

Quarterly Report

July - September 2023

Improved margin and investments for the future

10 %

Growth

7.8 %

Adjusted
EBITA %*

131 MSEK

Recurring net
revenue from
software LTM

Financial overview

Summary July - September

- Net sales MSEK 153 (140)
- Growth 10 % (of which organic growth 8 %)
- Adjusted EBITA MSEK 12 (5)
- Average number of employees 522 (499)
- Earnings per share 0.13 (0.85)

Summary January - September

- Net sales MSEK 540 (468)
- Growth 15 % (of which organic growth 8 %)
- Adjusted EBITA MSEK 89 (64)
- Average number of employees 518 (461)
- Earnings per share 3.18 (3.30)

Events during the quarter

No significant events during, or after the quarter.

Key figures

Amounts in MSEK	Jul-Sep 2023	Jul-Sep 2022	change	Jan-Sep 2023	Jan-Sep 2022	change	LTM	Jan-Dec 2022
Net sales	153	140	10%	540	468	15%	729	657
Recurring net revenue from software	33	29	14%	96	77	25%	131	112
EBITA	9	22**	-58%	77	75**	2%	100**	98**
Adjusted EBITA*	12	5	121%	89	64	39%	117	92
EBITA %	6,0%	15,7%**		14,2%	16,0%**		13,7%**	14,9%**
Adjusted EBITA %*	7,8%	3,9%		16,4%	13,6%		16,0%	13,9%
Operating profit	5	17**	-73%	63	61**	3%	81**	79**
Profit or loss for the period	2	11**	-85%	43	44**	-3%	55**	56**
Basic earnings per share, SEK	0,13	0,89**	-85%	3,31	3,43**	-4%	4,24**	4,37**
Diluted earnings per share, SEK	0,13	0,85**	-85%	3,18	3,30**	-4%	4,08**	4,20**
Average number of employees	522	499	5%	518	461	12%	521	478
Cash flow from operating activities	17	5	252%	75	58	30%	107	90

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

** EBITA Q3 2022 includes SEK 21 million that comes from the sale of the Danish subsidiary's business.

A few words from our CEO

Improved margin and investments for the future

As always, the third quarter is the calmest for us at Exsitec. This is because of our own holiday period in July and early August, but is also related to the fact that many of our customers take more time than we would have liked to get started after the summer. Over the years, we have learned to use the calm period in August to develop ourselves, and during the quarter we welcomed more than 80 new recruits and organized a kick-off focused on culture and skills development for the whole operation.

As economic conditions deteriorate, customers tend to reduce the number of users and other transaction volumes that are license drivers. This makes us more dependent on new sales to generate growth. It is gratifying to see that the overall order intake related to new commitments was very good during the period, I will elaborate this further down. Individual customers and certain segments are struggling, but since we have an enormously broad range of customers across many industries, the issues are not pervasive.

Net sales for the period totaled MSEK 153, compared with just under MSEK 140 for the corresponding period in 2022, an overall growth of 10 percent of which 8 percent was organic growth. Adjusted EBITA increased to MSEK 12 compared with MSEK 5 in the previous year. Thus, the adjusted EBITA margin amounted to 7.8 percent compared with 3.9 percent in the previous year. Taking into account that the third quarter clearly is our weakest period of the year, we are satisfied with the performance and note that the margin is at a good level. The net cost of the trainee programme for the period is about MSEK 10, which mainly burdens the Swedish operations.

Strong new sales

When I look at new sales in isolation, I monitor four key performance indicators on an ongoing basis: how many qualified leads we register in our CRM system; the number of days from a qualified lead to a completed sale; how many sales we make; and the average business value. The number of leads has remained at a good level throughout the year, and in recent quarters, both the number of sales and the average business value have increased significantly over the same period last year. However, it still takes a long time to complete sales—50 percent longer than the historical average and 20 percent longer than in the same period last year. Despite the inertia, the overall order intake in Q2 and Q3 is 50 percent higher than in the same period 2022.

