

# Quarterly Report

January - March 2023

## Stability and good profitability

23 %

Growth

21 %

Adjusted  
EBITA %\*

119 MSEK

Recurring net  
revenue from  
software LTM

## Financial overview

### Summary January - March

- Net sales MSEK 201 (164)
- Growth 23 % (of which organic growth 8 %)
- Adjusted EBITA MSEK 43 (34)
- Number of employees at the end of the period 525 (430)
- Earnings per share 1.75 (1.58)

### Events during the quarter

No significant events during, or after the quarter.

## Key figures

Amounts in MSEK	Jan-Mar 2023	Jan-Mar 2022	change	LTM	Jan-Dec 2022
Net sales	201	164	23%	693	657
Recurring net revenue from software	31	24	29%	119	112
EBITA	37	32	17%	103	98
Adjusted EBITA*	43	34	26%	100**	92**
EBITA %	18.7%	19.5%		14.8%	14.9%
Adjusted EBITA %*	21.3%	20.7%		14.5%**	13.9%**
Operating profit	32	28	16%	84	79
Profit or loss for the period	24	21	12%	59	56
Basic earnings per share, SEK	1.82	1.64	11%	4.55	4.37
Diluted earnings per share, SEK	1.75	1.58	11%	4.37	4.20
Number of employees at the end of the period	525	430	22%	525	542
Cash flow from operating activities	29	30	-4%	84	90

\* In adjusted EBITA, acquisition-related personnel costs have been excluded.

\*\* EBITA 2022 amounts to MSEK 98, of which MSEK 21 comes from the sale of the Danish subsidiary's business.

# A few words from our CEO

## Stability and good profitability

Spring is coming by after a long winter, and the beginning of the quarter seems like a long time ago. Overall, the period has been characterized by financial stability, and any major negative impact from the global uncertainty is yet to be seen—with the obvious exception that certain customers and segments are facing greater challenges in terms of financing costs and inflation than others.

All through 2022, we struggled with increased costs related to the onboarding of new staff, driven by a strong overall growth in the market resulting in skill shortages as well as a higher than usual staff turnover. During the first quarter, staff turnover has remained on a relatively high level but lower than in the past 18 months.

It could be that a greater global uncertainty is making people less inclined to change jobs, in combination with a somewhat cooler IT industry. In addition, we believe that we have rectified matters through our measures; it is good for our culture and cohesion to return to a way of working where we can do more things together. This involves both a greater degree of work at the offices and more joint activities outside work.

Another challenge has been how we create engagement with our customers after the pandemic. Both we and our customers quickly adopted digital working methods, but we miss some of the closeness that emerges from the physical meetings, where the conversations often grow beyond the issues at hand. When we gain a deeper understanding of our customers, our opportunities to assist them in digitalizing additional business processes improve. As a result, their benefit from us increases while we are rewarded with high customer loyalty and cross-selling opportunities.

During 2023, we have taken one step in the desired direction by assembling a small focus team of experienced sales representatives tasked with working on customer awareness and meeting as many of our customers as possible. In this connection, we prioritize customers gained through business combinations, which, understandably, are not as familiar with the breadth of our offering. Our model is otherwise based on consultants developing our customer relations on an ongoing basis, while sales representatives are only brought in once a particular need has been identified.

For the quarter I am most proud that we achieved a profit margin that surpassed the corresponding period in 2022, which was a very strong quarter; last year, profitability was driven both by an unexpectedly good performance in Norway, where amendments to the legislation prompted updates of a large legacy customer base, and by a low cost base resulting from the cancellation of all travel in response to the strict COVID-19 restrictions—in particular of the kickoff we usually arrange in early January.

When we outperformed the margin of 2022 in the first quarter of 2023, it was in spite of the fact that a large kickoff was held in Sweden, which involved costs of about MSEK 3 in external costs and the same amount in working time lost. Net sales for the quarter amounted to MSEK 201, with adjusted EBITA amounting to MSEK 43. With an adjusted EBITA margin of 21.3 percent and growth of 23 percent, of which 8 percentage points organic, we can note that we have achieved one of the best quarters in the company's history—and by far the most profitable.

