



2021

# Year-end report

CGit Holding AB (publ)

**CG**it

## Group financial overview

Q4 /

We end the final quarter with the biggest deal in the company's history! For our part, this deal will be a framing and summing up of 2021, another year dominated by the pandemic and a global component shortage that profoundly affected the entire industry.

All amounts in TSEK

Group financial overview (TSEK)	2021 Full year	2020 Full year	2021 Quarter 4	2020 Quarter 4
Net sales	135,569	77,153	61,409	21,839
Operating result	1,537	2,877	483	597
Operating result	1,000	2,106	337	462
Earnings per share after tax	0.63	1.34	0.21	0.29
Number of shares	1,576,000	1,576,000	1,576,000	1,576,000

I can look back with pride on 2021, when as a company we took the strategic decision to intensify the construction of our House of Knowledge, in the midst of a global pandemic affecting our entire society. We have to go back to World War II to find anything comparable! Even in that situation we have the courage to believe in ourselves

and realize that, if we are to maintain the leading position we have in the market and indeed establish ourselves in it, we need to take the next step within CGit, namely to build a company that can deliver the entire lifecycle of AI, from Data Center to applied AI! From Data to Wisdom!

## From Data to Wisdom



2021 /

Join me on a look back at 2021.

In January, we started up our software company Aixia, an important step in moving us up the value chain. With its products AiQu and SnapXS we can also schedule the training provided on the AI platform, partly to increase the utilization rate, partly to ensure the safety of the jobs done in the environment, which is an incredibly important component of the whole. We are also creating the conditions for us to really be able to offer AI-as-a-Service ourselves through our own developed data manager, all in Swedish-developed software, in Swedish AI solutions, in Swedish data centers located in Sweden!

In March, we received confirmation that we are on the right track when we were granted research funding for industrial research with a focus on research and development and innovation. A key step in the construction of our House of Knowledge!

In April, we received such a good response from our AI specialist data center that we took the decision to double capacity with an additional 5 Petaflops of GPU computing power.

**These recent successes are opening up new opportunities.** We have Northern Europe's best AI specialist data centers, we have the most skilled and experienced AI devops and systems engineers in Scandinavia, and critically we have experience of building these complex data center solutions.

As a result, in April we played a key role in several AI projects in the spirit of Industry 4.0 together with Stena Industry Innovation Lab. Projects based on using cameras and AI to inspect and ensure that the production of companies in the global automotive industry meets their very high quality standards. This project in turn means that we are now one of the players in building Sweden's digital mainstream.

In June, we took the next step towards forming part of the development of Industry 4.0. CGit signed a strategic framework agreement with AI Sweden, Sweden's national center for applied artificial intelligence. CGit entered into a strategic framework agreement to build the Edge Lab,

a world-leading sandbox within AI Sweden's Data Factory, where companies, academia and the public sector can develop their AI solutions.

We're just getting started in Q4 as we conclude our biggest deal in the company's history! Our first GPU-based Megapod deal! Worth 43.6 MSEK!

A massive deal that confirms our position in the market but also confirms our competence and experience in a market that will directly determine the future development of many companies in Industry 4.0.

Our success in recent years has been partly due to our strategic choices and the way we have built our solutions up in purely architectural terms.

In December, this led to us being named by Nvidia as the winner of the NVIDIA Channel Partner Marketing Excellence Award for Northern Europe 2021!

Incredible fun and yet more proof of our position and experience in AI and Deep Learning!

To sum up the year, we have delivered the largest turnover in the company's history during a raging global pandemic!

135.5 MSEK represents an increase of 76% compared to the previous year (77 MSEK)! This while making critical and vital investments to continue to generate growth and now also start to build increased earnings growth.

### Agenda

**Annual General Meeting 2022**  
May 17, 2022

**Interim report Q1 2022**  
May 20, 2022

**Mid-year report 2022**  
August 19, 2022

## The CEO addresses the meetings

### We are in a unique position!

In recent years, as the world has struggled with pandemics and component shortages, we have structured and purposefully built our House of Knowledge. We have added building blocks to our AI offering that make us unique! From Data to Wisdom! From computing power to applied AI!



