



Q1 2023

Interim report

CGit Holding AB (publ)

CGit

Group financial overview

All amounts in TSEK

Group financial overview	First quarter 2023	First quarter 2022	Full year 2022	Full year 2021
Net sales	22 246	27 841	156 113	135 569
EBITDA	394	2 629	5 760	4 924
Earnings (EBIT)	-550	1 721	1 972	1 537
Earnings after tax	-637	1 296	1 281	1 000
Earnings per share after tax (SEK)	-0,40	0,82	0,81	0,63
Number of shares	1 576 000	1 576 000	1 576 000	1 576 000

- Revenues related to our consulting business and contract business are in line with the plan. It is important that we stay on track with the consulting segment and the contract business as they will be difficult to catch up on later. However, the delivery times for products in the traditional IT infrastructure business are still very long, which affects our Q1 results. But I feel completely confident that we will make up for the shortfall in the product business during the year as the order intake remains strong.
- The revenue amounts to 22.3 MSEK (27.8 MSEK for the same period last year). Currently, the delivery times are around 10 months in the relevant areas. But I estimate that by H2 2023, finally after the pandemic, we should be back to previous levels of 6-8 weeks from order to delivery. It's important to emphasize that this applies to specific areas within the product/solution, not the entire product/solution business! We have taken measures to ensure the planned product volume on an annual basis. One important measure is that we are reviewing which manufacturers have delivery capabilities and directing sales towards them. We have also established partnerships with a few new suppliers who have the capability to deliver and meet the high standards we have set for the architecture we want to build modern platforms upon.
- Since the component shortage occurred, we have compensated by expanding the consulting team in our operations. Fully offsetting the revenue impact with that business is not feasible, and it requires time to reach optimal profitability due to the 1 to 3-month timeframe required to establish consulting assignments with each recruit. Over the year, we have grown in terms of turnover by 20% compared to Q1 2022.



- The annual recurring revenue (ARR) from our ongoing operations is experiencing a 1.5% growth, reaching 6.6 MSEK (6.5 MSEK for the same period last year).
- The gross margin for the ongoing operations is increasing by 28.7 percent, reaching 50.8 percent (39.5 percent).
- Our EBITDA stands at 394 TSEK (2.6 MSEK). It is important to note that these comparative figures include a significant order we received in Q1 2202, which resulted in a notably high EBITDA. When considering the full year, we anticipate an overall increase.
- The group's earnings per share for Q1 2023 amounts to -0.40 SEK (0.82 SEK for the same period last year).
- We have dealt with a dispute during the period. CGI has filed a lawsuit against us for trademark infringement. This ongoing dispute has adversely affected our financial results in the current period. However, we anticipate a positive resolution soon.

Calendar

Half-year report 2023

August 18, 2023

Interim report Q4 2023

October 26, 2023



INTERIM REPORT Q1 2023

Mission statement

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

Description of activities

Aixia is an IT company based in Mölndal, Sweden, which is part of the CGit Holding AB (publ) group. Aixia has since 2007 been operating 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 Aixia should always be valuable, profitable and prompt.

Calendar

A MESSAGE FROM THE CEO /

We are now AIXIA. The world is changing, and so are we. The digital transformation is happening faster than ever before, and there are increasing demands for security, speed, and accessibility. We are changing our name, but our foundation remains the same. The company is still characterized by our dedication, curiosity for innovation, and tomorrow's technology. With our expertise and committed employees, we continue to think differently and question old norms. My conviction is that if we don't evolve, we will be left behind. That is what makes us who we are.

AIXIA symbolizes our constant drive to challenge ourselves and dare to challenge the status quo. We aim to be leaders in our fields and pave the way forward. We are confident in what we do, and we continue to build our knowledge house.

AIXIA is a combination of the terms AXIOM and AIXI. AXIOM represents self-evident truths and universally accepted principles. It symbolizes our reliability and strong foundation in principles on which we build our solutions. AIXI, a model capable of learning and making decisions in infinitely complex environments. It inspires our new name through its significance. It reflects our focus on optimizing outcomes for our clients and adapting to their needs.

With our new brand, we strengthen our position both locally and globally. We are now AIXIA.

It is evident that AI has become a prominent topic in the public discourse, especially with the rise of ChatGPT and Microsoft's investment. The discussions revolve around the potential of AI and the associated risks. Aixia had the privilege of participating in the EU conference on AI and sustainability, where various aspects were addressed, including the future role of AI, ethical considerations, and the global perspective of efficiency, competition, climate, and sustainability. Aixia plays a significant role in these discussions, thanks to our extensive experience in the field.