The measures for improved profitability and control that were implemented in Norway during the second half of 2022 have had a good effect in the quarter. After a very weak performance in the second and third

quarters 2022, an improvement was visible already in the fourth quarter, and we are very pleased that this trend has continued. During the second and third quarter, we get the first real receipt of whether we have created a lasting improvement.

In Sweden and Denmark, we generally work with precision and try to avoid assignments that cannot be delivered with good quality and sufficient profitability. During the quarter, we have reduced our use of subcontractors, and we will over the course of 2023 continue to prioritize profitability and stability over maximum growth. The business conditions in e-commerce remain challenging, and we are managing the situation in the short term by adapting the level of costs and our delivery capacity to the demand.

A cause of concern that we have been aware of for some time is that we have a much longer time from qualified lead to completed sale, with lead times extending around 50 percent beyond the historical average. This is an indicator of market uncertainty. We do, however, see that our leads and new business opportunities are at healthy levels, as is the overall order intake. Nevertheless, it is clearly tilted towards upselling to the existing customer base to the detriment of sales of major commitments to new customers. We have not seen any increase in credit losses from our customer base, and our assessment is that our customers in general are well-managed and have their economy under control, even though we are seeing somewhat longer payment times overall. Companies are careful with their cash flows.

It is the large customer base of approximately 4,000 companies across the Nordic region that forms the basis of our business, and our ability to help them use digital tools is the entire *raison d'être* of our operations.

At present, we are not particularly bothered about cost increases driven by salary increases, as we believe that we have been able to find coverage through higher

selling prices. Our customer agreements are to the greatest extent indexed with Labor Cost Index used as the basis, and although there is a lag, it will even out over time.

An exciting development that we discerned at the end of the quarter is that we have been able to engage in certain dialogues relating to acquisitions with lower multiples than during the period 2021–2022. Of course, that is a *sine qua non* in a situation with higher interest rates, but we find that there has been some inertia in adjusting expectations, and it has been difficult to find price levels that are satisfactory to both buyers and sellers. We have not carried out any acquisitions during the quarter, but we take a slightly more positive view of the possibility of finding the right pricing levels for interesting acquisitions going forward.

Despite the degree of uncertainty worldwide, I am very comfortable with Exsitec, our staff and our business model and look forward to a strong 2023.

*Johan  
Kallblad*



# 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.

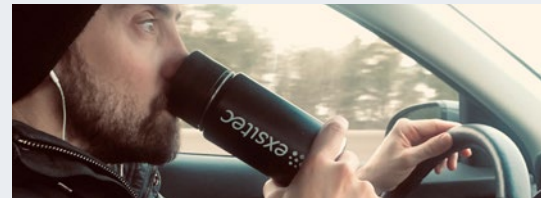
With what we offer and our way of working, we are well placed to continue to gain market share and have the opportunity to help new customers, while there is also great potential for existing customers to streamline increasing parts of their businesses through our wide range.

## 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.

# Comments on the reporting period

## Items affecting comparability

There are no items affecting comparability for the reporting period.

## Historical comparative figures

Due to the implementation of IFRS during the last quarter of 2022, we have chosen to present key figures according to IFRS for all quarters of 2022. This is to increase transparency towards shareholders, analysts and the market.

Amounts in MSEK	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022
Net sales	164	165	140	188
EBITA	32	21	22	22
Adjusted EBITA*	34	25	5**	28
EBITA %	20%	13%	16%	12%
Adjusted EBITA* %	21%	15%	19%	15%
Operating profit	28	16	17	18
Profit or loss for the period	21	12	11	12

\* In adjusted EBITA, acquisition-related personnel costs have been excluded.