We were early in creating leading data center solutions for AI and Deep Learning, winning a leading position in the field. But as a wise man said, if you don't evolve, you die. We realized early on that we need to add several components to the larger AI ecosystem. This is the background to AIXIA and the development of our software products AiQu and SnapXS.

We now have a permanent R&D group working to further develop and add new features to our software solutions in line with the ever-evolving market. As a result, we are maintaining the lead we have over many of our competitors in both the Swedish and global markets. We have consciously invested in the development of our software solutions AiQu and SnapXS instead of just maximizing an operating profit.

And what an offering we now have to offer to an entire global market! Now that the development of Industry 4.0 is really taking off.

**We are continuing to take market share in this area, which we also show by the growth of our turnover of 76%** and, even if we set aside 2020, which suffered from the pandemic, we are still seeing a turnover increase compared to 2019 of a full 30%!

Let me put our development and the building of our House of Knowledge in a broader context;

For CGit, business has always been about doing complicated things in a simplified way. For us, it's about knowledge, not moving boxes. Our motto has always been to challenge the given. To ask

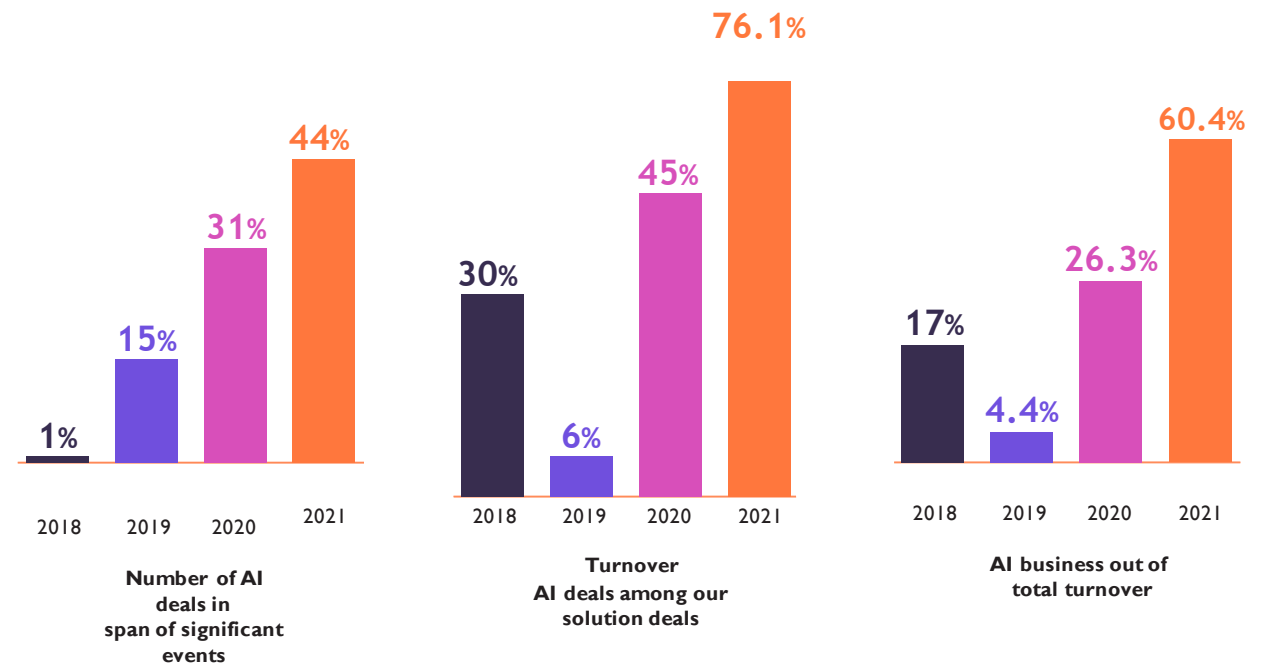
the right questions, but perhaps not the easiest ones. This has been our role and become our *raison d'être*, even though we recognize that this way of thinking has not been the easy route to success.

