



Q1 2022

Interim report

CGit Holding AB (publ)

CGit

Group financial overview

All amounts in TSEK

Group financial overview	First quarter 2022	First quarter 2021	Full year 2021	Full year 2020
Net sales	27,841	24,262	135,569	77,153
EBITDA	2,629	1,133	4,924	5,630
Earnings	1,721	317	1,537	2,877
Earnings after tax	1,296	189	1,000	2,106
Earnings per share after tax (SEK)	0.82	0.12	0.63	1.34
Number of shares	1,576,000	1,576,000	1,576,000	1,576,000

- Revenue increased by 15 percent to SEK 27.9 million (SEK 24.2 million), with 100 percent organic growth.
- Annual recurring revenue (ARR) from operational activities increased by 6 percent to SEK 6.6 million (SEK 6.2 million).
- The gross margin from operational activities increased to 39.9 percent (38.6), which is 1.3 percentage points higher than the same period last year.
- EBITDA amounted to SEK 2.6 million (1.1), corresponding to a margin of 9.4 percent (4.6).
- During the period, an expense of SEK 151 thousand was incurred related to the development of our software solution linked to AI.
- Cash and bank strengthened during the quarter by SEK 8.8 million to SEK 14.7 million.
- The Group's earnings per share for the first quarter of 2022 amounted to SEK 0.82 (0.12).

Calendar

Interim report Q1 2022	Interim report 2022	Interim report Q3 2022
May 20, 2022	August 19, 2022	October 28, 2022

Commercial concept

By challenging with innovative, smart and simple solutions, we increase the competitiveness of our Clients.

Description of activities

CGit is an IT company based in Mölndal and forms part of a group in which the wholly owned subsidiary CGit has been engaged since 2007 in the construction and development of IT, including AI/Deep Learning platforms, data centers, security, management, hosting, networks & communication and backup/DR.

The company supplies products, solutions and expertise in the following business areas; AI solutions and services, Enterprise IT infrastructure, IT operations and hosting, IT products/solutions and currently has around 120 clients across the country in a wide range of industries.

We help companies get the most out of their existing IT solutions and find maximum business value in planned investments. We achieve this by working closely with a small number of carefully selected partners who together create synergies.

Our vision is that tomorrow's challenges cannot be met with yesterday's technology and working with CGit should always be valuable, profitable and prompt.



Calendar



A WORD FROM THE CHAIRMAN/

It is time to sum up Q1, 2022. I note that we continue to deliver our solutions and services in a stable manner despite a number of concerns in the global market. Both the war in Ukraine and the after-effects of the pandemic have brought component shortages that will affect the entire market for at least the current year and probably into 2023.

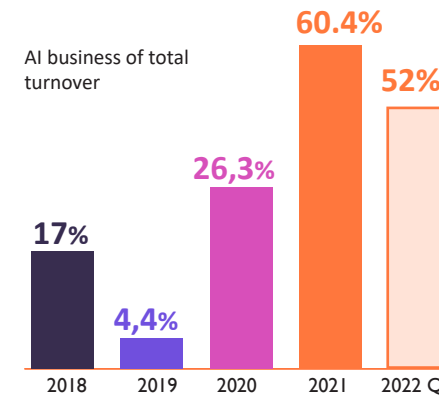
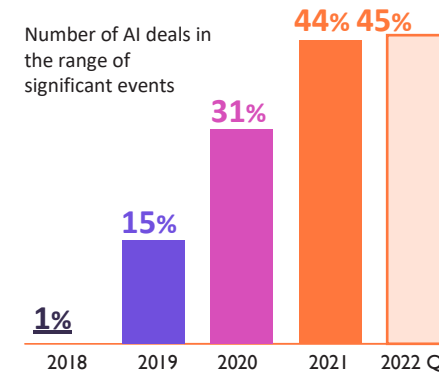
Against this background, we are proud to be able to present a good start to the year. Our turnover for the current period amounts to 27,841 KSEK, which is an increase of 15% compared to the same period last year (24,262 KSEK) and EBITDA amounts to 2,629 KSEK, which is an increase of 132% compared to the same period last year (1,133 KSEK).

Our experience, expertise and knowledge in this field have been recognized in the market. This is helping to keep demand for our services growing - even more than we had anticipated.

In February, IDG is recognizing us by nominating us for Tech Company of the Year! We also go to the final and can humbly state that we are one of the ten great companies that are considered the top tech companies at the Tech Awards Sweden. In March, NVIDIA will designate us to NVIDIA's DGX-Ready Managed Services Program. CGit becomes

one of the few selected vendors authorized to help enterprises manage distributed NVIDIA DGX (AI) platforms. It is a real stamp of quality that we will take with us in the further development of CGit.