Over the years, Aixia has been actively engaged in various aspects of AI, like analysis, proof of concept, implementation, as well as development and maintenance. Our expertise and competence span the entire lifecycle, positioning us as one of the industry leaders.

Aixia democratizes with AI.

Since 2017, Aixia has been delivering all versions of NVIDIA's DGX platforms. We have designed, implemented, and delivered some of the largest AI-focused data centers in the Nordics. NVIDIA's DGX platform provides a fully supported hardware and software stack, enabling companies to focus on creating value instead of spending time building, testing, and configuring complex infrastructure. Aixia recently invested in its first DGX H100 unit. We will make the DGX H100 available to anyone interested in testing and evaluating this groundbreaking technology through our self-developed AI orchestration software, AiQu.

During the past quarter, Aixia has continued to empower businesses with AI solutions, enabling them to achieve greater efficiency and cost savings. Our intelligent tool for orchestration, resource, and data management, AiQu, facilitates successful implementation of AI projects across various industries in Sweden.

In our collaborations with clients, we have worked closely to understand their business goals and identify opportunities for improvement through AI. Recognizing the importance of change management, we have prioritized setting milestones and gradually introducing new work methods, taking into consideration the potential impact on employees.

Our initial focus areas for clients include automated quality control of various products and the establishment of image repositories for future product documentation. Aixia's goal is to democratize AI and make it accessible to a broader range of businesses by offering AI as a Service, where we handle everything from data center management to applied AI.

Our vision for the "Automated Quality Control" projects is to seamlessly integrate AI into our clients' production processes, ultimately providing the following benefits:

Increased capacity: By automating quality control, we aim to enhance the processing capacity of products, pave the way for further automation, and enable our clients to handle larger volumes of items for resale and reuse.

Improved quality: By leveraging AI for quality control, we will ensure consistent assessment of used equipment, resulting in fewer returns, increased customer confidence, cost savings, and enhanced customer satisfaction. This will strengthen our clients' brands and market positions.

Enhanced decision-making: AI-powered data analysis and insights will make it possible for our clients to make better decisions based on validated data, optimize processes, and effectively address challenges, further driving efficiency and growth.





Improved adaptability: AI solutions will enable our customers to quickly respond to changing market conditions and customer needs, fostering agility and flexibility in their business operations.

By focusing on the business value that AI can provide, Aixa is committed to helping companies revolutionize their operations and achieve their strategic goals.

Aixa manages the entire ecosystem from data to wisdom. From thought to reality. From idea to applied solution! That's why we are a leader in AI.

To summarize, I would like to say that we are temporarily affected by long delivery times in products/solutions, but as I mentioned earlier, we have planned for this. In terms of revenue and results, it will be affected during Q1 and Q2 of this year. But since the order intake is on track, we should compensate

for it in the second half of the year. Additionally, the comparison figures "compared to the same period last year" can pose a challenge as significant product deals may occur in different quarters. However, when looking at the entire year, we do not feel any concerns. We continue to build a stable and high-quality delivery organization around consulting services and contract revenue. In Q1, we have increased costs for lawyers in connection with the litigation process with CGI, as well as expenses for the name change. We continue to build our knowledge hub and follow our long-term plan.

Mattias Bergkvist, CEO

Significant events Q1 2023

2023/01/24

CGit secures a new order with an existing customer, valued at 1.85 MSEK.

CGit has been entrusted to deliver the next generation network infrastructure to an existing customer. The customer, operating in the global telecommunications market, has decided to invest in new technology to meet operational requirements, enhance security, and ensure capacity. With the new technology being delivered by CGit, the customer ensures that information is always secure and accessible. The order is expected to be delivered in early Q2.

2023/02/14

CGit secures a new order with an existing customer, valued at 3 MSEK.

CGit has been entrusted to deliver expanded capacity to the customer's existing AI environment to meet increased demand. The customer, a publicly listed Swedish technology company, develops products for machine vision system development and vehicle applications. The customer has decided to continue investing in new technology to meet operational requirements, enhance security, and ensure capacity. With the new technology being delivered by CGit, the customer makes sure that information is always secure and accessible.

2023/02/17

CGit secures a new order with a new customer, valued at 1.5 MSEK.

CGit secures a new order in the field of communication and security. The customer, operating in the automotive industry, signs an agreement for the delivery of communication and security solutions to ensure capacity and meet the company's needs for next-generation communication and security platform.

