

# Quarterly Report

January - March 2024

## Slow market, but with signs of improvement

**6 %**

Growth

**19 %**

Adjusted EBITA %

**150** MSEK

Recurring net revenue from software LTM

## Financial overview

### Summary January - March

- Net sales MSEK 213 (201)
- Growth 6 % (of which organic growth -1 %)
- Adjusted EBITA MSEK 40 (43)
- Average number of employees 561 (525)
- Earnings per share 1,78 (1,75)

### Events during the quarter

Exsitec AS takes over the shares in the previously announced acquisition of IntegrasjonsPartner BITS AS

Exsitec Holding AB (publ.) has signed an agreement for extended credit lines with Nordea

## Key figures

Amounts in MSEK	Jan-Mar 2024	Jan-Mar 2023	change	LTM	Jan-Dec 2023
Net sales	213	201	6%	763	751
Recurring net revenue from software	41	31	32%	150	140
EBITA	38	37	2%	120	119
Adjusted EBITA	40	43	-6%	131	133
EBITA %	18,0%	18,7%		15,7%	15,9%
Adjusted EBITA %	19,0%	21,3%		17,1%	17,8%
Operating profit	33	32	1%	101	101
Profit or loss for the period	24	24	1%	71	71
Basic earnings per share, SEK	1,78	1,82	-2%	5,44	5,48
Diluted earnings per share, SEK	1,78	1,75	2%	5,31	5,28
Average number of employees	561	525	7%	523	522
Cash flow from operating activities	27	29	-6%	104	106

# A few words from our CEO

## Slow market, but with signs of improvement

Exsitec's business is in essence delivering digital solutions that improve our customers' businesses. We combine selected systems and services into a functioning whole, making it possible for our customers to digitise their operations in stages, with IT support that makes a real difference.

Our customers are medium-sized businesses in Sweden, Norway and Denmark, and we cover a broad spectrum of industries. No single customer makes up more than a few percentage of our revenue, and there is no specific industry that dominates our customer base.

There is an inherent complexity in dealing with so many customers, but it has brought great stability from our perspective, and there are significant growth opportunities for us as the market is not only fragmented but also has a considerable need for high-quality digital solutions.

The first quarter of 2024 has been challenging in terms of growth, as many of our customers have been restrained when it comes to investment. The passivity we experienced from the market at the end of 2023 has continued to set the tone, even if the market in Sweden shows signs of thawing.

In total, we achieved revenue of MSEK 213 in the quarter, compared to last year's MSEK 201, with a growth of 6%, the growth is entirely connected to the acquisition of IntegrasjonsPartner at the beginning of the quarter. We have a couple of percent organic growth in Sweden, while Denmark is around zero and Norway, which had a number of local challenges, had a negative organic growth, more details on this are found below. In total, our organic growth amounts to -1% in the quarter. The fact that Easter is earlier has had a negative impact on sales by just over 2% relative last year.

Our consulting business thus had negative growth in the quarter. In addition to the effect from Easter, which most affects Norway and Denmark where Easter usually brings a lot of holidays, it is a general passivity from the market that results in us not having full capacity utilisation in several of our units.

A positive growth figure is in our recurring revenue from software growing by 32% in the quarter. Approximately two-thirds of the growth is related to

IntegrasjonsPartner, but we also have good organic growth in recurring revenue.

Our adjusted EBITA result of MSEK 40 should be compared with last year's very strong MSEK 43. We think that a margin of 19 % is good in a quarter with a weak general market, but we need to accelerate growth, both organically and via acquisitions, in order to live up to our own expectations.

Norway has faced a number of challenges that negatively affect both growth and profitability, even though we have a growth of 21% this quarter driven by the acquisition of IntegrasjonsPartner. At the end of the quarter, we moved our Norwegian headquarters to new premises in Oslo, after 20 years of operating in Asker, a few miles southwest of Oslo. The new location is better for us in the long term as it means an increased opportunity to be close to our partners, but above all it gives us better access to the skills market in the Oslo region. Planning and implementing the move has taken more focus from the core business than we would have liked, and driven direct costs of approximately MSEK 1, in addition to lost working time.

Another challenge is that we are in the middle of a major and important technology shift for one of our ERP systems Visma Business, where we are moving from on-premise installations to the new cloud service Business NXT.

It's a shift we welcome because it gives our customers an efficient journey to a more modern system support, which allows us to continue working with them over the long term. As is often the case when making technology shifts, it also involves challenges that we deal with step by step and gradually we build up new experience and knowledge for the future.

