

JANUARY - MARCH

## Business-supporting IT remains in high demand



72 %  
GROWTH



19 %  
EBITA %



28 %  
SHARE OF RECURRING  
SOFTWARE INCOME LTM

## Financial summary

### SUMMARY JANUARY - MARCH

- Adjusted net revenue, MSEK 181 (105)
- Growth, 72% (of which is organic growth 18 %)
- Adjusted EBITA, MSEK 34 (21)
- Number of employees at the end of the period, 430 (263)

### EVENTS DURING THE QUARTER

No significant events during or after the quarter.

## Key figures

Amount in MSEK	Jan-Mar 2022	Jan-Mar 2021	change	LTM	Jan-Dec 2021
Adjusted net revenue	181	105	72%	612	536
Adjusted EBITA	34	21*	62%	90	77*
Adjusted EBITA%	19%	20%		15%	14%
Share of recurring software income	23%	24%		28%	29%
Number of employees at the end of the period	430	263	64%	430	435
Cash flow from operating activities	31	13	138%	65	47

\* EBITA Q1 2021 adjusted for lay-off support from Tillväxtverket amounting to MSEK 3.3 related to 2020 and taken up as revenue in Q4 2020, was carried up as an expense at the time of the repayment claim in Q1 2021.

# A few words from our CEO

## Business-supporting IT remains in high demand

At the time the quarterly report is released at the end of April, with spring in the air, the beginning of the first quarter seems like a distant memory. The fourth quarter ended with strong sales, but we usually have a slow start after the holidays which is in line with our seasonal pattern. A bit into the year, the deliveries is gradually getting up to steam and at the end of the quarter the organization runs at full speed.

As expected our strong momentum from the end of last year continued into the first quarter of the year and our net sales reached MSEK 181 (105), equivalent to a growth of 72 percent compared to the corresponding period last year. Organic growth amounted to 18 percent. EBITA amounted to MSEK 34 (21), which is an increase of 62 percent and corresponds to an EBITA margin of 19 (20) percent.

Recurring software revenue amounted to MSEK 42 (25) for the quarter, an increase of 68 percent, and accounted for 23 (24) percent of net sales. Good new sales at the end of 2021 resulted in a lot of project activity related to implementations of the software we sold. As such, the relative increase in software revenue is somewhat lower than the overall increase in net sales. Project revenue largely arises from software implementation, while software revenue arises when the customer uses the software in its operations.

Recurring contract revenue for support and operating support – which is a priority area for us – amounted to MSEK 15 (5) during the quarter, corresponding to 8 (4) percent of net sales.

During the past year, we have prioritized growth – partly to the detriment of our margins – as we have acquired some businesses with a history of lower operating margins. Our ambition is to gradually increase the margins of acquired units by implementing our approach to ensure the supply of skills and by broadening the offer to the existing customer base. The change journey towards better profitability has paid off in the first quarter, and we are pleased with how the margins have developed during the quarter after the somewhat weaker Q3 and Q4 during 2021.

There is still more to be done in the Norwegian and Danish operations, which operate at lower profitability than in Sweden. There are also challenges within our e-commerce operations, where our market share remains too small and profitability has been put under pressure in conjunction with some challenging projects, as we have had to rely more on subcontractors than we would like.

Like so many others, we are experiencing a challenge in terms of our supply of skills, and we are turning to our trainee and consultant programmes to train new staff. More than 30 new employees were brought in during the quarter, and more than 50 people have so far been recruited for the trainee programme this autumn.

As the COVID-19 restrictions in all our markets have been lifted gradually over the period, our working procedures are now reasonably back to normal – although the situation varies slightly between our markets. For the most part, however, we have been able to conduct in-office training and onboarding as we did prior to the pandemic. By contrast, the variation between individual customers is considerable; some adhere to a fully digital way of working and some work exactly as before the pandemic. We try to be flexible to the needs and preferences of both our clients and our employees, but we believe that a greater degree of in-person contact at work is favourable to both our company culture and our customer relations.