\*\* EBITA 2022 amounts to MSEK 98, of which MSEK 21 comes from the sale of the Danish subsidiary's business.

## 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 2023, the Group's liquid assets amounted to MSEK 45 (94), and loans to credit institutions amounted to MSEK 126 (127). Shareholders' equity at the end of the period amounted to MSEK 381 (321).

## Option programme

Since 2017, the Company has had an incentive programme based on subscription warrants aimed at members of the Group's management team. Upon full utilisation of the Company's incentive programme, 512 500 shares will be issued. The total maximum dilution resulting from the Company's incentive programme amounts to 4.0%.

## 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.

Owners as per end of March	Shares	%
Syntrans AB (Chairman of the Board)	2 400 000	18.6%
Creates AB	1 298 483	10.1%
Clients Fonder	1 229 936	9.5%
Martin Gren (Grens specialisten)	1 090 351	8.5%
Johan Kallblad (CEO)	1 025 000	8.0%
Berenberg Funds	679 207	5.3%
Enter Fonder	625 504	4.9%
Handelsbanken Fonder	470 000	3.6%
Danske Invest	447 000	3.5%
Humle Fonder	434 039	3.4%
Other owners	3 188 876	24.7%
	<b>12 888 396</b>	<b>100.0%</b>

## 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 2022 Annual Report. Beyond what is described in these documents, no additional material risks have emerged.

## Publication of the report

This report was published on 28 April 2023, 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.

# Financial reports, The Group

## Condensed consolidated statement of comprehensive income

Amounts in KSEK	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Operating income</b>				
Net sales	2	200 543	163 668	656 582
Other operating income		2 459	828	25 574
<b>Total operating income</b>		<b>203 002</b>	<b>164 496</b>	<b>682 156</b>
<b>Operating expenses</b>				
Costs of external subcontractors and direct costs		-11 222	-13 711	-50 096
Merchandise		-1 624	-1 336	-6 744
Other external expenses		-18 493	-13 155	-68 136
Personnel expenses		-122 164	-96 972	-420 102
Acquisition-related personnel expenses	4	-5 281	-1 847	-15 054
Other operating expenses		-773	-189	-1 504
Depreciation of tangible fixed assets		-6 032	-5 309	-23 005
Amortization of intangible assets		-4 935	-4 097	-18 317
<b>Total operating expenses</b>		<b>-170 523</b>	<b>-136 616</b>	<b>-602 958</b>
<b>Operating profit</b>		<b>32 478</b>	<b>27 880</b>	<b>79 198</b>
Financial income		193	11	144
Financial costs		-1 665	-862	-5 441
<b>Profit or loss after financial items</b>		<b>-1 472</b>	<b>-851</b>	<b>-5 297</b>
<b>Profit before tax</b>		<b>31 006</b>	<b>27 029</b>	<b>73 901</b>
Income tax		-7 506	-6 056	-17 784
<b>Profit or loss for the period</b>		<b>23 500</b>	<b>20 973</b>	<b>56 117</b>

Earnings per share calculated based on profit or loss for the period attributable to the parent company's shareholders	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Weighted average number of shares before dilution	12 888 396	12 756 523	12 842 150
Weighted average number of shares after dilution	13 400 896	13 269 023	13 354 650
Basic earnings per share, SEK	1.82	1.64	4.37
Diluted earnings per share, SEK	1.75	1.58	4.20