When you question the given, sometimes answers come from unexpected places. That's what happened in 2017. Already starting from the highest performing conventional data center solutions, we were

one of many who were asked by the automotive industry if we could design the next generation of data centers. A data center solution that can handle more data and handle it faster. Faster than anyone in history. Data centers driving the fourth industrial revolution. CGit responded and created the first of the next generation of data centers that is still, to this day, the best.

By breaking new ground and designing commercial data centers specializing in AI, we have discovered that our customers had problems that no one else had encountered. Our customers had invested heavily in state-of-the-art data center solutions that almost no one had used before, and this presented new challenges. The existing software, designed for new requirements, did not live up to the performance that the infrastructure was designed for, which was the development of AI. Building data center solutions based on GPUs instead of CPUs represented a paradigm shift and a whole new level.

Such traditional solutions as HPC, which is an established solution on the market, could not provide the answers our customers wanted. At the same time, the amount of data needed to develop AI at a whole new level was exponential.



The solutions that were available came from traditional large multinationals and would involve huge and very complex investments in both consulting services and software licenses to even get started with AI development.

We decided to act and designed solutions based on our conviction and knowledge in the field! We created something that even the largest multinationals have not been able to do. Thanks to investments and faith in the future from us at GGit, our offering is no longer limited to data centers. Our offering and concept now span the whole trajectory all the way to applied AI.

The investments we have made in our software mean that we are now delivering the next industrial revolution, Industry 4.0!

With our AI-specialist software AiQu and SnapXS, we are finally ready to provide AI from the data center to applied AI. Our services will bring a whole new level of automation to all industrial customers, large and small. A feat that very few companies can match.

We are aiming high and the potential of our solutions is global. We have a commercially ready data center for applied AI - "AI-as-a-Service", a technical and commercial solution which is now already in use by the customers and whose roll-out has already started. This means that CGit can offer Swedish AI solutions to global customers, in Swedish data centers, using Swedish software.

### It is a unique position!

How unique is shown by the fact that Facebook's Parent Company, Meta, just invested in what is planned to be the world's highest performing AI data center. They have chosen to build on exactly the same components and architecture that we started doing back in 2017, five years ago! Further proof that we were, and still are, on the right track.