As regards our activities relating to acquisitions, we made two smaller acquisitions after the period which complement our offering to the existing customer base, in automation and business intelligence. We are relatively well-placed to carry out acquisitions, as we see it, and we believe we are in a good position to

continue to support our growth with selective M&A during the forthcoming period. Our financial targets remain: to reach net sales of MSEK 1,000, with an EBITA margin of 20 percent, sometime during the period 2023-2025.

With a strong first quarter behind us, a strong momentum on our internal change journey, and high demand for business-supporting IT, we look forward with great confidence to the rest of the year.

*Johan  
Kallblad*



# About Exsitec & our market

Exsitec helps medium-sized companies and organisations in the Nordic region to attain a simpler and more efficient working day by giving them the best possible IT support for their businesses.

We select good software, ensure they work together in our customers' businesses and take responsibility after delivery. 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 a total of almost 500 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.

## Our sources of revenue

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. More than 90% of these sources of revenue are from recurring contracts (SaaS pricing model), where the exception is when a customer obtains additional licensing on an existing installation.

Software revenue is growing faster than consultancy revenue, and 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.

## Customers

Our more than 4000 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.

In this way, 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 at a fixed price, as well as a support service that helps the customer with the use of the software.



# Comments on the reporting period

## Items affecting comparability

There are no items affecting comparability for the reporting period.

Comparative figures for the first quarter of 2021 have been adjusted in accordance with a correction made for full years in the year-end report 2022 regarding the reorganization of accrued income in the subsidiary Millnet B I as an effect of synchronization with the Group's accounting principles.

## 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.

## Liquidity and financial position

As of 31 March 2022, the Group's liquid assets amounted to MSEK 83 (59), and loans to credit institutions amounted to MSEK 134 (63). Shareholders' equity at the end of the period amounted to MSEK 237 (146).

## 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%.

## General accounting principles

The Group and the Parent Company apply BFNAR 2012:1 Annual Report and Consolidated Financial Statements (Q3).

## 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	2 400 000	18,81%
Johan Kallblad	1 355 000	10,62%
Cliens Fonder	1 229 936	9,64%
Creades AB	1 122 046	8,80%
Berenberg Funds	635 633	4,98%
Enter Fonder	625 504	4,90%
Lannebo Fonder	502 051	3,94%
Nordnet Pensionsförsäkring	470 127	3,69%
Handelsbanken Fonder	449 569	3,52%
Swedbank Robur Fonder	424 357	3,33%
Other owners	3 542 294	27,77%
	<b>12 756 517</b>	<b>100 %</b>

## Publication of the report

This report was published on 29 April 2022, 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.

# Financial reports, The Group

## The Group's income statement

Amount in TSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating income</i>			
Net revenue	181 351	104 998	536 045
Other operating income	827	-2 931	-1 072
<b>Total operating income</b>	<b>182 178</b>	<b>102 067</b>	<b>534 973</b>
<i>Operating expenses</i>			
Costs for external subcontractors, licences and direct costs	-31 395	-18 995	-107 155
Merchandise	-1 335	-1 704	-8 454
Other external expenses	-17 541	-8 817	-56 976
Personnel costs	-96 972	-54 315	-285 362
Depreciation and impairments of tangible fixed assets	-1 055	-418	-2 897
Other operating expenses	-188	-101	-791
<b>Total operating expenses</b>	<b>-148 486</b>	<b>-84 350</b>	<b>-461 635</b>
<b>EBITA RESULT</b>	<b>33 692</b>	<b>17 717</b>	<b>73 338</b>
Depreciation and impairments of tangible fixed assets	-24 266	-14 690	-78 166
<b>OPERATING RESULT</b>	<b>9 426</b>	<b>3 027</b>	<b>-4 828</b>
<i>Result from financial items</i>			
Other interest income and similar items	11	11	326
Interest expenses and similar items	-654	-327	-2 490
<b>Total financial items</b>	<b>-643</b>	<b>-316</b>	<b>-2 164</b>
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>8 783</b>	<b>2 711</b>	<b>-6 992</b>
Tax on the result for the year	-6 886	-2 833	-15 073
The minority's share on the result for the year			0
<b>RESULT FOR THE PERIOD</b>	<b>1 897</b>	<b>-122</b>	<b>-22 065</b>
Number of shares before full dilution	12 756 523	12 680 420	12 756 523
Number of shares after full dilution	13 269 023	13 192 920	13 269 023
Earnings per share before full dilution	0,1	-0,0	-1,7
Earnings per share after full dilution	0,1	-0,0	-1,7
Average number of shares before full dilution	12 756 523	12 192 710	12 345 838
Average number of shares after full dilution	13 269 023	12 705 210	12 858 338
Number of shares outstanding at the end of the period	12 756 523	12 680 420	12 756 523