Our overall analysis is that we have an offer that remains attractive even during a slowdown in economic growth, and that we, at the same time, gradually develop an ability to attract somewhat larger customers. The day-to-day administration over time is the most profitable part of our business, but all ongoing commitments begin with an implementation project, and we have a healthy stock of projects for the autumn in most of our areas. We need more staff, both to pursue the longer sales processes and to implement our project commitments, which is why we are choosing to recruit despite the weaker growth in the overall Nordic economy.

We note that our open job postings attract many applicants, with the number of applications more than doubled compared with the same period last year. As such, the competition on the skills market seems to be decreasing. Our hope is that this will lead to lower staff turnover, which would simplify the day-to-day operations—while we maintain that some rotation is both an acknowledgement of the quality of our staff and an opportunity for new colleagues to grow and take responsibility.

The situation in our business units

For Norway, the priorities this quarter were once again preciseness in the core business and restoration of profitability. It is thus truly satisfactory to be able to report solid organic growth and significantly improved profitability over the very weak third quarter of 2022. Major work still remains to be done to establish a stable profitability at the level we would like to see, but we are moving step by step in the right direction and our confidence in local management is increasing.

In Denmark, it has been one year since we sold the operations relating to retail cash register systems, which provided capital gains of approximately MSEK 20 during the third quarter of 2022. We felt that the offering matched poorly with our primary target group, and one year on, we are reinforced in our opinion that we made the right decision. We are attempting to make up for the divested business by growing our relatively new operation in Copenhagen and by investing in our Business Intelligence offering. As of next year, our financial performance in Denmark will be presented fairly with no exceptional items affecting comparability.

The Swedish operations have struck a relatively good balance between capacity and demand along with a somewhat improved capacity utilization in our ecommerce business, which was challenging early on in the year. It is in Sweden we have seen the highest new sales, and we have an exciting offering where we have been successful with a couple of new products that complement our portfolio. It is therefore in Sweden we have absorbed the great majority of new recruits, and we endeavour to establish the best conditions for solid organic growth going forward.

The good level of new sales in recent quarters should provide favourable conditions for the forthcoming period. We mainly receive proceeds on delivery and during the ongoing operation of the systems, not in connection with the sales, and we have quite good visibility of our planned project deliveries in the coming quarter.

We expect the market as a whole to remain cautious, with low underlying growth in the economy, so the pursuit of delivery precision and stronger margins will remain our priority. Nevertheless, we continue to invest in marketing and sales in order to grow market share organically where there is opportunity.

We are constantly exploring possibilities to increase growth through acquisitions, and we are working on several interesting business opportunities—but we also find that the times allow us to be prudent and not rush anything that could introduce unnecessary risks. Any acquisitions we decide to carry out are likely to be such that strengthen our market position in offerings and markets that we know well.

All in all, considering the circumstances, a stable Q3 with healthy order intake, good margin improvement in Norway, and investments in continued long-term profitable growth. With good margins and a strong cash flow, we are well equipped even if conditions were to harshen.

*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.

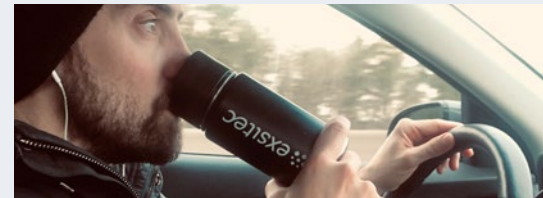
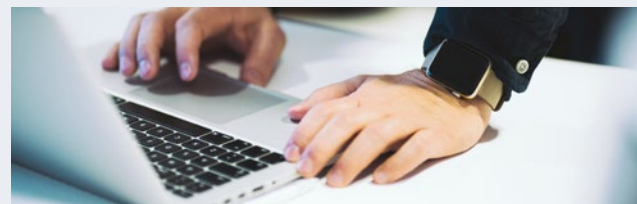
With what we offer and our way of working, we are well placed to continue to gain market share and have the opportunity to help new customers, while there is also great potential for existing customers to streamline increasing parts of their businesses through our wide range.