Mattias Bergkvist, CEO



## Business concept

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

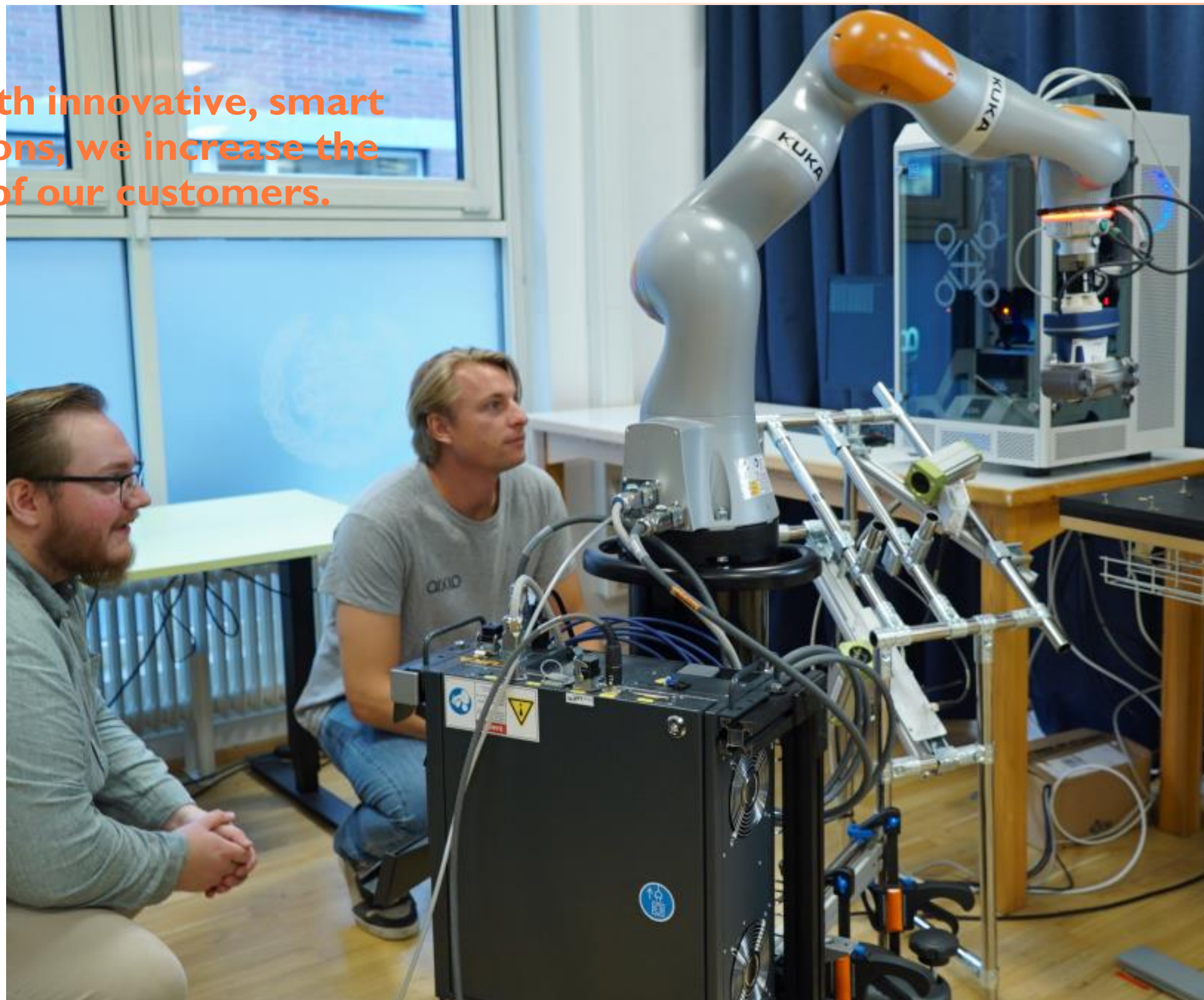
### Description of activities

CGit has been delivering specialist knowledge and market-leading solutions in virtualized infrastructure since 2007. We are a knowledge and idea-driven company with a focus on commitment, knowledge, availability and flexibility.

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 approach is that tomorrow's challenges cannot be met with today's technology and that working with CGit should always be valuable, profitable and timely.

CGit provides leading-edge IT expertise and development, including AI/Deep Learning platforms, data center, security, management, hosting, networking & communications and backup/DR. We want to be an IT partner that offers innovative IT consulting services and IT solutions that strengthen our customers' businesses.





## Significant events Q4 2021

**10-05-2021** **CGit takes a new order for AI/Deep Learning from an existing customer**  
The customer, a telecommunications company, has taken the decision to expand its existing development platform for AI and Deep Learning.

The order is worth SEK 1.2 million.

**10-19-2021** **CGit makes its first Megapod deal in AI/Deep Learning with one of its existing customers.**  
The customer, which works in the automotive industry, is making a significant investment in the very latest GPU technology to meet the ever-increasing demand for computing power. The market for applied AI is accelerating and this investment secures its future needs and strengthens its competitiveness in a fast-growing and dynamic global market.

CGit, which has deep expertise and experience in the field of AI, will sell, deliver, support and ensure the successful implementation and operation of the new Megapod platform. The order is worth SEK 43.6 million.

**10-22-2021** **CGit takes a new order for AI/Deep Learning from an existing customer.**  
The customer, which operates in the automotive sector, has taken the decision to expand its existing development platform for AI and Deep Learning.

The order is worth SEK 2.6 million.

**12-21-2021** **CGit has been commissioned to deliver an update and modernization of the central IT environment of the Swedish Exhibition Center Gothia Tower.**  
The purpose of the Swedish Exhibition & Congress Center Gothia Towers' investment is to meet today's complex challenges around IT security and operational safety.

"CGit is very pleased and proud to have been entrusted with the delivery of such a central part of the Swedish Exhibition & Congress Center's Gothia Towers operation," says Mattias Bergkvist, CEO of CGit."