# The Group's balance sheet

Amount in TSEK	31/03/2022	31/03/2021	31/12/2021
<b>ASSETS</b>			
<i>Fixed assets</i>			
Goodwill	276 877	169 739	300 987
Tangible fixed assets	19 428	5 598	18 637
Other long-term receivables	1 173	1 381	1 136
<b>Total fixed assets</b>	<b>297 478</b>	<b>176 718</b>	<b>320 760</b>
<i>Current assets</i>			
Finished goods and merchandise	1 940	779	1 351
Accounts receivable	78 975	50 398	109 636
Other receivables	7 274	665	707
Prepaid expenses and accrued income	50 946	18 788	35 881
<i>Cash and bank balances</i>	93 836	50 969	82 782
<b>Total current assets</b>	<b>232 970</b>	<b>121 599</b>	<b>230 357</b>
<b>TOTAL ASSETS</b>	<b>530 448</b>	<b>298 317</b>	<b>551 117</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>236 528</b>	<b>141 645</b>	<b>230 862</b>
<b>Minority interest</b>	<b>0</b>	<b>6 089</b>	<b>0</b>
<i>Long-term liabilities</i>			
<i>Deferred taxes</i>	0	1 554	0
Liabilities to credit institutions	92 684	46 993	100 842
Other liabilities	13 650	14 400	23 734
<b>Total long-term liabilities</b>	<b>106 334</b>	<b>62 947</b>	<b>124 576</b>
<i>Short-term liabilities</i>			
Liabilities to credit institutions	41 342	15 859	42 944
Accounts payable	28 022	11 252	42 214
Current tax liabilities	14 380	2 741	11 810
Other liabilities	44 976	29 418	53 087
Accrued expenses and prepaid income	58 866	28 366	45 625
<b>Total short-term liabilities</b>	<b>187 586</b>	<b>87 636</b>	<b>195 680</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>530 448</b>	<b>298 317</b>	<b>551 117</b>

## Change in equity, the Group

Amount in TSEK	Share capital	Free reserves	Result for the year	Minority interest
Opening equity as of 1 January 2022	638	252 289	-22 065	0
Reversal of previous year's results		-22 065	22 065	
Change in the Group's composition		2 605		
Exchange rate difference		1 165		
Result for the period			1 897	
<b>Closing equity as of 31 March 2022</b>	<b>638</b>	<b>233 994</b>	<b>1 897</b>	<b>0</b>

Amount in TSEK	Share capital	Free reserves	Result for the year	Minority interest
Opening equity as of 1 January 2021	585	138 302	2 742	6 053
Reversal of previous year's results		2 742	-2 742	
Exchange rate difference		138		-115
Result for the period			-122	151
<b>Closing equity as of 31 March 2021</b>	<b>585</b>	<b>141 182</b>	<b>-122</b>	<b>6 089</b>