The market for applied AI continues to accelerate in a growing number of industries. The need for access to platforms for, in particular, computing capacity, but also for in-depth expertise in the field and an understanding of how Swedish industry can take the next step in development with the help of new technologies, is constantly increasing.



In this paradigm shift, we stand ready with knowledge, skills and experience. We also have ready-made concepts for AI as a service and solutions for the entire food chain, "From data to Wisdom". In the first quarter, January - March 2022, we have a steady growth in annual recurring revenue (ARR) increasing by 6% and we see a very positive trend in our as a service concepts.

Our AI solutions business has a margin of between 15-20%. In this segment, we see increasing competition from large global players who want to "buy into" markets. Compared to these global players, CGit has a unique offering. We increase our competitiveness by offering proprietary

software such as AiQu and SnapXS and that we are launching our "AI as a service" service. CGit can thus deliver a complete offering - from the data center, through ML Ops to Applied AI. This is unique in the market and ensures that CGit further advances its already strong position in AI in the market.

We have many trend arrows pointing upwards for us: Turnover, profit, contract revenue and number of employees. We grow organically and with responsibility. Slowly

we are getting more and more competent and skilled people in our fields. Today we have 32 employees, an increase of 20% compared to the same period last year (27). At the moment, we are seeing the most growth in the consulting area, where we are primarily hiring systems engineers, devOps and data scientists.

CGit continues to build and develop our knowledge house in AI with deep expertise and experience. We are now an established player in the market and see us as a leader in AI, Deep Learning and its associated services and concepts related to advanced computing and computational capabilities.

The market, technology development and the business world have seriously embarked on the road to digitalization and Industry 4.0 and we are taking the baton to be the natural guide into the next paradigm shift. Our sights are set and our focus has increased on continuing to build our knowledge house that provides the market with expertise, experience and services across the entire AI and Deep Learning ecosystem.

Together with Aixia, which forms part of the CGit group, we continue to strengthen our unique offer. This is achieved through our advanced scheduler AiQu, which drastically reduces the complexity of scheduling and the use of powerful computational resources, and SnapXS, our data management software package, which enables the efficient use of Big Data in an AI ecosystem. These solutions form the basis of our AI as a service concept. **AI Made in Sweden.**

Mattias Bergkvist, CEO

Significant events Q1 2022

- 1/3/2022** **CGit takes a new order from an existing customer, value SEK 3.8 million.**
CGit has been entrusted to deliver the next generation data management solution to an existing customer. The customer, which is active in software development and SaaS services, has decided to invest in new technology to meet the challenging realities of IT. With the new technology provided by CGit, the customer will ensure that the information is always secure and accessible.
- 1/27/2022** **CGit takes a new order from a one of the universities in Sweden through Aixia.**
CGit, through Aixia, has won a tender and is signing a new contract with a university for natural language processing. We will help them develop and implement deep learning models. The project starts immediately and will last for about 6 months.
- 2/28/2022** **Nominated for Tech Company of the Year**
CGit has made it to the finals of the Tech Business Award at the Tech Awards Sweden, organized by TechSverige (formerly the IT and Telecoms Association) and tech media house IDG.
- 3/1/2022** **CGit takes a new order from an existing customer, value SEK 4.3 million.**
CGit has been entrusted to deliver the expansion of the existing storage solution to ensure the capacity of the existing AI platform. The customer, which operates in the automotive sector, has decided to invest in new technology to meet market requirements and demand. With the new technology delivered by CGit, The customer ensures the capacity and availability for further development within the existing AI platform.
- 3/25/2022** **CGit selected for NVIDIA DGX-Ready Managed Services Program**
CGit has been selected as an NVIDIA partner for NVIDIA's DGX-Ready Managed Services Program. CGit will be one of a select group of vendors authorized to help companies manage distributed NVIDIA DGX platforms.
- 3/30/2022** **CGit takes a new order from an existing customer, value SEK 1.8 million.**
CGit has been entrusted to deliver next generation network infrastructure to an existing customer. The customer, which is active in automotive software development, has decided to invest in new technology to meet the security and capacity requirements of its business. With the new technology provided by CGit, the customer will ensure that the information is always secure and accessible.

