

Q2 2022

Interim report

CGit Holding AB (publ)

CGit

Group financial overview

All amounts in TSEK

Group financial overview	2022 Second quarter	2021 Second quarter	2022 First half-year	2021 First half-year	2021 Full year
Net sales	23,382	29,253	51,223	53,515	135,569
Earnings before depreciation and amortization (EBITDA)	286	1,613	2,915	2,746	4,924
Earnings (EBIT)	-677	758	1,044	1,075	1,537
Earnings after tax	-599	562	697	751	1,000
Earnings per share after tax (SEK)	-0.38	0.36	0.44	0.48	0.63
Number of shares	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000

- Revenue fell by SEK 5.9 million to SEK 23.4 million (SEK 29.3 million in the same period last year). However, it is important to note that SEK 8.5 million of business taken has not been delivered due to component shortages. Our estimate is that SEK 7.5 million of these will be delivered and invoiced in 2022.
- Annual recurring revenue (ARR) from operational activities increased by 5 percent to SEK 6.5 million (SEK 6.3 million in the same period last year).
- The gross margin from operational activities fell to 57.2% (67.9%), which is 10.7 percentage points lower than the same period last year.
- EBITDA amounted to SEK 286 thousand (1.6), corresponding to a margin of 1.2 percent (5.2).
- During the period, an expense of TSEK 137 has been incurred related to the development of our software solution linked to AI.
- Cash and bank accounts fell during the quarter from SEK 3.4 million to SEK 2.5 million.
- The Group's earnings per share for the second quarter of 2022 amounted to SEK -0.38 (0.36).

Calendar

Interim report Q3 2022

October 28, 2022

Commercial concept

By challenging with innovative, smart and easy 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



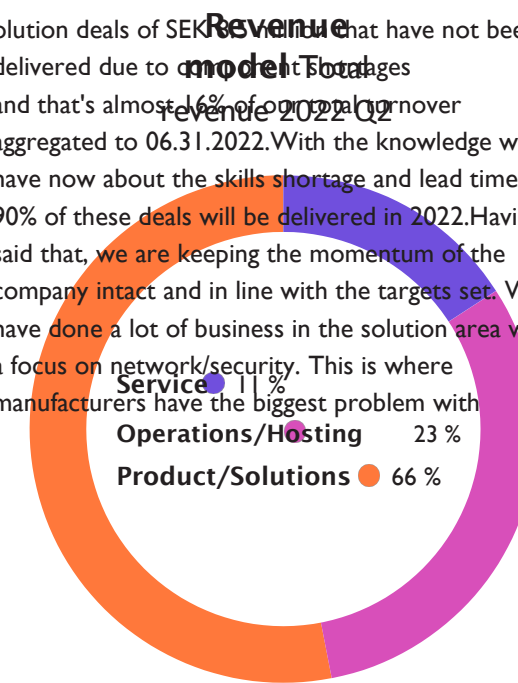
A WORD FROM THE CHAIRMAN/

In a changing world, it is important to be able to respond to change, rethink and adapt to circumstances! Globalization and urbanization are big changes, perhaps the biggest in modern times. As a business, we are affected in many ways, but all of them are of a low degree and need to be related to this unique world.

We are currently being impacted by the pandemic, climate change and the war in Europe. Overall, these crises have affected the availability of components, created entirely new transport challenges and increased the cost of production.

CGit has handled these three crises very well - we have had our ear to the ground and have acted quickly and agilely when needed. Already at the end of 2021 we stated that we would have to deal with the component shortage for a long time and in previous reports I have mentioned that it will probably last until well into 2023. But it may be even longer. We have started to expand our consulting organization in order to financially compensate for delayed deliveries of solutions, especially in parts of the solutions business where only certain manufacturers are affected!

olution deals of SEK 55 million that have not been delivered due to component shortages and that's almost 16% of our total turnover aggregated to 06.31.2022. With the knowledge we have now about the skills shortage and lead times, 90% of these deals will be delivered in 2022. Having said that, we are keeping the momentum of the company intact and in line with the targets set. We have done a lot of business in the solution area with a focus on network/security. This is where manufacturers have the biggest problem with