Significant events after the end of the period

2023/04/21

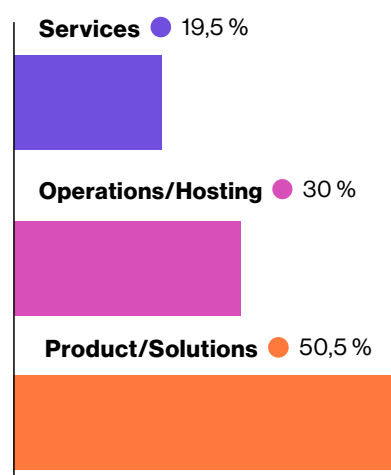
Aixia enters into a strategic agreement with Svenska Mässan worth at least 12 MSEK.

Aixia (formerly CGit), a leading Swedish provider of IT infrastructure solutions, is proud to announce that it has entered into a strategic agreement with Svenska Mässan, one of the largest meeting places in the Nordic region. The agreement, spanning over five years, means Aixia will be responsible for expanding and modernizing Svenska Mässan's network infrastructure and taking on an increased operational and support responsibility. Since 2010, Aixia has been a trusted partner to Svenska Mässan, and they will now collaborate on a new network infrastructure investment. The new network will offer increased security, availability, capacity, and greater flexibility. The initial part of the agreement involves investments of around 10 million SEK, and it will continue with a total agreement duration of 5 years, with the possibility of additional investments totaling approximately 40 million SEK. The agreement also includes Aixia offering network operations as a service, as well as server operations, readiness, and service desk.

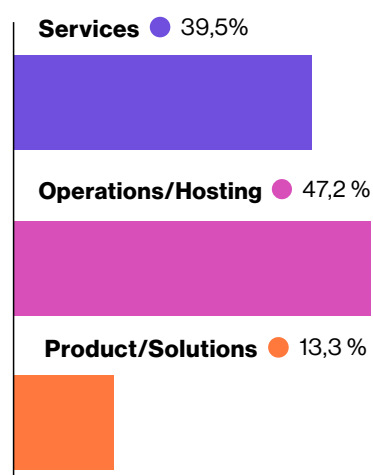




Total revenue 2023 Q1



Total Gross Profit 2023 Q1



Basic Group Facts

The share

The Company's share is available for trading on Spotlight Stock Market under the ticker CGIT B, ISIN code is SE0010636837. Spotlight Stock Market is a subsidiary of ATS Finans AB, an investment firm under the supervision of the Swedish Financial Supervisory Authority. Spotlight operates a trading platform that is not a regulated market.

The share capital of CGit Holding AB (publ) amounts to SEK 788 000 divided into 1 576 000 shares with a quota value of SEK 0.50 per share. All are issued and fully paid. The Company has two class shares: 100 000 are class A shares, and 1 476 000 are class B shares. Each A share carries ten (10) votes per share, while each B share carries one (1) vote per share. They all have equal rights to a portion of the assets and profits of the Company.

Accounting and valuation policies

We have prepared the report in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNR 2012:1 (K3), which are unchanged from the previous year. Please refer to the Company's most recent annual report for further information

The consolidated accounts combine the activities of the Parent Company and all its subsidiaries. Subsidiaries are all entities in which the Group has the power to govern the financial and operating policies to obtain economic benefits. The Group achieves 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 profits and losses on transactions between Group companies

Auditor's statement on the interim report

The report has not been subject to review by the Company's auditor.

Staff

As of March 31, 2023, the Group has 40 employees.

Important dates

Half-year report (Q2): August 18, 2023

Interim report (Q4): October 26, 2023

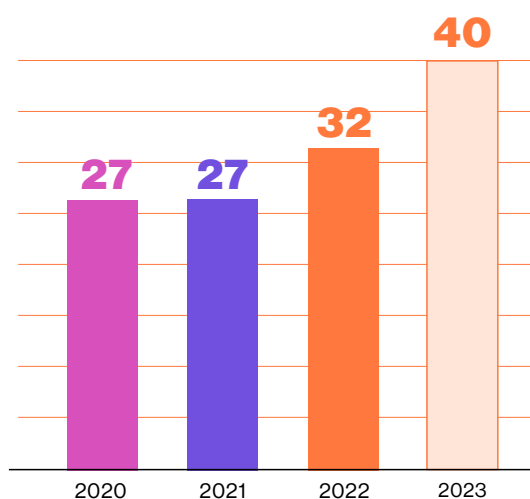
FOR FURTHER INFORMATION,
PLEASE CONTACT /