In the quarter, we spent more than MSEK 2.5 on project work that we performed but did not charge for, and we reserved approximately MSEK 1 for additional project costs. We shall benefit from these lessons learned when Business NXT is launched in Denmark and Sweden later in 2024.

My view is that the quarter's challenges in Norway are mostly of a temporary and manageable nature, but they have, once again, clarified that we have a structure where we operate the business with margins that are too low. During the quarter, we have decided on certain measures with the aim of adjusting overhead and cost structure.

Operations in Sweden have continued to perform well, with stable margins largely on par with last year, where we had a very strong Q1. Operations in Denmark are still struggling to find stability and critical mass. In the long term, however, we feel the direction is sound, yet even in Denmark we have experienced a passivity from

our customers and in the market in general.

To return to positive points, this quarter we were named Visma's partner of the year in Norway, Sweden and Denmark. It is the first time we have received this award in all our markets, and our relationship with Visma continues to be a very positive and developing aspect of our business, and we are happy that Visma has chosen to acknowledge our results in this way. We also received global partner awards from SugarCRM, Medius and Planacy during the quarter.

At the beginning of March, the 2023 group of trainees graduated at a gala in Linköping, and we are pleased that, from a financial viewpoint, the group appears to be one of the fastest in reaching profitability in the 11 years since we introduced our trainee programme. Recruiting people with less experience, training them, and giving them a lot of responsibility early on, is a part of our 'DNA' that continues to build a strong company culture.

What I find most positive in the quarter is our sales statistics - where I monitor the number of leads we generate, the lead time from lead to sales, the total number of deals, and the average order size, on an

ongoing basis. Since we constantly run a couple of hundred parallel sales processes and keep track of them in a unified company-wide CRM system, these KPIs become a good temperature gauge in the market.

Since February, our KPI's have indicated a positive shift in trend, which is most evident for Sweden, where we have the most data. In the first quarter of 2024 the sales cycle decreased by around 20 % since the fourth quarter of last year and it is the first time we have seen such a trend change in six quarters. There are still significantly longer sales cycles than the historical average, but the average order size is good and the total order intake for all markets was just over 10% over the same period last year with clearly greater growth in Sweden.

A single quarter with better KPIs is too short a time to draw far-reaching conclusions, but it may be that the market is on the way to normalisation and it is time to switch to more focus on growth.

We have had a year and a half in which we prioritised margins over maximum growth and it's not possible to change the mindset automatically. In order to return to full growth mode, we need to both recruit and train new personnel, strengthen our sales and marketing organisation, and consolidate our efforts to drive expansion through acquisitions.

We took a step to enable long-term expansion this quarter, by completing a procurement of credit facilities that resulted in an agreement with Nordea, which we announced in a separate press release. Besides refinancing existing debt, this gives us immediate access to MSEK 150 in extended credit capacity, and a further sum of up to MSEK 200 in conditional credits over the term of the agreement. In addition to a larger credit capacity, we have lower costs and notably better covenants than before. Together with our solid earnings from the core business, we believe that this gives us the right financing to implement an active acquisition agenda.

In summary, my experience is that we continue to gain market share in a passive market and I think the quarter's EBITA margin of 19% is acceptable given the challenges we had to deal with. There will no doubt continue to be challenges during Q2 as well, but if the trend of improved sales KPIs continues, we look to the future with confidence.

I hope to meet a number of you at our Annual General Meeting on 7 May.

*Johan  
Kallblad*



# Significant Events

8 January 2024

## Exsitec AS takes over the shares in the previously announced acquisition of IntegrasjonsPartner BITS AS

IntegrasjonsPartner provides proprietary solutions in the area of integration, wms and e-commerce. IntegrasjonsPartner has over 300 customers and a revenue of MNOK 50, with a forecast EBITA result for 2023 of MNOK 6.4. For 2024, IntegrasjonsPartner is expected to contribute MNOK 55 to Exsitec's revenue, and MNOK 9 to Exsitec's EBITA result. Recurring revenue from proprietary software accounts for approximately 50 per cent of IntegrasjonsPartner's total revenue, with the remainder being consulting services linked to these software products.

The purchase price totals a maximum of MNOK 75, divided into MNOK 60, that was paid upon acquisition, and a contingent consideration of a maximum of MNOK 15, should IntegrasjonsPartner achieve its profitability targets for 2024. The contingent consideration will be paid at the end of 2025. The acquisition is financed with own funds and an acquisition credit of MSEK 35.