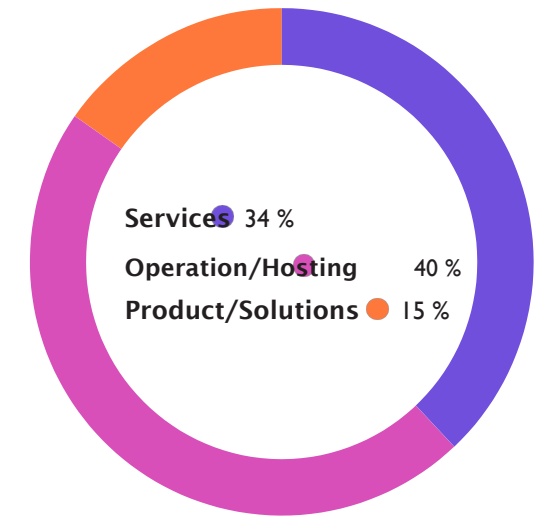
Since we do not have a component shortage on the direct hardware related to AI/deep learning, I am not worried for the year as a whole. This is also demonstrated by three major orders of SEK 8 million, SEK 34 million and SEK 21 million in turnover. These were carried out after the period covered by the report but are described in Significant events after the period. The deal of SEK 34 million has already been delivered and invoiced in August; the deal of SEK 21 million will be delivered and invoiced in September. The deal of SEK 8 million will be invoiced in Q4. I would like to emphasize that there are no component shortage issues related to these deals and they will be delivered as usual to the customer! In total, these deals alone account for SEK 55 million in Q3!

Delivery problems exist in the case of complete solutions, of which network equipment is a part. However, we have initiated cooperation with other manufacturers who don't have component shortages and who can deliver

We also note that we have faced more challenges with component shortages than we could compensate for in a single quarter.

This year alone we have taken on 6 more employees (33 compared to 27 in Q1), mostly to expand the consulting business. It takes a few months before the full impact is felt on the bottom line, and the consulting business is not nearly as revenue-driving as the solutions business traditionally is. In Q1, consulting accounted for 26% of total TBs and in Q2 consulting is 34% of total TBs.

TBs Total turnover 2022 Q2



component shortages, but also a transport and packaging debt since the major "lockdown" that occurred in Asia during the pandemic.

We have seen this challenge coming and we have taken steps to compensate, such as shifting to a greater proportion of consultancy sales and contract sales around our various services and concepts. This has been implemented, but the impact has been delayed.

Mattias Bergkvist, CEO

Significant events Q2 2022

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.

5/6/2022

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. The customer 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.

5/31/2022

CGit has been commissioned to deliver a project on quality control using Artificial Intelligence.

CGit/Aixia has been commissioned to carry out a project on quality control using Artificial Intelligence. CGit/Aixia will deliver the entire project from inception to full production, including project management, data collection, data power, software, development and security.

The customer, which operates in the circular economy and is present throughout Scandinavia, plans to introduce AI in a pilot plant in Sweden together with AIXIA.

Significant events after the end of the period

7/1/2022

CGit takes a new order from a new customer, value SEK 1 million.

CGit has been entrusted to deliver next generation network infrastructure to an existing customer. The customer, which operates in the global telecommunications market, has decided to invest in new technology to meet greater demand and business requirements, security needs and capacity. With the new technology provided by CGit, the customer will ensure that the information is always secure and accessible.

7/7/2022

CGit takes new large order with existing customer, value SEK 34 million.

CGit has been entrusted to deliver a new AI/Deep Learning platform to one of its existing customers. The customer is active in the automotive sector and works with solutions for autonomous driving. The customer's unique, scalable, open platform is designed to support driver acceptance, use and reliability. With the new AI platform delivered by CGit, The customer ensures the continued development of its solution and that capacity is secured to meet the needs of the market.

7/14/2022

CGit takes a new order from an existing customer, value SEK 8.4 million.

CGit has been entrusted to deliver a new data management solution to one of its existing customers. The solution is based on the very latest technology in data storage coupled with AI-Deep Learning platforms. The customer is active in the Automotive sector and works on software solutions for self-driving vehicles. The order is based on an evaluation process in which the customer, over 60 days, has the opportunity to ensure that the technology meets the expectations and objectives set by the customer. In the development of the solution, other solutions have been discussed but CGit together with the customer has through careful validation landed on this solution. The customer, in consultation with CGit, has the right to change the solution.

8/19/2022

CGit takes a new order from a new customer, value SEK 21 million.

CGit has been entrusted to deliver a new AI/Deep Learning platform to one of its existing customers. The customer is active in the automotive sector and works with solutions for autonomous driving. The customer's unique, scalable, open platform is designed to support driver acceptance, use and reliability.