The order is worth 4.7 MSEK

## Significant events after the end of the period

**01-03-2022** **CGit takes new order from existing customer, value 3.8 MSEK.**  
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 Client ensures that the information is always secure and accessible.

**01-17-2022** **CGit is taking a new order from 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 is starting immediately and will last for about 6 months.

CGit/Aixia thanks you for your trust, says Mattias Bergkvist, CEO of CGit/Aixia. It is incredibly exciting to be able to add several high-value and strategically important projects for us, this time in NLP, (Natural Language Processing), Aixia, which has only been running since the beginning of 2021 has already been involved in delivering significant projects to support and develop Industry 4.0, and business in the private and public sector.



## Basic Group Facts

### Shares

The company's share is available for trading on Spotlight stock market under the short name CGIT B, and the ISIN code is SE0010636837. Spotlight stock market is a subsidiary of ATS Finans AB, which is a securities company under the supervision of the Financial Services Authority. 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 confers one (1) vote per share. All shares carry equal rights to a share in the assets and profits of the Company.

### Cash flow/Going concern status

CGit has a positive cash flow from operating activities, which is enabling continued growth-generating investments in the area of AI solutions and Deep Learning as well as DevOps expertise. Investments enable continued development of our software-related solutions in AIXIA. This is a conscious effort and forms part of the company's long-term plan.

### Accounting and valuation principles

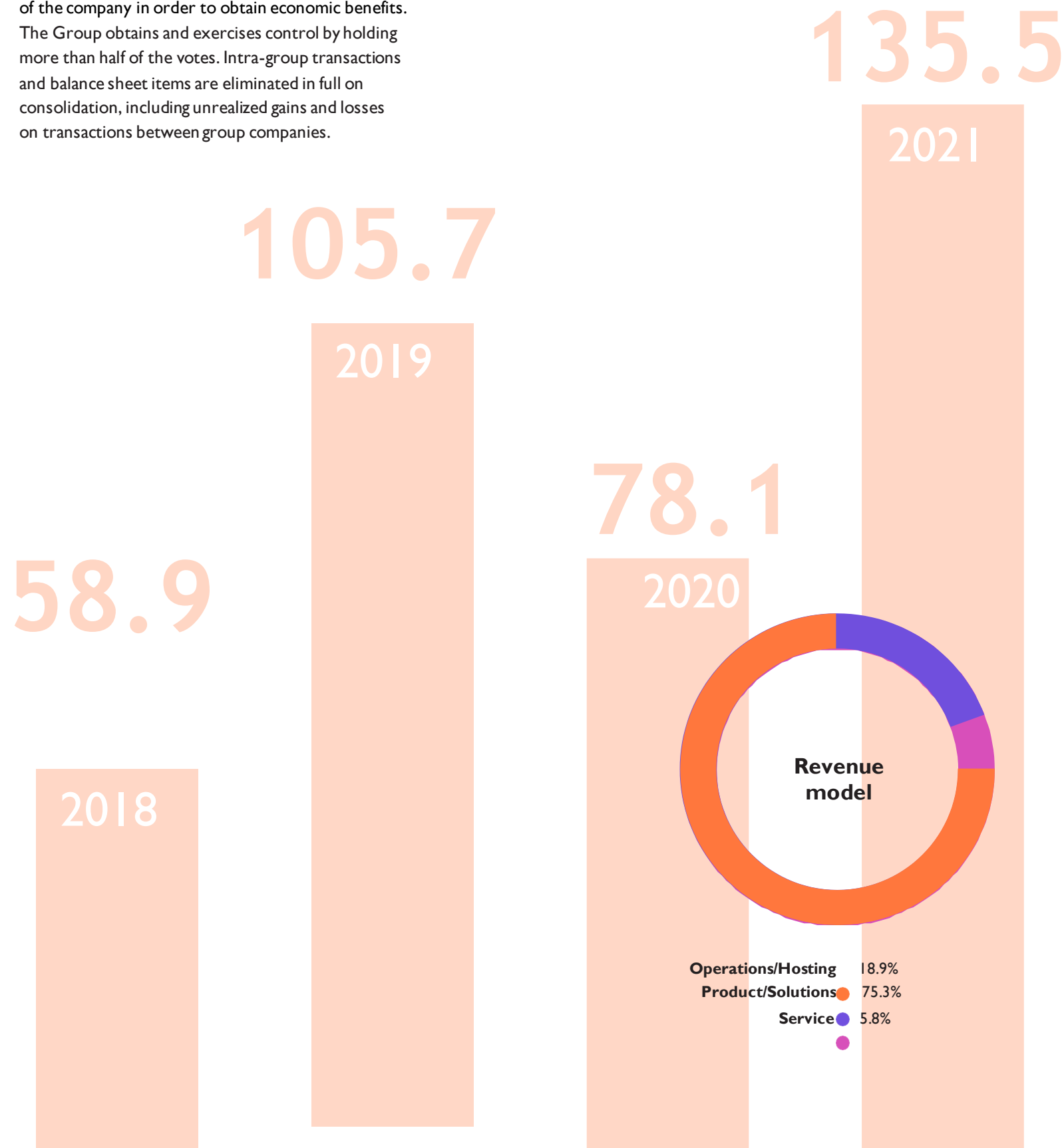
The report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Accounting Standard 2012:1 (K3), which are unchanged from the previous year. For further information, please refer to the company's most recently adopted annual report.