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.

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 30 September 2023, the Group's cash and cash equivalents amounted to MSEK 32 (45), undrawn overdraft facilities to MSEK 50 (20), and borrowings from credit institutions to MSEK 104 (156). Estimated contingent considerations for business acquisitions carried out amounted to MSEK 23 (21). Equity amounted to MSEK 382 (350) at the end of the period.

Option and incentive 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%.

Following a decision by Exsitec Holding's 2023 annual general meeting, a long-term incentive program for key personnel in the group was launched during the third quarter of 2023. The incentive program runs until the second quarter of 2026 and can give a maximum of 43,900 shares.

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 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 19 October 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	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating income					
Net sales	2	153 414	139 603	540 209	468 268
Other operating income		619	23 066	4 619	24 706
Total operating income		154 034	162 669	544 828	492 974
Operating expenses					
Costs of external subcontractors and direct costs		-12 599	-11 285	-34 164	-37 158
Merchandise		-1 059	-2 157	-4 319	-5 164
Other external expenses		-17 591	-17 307	-52 824	-48 029
Personnel expenses		-103 192	-98 867	-342 957	-299 252
Acquisition-related personnel expenses	4	-2 849	-4 525	-11 784	-9 721
Other operating expenses		-354	-556	-1 468	-1 398
Depreciation of tangible fixed assets		-7 243	-6 057	-20 447	-17 108
Amortization of intangible assets		-4 577	-4 971	-14 055	-13 986
Total operating expenses		-149 464	-145 725	-482 018	-431 816
Operating profit		4 570	16 944	62 810	61 158
Financial income		0	64	195	145
Financial costs		-1 917	-1 159	-6 246	-3 298
Profit or loss after financial items		-1 917	-1 095	-6 051	-3 153
Profit before tax		2 652	15 849	56 758	58 005
Income tax		-966	-4 442	-14 139	-13 947
Profit or loss for the period		1 686	11 407	42 619	44 058

Earnings per share calculated based on profit or loss for the period attributable to the parent company's shareholders	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Weighted average number of shares before dilution	12 888 396	12 888 396	12 888 396	12 826 335
Weighted average number of shares after dilution	13 400 896	13 400 896	13 400 896	13 338 835
Basic earnings per share, SEK	0,13	0,89	3,31	3,43
Diluted earnings per share, SEK	0,13	0,85	3,18	3,30

Other comprehensive income	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<i>Items that can be reclassified to profit for the year</i>				
Exchange rate differences	1 227	-582	-1 852	4 367
Other comprehensive income for the period	1 227	-582	-1 852	4 367
Comprehensive income for the period	2 913	10 825	40 767	48 425

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	2023-09-30	2022-09-30	2022-12-31
ASSETS				
Fixed assets				
Goodwill	6	341 325	328 112	341 621
Other intangible assets		142 653	149 502	148 063
Tangible fixed assets		12 878	13 056	12 491
Right-of-use assets		54 591	35 922	27 518
Other long-term receivables		1 568	1 866	1 782
Deferred tax assets		856	1 010	970
Total fixed assets		553 871	529 468	532 445
Current assets				
Finished goods and merchandise		1 103	1 565	1 240
Accounts receivable		92 892	83 165	119 300
Other receivables		7 945	28 248	14 638
Prepayments and accrued income		47 212	43 452	34 913
Cash and cash equivalents		32 421	44 709	46 259
Total current assets		181 573	201 139	216 350
TOTAL ASSETS		735 444	730 607	748 795
EQUITY AND LIABILITIES				
Total equity		382 207	350 399	363 816
LIABILITIES				
Long-term liabilities				
Liabilities to credit institutions		69 503	100 887	85 062
Lease liabilities		32 479	15 465	9 179
Other long-term liabilities		12 685	9 608	17 247
Deferred tax liabilities		27 997	31 324	31 083
Total long-term liabilities		142 664	157 284	142 571
Short-term liabilities				
Liabilities to credit institutions		34 167	54 299	54 299
Lease liabilities		16 990	17 319	15 198
Accounts payable		35 781	24 691	38 176
Current tax liabilities		18 801	18 288	16 810
Other short-term liabilities		44 505	41 917	46 539
Accruals and deferred income		60 329	66 410	71 386
Total short-term liabilities		210 573	222 924	242 408
TOTAL LIABILITIES		353 237	380 208	384 979
TOTAL EQUITY AND LIABILITIES		735 444	730 607	748 795