With the new AI platform delivered by CGit, The customer further ensures the continued development of its solution and that capacity is secured to meet the ever-increasing needs of the market



Basic Group Facts

Shares

The company's share is available for trading on 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 Finansinspektionen. 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 on a full-year basis, although individual quarters may deviate with negative cash flows. Positive cash flow from operational activities will enable continued growth-enhancing investments in the area of Deep Learning and AI infrastructure and DevOps expertise.

The investment forms part of the company's long-term plan where the operational business will finance the development of our AiQu software.

FOR FURTHER INFORMATION/

Mattias Bergkvist CEO

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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 BFNAR 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 June 30, 2022, the Group has 33 employees.

Important dates

Interim report (Q3): October 28, 2022

Consolidated revenue statement

All amounts in TSEK	Second quarter		First half-year		Full year
Consolidated revenue statement	2022	2021	2021	2020	2021
Operational revenue					
Net sales	23,382	29,253	51,223	53,515	135,569
Own-account work capitalized	137	231	334	231	1,846
Other operational revenue	546	1,635	2,698	2,100	1,599
Total operational revenue	24,065	31,119	54,255	55,846	139,014
Operational expenses					
Merchandise & purchased services	-13,450	-20,015	-31,801	-35,196	-98,529
Other external costs	-3,279	-3,709	-5,679	-6,430	-11,711
Personnel costs	-7,009	-5,653	-13,783	-11,273	-23,515
Other operational expenses	-41	-129	-77	-201	-335
Total operational expenses before depreciation	-23,779	-29,506	-51,340	-53,100	-134,090
Earnings before depreciation and amortization (EBITDA)	286	1,613	2,915	2,746	4,924
Depreciation of intangible and tangible fixed assets	-963	-855	-1,871	-1,671	-3,387
Earnings (EBIT)	-677	758	1,044	1,075	1,537
Result from financial items					
Interest expense and similar revenue and expense items	-71	-57	-126	-101	-214
Profit before tax for the period	-748	701	918	974	1,323
Tax expense for the period	149	-139	-221	-223	-323
Profit for the period after tax	-599	562	697	751	1,000
Earnings per share after tax	-0.38	0.36	0.44	0.48	0.63
Profit attributable to equity holders of the Parent	-587	508	773	697	921
Profit attributable to non-controlling interests	-12	54	-76	54	79

Consolidated balance sheet

All amounts in TSEK	2022 Q2	2021 Q2
Assets		
Fixed assets		
Intangible fixed assets		
Expenditure on development projects	6,566	5,920
Tangible fixed assets		
Machinery and other technical equipment	330	453
Furniture, tools and installations	11,672	9,545
Total fixed assets	18,568	15,918
Current assets		
Stocks of goods etc.		
Finished goods and merchandise	24	12
Short-term receivables		
Trade receivables	13,006	8,969
Other receivables	372	0
Prepaid expenses and accrued revenue	275	7,035
Cash and bank	3,133	3,274
Cash and bank	2,500	5,868
Total current assets	19,310	25,158
Total assets	37,878	41,076

Group balance sheet

All amounts in TSEK

Equity and liabilities	2022 Q2	2021 Q2
Equity capital		
Share capital	788	788
Other paid-in capital	5,460	5,460
Other equity including profit for the period	7,860	7,087
Equity attributable to equity holders of the parent	14,108	13,335
Non-controlling interests	15	91
Total equity	14,123	13,426
Non-current liabilities		
Amounts owed to credit institutions	6,946	4,892
Total long-term liabilities	6,946	4,892
Current liabilities		
Amounts owed to credit institutions	3,850	3,695
Advances from customers	113	45
Trade payables	6,816	6,077
Current tax liability	0	399
Other liabilities	2,212	9,423
Accrued charges and deferred revenue	3,818	3,119
Total current liabilities	16,809	22,758
Total equity and liabilities	37,878	41,076