Mattias Bergkvist CEO

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Number of employees



Consolidated Income Statement

All amounts in TSEK	First quarter		Full year	
Consolidated Income Statement	2023	2022	2022	2021
Operating income				
Net sales	22 246	27 841	156 113	135 569
Capitalized own development work	1 036	197	422	1 846
Other operating income	1 216	2 152	5 736	1 599
Total operational revenue	24 498	30 190	162 271	139 014
Operating costs				
Merchandise & purchased services	-12 158	-18 351	-114 016	-98 529
Other external costs	-3 058	-2 400	-12 804	-11 711
Personnel costs	-8 693	-6 774	-29 325	-23 515
Other operating costs	-195	-36	-366	-335
Total operating costs before depreciation	-24 104	-27 561	-156 511	-134 090
Operating profit before depreciation and amortization (EBITDA)	394	2 629	5 760	4 924
Depreciation of intangible and tangible fixed assets	-944	-908	-3 788	-3 387
Operating profit (EBIT)	-550	1 721	1 972	1 537
Income from financial items				
Other interest income and similar revenue and expense items	0	0	17	0
Interest costs and similar items	-87	-55	-261	-214
Profit before tax for the period	-637	1 666	1 728	1 323
Tax expense for the period		-370	-447	-323
Profit for the period	-637	1 296	1 281	1 000
Profit per share after tax	-0,40	0,82	0,81	0,63
Profit attributable to shareholders of the Parent Company	-637	1 360	1 401	921
Profit attributable to non-controlling interests	0	-64	-120	79

Consolidated Balance Sheet

All amounts in TSEK

Assets	2023 Q1	2022
Fixed assets		
Intangible assets		
Capitalized expenditure for development works	7 276	6 175
Tangible fixed assets		
Machinery and other technical equipment	154	207
Equipment, tools, fixtures, and fittings	11 431	10 835
Total fixed assets	18 861	17 217
Current assets		
Inventories, etc.		
Finished goods and merchandise	18	111
Short-term receivables		
Accounts receivable	11 144	21 757
Current tax asset	625	593
Other receivables	3	291
Prepayments and accrued income	2 672	2 469
Cash and bank balance	5 570	7 068
Total current assets	20 032	32 289
Total assets	38 893	49 506

Consolidated Balance Sheet

All amounts in TSEK

Consolidated Balance Sheet	2023 Q1	2022
Equity capital		
Share capital	788	788
Other contributed capital	5 460	5 460
Other equity including net result for the period	7 810	8 439
Equity relating to shareholders of the Parent Company	14 058	14 687
None-controlling influence	0	20
Total equity	14 058	14 707
Non-current liabilities		
Liabilities to credit institutions	7 327	6 107
Total non-current liabilities	7 327	6 107
Current liabilities		
Liabilities to credit institutions	3 411	3 956
Customer advances	80	48
Accounts payable	7 740	18 325
Current tax liability	0	0
Other liabilities	2 737	3 173
Accruals and deferred income	3 540	3 190
Total current liabilities	17 508	28 692
Total equity and liabilities	38 893	49 506

Parent Company Income Statement

All amounts in TSEK

	First quarter		Full year	
Parent Company Income Statement	2023	2022	2022	2021
Operating income				
Net sales	841	840	3 360	3 659
Total operating income	841	840	3 360	3 659
Operating costs				
Other external costs	-250	-114	-778	-578
Personnel costs	-621	-562	-2 505	-3 070
Total operating expenses	-871	-676	-3 283	-3 648
Operating income	-30	164	77	11
Income from financial items				
Interest expense and similar items	0	0	-2	-1
Total financial items	0	0	-2	-1
Income after financial items	-30	164	75	10
Tax expense for the period	0	-34	-18	-4
Profit for the period	-30	130	57	6

Parent Company Balance Sheet

All amounts in TSEK

Assets	2023 Q1	2022
Fixed assets		
Financial fixed assets		
Interests in Group companies	1 790	1 790
Total fixed assets	1 790	1 790
Current assets		
Current receivables		
Accounts receivable	0	0
Receivables from Group companies	5 666	5 666
Current tax receivables	0	142
Other receivables	0	0
Prepayments and accrued income	102	102
Total current receivables	5 768	5 910
Cash and bank balance		
Cash and bank balance	257	261
Total current assets	257	6 171
Total assets	7 815	7 961

Parent Company Balance Sheet

All amounts in TSEK

Equity and liabilities	2023 Q1	2022
Equity		
Restricted equity		
Share capital	788	788
Unrestricted equity		
Share premium fund	5 460	5 460
Retained earnings	962	904
Profit for the period	-30	57
Total equity	7 180	7 209
Non-current liabilities		
Liabilities to credit institutions	0	0
Total non-current liabilities	0	0
Current liabilities		
Accounts payable	208	34
Current tax liability	8	0
Other liabilities	206	453
Accruals and deferred income	213	265
Total current liabilities	635	752
Total equity and liabilities	7 815	7 961

AIXIA /

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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 2022-05-23.