The consolidated annual reports consolidate the Parent Company and all subsidiaries' operations.

Subsidiaries are all companies in which the Group has

the right to formulate the financial and operational strategies of the company 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.

# Turnover (MSEK)



### Auditor's opinion on the interim report

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

### Employees

As of December 31, 2021, the Group has 29 employees.

### Proposed dividend

The Board of Directors and the CEO propose that no dividend be paid for the financial year 01-01-2021-12-31-2021

### Important dates

Annual General Meeting: May 17 in

Mölnal Interim report (Q1): May 20

The Annual General Meeting is scheduled for May 17:

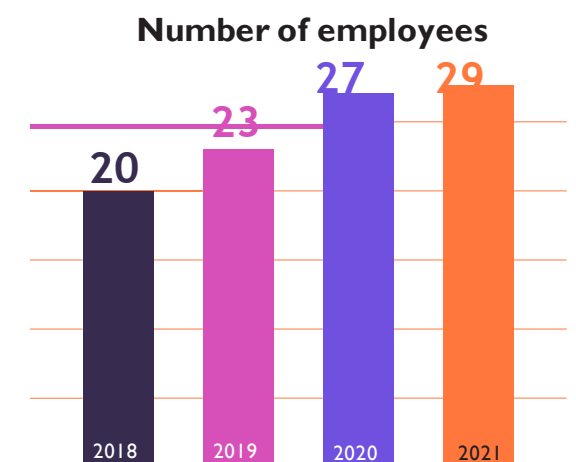
Annual Report and accompanying consolidated annual reports will be available no later than three weeks before the AGM on the company's website ([www.cgit.se](http://www.cgit.se)). Notice will be given at least four weeks before the AGM.

### For further information

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## Consolidated profit and loss account

All amounts in TSEK	Full year		Fourth quarter	
	2021	2020	2021	2020
<b>Consolidated profit and loss account</b>				
<b>Operating income</b>				
Net sales	135,569	77,153	61,409	21,839
Own-account work capitalized	1,846	1,056	1,347	1,056
Other operating income	1,599	2,218	-830	-195
<b>Total operating income</b>	<b>139,014</b>	<b>80,427</b>	<b>61,926</b>	<b>22,700</b>
<b>Operating expenses</b>				
Goods & purchased services	-98,529	-46,226	-50,424	-12,761
Other external costs	-11,711	-9,064	-3,124	-2,189
Personnel costs	-23,515	-18,664	-7,036	-6,130
Amortization of intangible assets and tangible fixed assets	-3,387	-2,753	-850	-669
Other operating expenses	-335	-843	-9	-354
<b>Total operating expenses</b>	<b>-137,477</b>	<b>-77,550</b>	<b>-61,443</b>	<b>-22,103</b>
<b>Operating result</b>	<b>1,537</b>	<b>2,877</b>	<b>483</b>	<b>597</b>
<b>Result from financial items</b>				
Interest expense and similar income and expense items	-214	-150	-60	-39
<b>Profit before tax for the period</b>	<b>1,323</b>	<b>2,727</b>	<b>423</b>	<b>558</b>
Tax expense for the period	-323	-621	-86	-96
<b>Result for the period</b>	<b>1,000</b>	<b>2,106</b>	<b>337</b>	<b>462</b>
<b>Earnings per share after tax</b>	<b>0.63</b>	<b>1.34</b>	<b>0.21</b>	<b>0.29</b>
Profit attributable to equity holders of the Parent Company	921	2,106	383	462
Profit attributable to non-controlling interests	79	0	-46	0