# The Group's cash flow analysis

Amount in TSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating activities</i>			
Result after financial items	8 783	2 711	-6 992
Adjustments for items not included in the cash flow	25 321	14 095	81 063
Paid tax	-5 117	-4 723	-13 589
<b>Cash flow from operating activities before changes in working capital</b>	<b>28 987</b>	<b>12 083</b>	<b>60 482</b>
<i>Changes in working capital</i>			
Change in inventory	-563	-72	406
Change in receivables	9 807	13 317	-32 098
Change in operating liabilities	-7 146	-11 923	18 256
<b>Cash flow from operating activities</b>	<b>31 086</b>	<b>13 405</b>	<b>47 045</b>
<i>Investment activities</i>			
Acquisition of subsidiaries	0	-92 114	-285 057
Purchase of minority interest	0	0	-26 138
Acquisition of intangible fixed assets	0	0	-158
Acquisition of tangible fixed assets	-447	-1 324	-3 124
Sale of tangible fixed assets	0	0	0
Change in the Group's composition	0	0	0
<b>Cash flow from investing activities</b>	<b>-447</b>	<b>-93 438</b>	<b>-314 477</b>
<i>Financing activities</i>			
New issue	0	0	148 884
Borrowed loans	0	72 000	174 500
Repayment of loans	-20 557	0	-16 089
Repayment of lease liabilities	-396	-251	-1 029
Change in long-term receivables	-25	-7	337
Dividend to shareholders	0	0	-16 387
Foreign currency translation difference	356	-4	729
Minority interests	0	0	0
Repurchase of shares	0	0	0
<b>Cash flow from financing activities</b>	<b>-20 622</b>	<b>71 738</b>	<b>290 945</b>
<b>CASH FLOW OF THE PERIOD</b>	<b>10 017</b>	<b>-8 295</b>	<b>23 512</b>
Liquidity at the beginning of the period	82 782	59 178	59 178
Exchange rate difference in liquid funds	1 036	87	92
<b>Liquidity at the end of the period</b>	<b>93 835</b>	<b>50 969</b>	<b>82 782</b>

# Financial reports, parent company

## Parent Company's income statement

Amount in TSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating income</i>			
Net revenue	3 511	1 350	6 950
Other operating income	12	108	108
<b>Total operating income</b>	<b>3 523</b>	<b>1 458</b>	<b>7 058</b>
<i>Operating expenses</i>			
Other external expenses	-1 300	-561	-2 692
Personnel costs	-1 921	-855	-3 282
Depreciation and impairments of tangible fixed assets	0	-20	0
<b>Total operating expenses</b>	<b>-3 221</b>	<b>-1 435</b>	<b>-5 974</b>
<b>EBITA RESULT</b>	<b>302</b>	<b>22</b>	<b>1 084</b>
Depreciation and impairments of tangible fixed assets	-5 580	-5 580	-22 322
<b>OPERATING RESULT</b>	<b>-5 278</b>	<b>-5 558</b>	<b>-21 238</b>
<i>Result from financial items</i>			
Other interest income and similar items	488	21	765
Interest expenses and similar items	0	-2	0
<b>Total financial items</b>	<b>488</b>	<b>20</b>	<b>765</b>
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>-4 790</b>	<b>-5 538</b>	<b>-20 473</b>
Year-end appropriations	0	0	0
<b>PROFIT BEFORE TAX</b>	<b>-4 790</b>	<b>-5 538</b>	<b>-20 473</b>
Tax on the result for the period	0	-9	0
<b>RESULT FOR THE PERIOD</b>	<b>-4 790</b>	<b>-5 547</b>	<b>-20 473</b>

