentage of contribution margin linked to recurring software revenue from e-commerce for the period June 2021 to May 2025. The maximum amount of the contingent consideration is KSEK 5 000.

Amounts in KSEK	2022
Cash flow used to acquire subsidiaries, less acquired cash and cash equivalents:	
Purchase price settled in cash	50 002
Less: Acquired cash and cash equivalents	-3 631
Net cash outflow from investing activities	**46 371**

Aggregated information of smaller acquisitions

During the year, the Group carried out several smaller acquisitions which are listed in the table above.

The following table summarises the purchase price paid for the aggregated acquisitions and the fair value of assets acquired and liabilities assumed recognised on the acquisition date.

Amounts in KSEK	
PURCHASE PRICE	
Cash and cash equivalents	32 516
Contingent consideration	10 184
Total consideration paid	**42 700**
FAIR VALUE OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED	
Cash and cash equivalents	**7 357**
Intangible assets (customer relations and brands)	16 430
Tangible fixed assets	216
Other current assets	5 619
Deferred tax liabilities	-3 474
Accounts payable and other liabilities	-10 347
Total identifiable net assets	**15 801**
Goodwill	**26 899**

Goodwill

Goodwill is attributable to, among other things, synergies and staffing. KSEK 25 610 of goodwill recognised is expected to be tax deductible.

Revenues and performance of acquired business

The aggregated acquisitions contributed revenue of KSEK 11 404 to the Group during 2022. The units also contributed a profit of KSEK 2 486 for the same period.

If the acquisition of the aggregated units had been completed on 1 January 2022, the consolidated pro forma revenue and profit for 2022 is KSEK 29 315 and KSEK 6 321, respectively.

These amounts have been calculated using the results of the subsidiary adjusted for differences in accounting principles between the Group and the subsidiary.

Acquisition-related costs

Acquisition-related costs of KSEK 503 are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Contingent consideration

The contingent consideration is determined by profitability and accrues based on a fixed percentage of contribution margin linked to recurring software revenue for the period 2022 to 2025. The maximum amount of the contingent consideration is KSEK 10 184.

Amounts in KSEK	2022
Cash flow used to acquire subsidiaries, less acquired cash and cash equivalents:	
Purchase price settled in cash	32 516
Less: Acquired cash and cash equivalents	-7 357
Net cash outflow from investing activities	**25 159**

Note 34. Acquisition-related personnel expenses

Personnel-related contingent considerations from completed acquisitions affect personnel expenses in the income statement by KSEK 14 084 KSEK (15 054). These are expected to affect earnings in 2024 by KSEK 5 207 and in 2025 by KSEK 556.

Note 35. Asset acquisitions

Two small acquisitions of customer bases were made during the year. Customer bases are classified as customer relationships, which are further described in Note 16. These are described below at an aggregated level.

	2023	2022
Cash and cash equivalents	5 789	–
Contingent consideration	7 211	–
Total consideration paid	**13 000**	**–**

The outcome of the contingent considerations is based on the turnover from 2023 to 2026 linked to the acquired customer bases.

Note 36. Adjustment for non-cash items

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Adjustment for non-cash items		
Depreciation, amortisation and impairment	46 479	41 322
Acquisition-related personnel expenses	14 084	15 054
Personnel expense regarding share-related incentive programme	715	–
Disposal of tangible fixed assets	387	–
Exchange gains/losses	– 10	– 93
Total adjustment for non-cash items	**61 655**	**56 283**

Note 37. Significant events after the end of the period

Exsitec AS completed the acquisition of IntegrasjonsPartner BITS AS in January 2024.

Notes Parent Company

Note 38. The Parent Company's accounting policies

The most important accounting policies applied in the preparation of these annual accounts are set forth below. Unless otherwise specified, these policies have been applied consistently for all presented years.

The Parent Company's financial statements are prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the Parent Company applies other accounting policies than the Group's accounting policies, which are described in Note 2 in the consolidated financial statements, this is specified below.

The annual accounts have been prepared using the cost model.

The preparation of financial statements in compliance with RFR 2 requires the use of certain important estimates for accounting purposes. Furthermore, management must make certain judgements when applying the Parent Company's accounting policies. Segments that involve a high degree of judgement, are complex, or where assumptions and estimates are of material significance to the annual accounts, are presented in Note 5 in the consolidated financial statements.

The Parent Company's activities expose it to a wide range of financial risks: market risk (currency risk and interest rate risk), credit risk, and liquidity risk. The Parent Company's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potential adverse effects on the Group's financial performance. For more information about financial risks, see Note 3 in the consolidated financial statements.