## Consolidated balance sheet

All amounts in TSEK	2021	2020
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Expenditure on development projects	5,920	3,259
<b>Tangible fixed assets</b>		
Machinery and other technical equipment	453	609
Furniture, tools and installations	9,545	6,968
<b>Total fixed assets</b>	<b>15,918</b>	<b>10,836</b>
<b>Current assets</b>		
<b>Stocks of goods etc.</b>		
Finished goods and goods	12	56
<b>Short-term receivables</b>		
Trade receivables	8,969	10,535
Other receivables	7,022	69
Prepaid expenses and accrued income	3,274	2,490
Cash and bank	5,868	5,305
<b>Total current assets</b>	<b>25,145</b>	<b>18,455</b>
<b>Total assets</b>	<b>41,063</b>	<b>29,291</b>

## Group balance sheet

All amounts in TSEK

Equity and liabilities	2021	2020
<b>Equity capital</b>		
Share capital	788	788
Other paid-in capital	5,460	5,460
Other equity including profit for the period	7,074	6,166
<b>Equity attributable to equity holders of the parent</b>	<b>13,322</b>	<b>12,414</b>
Non-controlling interests	91	0
<b>Total equity</b>	<b>13,413</b>	<b>12,414</b>
<b>Non-current liabilities</b>		
Amounts owed to credit institutions	4,892	3,444
<b>Total long-term liabilities</b>	<b>4,892</b>	<b>3,444</b>
<b>Current liabilities</b>		
Amounts owed to credit institutions	3,695	3,055
Advances from customers	45	22
Trade payables	6,077	4,095
Current tax liability	399	1,350
Other liabilities	9,423	1,785
Accrued charges and deferred income	3,119	3,126
<b>Total current liabilities</b>	<b>22,758</b>	<b>13,433</b>
<b>Total equity and liabilities</b>	<b>41,063</b>	<b>29,291</b>

## Group cash flow statement

All amounts in TSEK

Group cash flow statement	2021	2020
<b>Current operations</b>		
Operating result	1,537	2,877
Adjustments for items not included in cash flows	3,424	2,753
Interest paid	-214	-150
Income tax paid	-1,274	32
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,473</b>	<b>5,512</b>
<b>Cash flow from changes in working capital</b>		
Decrease (+)/increase (-) in inventories/work in progress	44	-52
Decrease (+)/increase (-) in trade receivables	1,566	3,344
Decrease (+)/increase (-) in receivables	-7,737	-43
Decrease (-)/increase (+) in trade payables	1,982	-5,253
Decrease (-)/increase (+) in short-term liabilities	7,654	-3,742
<b>Cash flow from operating activities</b>	<b>6,982</b>	<b>-234</b>
<b>Investment activities</b>		
Acquisition of capitalized development expenditure	-2,885	-2,363
Acquisition of machinery and other technical equipment	-77	-38
Acquisition of equipment, tools and installations	-728	-299
<b>Cash flow from investing activities</b>	<b>-3,690</b>	<b>-2,700</b>
<b>Financing activities</b>		
Repayment of financial liabilities	-2,729	-2,356
<b>Cash flow from financing activities</b>	<b>-2,729</b>	<b>2,356</b>
<b>Change in cash and cash equivalents</b>	<b>563</b>	<b>-5,290</b>
Cash and cash equivalents at the beginning of the period	5,305	10,595
<b>Cash and cash equivalents at the end of the period</b>	<b>5,868</b>	<b>5,305</b>