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
Opening balance on 1 January 2022	638	318 684	110	-25 439	293 994
Profit or loss for the period	-	-	-	44 058	44 058
Other comprehensive income	-	-	4 367	-	4 367
Total comprehensive income	-	-	4 367	44 058	48 425
Transactions with shareholders in their capacity as owners					
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 30 September 2022	644	343 610	4 477	1 667	350 399

Amounts in KSEK	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 period	-	-	-	42 619	42 619
Other comprehensive income	-	-	-1 852	-	-1 852
Total comprehensive income	-	-	-1 852	42 619	40 767
Transactions with shareholders in their capacity as owners					
Share-related incentive program	-	-	-	180	180
Dividend	-	-	-	-22 555	-22 555
Total shareholder transactions	-	-	-	-22 375	-22 375
Closing balance on 30 September 2023	644	343 610	3 982	33 971	382 207

Condensed consolidated cash flow statement

Amounts in KSEK	Not	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Cash flow from operating activities					
Profit or loss after financial items		2 652	15 849	56 758	58 005
Adjustment for items not included in cash flow		15 084	15 507	46 701	40 830
Income tax paid		-2 263	-3 641	-14 932	-10 794
Cash flow from operating activities before change in working capital		15 472	27 715	88 527	88 041
Change in working capital		1 497	-22 901	-13 125	-29 879
Cash flow from operating activities		16 969	4 814	75 403	58 162
Cash flow from investing activities					
Acquisition of subsidiaries, net of cash and cash equivalents	5, 6	-	-6 203	-6 337	-65 771
Change in long-term receivables		385	-271	281	-771
Investment in intangible assets		-	-401	-4 000	-2 981
Investment in tangible assets		-435	-1 376	-3 345	-2 287
Cash flow from investing activities		-50	-8 251	-13 401	-71 810
Cash flow from financing activities					
Borrowings		-	-	-	50 000
Amortization of loans		-8 542	-20 235	-35 691	-41 135
Dividend to shareholders		-6 279	-5 254	-17 774	-14 813
Transactions with non-controlling interests		-	-	-22 555	-19 135
Cash flow from financing activities		-14 821	-25 489	-76 021	-25 083
Cash flow for the period		2 098	-28 926	-14 020	-38 731
Cash and cash equivalents at the beginning of the period		30 023	73 662	46 259	82 782
Exchange rate difference on cash and cash equivalents		300	-27	182	658
Cash and cash equivalents at the end of the period		32 421	44 709	32 421	44 709
<i>Cash flow disclosures</i>					
Interest paid		-1 544	-1 216	-5 561	-3 152

Finansiella rapporter, moderbolaget

Parent Company's condensed income statement

Amounts in KSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating income				
Net sales	5 250	3 511	16 650	10 534
Other operating income	-	-	-	12
Total operating income	5 250	3 511	16 650	10 546
Operating expenses				
Other external expenses	-1 033	-1 180	-4 190	-3 831
Personnel expenses	-3 306	-2 551	-10 602	-6 622
Depreciation and amortization of tangible and intangible fixed assets	-	-5 580	-	-16 741
Total operating expenses	-4 339	-9 311	-14 792	-27 194
Operating profit	911	-5 800	1 858	-16 648
Other interest income and similar items	1 035	767	2 870	2 027
Interest expenses and similar items	-224	0	-224	0
Net financial items	811	767	2 646	2 027
Profit or loss after financial items	1 722	-5 033	4 504	-14 621
Appropriations	-	-	-	-
Income tax	-355	0	-939	0
Profit or loss for the period	1 366	-5 033	3 565	-14 621