Other comprehensive income	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<i>Items that can be reclassified to profit for the year</i>			
Exchange rate differences	-6 800	4 017	5 724
<b>Other comprehensive income for the period</b>	<b>-6 800</b>	<b>4 017</b>	<b>5 724</b>
<b>Comprehensive income for the period</b>	<b>16 700</b>	<b>24 990</b>	<b>61 841</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	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill		336 635	262 796	341 621
Other intangible assets		150 870	116 691	148 063
Tangible fixed assets		12 540	12 363	12 491
Right-of-use assets		24 197	40 559	27 518
Other long-term receivables		1 898	1 173	1 782
Deferred tax assets		868	1 085	970
<b>Total fixed assets</b>		<b>527 008</b>	<b>434 667</b>	<b>532 445</b>
<b>Current assets</b>				
Finished goods and merchandise		1 695	1 940	1 240
Accounts receivable		105 795	78 975	119 300
Other receivables		7 419	7 274	14 638
Prepayments and accrued income		56 667	47 225	34 913
Cash and cash equivalents		44 686	93 836	46 259
<b>Total current assets</b>		<b>216 262</b>	<b>229 250</b>	<b>216 350</b>
<b>TOTAL ASSETS</b>		<b>743 270</b>	<b>663 917</b>	<b>748 795</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>380 516</b>	<b>321 167</b>	<b>363 816</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Liabilities to credit institutions		71 487	85 161	85 062
Lease liabilities		7 335	20 246	9 179
Other long-term liabilities		14 250	6 150	17 247
Deferred tax liabilities		29 602	24 587	31 083
<b>Total long-term liabilities</b>		<b>122 674</b>	<b>136 144</b>	<b>142 571</b>
<b>Short-term liabilities</b>				
Liabilities to credit institutions		54 299	41 800	54 299
Lease liabilities		13 495	17 427	15 198
Accounts payable		24 437	28 022	38 176
Current tax liabilities		15 079	14 380	16 810
Other short-term liabilities		45 857	46 713	46 539
Accruals and deferred income		86 913	58 264	71 386
<b>Total short-term liabilities</b>		<b>240 080</b>	<b>206 606</b>	<b>242 408</b>
<b>TOTAL LIABILITIES</b>		<b>362 754</b>	<b>342 750</b>	<b>384 979</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>743 270</b>	<b>663 917</b>	<b>748 795</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 2022</b>	<b>638</b>	<b>318 684</b>	<b>110</b>	<b>-25 439</b>	<b>293 994</b>
Profit or loss for the period	-	-	-	20 973	20 973
Other comprehensive income	-	-	4 017	-	4 017
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4 017</b>	<b>20 973</b>	<b>24 990</b>
<b>Transactions with shareholders in their capacity as owners</b>					
Consolidated adjustments	-	-	-	2 183	2 183
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 183</b>	<b>2 183</b>
<b>Closing balance on 31 March 2022</b>	<b>638</b>	<b>318 684</b>	<b>4 127</b>	<b>-2 283</b>	<b>321 167</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>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>



# Condensed consolidated cash flow statement

Amounts in KSEK	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Cash flow from operating activities</b>				
Profit or loss after financial items		31 006	27 029	73 902
Adjustment for items not included in cash flow		16 394	11 253	56 283
Income tax paid		-10 186	-5 117	-17 852
<b>Cash flow from operating activities before change in working capital</b>		<b>37 214</b>	<b>33 165</b>	<b>112 333</b>
Change in working capital		-8 142	-2 864	-22 232
<b>Cash flow from operating activities</b>		<b>29 071</b>	<b>30 301</b>	<b>90 101</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiaries, net of cash and cash equivalents	3	-4 772	-4 789	-78 346
Change in long-term receivables		-101	-25	-349
Investment in intangible assets		-4 000	-	-3 371
Investment in tangible assets		-1 488	-447	-2 467
<b>Cash flow from investing activities</b>		<b>-10 361</b>	<b>-5 261</b>	<b>-84 533</b>
<b>Cash flow from financing activities</b>				
Borrowings		-	-	50 000
Amortization of loans		-13 575	-10 450	-54 710
Dividend to shareholders		-5 335	-4 574	-19 803
Transactions with non-controlling interests		-	-	-19 135
<b>Cash flow from financing activities</b>		<b>-18 910</b>	<b>-15 024</b>	<b>-43 648</b>
<b>Cash flow for the period</b>		<b>-200</b>	<b>10 016</b>	<b>-38 080</b>
Cash and cash equivalents at the beginning of the period		46 259	82 782	82 782
Exchange rate difference on cash and cash equivalents		-1 373	1 038	1 557
<b>Cash and cash equivalents at the end of the period</b>		<b>44 686</b>	<b>93 836</b>	<b>46 259</b>
<i>Cash flow disclosures</i>				
Interest paid		-1 665	-862	-5 297