28 March 2024

## Exsitec Holding AB (publ.) has signed an agreement for extended credit lines with Nordea

The loan agreement includes refinancing of existing loans of MSEK 87 and MNOK 35 respectively, a revolving credit facility amounting to MSEK 125, an overdraft facility amounting to MSEK 75, and a conditional option to expand the facility amounting to MSEK 200 (a so-called accordion option). The agreement is valid for five and a half years and is intended to be used for acquisitions.

"After a period where we prioritised profitability over maximum growth, we believe that the acquisition market is of greater interest again. Predictable and cost-effective financing is key to doing good business that adds value for our owners, and that is why we are now opting to sign an agreement with Nordea, which offered very attractive terms, with regards both costs and flexibility in covenants," says Johan Kallblad, CEO of Exsitec Holding AB.

In connection with the loan agreement, Exsitec will also switch banks to Nordea.

# Comments on the reporting period

## Items affecting comparability

There are no items affecting comparability for the reporting period.

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## The Group

All comparative figures refer to the Group. The Parent Company's operations are focused on group-wide management, and operations are conducted in the wholly owned subsidiary Exsitec AB and in turn its subsidiaries.

## Liquidity and financial position

As of 31 March 2024, the Group's cash and cash equivalents amounted to MSEK 30 (45), undrawn overdraft facilities to MSEK 50 (20), and borrowings from credit institutions to MSEK 121 (126). Estimated contingent considerations for business acquisitions carried out amounted to MSEK 26 (19). Equity amounted to MSEK 440 (381) at the end of the period.

During the period, the group signed an agreement on the refinancing of existing loans, an extended overdraft to MSEK 75, a revolving credit facility amounting to MSEK 125, and a conditional option to expand the facility amounting to MSEK 200 (a so-called accordion option).

## Option and incentive programme

Following a resolution by Exsitec Holding's AGM in 2023, a long-term incentive programme for key individuals in the Group was launched in Q3. The incentive programme runs until Q2 2026 and can provide a maximum of 43 900 shares, corresponding to a dilution of approximately 0.33% of the total number of shares in the Company.

## The stock

Exsitec Holding's share has been listed on Nasdaq First North since 16 September 2020. For companies affiliated with Nasdaq First North, a Certified Advisor is required who, among other things, shall exercise certain supervision. Exsitec Holdings Certified Advisor is Erik Penser Bank AB. The share is traded under the ticker EXS and has ISIN code: SE0014035762.

## Risks and uncertainties

Exsitec Group is exposed in its operations to general business and financial risks. These risks have been described at depth in the company's 2023 Annual Report. Beyond what is described in these documents, no additional material risks have emerged.

## Publication of the report

This report was published on 17 april 2024, at 08:00. The report was published simultaneously on the company's website.

This quarterly report has not been reviewed by the company's auditors.

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



# About Exsitec & our market

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.

Our goal is to be a secure and long-term partner in relation to business support IT systems, allowing the customer to focus on their own customers and their core business.

We have a comprehensive range of business support software and services that companies in our target group need - such as business systems, decision support, CRM, invoice management, e-commerce, warehousing systems, budget, forecasting and tailor-made applications.

Exsitec's head office is located in Linköping, and today around 550 employees work at our 20 offices in Sweden, Norway and Denmark.

We live in a world where companies and organisations have to adopt digital tools in order to survive and be successful as part of a global competition, and our assessment is that the need for IT-based business systems is continuing to increase in our markets.

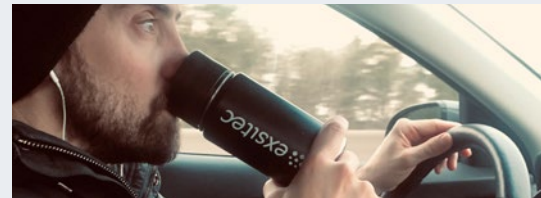
With what we offer and our way of working, we are well placed to continue to gain market share and have the opportunity to help new customers, while there is also great potential for existing customers to streamline increasing parts of their businesses through our wide range.

## Customers

Our more than 4 000 customers can be found in many industries. The fact we can be of service to customers with widely differing businesses is due to our range being modular, meaning we can assemble combinations of software and services to suit many different industries.

It is a modularised structure based on general components, rather than customer-specific system development, which means the implementations are adapted to the customer's businesses. The purpose here is to achieve a high degree of customer-focused customisation at a reasonable cost.

Based on the fact we strive for a high degree of reuse, we offer ready-made integrations between the software we sell, as well as a support service that helps the customer with the use of the software.



## Our sources of revenue

Just over two-thirds of our revenue comes from consultancy services, where around 25% relates to projects with new customers and 75% relates to existing customers.