The Parent Company applies different accounting policies than the Group in the cases specified below:

Forms of presentation

The income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act's form of presentation. The statement of changes in equity follows the Group's form of presentation but shall contain the columns specified by the Annual Accounts Act. Furthermore, this results in differences in terms compared to the consolidated financial statements, primarily regarding financial income and costs and equity.

Shareholder contributions and group contributions

Group contributions from the Parent Company to subsidiaries and to the Parent Company from subsidiaries are recognised as appropriations. Shareholder contributions are recognised in the Parent Company as an increase in the carrying amount of the share and in the receiving company as an increase in equity.

Goodwill

Goodwill in the Parent Company consists entirely of goodwill arising in connection with mergers of subsidiaries. The Parent Company does not apply IAS 38 p. 107, which prescribes that intangible assets with indefinite useful life shall not be amortised. Instead, goodwill is amortised in accordance with Ch. 4 Sec. 4 of the Swedish Annual Accounts Act. The amortisation period of goodwill in the Parent Company is 5 years.

Financial instruments

The Parent Company does not apply IFRS 9. The Parent Company instead applies the items specified in RFR 2 (IFRS 9 Financial instruments, p. 3–10).

Financial instruments are measured on the basis of cost. In subsequent periods, financial assets acquired to be held in the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value. Derivative instruments with a negative fair value are recognised at this value.

When calculating the net realisable value of receivables recognised as current assets, the impairment testing and loss allowance principles of IFRS 9 shall be applied. For a receivable recognised at amortised cost at Group level, this entails that the loss allowance recognised in the Group in accordance with IFRS 9 should also be recognised in the Parent Company.

Leased assets

The Parent Company has opted to not apply IFRS 16 Leases, but instead applies RFR 2 IFRS 16 Leases p. 2–12. This choice implies that no rights-of-use assets or lease liabilities are recognised in the balance sheet; instead, lease fees are recognised as an expense on a straight-line basis over the lease term.

Participations in subsidiaries

Participations in subsidiaries are measured at cost, less impairment losses where appropriate.

Note 39. Net sales

The Parent Company has recognised the following amounts attributable to revenue in the income statement:

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Net sales		
Management fee	**17 025**	**14 545**
Distribution by country		
Sweden	13 800	12 425
Norway	2 383	1 520
Denmark	842	600

Of the Parent Company's net sales, 100 percent (100 percent) came from sales to other companies in the Group.

Note 40. Auditor's fees

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Öhrlings PricewaterhouseCoopers AB		
Audit engagement	550	–
Other services	554	–
Total, Öhrlings PricewaterhouseCoopers AB	**1 104**	**–**
Ernst & Young AB		
Audit engagement	300	1 157
Fees for audit-related services	–	45
Tax consultancy services	30	–
Other services	53	55
Total, Ernst & Young AB	**383**	**1 257**
Total auditor's fees	**1 487**	**1 257**

Note 41. Remuneration of employees, etc.

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Remuneration of employees		
Salaries and remunerations	9 239	6 287
Bonus payment	900	–
Social security contributions	3 569	2 257
Pension expenses		
Defined contribution plans	1 565	1 145
Total remuneration of employees	**15 273**	**9 689**

Salaries, other remunerations and social security contributions	2023-01-01 - 2023-12-31		2022-01-01 - 2022-12-31	
	Salaries and remunerations (of which bonus payments)	Social security contributions (of which pension expenses)	Salaries and remunerations (of which bonus payments)	Social security contributions (of which pension expenses)
Board members, CEOs and other senior executives	7 657 (900)	4 091 (1 354)	4 716 (0)	2 750 (1 042))
Other employees	2 482 (0)	1 043 (212)	1 571 (0)	652 (103)
Total	**10 139 (900)**	**5 134 (1 565)**	**6 287 (0)**	**3 402 (1 145)**

Average number of employees with geographic distribution by country	2023-01-01 - 2023-12-31			2022-01-01 - 2022-12-31		
	Number	Of whom women	Of whom others	Number	Of whom women	Of whom others
Sweden	7	3	4	5	1	4

Gender distribution of the parent company's board members and other senior executive	2023-01-01 - 2023-12-31			2022-01-01 - 2022-12-31		
	Number on the balance sheet date	Of whom women	Of whom others	Number on the balance sheet date	Of whom women	Of whom others
Board members	5	2	3	5	1	4
CEO and other senior executives *	4	2	2	4	2	2
Total	**9**	**4**	5	**9**	**3**	6

* One of the senior executives is employed by and receives a salary in a subsidiary.