# Finansiella rapporter, moderbolaget

## Parent Company's condensed income statement

Amounts in KSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Operating income</b>			
Net sales	5 850	3 511	14 545
Other operating income	–	12	12
<b>Total operating income</b>	<b>5 850</b>	<b>3 523</b>	<b>14 557</b>
<b>Operating expenses</b>			
Other external expenses	–1 681	–1 300	–5 195
Personnel expenses	–3 409	–1 921	–8 854
Depreciation and amortization of tangible and intangible fixed assets	–	–5 580	–22 322
<b>Total operating expenses</b>	<b>–5 090</b>	<b>–8 801</b>	<b>–36 371</b>
<b>Operating profit</b>	<b>760</b>	<b>–5 278</b>	<b>–21 814</b>
Other interest income and similar items	935	488	2 962
Interest expenses and similar items	0	0	–8
<b>Net financial items</b>	<b>935</b>	<b>488</b>	<b>2 954</b>
<b>Profit or loss after financial items</b>	<b>1 695</b>	<b>–4 790</b>	<b>–18 860</b>
Appropriations	–	–	–
Income tax	–353	0	–157
<b>Profit or loss for the period</b>	<b>1 342</b>	<b>–4 790</b>	<b>–19 017</b>

There are no items recognized 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	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	–	16 741	–
Financial assets	111 331	86 333	111 331
Receivables from group companies	90 000	–	90 000
<b>Total fixed assets</b>	<b>201 331</b>	<b>103 074</b>	<b>201 331</b>
<b>Current assets</b>			
Short-term receivables			
Receivables from group companies	29 294	133 061	27 823
Other receivables	4	12	4
Prepayments and accrued income	486	398	405
Cash and bank balances	2 771	2 741	1 908
<b>Total current assets</b>	<b>32 555</b>	<b>136 212</b>	<b>30 140</b>
<b>TOTAL ASSETS</b>	<b>233 885</b>	<b>239 287</b>	<b>231 471</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Restricted equity	644	638	644
Non-restricted equity	229 536	236 630	228 194
<b>TOTAL EQUITY</b>	<b>230 180</b>	<b>237 268</b>	<b>228 838</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
<b>Total long-term liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Short-term liabilities</b>			
Accounts payable	499	611	447
Current tax liabilities	679	31	291
Other short-term liabilities	1 065	819	952
Accruals and deferred income	1 461	558	943
<b>Total short-term liabilities</b>	<b>3 705</b>	<b>2 019</b>	<b>2 633</b>
<b>TOTAL LIABILITIES</b>	<b>3 705</b>	<b>2 019</b>	<b>2 633</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>233 885</b>	<b>239 287</b>	<b>231 471</b>

# Noter

## Note 1. Accounting principles

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations by 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 principles applied are consistent with those applied in the preparation of the 2022 Annual Report, except for the additional principle described below. During the first quarter of 2023, an asset acquisition was carried out in which part of the purchase price consisted of contingent consideration. Exsitec recognizes contingent consideration attributable to asset acquisitions as part of the cost of the asset. The contingent consideration is measured at the fair value of the future contingent payments at the time of acquisition, with a financial liability recognized at the same amount. In the subsequent period, the financial liability is recognized at amortized cost in accordance with IFRS 9. Subsequent changes in the value of the financial liability are recognized as a change in the value of the asset when the change in value of the contingent consideration depends on the use of the asset. Separately acquired intangible assets

are recognized at cost. In subsequent periods, they are recognized at cost less accumulated amortization 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 is to be classified as a business combination or an asset acquisition. If the acquisition entails that the processes, personnel and systems of the acquiree are taken over, it is usually a business combination. Otherwise, the acquisition is an asset acquisition. The acquisition of Amesto's VB customer base has been classified as an asset acquisition.