One-third of our revenue comes from resold software, support, and proprietary integrations between the software. These revenues are predominantly from recurring contracts (SaaS pricing model), where the exception is when a customer obtains additional licensing on an existing installation.

Software revenue represents a secure and profitable base in our business. The value for software suppliers in working with us is not only that we market and sell their software, but that we also account for "customer success" by configuring, integrating, training and supporting customers so that they become successful in their use of the systems, and as such continue to be customers for a long time.

# Financial reports, The Group

## Condensed consolidated statement of comprehensive income

Amounts in KSEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Operating income</b>				
Net sales	2	212 644	200 543	751 273
Other operating income		1 005	2 459	6 159
<b>Total operating income</b>		<b>213 649</b>	<b>203 002</b>	<b>757 432</b>
<b>Operating expenses</b>				
Costs of external subcontractors and direct costs		-11 975	-11 222	-47 014
Merchandise		-1 610	-1 624	-6 301
Other external expenses		-17 822	-18 493	-71 219
Personnel expenses		-134 305	-122 164	-469 062
Acquisition-related personnel expenses	5	-2 138	-5 281	-14 084
Other operating expenses		-238	-773	-2 481
Depreciation of tangible fixed assets		-7 378	-6 032	-27 924
Amortization of intangible assets		-5 236	-4 935	-18 555
<b>Total operating expenses</b>		<b>-180 702</b>	<b>-170 523</b>	<b>-656 639</b>
<b>Operating profit</b>		<b>32 947</b>	<b>32 478</b>	<b>100 793</b>
Financial income		108	193	1 104
Financial costs		-2 568	-1 665	-8 622
<b>Profit or loss after financial items</b>		<b>-2 460</b>	<b>-1 472</b>	<b>-7 518</b>
<b>Profit before tax</b>		<b>30 487</b>	<b>31 006</b>	<b>93 275</b>
Income tax		-6 636	-7 506	-22 453
<b>Profit or loss for the period</b>		<b>23 851</b>	<b>23 500</b>	<b>70 822</b>

Earnings per share calculated based on profit or loss for the period attributable to the parent company's shareholders	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Weighted average number of shares before dilution	13 400 896	12 888 396	12 934 732
Weighted average number of shares after dilution	13 400 896	13 400 896	13 400 896
Basic earnings per share, SEK	1,78	1,82	5,48
Diluted earnings per share, SEK	1,78	1,75	5,28

Other comprehensive income	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Profit or loss for the period</b>	<b>23 851</b>	<b>23 500</b>	<b>70 822</b>
<i>Items that can be reclassified to profit for the year</i>			
Exchange rate differences	512	-6 800	-6 957
<b>Other comprehensive income for the period</b>	<b>512</b>	<b>-6 800</b>	<b>-6 957</b>
<b>Comprehensive income for the period</b>	<b>24 363</b>	<b>16 700</b>	<b>63 865</b>

The period's result and total comprehensive income are entirely attributable to the parent company's shareholders

# Condensed consolidated balance sheet

Amounts in KSEK	Note	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill	4	397 564	336 635	338 379
Other intangible assets		154 812	150 870	139 785
Tangible fixed assets		13 822	12 540	12 412
Right-of-use assets		79 679	24 197	59 832
Other long-term receivables		1 988	1 898	1 513
Deferred tax assets		722	868	763
<b>Total fixed assets</b>		<b>648 587</b>	<b>527 008</b>	<b>552 685</b>
<b>Current assets</b>				
Finished goods and merchandise		1 743	1 695	635
Accounts receivable		119 012	105 795	142 265
Other receivables		4 978	7 419	10 628
Prepayments and accrued income		52 174	56 667	47 677
Cash and cash equivalents		29 579	44 686	51 351
<b>Total current assets</b>		<b>207 486</b>	<b>216 262</b>	<b>252 556</b>
<b>TOTAL ASSETS</b>		<b>856 073</b>	<b>743 270</b>	<b>805 241</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>439 881</b>	<b>380 516</b>	<b>415 015</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Liabilities to credit institutions		108 959	71 487	60 962
Lease liabilities		49 087	7 335	35 548
Other long-term liabilities		23 603	14 250	11 068
Deferred tax liabilities		30 230	29 602	26 810
<b>Total long-term liabilities</b>		<b>211 879</b>	<b>122 674</b>	<b>134 388</b>
<b>Short-term liabilities</b>				
Liabilities to credit institutions		12 107	54 299	34 167
Lease liabilities		24 738	13 495	19 958
Accounts payable		24 863	24 437	54 209
Current tax liabilities		8 938	15 079	24 328
Other short-term liabilities		49 039	45 857	52 227
Accruals and deferred income		84 628	86 913	70 949
<b>Total short-term liabilities</b>		<b>204 313</b>	<b>240 080</b>	<b>255 838</b>
<b>TOTAL LIABILITIES</b>		<b>416 192</b>	<b>362 754</b>	<b>390 226</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>856 073</b>	<b>743 270</b>	<b>805 241</b>