## Parent Company profit and loss account

All amounts in TSEK	Full year		Fourth quarter	
Parent Company profit and loss account	2021	2020	2021	2020
<b>Operating income</b>				
Net sales	3,659	3,305	1,139	1,305
<b>Total operating income</b>	<b>3,659</b>	<b>3,305</b>	<b>1,139</b>	<b>1,305</b>
<b>Operating expenses</b>				
Other external costs	-578	-585	-143	-147
Personnel costs	-3,070	-2,715	-774	-940
<b>Total operating expenses</b>	<b>-3,648</b>	<b>-3,300</b>	<b>-917</b>	<b>-1,087</b>
<b>Operating result</b>	<b>11</b>	<b>5</b>	<b>222</b>	<b>218</b>
<b>Result from financial items</b>				
Interest expense and similar income and expense items	-1	0	0	0
<b>Total from financial items</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Result after financial items</b>	<b>10</b>	<b>5</b>	<b>222</b>	<b>218</b>
Tax expense for the period	-4	-3	-4	-3
<b>Result for the period</b>	<b>6</b>	<b>2</b>	<b>218</b>	<b>215</b>

## Parent Company balance sheet

All amounts in TSEK	2021	2020
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Financial fixed assets</b>		
Shares in group companies	1,790	1,790
<b>Total fixed assets</b>	<b>1,790</b>	<b>1,790</b>
<b>Current assets</b>		
<b>Short-term receivables</b>		
Trade receivables	350	
Receivables from group companies	5,188	5,298
Other receivables	0	0
Prepaid expenses and accrued income	396	531
<b>Total current receivables</b>	<b>5,934</b>	<b>5,829</b>
<b>Cash and bank</b>		
Cash and bank	41	103
<b>Total current assets</b>	<b>5,975</b>	<b>5,932</b>
<b>Total assets</b>	<b>7,765</b>	<b>7,722</b>

## Parent Company balance sheet

All amounts in TSEK

Equity and liabilities	2021	2020
<b>Equity capital</b>		
<b>Tied equity</b>		
Share capital	788	788
<b>Free equity</b>		
Overexposure fund	5,460	5,460
Balanced result	898	896
Result for the period	6	2
<b>Total equity</b>	<b>7,152</b>	<b>7,146</b>
<b>Non-current liabilities</b>		
Amounts owed to credit institutions	0	0
<b>Total long-term liabilities</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>		
Trade payables	33	45
Current tax liability	128	157
Other liabilities	277	313
Accrued charges and deferred income	175	61
<b>Total current liabilities</b>	<b>613</b>	<b>576</b>
<b>Total equity and liabilities</b>	<b>7,765</b>	<b>7,722</b>

## Parent Company cash flow statement

All amounts in TSEK

Parent Company cash flow statement	2021	2020
<b>Current operations</b>		
Operating result	11	5
Adjustments for items not included in cash flows	0	0
Interest paid	-1	0
Income tax paid	-33	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-23</b>	<b>5</b>
<b>Cash flow from changes in working capital</b>		
Decrease (+)/increase (-) in trade receivables	-350	0
Decrease (+)/increase (-) in receivables	245	-3
Decrease (-)/increase (+) in trade payables	-12	22
Decrease (-)/increase (+) in short-term liabilities	78	-48
<b>Cash flow from operating activities</b>	<b>-62</b>	<b>-24</b>
<b>Change in cash and cash equivalents</b>	<b>-62</b>	<b>-24</b>
Cash and cash equivalents at the beginning of the period	103	127
<b>Cash and cash equivalents at the end of the period</b>	<b>41</b>	<b>103</b>

CGIT /

CGit is an IT company with headquarters in Mölndal and offices in Gothenburg and Lund. The company was founded in 2007 and forms part of a group with the wholly owned subsidiary CGit AB. The company focuses on advanced data center solutions, including specialist solutions and consultancy services relating to development and production in the field of Artificial Intelligence (AI). The company also develops its own software solutions in AI and offers specialist consultancy. CGit also offers a full range of operational and hosting services in both data center solutions and client management. The company has about 30 employees and the market CGit operates in is Global.

FOR MORE INFORMATION/

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