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

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

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

The column Other/Eliminations includes unallocated costs for the the parent company's and the Group's eliminations. Common overheads are allocated to the segments.

Amounts in KSEK	Sweden		Norway		Denmark		Other/ Eliminations		Group	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales, external	141 830	113 511	44 413	39 291	14 300	10 866	-	-	200 543	163 668
Net sales, internal	1 093	1 277	25	86	332	25	-1 450	-1 388	0	0
<b>Total net sales</b>	<b>142 923</b>	<b>114 788</b>	<b>44 438</b>	<b>39 377</b>	<b>14 632</b>	<b>10 891</b>	<b>-1 450</b>	<b>-1 388</b>	<b>200 543</b>	<b>163 668</b>
Other income	2 458	691	1	125	0	0	0	12	2 459	828
<b>Total income</b>	<b>145 381</b>	<b>115 479</b>	<b>44 439</b>	<b>39 502</b>	<b>14 632</b>	<b>10 891</b>	<b>-1 450</b>	<b>-1 376</b>	<b>203 002</b>	<b>164 496</b>
Operating costs excluding depreciation, amortization and impairment, external	-106 580	-81 313	-36 393	-32 955	-11 494	-9 742	-5 090	-3 200	-159 557	-127 210
Operating costs excluding depreciation, amortization and impairment, internal	-5 311	-3 205	-1 788	-2 212	-244	-90	7 343	5 507	0	0
Depreciation of tangible fixed assets	-4 092	-3 537	-1 074	-1 075	-849	-679	-18	-18	-6 032	-5 309
<b>Total costs</b>	<b>-115 983</b>	<b>-88 055</b>	<b>-39 255</b>	<b>-36 242</b>	<b>-12 587</b>	<b>-10 511</b>	<b>2 235</b>	<b>2 289</b>	<b>-165 589</b>	<b>-132 519</b>
<b>EBITA</b>	<b>29 398</b>	<b>27 424</b>	<b>5 184</b>	<b>3 260</b>	<b>2 045</b>	<b>380</b>	<b>785</b>	<b>913</b>	<b>37 413</b>	<b>31 977</b>
Acquisition-related personnel costs	4 713	1 734	-	-	568	114	-	-	5 281	1 848
Other Items affecting comparability	-	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITA*</b>	<b>34 111</b>	<b>29 158</b>	<b>5 184</b>	<b>3 260</b>	<b>2 613</b>	<b>494</b>	<b>785</b>	<b>913</b>	<b>42 693</b>	<b>33 825</b>

\* In adjusted EBITA, acquisition-related personnel costs have been excluded.

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

Amounts in KSEK	Jan-Mar 2023	Jan-Mar 2022
Revenue from customer contracts	200 543	163 668
Other revenue	2 459	828
<b>Total revenue</b>	<b>203 002</b>	<b>164 496</b>

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

Amounts in KSEK	Sweden		Norway		Denmark		Group	
	Jan-Mar 2023	2022	Jan-Mar 2023	2022	Jan-Mar 2023	2022	Jan-Mar 2023	2022
Consultancy services	108 015	87 281	25 512	23 364	9 927	7 113	143 455	117 758
Recurring revenue from software	17 664	11 180	10 898	10 607	2 520	2 201	31 082	23 988
Support and infrastructure services	12 898	10 571	5 703	4 793	-	-	18 601	15 364
Other	3 253	4 478	2 300	528	1 852	1 552	7 405	6 558
<b>Total revenue</b>	<b>141 830</b>	<b>113 510</b>	<b>44 413</b>	<b>39 292</b>	<b>14 300</b>	<b>10 866</b>	<b>200 543</b>	<b>163 668</b>