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	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
Intangible assets	–	5 580	–
Financial assets	111 331	111 331	111 331
Receivables from group companies	90 000	–	90 000
Total fixed assets	201 331	116 911	201 331
Current assets			
Receivables from group companies	976	117 717	27 823
Other receivables	4	0	4
Prepayments and accrued income	294	199	405
Cash and bank balances	13 089	1 202	1 908
Total current assets	14 363	119 117	30 140
TOTAL ASSETS	215 694	236 028	231 471
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	644	644	644
Non-restricted equity	209 385	232 591	228 194
TOTAL EQUITY	210 029	233 235	228 838
LIABILITIES			
Total long-term liabilities	–	–	–
Short-term liabilities			
Accounts payable	393	328	447
Current tax liabilities	1 378	113	291
Other short-term liabilities	1 330	788	952
Accruals and deferred income	2 563	1 564	943
Total short-term liabilities	5 664	2 793	2 633
TOTAL LIABILITIES	5 664	2 793	2 633
TOTAL EQUITY AND LIABILITIES	215 694	236 028	231 471

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	
	Jul-Sep		Jul-Sep		Jul-Sep		Jul-Sep		Jul-Sep	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales, external	105 955	94 365	35 661	31 526	11 798	13 712	-	-	153 414	139 603
Net sales, internal	649	1 587	242	290	184	26	-1 075	-1 903	0	0
Total net sales	106 604	95 952	35 903	31 816	11 982	13 738	-1 075	-1 903	153 414	139 603
Other income	584	1 701	35	39	0	21 326	0	0	619	23 066
Total income	107 188	97 653	35 937	31 855	11 982	35 064	-1 075	-1 903	154 034	162 669
Operating costs excluding depreciation, amortization and impairment, external	-90 554	-85 503	-32 021	-32 879	-10 555	-12 606	-4 513	-3 709	-137 643	-134 697
Operating costs excluding depreciation, amortization and impairment, internal	-5 739	-3 483	-516	-1 511	-227	-119	6 481	5 113	0	0
Depreciation of tangible fixed assets	-5 175	-4 067	-1 115	-1 073	-952	-899	-	-18	-7 242	-6 057
Total costs	-101 467	-93 053	-33 652	-35 463	-11 734	-13 624	1 968	1 386	-144 885	-140 754
EBITA	5 721	4 600	2 286	-3 608	248	21 440	893	-517	9 147	21 915
Acquisition-related personnel costs	2 254	3 985	-	-	595	540	-	-	2 849	4 525
Other Items affecting comparability	-	-	-	-	-	-21 000	-	-	-	-21 000
Adjusted EBITA	7 975	8 585	2 286	-3 608	843	980	893	-517	11 997	5 440

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	Jul-Sep 2023	Jul-Sep 2022
Revenue from customer contracts	153 414	139 603
Other revenue	619	23 066
Total revenue	154 033	162 669

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

Amounts in KSEK	Sweden Jul-Sep		Norway Jul-Sep		Denmark Jul-Sep		Group Jul-Sep	
	2023	2022	2023	2022	2023	2022	2023	2022
Consultancy services	68 995	65 087	17 972	14 480	8 817	7 208	95 784	86 775
Recurring revenue from software	20 045	15 242	11 765	11 153	1 650	2 324	33 461	28 719
Support and infrastructure services	13 696	11 888	5 449	4 963	-	-	19 145	16 851
Other	3 219	2 146	474	931	1 331	4 181	5 023	7 258
Total revenue	105 955	94 363	35 661	31 527	11 798	13 713	153 414	139 603