## Condensed consolidated statement of changes in equity

Amounts in KSEK	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total equity
<b>Opening balance on 1 January 2023</b>	<b>644</b>	<b>343 610</b>	<b>5 834</b>	<b>13 727</b>	<b>363 816</b>
Profit or loss for the period	-	-	-	23 500	23 500
Other comprehensive income	-	-	-6 800	-	-6 800
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-6 800</b>	<b>23 500</b>	<b>16 700</b>
<b>Transactions with shareholders in their capacity as owners</b>					
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance on 31 March 2023</b>	<b>644</b>	<b>343 610</b>	<b>-966</b>	<b>37 227</b>	<b>380 516</b>

Amounts in KSEK	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total equity
<b>Opening balance on 1 January 2023</b>	<b>670</b>	<b>352 759</b>	<b>-408</b>	<b>61 994</b>	<b>415 015</b>
Profit or loss for the period	-	-	-	23 851	23 851
Other comprehensive income	-	-	512	-	512
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>512</b>	<b>23 851</b>	<b>24 363</b>
<b>Transactions with shareholders in their capacity as owners</b>					
Share-related incentive program	-	-	503	-	503
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>503</b>	<b>-</b>	<b>503</b>
<b>Closing balance on 31 March 2024</b>	<b>670</b>	<b>352 759</b>	<b>607</b>	<b>85 845</b>	<b>439 881</b>

# Condensed consolidated cash flow statement

Amounts in KSEK	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Cash flow from operating activities</b>				
Profit or loss after financial items		30 487	31 006	93 275
Adjustment for items not included in cash flow		15 839	16 394	61 655
Income tax paid		-24 350	-10 186	-18 484
<b>Cash flow from operating activities before change in working capital</b>		<b>21 976</b>	<b>37 214</b>	<b>136 446</b>
Change in working capital		5 488	-8 142	-30 076
<b>Cash flow from operating activities</b>		<b>27 464</b>	<b>29 071</b>	<b>106 370</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiaries, net of cash and cash equivalents	3, 4	-63 032	-4 772	-7 954
Change in long-term receivables		-415	-101	281
Investment in intangible assets		-2 677	-4 000	-5 789
Investment in tangible assets		-1 392	-1 488	-4 166
<b>Cash flow from investing activities</b>		<b>-67 516</b>	<b>-10 361</b>	<b>-17 628</b>
<b>Cash flow from financing activities</b>				
Borrowings		34 605	-	-
Amortization of loans		-8 667	-13 575	-44 233
Amortisation of lease liabilities		-8 017	-5 335	-24 903
New issuance, net of transaction expenses		-	-	9 174
Dividend to shareholders		-	-	-22 555
<b>Cash flow from financing activities</b>		<b>17 921</b>	<b>-18 910</b>	<b>-82 517</b>
<b>Cash flow for the period</b>		<b>-22 131</b>	<b>-200</b>	<b>6 225</b>
Cash and cash equivalents at the beginning of the period		51 351	46 259	46 259
Exchange rate difference on cash and cash equivalents		359	-1 373	-1 133
<b>Cash and cash equivalents at the end of the period</b>		<b>29 579</b>	<b>44 686</b>	<b>51 351</b>
<i>Cash flow disclosures</i>				
Interest paid		-1 953	-1 665	-6 039

# Financial reports, Parent Company

## Parent Company's condensed income statement

Amounts in KSEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Operating income</b>			
Net sales	6 016	5 850	17 025
Other operating income	–	–	2
<b>Total operating income</b>	<b>6 016</b>	<b>5 850</b>	<b>17 027</b>
<b>Operating expenses</b>			
Other external expenses	–1 125	–1 681	–5 158
Personnel costs	–4 366	–3 409	–14 406
<b>Total operating expenses</b>	<b>–5 491</b>	<b>–5 090</b>	<b>–19 564</b>
<b>Operating profit</b>	<b>525</b>	<b>760</b>	<b>–2 537</b>
Other interest income and similar profit/loss items	1 816	935	6 076
Interest expenses and similar profit/loss items	–63	0	–468
<b>Total profit from financial items</b>	<b>1 753</b>	<b>935</b>	<b>5 608</b>
Appropriations	–	–	–
<b>Profit or loss before tax</b>	<b>2 278</b>	<b>1 695</b>	<b>3 071</b>
Income tax	–475	–353	–650
<b>Profit or loss for the period</b>	<b>1 803</b>	<b>1 342</b>	<b>2 421</b>