The corresponding figures for the full year 2022 are as follows:

	Sweden	Norway	Denmark	Other/ Eliminations	Group
	2022	2022	2022	2022	2022
Net sales, external	460 699	147 089	48 794	-	656 582
Net sales, internal	6 130	448	103	-6 681	0
<b>Total net sales</b>	<b>466 829</b>	<b>147 537</b>	<b>48 897</b>	<b>-6 681</b>	<b>656 582</b>
Other income	3 881	538	21 143	12	25 574
<b>Total income</b>	<b>470 710</b>	<b>148 075</b>	<b>70 040</b>	<b>-6 669</b>	<b>682 156</b>
Operating costs excluding depreciation, amortization and impairment, external	-366 688	-137 705	-43 277	-13 965	-561 635
Operating costs excluding depreciation, amortization and impairment, internal	-12 948	-7 520	-751	21 219	0
Depreciation of tangible fixed assets	-15 417	-4 294	-3 223	-71	-23 005
<b>Total costs</b>	<b>-395 053</b>	<b>-149 519</b>	<b>-47 251</b>	<b>7 183</b>	<b>-584 640</b>
<b>EBITA</b>	<b>75 657</b>	<b>-1 444</b>	<b>22 789</b>	<b>514</b>	<b>97 516</b>
Acquisition-related personnel costs	13 747	-	1 308	-	15 055
Other Items affecting comparability	-	-	-21 000	-	-21 000
<b>Adjusted EBITA*</b>	<b>89 404</b>	<b>-1 444</b>	<b>3 097</b>	<b>514</b>	<b>91 571</b>

\* In adjusted EBITA, acquisition-related personnel costs have been excluded.

	2022
Revenue from customer contracts	656 582
Other revenue	25 574
<b>Total revenue</b>	<b>682 156</b>

	Sweden	Norway	Denmark	Group
	2022	2022	2022	2022
Consultancy services	343 811	76 429	30 670	450 910
Recurring revenue from software	58 252	44 295	9 705	112 252
Support and infrastructure services	45 636	20 149	-	65 785
Other	12 999	6 216	8 420	27 635
<b>Total revenue</b>	<b>460 698</b>	<b>147 089</b>	<b>48 795</b>	<b>656 582</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 recognized at amortized cost, the carrying amount equals the fair value. For current assets and liabilities, the discount effects are 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	Contingent consideration in connection with business combinations
<b>Opening balance on 2022-01-01</b>	<b>17 353</b>
Acquisitions	-
Payment	-4 789
Change in fair value recognized in the statement of comprehensive income	-37
<b>Closing balance on 2022-03-31</b>	<b>12 527</b>

Amounts in KSEK	Contingent consideration in connection with business combinations
<b>Opening balance on 2023-01-01</b>	<b>24 310</b>
Acquisitions	-
Payment	-4 772
Change in fair value recognized in the statement of comprehensive income	-604
<b>Closing balance on 2023-03-31</b>	<b>18 934</b>

### Note 4. Acquisition-related personnel expenses

Some of the acquisitions carried out have involved contingent considerations conditional upon the seller remaining with the company. These are not recognized as part of the 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 completed acquisitions have affected/are expected to affect personnel expenses in the income statement.

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
2022	1 848	3 349	4 525	5 333
2023	5 253	3 614	2 794	2 255

Acquisition-related personnel costs relating to completed acquisitions falling due in 2024 or later amount to not more than KSEK 5,710.

### Note 5. Related party transactions

No related party transactions were carried out during the period.

### Note 6. Events after the balance sheet date

No significant events have taken place after the balance sheet date.

# 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.

# Upcoming reports

14 July 2023 Quarterly Report Q2 2023

27 October 2023 Quarterly Report Q3 2023

9 February 2023 Year-end report 2023

# Certified Advisor

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