Amounts in KSEK	Sweden Jan-Sep		Norway Jan-Sep		Denmark Jan-Sep		Other/ Eliminations Jan-Sep		Group Jan-Sep	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales, external	383 818	327 892	116 413	103 975	39 977	36 401	-	-	540 209	468 268
Net sales, internal	2 251	4 557	203	441	598	68	-3 052	-5 066	0	0
Total net sales	386 069	332 449	116 616	104 416	40 576	36 469	-3 052	-5 066	540 209	468 268
Other income	4 410	2 903	209	465	0	21 326	0	12	4 619	24 706
Total income	390 479	335 352	116 825	104 881	40 576	57 795	-3 052	-5 054	544 828	492 974
Operating costs excluding depreciation, amortization and impairment, external	-298 249	-259 636	-100 249	-98 221	-34 053	-32 476	-14 966	-10 389	-447 516	-400 722
Operating costs excluding depreciation, amortization and impairment, internal	-16 421	-9 822	-2 815	-4 732	-639	-430	19 876	14 984	0	0
Depreciation of tangible fixed assets	-14 587	-11 460	-3 212	-3 220	-2 649	-2 374	-	-53	-20 447	-17 107
Total costs	-329 257	-280 918	-106 276	-106 173	-37 340	-35 280	4 910	4 542	-467 963	-417 829
EBITA	61 222	54 434	10 549	-1 292	3 236	22 515	1 858	-512	76 865	75 145
Acquisition-related personnel costs	10 041	8 953	-	-	1 743	768	-	-	11 784	9 721
Other items affecting comparability	-	-	-	-	-	-21 000	-	-	-	-21 000
Adjusted EBITA	71 264	63 387	10 549	-1 292	4 979	2 283	1 858	-512	88 649	63 866

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-Sep 2023	Jan-Sep 2022
Revenue from customer contracts	540 209	468 268
Other revenue	4 619	24 706
Total revenue	544 828	492 974

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

Amounts in KSEK	Sweden Jan-Sep		Norway Jan-Sep		Denmark Jan-Sep		Group Jan-Sep	
	2023	2022	2023	2022	2023	2022	2023	2022
Consultancy services	278 678	242 568	62 960	52 751	28 611	20 760	370 249	316 079
Recurring revenue from software	56 169	37 879	33 902	32 517	6 278	7 048	96 349	77 444
Support and infrastructure services	39 717	33 642	16 460	14 897	–	–	56 177	48 539
Other	9 255	13 803	3 091	3 810	5 088	8 593	17 433	26 206
Total revenue	383 818	327 892	116 413	103 975	39 977	36 401	540 209	468 268

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
Opening balance on 2022-07-01	22 477
Acquisitions	–
Payment	–1 027
Change in fair value recognized in the statement of comprehensive income	–373
Closing balance on 2022-09-30	21 077

Amounts in KSEK	Contingent consideration in connection with business combinations
Opening balance on 2023-07-01	17 369
Acquisitions	–
Payment	–
Change in fair value recognized in the statement of comprehensive income	–
Closing balance on 2023-09-30	17 369

Amounts in KSEK	Contingent consideration in connection with business combinations
Opening balance on 2022-01-01	17 353
Acquisitions	10 950
Payment	–6 816
Change in fair value recognized in the statement of comprehensive income	–410
Closing balance on 2022-09-30	21 077

Amounts in KSEK	Contingent consideration in connection with business combinations
Opening balance on 2023-01-01	24 310
Acquisitions	–
Payment	–6 337
Change in fair value recognized in the statement of comprehensive income	–604
Closing balance on 2023-09-30	17 369

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	5 281	3 654	2 849	2 299

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.

Upcoming reports

9 February 2023 Year-end report 2023

Certified Advisor

Exsitec's Certified Advisor is Erik Penser Bank.

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