Group cash flow statement

All amounts in TSEK

Group cash flow statement	1/1/2022 6/30/2022	1/1/2021 6/30/2021	1/1/2021 12/31/2021
Current operations			
Earnings	1,044	1,075	1,537
Adjustments for items not included in cash flows	1,826	1,671	3,437
Interest paid	-126	-101	-214
Revenue tax paid	-992	-952	-1,274
Cash flow from operational activities before changes in working capital	1,752	1,693	3,486
Cash flow from changes in working capital			
Decrease (+)/increase (-) in inventories/work in progress	-12	44	44
Decrease (+)/increase (-) in trade receivables	-4,037	1,825	1,566
Decrease (+)/increase (-) in receivables	6,901	456	-7,750
Decrease (-)/increase (+) in trade payables	739	1,364	1,982
Decrease (-)/increase (+) in short-term liabilities	-6,444	505	7,654
Cash flow from operational activities	-1,101	5,887	6,982
Investment activities			
Purchase of capitalized development expenditure	-758	-607	-2,885
Purchase of machinery and other technical equipment	0	0	-77
Purchase of equipment, tools and installations	0	-218	-728
Cash flow from investing activities	-758	-825	-3,690
Financing activities			
Repayment of financial liabilities	-1,509	-1,237	-2,729
Cash flow from financing activities	-1,509	-1,237	-2,729
Change in cash and cash equivalents	-3,368	3,825	563
Cash and cash equivalents at the beginning of the period	5,868	5,305	5,305
Cash and cash equivalents at the end of the period	2,500	9,130	5,868

Parent company revenue statement

All amounts in TSEK	First quarter		Full year		Full year
Parent company revenue statement	2022	2021	2022	2021	2021
Operational revenue					
Net sales	840	841	1,680	1,680	3,659
Total operational revenue	840	841	1,680	1,680	3,659
Operational expenses					
Other external costs	-220	-127	-334	-314	-578
Personnel costs	-598	-798	-1,160	-1,591	-3,070
Total operational expenses	-818	-925	-1,494	-1,905	-3,648
Earnings	22	-84	186	-225	11
Result from financial items					
Interest expense and similar items	-1	-1	-1	-1	-1
Total from financial items	-1	-1	-1	-1	-1
Result after financial items	21	-85	185	-226	10
Financial statements					
Group contributions received	0	0	0	0	0
Tax expense for the period	-3	0	-37	0	-4
Result for the period	18	-85	148	-226	6

Parent company balance sheet

All amounts in TSEK	2022 Q2	2021 Q2
Assets		
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	0	350
Receivables from group companies	5,688	5,188
Other receivables	13	0
Prepaid expenses and accrued revenue	102	396
Total current receivables	5,803	5,934
Cash and bank		
Cash and bank	259	41
Total current assets	6,062	5,975
Total assets	7,852	7,765

Parent company balance sheet

All amounts in TSEK

Equity and liabilities	2022 Q2	2021 Q2
Equity capital		
Tied equity		
Share capital	788	788
Free equity		
Overexposure fund	5,460	5,460
Balanced result	904	898
Result for the period	148	6
Total equity	7,300	7,152
Non-current liabilities		
Amounts owed to credit institutions	0	0
Total long-term liabilities	0	0
Current liabilities		
Trade payables	60	33
Current tax liability	61	128
Other liabilities	237	277
Accrued charges and deferred revenue	194	175
Total current liabilities	552	613
Total equity and liabilities	7,852	7,765

Parent company cash flow statement

All amounts in TSEK

Group cash flow statement	1/1/2022 6/30/2022	1/1/2021 6/30/2021	1/1/2021 12/31/2021
Current operations			
Earnings	186	-225	11
Adjustments for items not included in cash flow	0	0	0
Interest paid	-1	-1	-1
Revenue tax paid	-104	-46	-33
Cash flow from operational activities before changes in working capital	81	-272	-23
Cash flow from changes in working capital			
Decrease (+)/increase (-) in trade receivables	350	-350	-350
Decrease (+)/increase (-) in receivables	-219	535	245
Decrease (-)/increase (+) in trade payables	27	-18	-12
Decrease (-)/increase (+) in short-term liabilities	-21	40	78
Cash flow from operational activities (Operational cash flow)	218	-65	-62
Change in cash and cash equivalents	218	-65	-62
Cash and cash equivalents at the beginning of the period	41	103	103
Cash and cash equivalents at the end of the period	259	38	41

CGIT /

CGit is a specialist, innovative and solution-oriented IT company based in Mölndal and forms part of a group that is active in data centers, AI/Deep Learning platforms, secure management, hosting, networking and communications. Our vision is that tomorrow's challenges cannot be met with yesterday's technology and cooperation with CGit will always be valuable, profitable and prompt. Today we have about 35 employees and about 120 clients across Scandinavia in a wide range of industries.

CGit was founded in 2007 and our parent company CGit Holding AB (publ) has been listed on Spotlight Stockholm since 2018.

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 8/19/2022.