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

# Parent Company's condensed balance sheet

Amounts in KSEK	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Participations in group companies	111 331	111 331	111 331
Receivables from group companies	90 000	90 000	90 000
<b>Total fixed assets</b>	<b>201 331</b>	<b>201 331</b>	<b>201 331</b>
<b>Current assets</b>			
Receivables from group companies	2 566	29 294	–
Other receivables	29	4	292
Prepayments and accrued income	732	486	263
Cash and bank balances	19 756	2 771	26 775
<b>Total current assets</b>	<b>23 083</b>	<b>32 555</b>	<b>27 330</b>
<b>TOTAL ASSETS</b>	<b>224 414</b>	<b>233 885</b>	<b>228 661</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	1 888	644	1 385
Non-restricted equity	219 011	229 536	217 209
<b>Total equity</b>	<b>220 899</b>	<b>230 180</b>	<b>218 594</b>
<b>LIABILITIES</b>			
<b>Total long-term liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Short-term liabilities</b>			
Liabilities to group companies	–	–	4 925
Accounts payable	566	499	505
Current tax liabilities	460	679	1 160
Other short-term liabilities	1 209	1 065	1 199
Accruals and deferred income	1 280	1 461	2 278
<b>Total short-term liabilities</b>	<b>3 515</b>	<b>3 705</b>	<b>10 067</b>
<b>TOTAL LIABILITIES</b>	<b>3 515</b>	<b>3 705</b>	<b>10 067</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>224 414</b>	<b>233 885</b>	<b>228 661</b>

# Notes

## Note 1. Accounting policies

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The accounting policies applied are consistent with those applied in the preparation of the 2023 Annual Report.



## Note 2. Segment reporting and information on net sales

The Group's highest operating decision maker is the CEO, who 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 activities in all operating segments offer IT business support to medium-sized companies.

The column Other/Eliminations includes unallocated costs for the Parent Company and Group eliminations. Common overhead costs are distributed between the segments.

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.

Amounts in KSEK	Sweden		Norway		Denmark		Other/ Eliminations		Group	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net sales, external	144 294	141 830	54 135	44 413	14 215	14 300	-	-	212 644	200 543
Net sales, internal	730	1 093	269	25	23	332	-1 022	-1 450	0	0
<b>Total net sales</b>	<b>145 024</b>	<b>142 923</b>	<b>54 404</b>	<b>44 438</b>	<b>14 238</b>	<b>14 632</b>	<b>-1 022</b>	<b>-1 450</b>	<b>212 644</b>	<b>200 543</b>
Other income	962	2 458	43	1	0	0	0	0	1 005	2 459
<b>Total income</b>	<b>145 986</b>	<b>145 381</b>	<b>54 447</b>	<b>44 439</b>	<b>14 238</b>	<b>14 632</b>	<b>-1 022</b>	<b>-1 450</b>	<b>213 649</b>	<b>203 002</b>
Operating costs excluding depreciation, amortisation and impairment, external	-103 626	-106 580	-46 208	-36 393	-12 764	-11 494	-5 490	-5 090	-168 088	-159 557
Operating costs excluding depreciation, amortisation and impairment, internal	-5 109	-5 311	-1 485	-1 788	-381	-244	6 975	7 343	0	0
Depreciation and impairments of tangible fixed assets	-5 105	-4 092	-1 417	-1 074	-856	-849	-	-18	-7 378	-6 032
<b>Total costs</b>	<b>-113 840</b>	<b>-115 983</b>	<b>-49 109</b>	<b>-39 255</b>	<b>-14 001</b>	<b>-12 587</b>	<b>1 485</b>	<b>2 235</b>	<b>-175 465</b>	<b>-165 589</b>
<b>EBITA</b>	<b>32 146</b>	<b>29 398</b>	<b>5 338</b>	<b>5 184</b>	<b>236</b>	<b>2 045</b>	<b>463</b>	<b>785</b>	<b>38 183</b>	<b>37 413</b>
Depreciation and impairments of intangible assets									-5 236	-4 935
<b>Operating profit</b>									<b>32 947</b>	<b>32 478</b>
Other interest income and similar profit/loss items									108	193
Interest expenses and similar profit/loss items									-2 568	-1 665
<b>Total profit from financial items</b>									<b>-2 460</b>	<b>-1 472</b>
<b>Profit or loss before tax</b>									<b>30 487</b>	<b>31 006</b>
Income tax									-6 636	-7 506
<b>Profit for the year</b>									<b>23 851</b>	<b>23 500</b>
Amounts in KSEK	Sweden		Norway		Denmark		Other/ Eliminations		Group	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>EBITA</b>	<b>32 146</b>	<b>29 398</b>	<b>5 338</b>	<b>5 184</b>	<b>236</b>	<b>2 045</b>	<b>463</b>	<b>785</b>	<b>38 183</b>	<b>37 413</b>
Acquisitions-related personell costs	1 568	4 713	-	-	570	568	-	-	2 138	5 281
Other items affecting comparability	-	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITA</b>	<b>33 714</b>	<b>34 111</b>	<b>5 338</b>	<b>5 184</b>	<b>806</b>	<b>2 613</b>	<b>463</b>	<b>785</b>	<b>40 321</b>	<b>42 693</b>