For information about remuneration of senior executives, see Note 8 Remuneration of employees, etc. in the notes for the Group.

Note 42. Interest income and similar items and interest expenses and similar items

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Interest income and similar items		
Interest income, Group companies	6 023	2 962
Other interest income	53	0
Total interest income and similar items	**6 076**	**2 962**

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Interest expenses and similar items		
Interest expenses, Group companies	-178	–
Other financial expenses	-290	-8
Total interest expenses and similar items	**– 468**	**-8**
Total net financial items	**5 608**	**2 954**

Note 43. Tax on profit for the year

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Current tax		
Current tax on profit for the year	-650	-157
Adjustments relating to previous years	–	–
Total current tax	**-650**	**-157**

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Reported tax		
Profit or loss before tax	3 071	-18 860
Income tax calculated at the Swedish tax rate of 20.6% (20.6%)	-633	3 885
Tax effect of:		
Non-taxable income	0	0
Non-deductible costs	-28	-4 609
Deductible expenses not included in profit or loss	11	–
Deductible deficit from previous years	–	566
Total recognised tax	**-650**	**-157**

Note 44. Goodwill

Goodwill	2023-12-31	2022-12-31
Cost, opening balance	111 608	111 608
Accumulated cost, closing balance	**111 608**	**111 608**
Amortisation, opening balance	-111 608	-89 287
Amortisation for the year	0	-22 321
Accumulated amortisation, closing balance	**-111 608**	**-111 608**
Carrying amount	**0**	**0**

Note 45. Participations in subsidiaries

The Parent Company holds shares in the following subsidiaries:

Nane	Reg. no.	Registered office and country of registration and operation	Number of shares	Book value 2023-12-31	Book value 2022-12-31
Exsitec AB	556592-7455	Sweden	245 101	111 331	111 331

Reconciliation of participations in subsidiaries	2023-12-31	2022-12-31
Cost, opening balance	111 331	86 333
Shareholder contributions	0	24 998
Carrying amount	**111 331**	**111 331**

Exsitec AB owns in turn:

Name	Reg. no	Registered office and country of registration and operation	Number of shares	Book value 2023-12-31
Exsitec Helsingborg AB	559225-1085	Sweden	50 000	50
Exsitec ApS	31 171 377	Denmark	118 750	34 691
Exsitec AS	984 489 234	Norway	213 014	124 718
Exsitec Helsingborg AB	559225-1085	Sweden	50 000	50
Zedcom AB	556668-0699	Sweden	1 000	65 000

Note 46. Other receivables

	2023-12-31	2022-12-31
Other receivables		
Taxes and charges	292	4
Total other receivables	**292**	**4**

Note 47. Prepaid expenses and accrued income

	2023-12-31	2022-12-31
Prepaid expenses and accrued income		
Prepaid lease costs	0	8
Prepaid insurance premiums	70	68
Other prepayments	193	329
Total prepaid expenses and accrued income	**263**	**405**

Note 48. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise the following:

	2023-12-31	2022-12-31
Cash and cash equivalents		
Bank balances	26 775	1 908
Total cash and cash equivalents	**26 775**	**1 908**

Note 49. Share capital

See Note 24 for the Group for information about the share capital of the Parent Company.

Note 50. Other short-term liabilities

	2023-12-31	2022-12-31
Other short-term liabilities		
VAT	635	529
Personnel-related liabilities (taxes and charges)	564	423
Total other short-term liabilities	**1 199**	**952**

Note 51. Accrued expenses and deferred income

	2023-12-31	2022-12-31
Accrued expenses and deferred income		
Accrued salaries	900	–
Accrued holiday pay	362	137
Accrued social security contributions	449	43
Other accrued expenses	567	763
Total accrued expenses and deferred income	**2 278**	**943**

Note 52. Adjustment for non-cash items

	2023-01-01 - 2023-12-31	2022-01-01 - 2022-12-31
Adjustment for non-cash items		
Depreciation, amortisation and impairment	–	22 268
Personnel expense regarding share-related incentive programme	166	–
Total adjustment for non-cash items	**166**	**22 268**

Note 53. Related party transactions

Exsitec Holding AB is the ultimate parent company of the Group. No single party has a controlling influence over Exsitec Holding AB. The company Syntrans AB, which is owned by Exsitec Holding AB's Chairman of the Board, has significant influence over Exsitec Holding AB. In addition to the aforementioned entities, related parties are the subsidiaries of Exsitec Holding AB and key senior executives in the Parent Company and persons closely associated with them. Transactions are conducted on market terms.