Significant events after the end of the period

- 4/28/2022** **CGit takes a new order from a new customer, value SEK 1.2 million.**
CGit has been entrusted to deliver next generation network infrastructure to a new customer. The customer is a Swedish media company, which is active in streaming and TV. It has decided to invest in new technology to meet its business requirements and security and capacity. With the new technology delivered by CGit, the customer will ensure that the information is always secure and available with high capacity.
- 5/4/2022** **CGit takes a new order from a new customer, value SEK 3.2 million.**
CGit has been entrusted to deliver the next generation network infrastructure to an existing customer. The customer operates in the AI/Automotive segment. The customer has decided to invest in new technology to meet the security, capacity and high availability requirements of the business. With the new technology delivered by CGit, the customer will ensure that the information is always secure and available with high capacity.
- 5/6/2021** **CGit takes a new order from an existing customer, value SEK 2 million.**
CGit has been entrusted to deliver next generation IT infrastructure, including both network and storage architecture, to an existing customer. Client is active in software development. The customer has decided to invest in new technology to meet market and business requirements for security, capacity and high availability. With the new technology delivered by CGit, based on next generation state-of-the-art architecture, CGit ensures that Client information is always secure and available with high capacity.
- 5/11/2022** **CGit takes a new order from an existing customer, value SEK 1.6 million.**
CGit has been entrusted to deliver next generation network infrastructure to an existing customer. The customer, which operates in the global telecoms market, has decided to invest in new technology to meet its business requirements and security and capacity. With the new technology provided by CGit, the customer will ensure that the information is always secure and accessible.

Basic Group Facts

Shares

The company's share is available for trading at Spotlight stock market under the short name CGIT B, ISIN code is SE0010636837. Spotlight stock market is a subsidiary of ATS Finans AB, which is a securities company under the supervision of the Swedish Financial regulator. Spotlight operates a trading platform, which is not a regulated market.

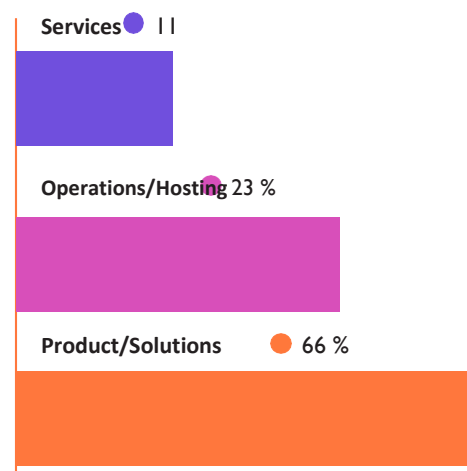
The share capital of CGit amounts to SEK 788,000 divided into 1,576,000 shares with a nominal value of SEK 0.50 per share. All shares are issued and fully paid. The company has two classes of shares, 100,000 Class A shares and 1,476,000 Class B shares. The Class A share carries ten (10) votes per share. Each B share carries one (1) vote per share. All shares carry equal rights to participate in the assets and profits of the Company.

Cash flow/Going concern status

CGit has a positive cash flow from operational activities, enabling continued growth-generating investments in the area Deep Learning and AI infrastructure and DevOps skills. Investments enable the development of our AiQu software. This is a conscious effort and forms part of the company's long-term plan.

Revenue model

2022 Q1



Accounting and valuation principles

The report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Guidelines BFAR 2012:1 (K3), which is unchanged from the previous year. For further information, please refer to the company's most recently adopted annual report.

The consolidated financial statements consolidate the activities of the Parent Company and all its subsidiaries. Subsidiaries are all companies in which the Group has the right to determine the financial and operational strategies in order to obtain economic benefits.

The Group obtains and exercises control by holding more than half of the votes. Intra-group transactions and balance sheet items are eliminated in full on consolidation, including unrealized gains and losses on transactions between group companies.

Auditor's opinion on the interim report

The report has not been audited by the company's auditor.

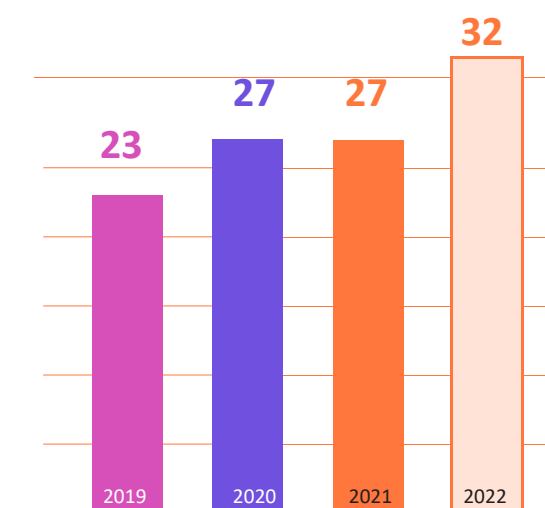
Employees

As of March 31, 2022, the Group has 32 employees.