	Sweden	Norway	Denmark	Other/ Eliminations	Group
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Amounts in KSEK	2023	2023	2023	2023	2023
Net sales, external	535 060	160 606	55 606	–	751 273
Net sales, internal	2 993	226	631	–3 850	0
<b>Total net sales</b>	<b>538 053</b>	<b>160 832</b>	<b>56 238</b>	<b>–3 850</b>	<b>751 273</b>
Other income	5 912	245	0	2	6 159
<b>Total income</b>	<b>543 965</b>	<b>161 077</b>	<b>56 238</b>	<b>–3 848</b>	<b>757 432</b>
Operating costs excluding depreciation, amortisation and impairment, external	–405 016	–137 640	–47 941	–19 564	–610 161
Operating costs excluding depreciation, amortisation and impairment, internal	–15 608	–4 288	–980	20 875	0
Depreciation and impairments of tangible fixed assets	–20 397	–3 935	–3 592	–	–27 924
<b>Total costs</b>	<b>–441 021</b>	<b>–145 863</b>	<b>–52 513</b>	<b>1 311</b>	<b>–638 085</b>
<b>EBITA</b>	<b>102 945</b>	<b>15 214</b>	<b>3 724</b>	<b>–2 537</b>	<b>119 346</b>
Depreciation and impairments of intangible assets					–18 555
<b>Operating profit</b>					<b>100 793</b>
Other interest income and similar profit/loss items					1 104
Interest expenses and similar profit/loss items					–8 622
<b>Total profit from financial items</b>					<b>–7 518</b>
<b>Profit or loss before tax</b>					<b>93 275</b>
Income tax					–22 453
<b>Profit for the year</b>					<b>70 822</b>

	Sweden	Norway	Denmark	Other/ Eliminations	Group
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Amounts in KSEK	2023	2023	2023	2023	2023
<b>EBITA</b>	<b>102 945</b>	<b>15 214</b>	<b>3 724</b>	<b>–2 537</b>	<b>119 346</b>
Acquisitions-related personell costs	11 757	–	2 327	–	14 084
Other items affecting comparability	–	–	–	–	–
<b>Adjusted EBITA</b>	<b>114 701</b>	<b>15 214</b>	<b>6 052</b>	<b>–2 537</b>	<b>133 430</b>

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

Amounts in KSEK	Jan-Mar 2024	Jan-Mar 2023
Revenue from customer contracts	212 644	200 543
Other revenue	1 005	2 459
<b>Total revenue</b>	<b>213 649</b>	<b>203 002</b>

Amounts in KSEK	Jan-Dec 2023
Revenue from customer contracts	751 273
Other revenue	6 159
<b>Total revenue</b>	<b>757 432</b>

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

Amounts in KSEK	Sweden Jan-Mar		Norway Jan-Mar		Denmark Jan-Mar		Group Jan-Mar	
	2024	2023	2024	2023	2024	2023	2024	2023
Consultancy services	108 575	108 015	28 013	25 512	9 658	9 927	146 246	143 455
Revenue from software	18 314	17 664	19 683	10 898	2 682	2 520	40 679	31 082
Support and infrastructure services	14 409	12 898	5 512	5 703	–	–	19 921	18 601
Other	2 996	3 253	927	2 300	1 875	1 852	5 798	7 405
<b>Total revenue</b>	<b>144 294</b>	<b>141 830</b>	<b>54 135</b>	<b>44 413</b>	<b>14 215</b>	<b>14 300</b>	<b>212 644</b>	<b>200 543</b>