# Parent Company's balance sheet

Amount in TSEK	31/03/2022	31/03/2021	31/12/2021
<b>ASSETS</b>			
<i>Fixed assets</i>			
Goodwill	16 741	39 063	22 322
Shares in group companies	86 333	54 522	86 333
<b>Total fixed assets</b>	<b>103 074</b>	<b>93 585</b>	<b>108 655</b>
<i>Current assets</i>			
Receivables from group companies	133 061	13 100	133 401
Other receivables	12	158	114
Prepaid expenses and accrued income	398	269	90
Cash and bank balances	2 741	18 309	864
<b>Total current assets</b>	<b>136 212</b>	<b>31 836</b>	<b>134 469</b>
<b>TOTAL ASSETS</b>	<b>239 287</b>	<b>125 421</b>	<b>243 124</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>237 268</b>	<b>124 487</b>	<b>242 058</b>
<i>Long-term liabilities</i>			
<b>Total long-term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Short-term liabilities</i>			
Accounts payable	611	199	0
Current tax liabilities	31	71	9
Other liabilities	819	399	697
Accrued expenses and prepaid income	558	265	360
<b>Total short-term liabilities</b>	<b>2 019</b>	<b>934</b>	<b>1 066</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>239 287</b>	<b>125 421</b>	<b>243 124</b>

## Change in equity, Parent Company

Amount in TSEK	Share capital	Free reserves	Result for the year
Opening equity as of 1 January 2022	638	261 893	-20 473
Reversal of the previous year's result		-20 473	20 473
Result for the period			-4 790
<b>Closing equity as of 31 March 2021</b>	<b>638</b>	<b>241 420</b>	<b>-4 790</b>

Amount in TSEK	Share capital	Free reserves	Result for the year
Opening equity as of 1 January 2021	585	137 816	-8 367
Reversal of the previous year's result		-8 367	8 367
Result for the period			-5 547
<b>Closing equity as of 31 March 2021</b>	<b>585</b>	<b>129 449</b>	<b>-5 547</b>

## Parent Company's cash flow analysis

Amount in TSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating activities</i>			
Result after financial items	-4 790	-5 538	-20 473
Adjustments for items not included in the cash flow	5 580	5 600	22 322
Paid tax	22	-139	-35
<b>Cash flow from operating activities before changes in working capital</b>	<b>812</b>	<b>-77</b>	<b>1 814</b>
<i>Changes in working capital</i>			
Change in receivables	134	-11 703	-131 939
Change in operating liabilities	931	293	507
<b>Cash flow from operating activities</b>	<b>1 877</b>	<b>-11 487</b>	<b>-129 618</b>
<i>Investment activities</i>			
Shareholder contribution provided	0	0	-31 811
<b>Cash flow from investing activities</b>	<b>0</b>	<b>0</b>	<b>-31 811</b>
<i>Financing activities</i>			
<i>New issue</i>	0	0	148 884
Dividend to shareholders	0	0	-16 387
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>	<b>132 497</b>
<b>CASH FLOW OF THE PERIOD</b>	<b>1 877</b>	<b>-11 487</b>	<b>-28 932</b>
Liquidity at the beginning of the period	864	29 796	29 796
Liquidity at the end of the period	2 741	18 309	864

# Definitions

## Share of recurring software income

Share of recurring software income, excluding items that interfere with the comparison with other periods, of adjusted net revenue.

## LTM

Last twelve months.

## EBITA

Operating result plus depreciation and impairments on intangible fixed assets.

## EBITA %

Operating result plus depreciation and impairments on intangible fixed assets as a percentage of net revenue.

## Adjusted EBITA

Operating result plus depreciation and impairments on intangible fixed assets excluding items affecting comparability. The purpose is to show EBITA excluding items that interfere with the comparison with other periods.

## Adjusted net revenue

The business' main income, invoiced expenses, side income, and income corrections, excluding items affecting comparability. The purpose is to show net revenue excluding items that interfere with the comparison with other periods.

## Number of employees at the end of the period

Refers to the number of employees at the end of the period, converted to full-time employees.

## Net revenue

The business' main income, invoiced expenses, side income, and income corrections.

## Organic growth

Change in net revenue excluding acquired units during the last 12 months.

# Upcoming reports



15 July 2022  
Quarterly Report Q2

28 October 2022  
Quarterly Report Q3

8 February 2023  
Year-end report 2022

# Certified advisor

Exsitec's Certified Advisor is Erik Penser Bank.

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