Important dates

Interim report (Q1): May 20, 2022

Number of employees



Consolidated revenue statement

All amounts in TSEK	First quarter		Full year	
	2022	2021	2021	2020
Consolidated revenue statement				
Operational revenue				
Net sales	27,841	24,262	135,569	77,153
Own-account work capitalized	197	0	1,846	1,056
Other operational revenue	2,152	465	1,599	2,218
Total operational revenue	30,190	24,727	139,014	80,427
Operational expenses				
Merchandise & purchased services	-18,351	-15,181	-98,529	-46,226
Other external costs	-2,400	-2,721	-11,711	-9,064
Personnel costs	-6,774	-5,620	-23,515	-18,664
Other operational expenses	-36	-72	-335	-843
Total operational expenses before depreciation	-27,561	-23,594	-134,090	-74,797
Earnings before depreciation and amortization (EBITDA)	2,629	1,133	4,924	5,630
Depreciation of intangible and tangible fixed assets	-908	-816	-3,387	-2,753
Earnings (EBIT)	1,721	317	1,537	2,877
Result from financial items				
Interest expense and similar revenue and expense items	-55	-44	-214	-150
Profit before tax for the period	1,666	273	1,323	2,727
Tax expense for the period	-370	-84	-323	-621
Profit for the period after tax	1,296	189	1,000	2,106
Profit attributable to equity holders of the Parent	1,360	189	921	2,106
Profit attributable to non-controlling interests	-64	0	79	0

Consolidated balance sheet

All amounts in TSEK	2022 Q1	2021
Assets		
Fixed assets		
Intangible fixed assets		
Expenditure on development projects	6,651	5,920
Tangible fixed assets		
Machinery and other technical equipment	392	453
Furniture, tools and installations	10,821	9,545
Total fixed assets	17,864	15,918
Current assets		
Stocks of goods etc.		
Finished goods and merchandise	12	12
Short-term receivables		
Trade receivables	14,338	8,969
Other receivables	84	0
Prepaid expenses and accrued revenue	87	7,035
Cash and bank	2,198	3,274
Cash and bank	14,771	5,868
Total current assets	31,490	25,158
Total assets	49,354	41,076

Group balance sheet

All amounts in TSEK

Equity and liabilities	2022 Q1	2021
Equity capital		
Share capital	788	788
Other paid-in capital	5,460	5,460
Other equity including profit for the period	8,447	7,087
Equity attributable to equity holders of the parent	14,695	13,335
Non-controlling interests	27	91
Total equity	14,722	13,426
Non-current liabilities		
Amounts owed to credit institutions	6,065	4,892
Total long-term liabilities	6,065	4,892
Current liabilities		
Amounts owed to credit institutions	3,867	3,695
Advances from customers	10,322	45
Trade payables	9,444	6,077
Current tax liability	0	399
Other liabilities	2,022	9,423
Accrued charges and deferred revenue	2,912	3,119
Total current liabilities	28,567	22,758
Total equity and liabilities	49,354	41,076

Parent company revenue statement

All amounts in TSEK

Parent company revenue statement	First quarter 2022	2021	Full year 2021	2020
Operational revenue				
Net sales	840	839	3,659	3,305
Total operational revenue	840	839	3,659	3,305
Operational expenses				
Other external costs	-114	-187	-578	-585
Personnel costs	-562	-793	-3,070	-2,715
Total operational expenses	-676	-980	-3,648	-3,300
Earnings	164	-141	11	5
Result from financial items				
Interest expense and similar items	0	0	0	-0
Total from financial items	0	0	0	0
Result after financial items	164	-141	10	5
Financial statements				
Group contributions received	0	0	0	0
Tax expense for the period	-34	0	-4	-3
Result for the period	130	-141	6	2

Parent company balance sheet Parent company balance sheet

All amounts in TSEK

Assets	2022 Q1	2021
Fixed assets		
Financial fixed assets		
Shares in group companies	1,790	1,790
Total fixed assets	1,790	1,790
Current assets		
Short-term receivables		
Trade receivables	350	350
Receivables from group companies	5,188	5,188
Other receivables	14	0
Prepaid expenses and accrued revenue	96	396
Total current receivables	5,648	5,934
Cash and bank		
Cash and bank	571	41
Total current assets	6,219	5,975
Total assets	8,009	7,765

All amounts in TSEK

Equity and liabilities	2022 Q1	2021
Equity capital		
Tied equity		
Share capital	788	788
Free equity		
Overexposure fund	5,460	5,460
Balanced result	904	898
Result for the period	130	6
Total equity	7,282	7,152
Non-current liabilities		
Amounts owed to credit institutions	0	0
Total long-term liabilities	0	0
Current liabilities		
Trade payables	155	33
Current tax liability	46	128
Other liabilities	331	277
Accrued charges and deferred revenue	195	175
Total current liabilities	727	613
Total equity and liabilities	8,009	7,765

CGIT /

CGit is an IT company based in Mölndal and forms part of a group in which the wholly owned subsidiary CGit has since 2007 engaged in the construction and development of IT infrastructure, including AI/Deep Learning platforms, data centers, security, management, hosting, networking, & communications and backup/DR. The company supplies services in three business areas; IT Operations, IT Consultants and IT Products and currently has around 120 clients across several industries.

FOR MORE INFORMATION /

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This information is information that CGit Holding AB (publ) is required to make public pursuant to the EU Market Abuse Regulation. The information was provided by the above contact, for publication 5/20/2022.