Amounts in KSEK	Sweden Jan-Dec 2023	Norway Jan-Dec 2023	Denmark Jan-Dec 2023	Group Jan-Dec 2023
	Consultancy services	384 469	86 303	39 772
Revenue from software	84 708	46 902	8 406	140 016
Support and infrastructure services	53 934	21 949	–	75 883
Other	11 950	5 452	7 428	24 829
<b>Total revenue</b>	<b>535 060</b>	<b>160 606</b>	<b>55 606</b>	<b>751 273</b>

### Note 3. Financial instruments

The table below shows the Group's financial instruments measured at fair value. For definitions of fair value hierarchies, see Note 3 Management of financial risk in the Annual Report 2022.

For assets and liabilities measured at amortised cost, the carrying amount is equal to the fair value. For short-term assets and liabilities, the discounting effect is not material, and for long-term liabilities the interest rate is floating, and the credit risk has not changed since the loan was taken out.

Amounts in KSEK	Conditional contingent consideration in connection with business combinations
Opening balance on 2024-01-01	15 752
Acquisition	14 891
Payment	-4 315
Change in fair value recognised in the statement of comprehensive income	-435
Closing balance on 2024-03-31	25 779

Amounts in KSEK	Conditional contingent consideration in connection with business combinations
Opening balance on 2023-03-01	24 310
Acquisition	-
Payment	-4 772
Change in fair value recognised in the statement of comprehensive income	-604
Closing balance on 2023-03-31	18 934

Amounts in KSEK	Conditional contingent consideration in connection with business combinations
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

### Note 4. Business combinations

#### Business combinations during the financial year 2024

Company	Included in operating segments	Share acquired	Purchase price	Goodwill
Integrasjons-Partner BITS AS	Norway	100 %	78 909	59 635

#### Acquisition IntegrasjonsPartner BITS AS

On 20 of December 2023, Exsitec signed an agreement and on 8 of January 2024 Exsitec acquired 100 % of the shares in IntegrasjonPartner Bits AS, a company operating in software. Identified surplus values are linked to customer relations and brands.

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

Adjustments may be made later in the year linked to conditional additional purchase price.

Amounts in KSEK	
<b>PURCHASE PRICE</b>	
Cash and cash equivalents	64 018
Contingent consideration	14 891
<b>Total consideration paid</b>	<b>78 909</b>
<b>FAIR VALUE OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED</b>	
Cash and cash equivalents	3 631
Intangible assets (customer relations and brands)	20 293
Tangible fixed assets	877
Other current assets	5 639
Deferred tax liabilities	-4 464
Accounts payable and other liabilities	-8 454
<b>Total identifiable net assets</b>	<b>19 274</b>
<b>Goodwill</b>	<b>59 635</b>

## 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 IntegrasjonsPartner BITS AS contributed revenue of KSEK 14 549 to the Group for the period January to March 2024. IntegrasjonsPartner BITS AS also contributed a result after tax of KSEK 2 313 thousand for the same period.

## Acquisition-related costs

Acquisition-related costs of KSEK 610 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 IntegrasjonsPartners BITS AS EBITDA in 2024. The maximum amount of the contingent consideration is KSEK 14 891 and is paid no later than 2025-12-31.

Amounts in KSEK	2024
Cash flow used to acquire subsidiaries, less acquired cash and cash equivalents:	
Purchase price settled in cash	64 018
Less: Acquired cash and cash equivalents	-5 384
Exchange rate differences	83
<b>Net cash outflow from investing activities</b>	<b>58 717</b>

## Business combinations during the financial year 2023

During 2023, no business combinations were carried out.

## Note 5. Acquisition-related personnel expenses

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. The table below shows how these items from acquisitions have affected/are expected to affect personnel expenses in the income statement.

	Jan-Mar	Apr-Jun	Jul-Sep	Okt-Dec
2023	5 281	3 654	2 849	2 300
2024	2 138	1 591	939	670
2025	417	139	-	-

## Note 6. Related party transactions

There have been no transactions with related parties in the period.

## Note 7. Events after the balance sheet date

There have been no significant event after the period.



# 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.

# Upcoming reports

07 May 2024

Annual General Meeting

12 July 2024

Quarterly Report Q2 2024

16 October 2024

Quarterly Report Q3 2024

4 February 2025

Year End Report 2024

# Certified Advisor

Exsitec's Certified Advisor is **Carnegie Investment Bank AB (publ)**.

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