In purchases of goods and services, KSEK 264 (261) were purchased from companies controlled by key management personnel. Accounts payable to related parties on 31 December 2023 amounted to 0 (261). There were no other transactions with related parties during 2023 or 2022. Liabilities to related parties arise mainly from purchase transactions and fall due 1 month after the date of purchase.

See Note 8 and Note 41 for information about the remuneration of senior executives.

Note 54. Significant events after the end of the period

No significant events have taken place since the end of the period.

Note 55. Proposed appropriation of profit or loss

The following funds are available to the Annual General Meeting:

Proposed appropriation of profit or loss	2023-12-31	2022-12-31
Share premium	352 759	343 611
Retained profit	-137 971	-96 400
Profit or loss for the year	2 421	-19 017
Total	**217 209**	**228 194**

The Board proposes that the earnings be distributed as follows:

Proposed appropriation of profit or loss	2023-12-31	2022-12-31
Dividend to shareholders	23 452	22 555
Carried forward to new account	193 757	205 640
Total	**217 209**	**228 194**

Definitions

Recurring net revenue from software
Revenue from software, for example on SaaS solutions or subscriptions, with a recurring nature.

LTM
Latest twelve months.

EBITA
Operating profit before amortization and impairment of intangible assets.

EBITA %
Operating profit before amortization and impairment of intangible assets as a percentage of net sales.

Adjusted EBITA
Operating profit before amortization and impairment of intangible assets and less acquisition-related personnel expenses and other exceptional items affecting comparability. The purpose is to show EBITA exclusive of items that would affect the comparability with other periods.

Adjusted EBITA %
Operating profit before amortization and impairment of intangible assets and less acquisition-related personnel expenses and other exceptional items affecting comparability as a percentage of net sales.

Net sales
The undertaking's main income, invoiced costs, additional income and income adjustments.

Organic growth
Change in net sales less acquired entities during the past 12 months.

Operating margin (%)
Operating profit as percentage of net sales.

Return on equity (%)
Profit or loss after net financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred tax).

Balance sheet total
The total assets of the company.

Equity ratio (%)
Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

Number of employees
The average number of employees during the financial year.

Signature of the annual report

The Group's income statements and balance sheets will be submitted for adoption by the Annual General Meeting on 2024-05-07.

The Board of Directors and the CEO assure that the consolidated financial statements have been prepared in accordance with international accounting standards IFRS as adopted by the EU and gives a true and fair view of the Group's position and earnings. The annual financial statements have been prepared in accordance with generally accepted accounting standards and give a true and fair view of the Parent Company's financial position and results.

The Management Report for the Group and the Parent Company gives a true and fair view of the development of the Group's and the Parent Company's operations, position, and performance, and describes the material risks and uncertainties faced by the Parent Company and the companies belonging to the Group.

Linköping, Sweden, 22 March 2024

Peter Viberg
Chairman of the Board

Johan Kallblad
CEO

Ann-Charlotte Jarleryd
Board member

Erlend Sogn
Board member

Christine Ahlstrand
Board member

Per Eriksson
Board member

Our audit report was submitted on 22 March 2024.
Öhrlings Pricewaterhouse Coopers AB

Kristian Lyngenberg
Authorised Accountant

Audit report

To the general meeting of Exsitec Holding AB, reg. no. 559116-6532.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Exsitec Holding AB for the year 2023. The company's annual accounts and consolidated accounts are included on pages 29–74 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of Parent Company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Management Report is consistent with the other parts of the annual accounts and consolidated accounts.

Therefore, we recommend that the Annual General Meeting adopts the income statement and balance sheet of the Parent Company and the Group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The Auditor's responsibility section further describes our responsibilities under these standards. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other disclosures

The audit of the annual accounts and consolidated accounts for the financial year 2022 has been carried out by another auditor who submitted an audit report dated 30 March 2023 with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts, which can be found on pages 2–28. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the annual accounts and the consolidated accounts under the Swedish Annual Accounts Act and, as regards the consolidated accounts under IFRS, as adopted by the EU, and the Swedish Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, when applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operations. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinions. Reasonable assurance is a high level of assurance but is no guarantee that an audit conducted under ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Exsitec AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend that the Annual General Meeting dispose of the profits in accordance with the proposal in the Management Report and grant the members of the Board and the CEO discharge from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. The Auditor's responsibility section further describes our responsibilities under these. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our goal regarding the audit of the administration, and thus our statement on discharge from liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any board member or the CEO in any significant respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act, or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

A further description of our responsibility for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Linköping, Sweden, 22 March 2024
Öhrlings PricewaterhouseCoopers AB

Kristian Lyngenberg
Authorised Accountant