



INTERIM REPORT AIDER KONSERN Q2 2022

AIDER



MANAGEMENT REPORT Q2 2022

Financial performance

Aider has had a strong revenue growth of 69% in the second quarter in compared to last year. Revenues are at NOK 135 million, up from NOK 80 million in Q2 2021.

The EBITDA are at NOK 36.8 million in Q2 2022, which is up from NOK 19.8 million last year. The margin for Q2 2022 in respect to last year have had an increase (27.2% in Q2 2022 versus 24.7% Q2 2021). There is a slight decrease in margins on profit before tax from 19.2 % in 2021, to 16.6 % this year. This is mainly due to work related to integration of PwC Accounting AS and the issuance of the Bond (further described below). First half historically has delivered stronger margins than second half. This should also be expected in 2022.

The cash flow from operating activities are at solid NOK 9.4 million for Q2. Cash flow from investments are at NOK 108 million, both due to new acquisitions and delayed settlement of previously acquired companies. The issue of bond and restructuring of the debt have increased the cash with MNOK 78.6, net of acquisition through 2022.

Acquisition

Aider has completed 3 acquisitions in the first half of the year:

- PwC Accounting AS (included in the accounts from 1.3)
- Regnskapskontoret Hamar AS (included in the accounts from 1.5)
- Conto AS (included in the accounts from 1.5)

PwC Accounting AS

The acquisition of PwC Accounting was conducted with effect from 1.3. PwC Accounting had 107 employees in Oslo, Bergen and Kristiansand. PwC Accounting had a proforma turnover in 2021 of NOK 130 million and an EBITDA of NOK 25 million.

PwC Accounting has been a strategic acquisition for Aider. Aider's vision is to redefine the accounting industry by building an «accounting power house». Through the acquisition of PwC Accounting, Aider has gained many leaders, experts and accounting advisers with high competence who represent a «accounting power house» culture and knowledge of how operate in this type of culture. Also, considerable technology expertise has been added, particularly a strong partnership with 24SevenOffice. After the acquisition, Aider has become one of Norway's largest partners and competence centers on this system. Overall, the acquisition greatly strengthens Aider's ability to deliver on the strategy and vision.

A good integration process with PwC Accounting had been a strategic focus for Aider management spring of 2022. The PwC Accounting offices in Oslo, Bergen and Kristiansand were immediately integrated into Aider's organization under joint local management after the merger. In Oslo and Bergen, a rapid co-location was conducted, while the co-location in Kristiansand will take place on 1. September.

Conto AS

Conto is located in Trondheim and has 8 people who will become part of Aider's Trondheim office. Conto's turnover in 2021 was NOK 9.1 million with an operating result of NOK 0.7 million.

Conto was bought by Sticos, which is an environment that delivers digital solutions, courses and advising in finance and personnel. Sticos is an important partner for Aider. With the acquisition, Aider will significantly strengthen itself in the Trondheim region, and gain a significant size in the local market. Aider will move into Conto's premises, and with that be located close to Sticos in the future.

Regnskapskontoret Hamar AS

Regnskapskontoret Hamar has 6 employees who will join Aider Innlandet AS. Regnskapskontoret Hamar's turnover in 2021 was NOK 6.9 million with an operating result of NOK 1.7 million.

Regnskapskontoret Hamar is a well-run office with high profitability. It is an important acquisition, as it means that Aider Innlandet will expand in its local markets.

Organic growth

Organic growth is a strategic focus area for the Aider management. Being attractive to new customers and new talent is essential for long-term success. The first half of the year has been a formidable in this respect.

Aider is experiencing a significant influx of customers. We are registering a shift in the market where increasingly large companies are contacting Aider to purchase services. Many of these companies do not currently have outsourcing to external accounting firms and are thus an exciting new segment that is opening up. This is also supported by industry surveys which show that the market is growing rapidly and that it is particularly the large, professional accounting firms who takes much of the growth. Some examples of large win last months:

- Church of Norway
- Norfund
- Lumi Gruppen
- Bama
- Asker kommunale pensjonskasse

Aider has also been very successful in attracting new talent. In 2022, 109 people have started and been recruited. 42 of these are recent graduates who will enter Aider's 2022 student onboarding program. An important part of Aider's success in the area of recruitment, lies in the fact that we have built a strong employer brand and that we have put in place a strong HR team with great implementation skills and competence in the recruitment area.

Finally, Aider also grows organically by opening new offices in new locations without acquisitions. We have very good track record with this from opening the Lillehammer office 1.1.2021. This office now has 12 employees. Growth here has been entirely organic. Aider will continue with this strategy. So far in 2022, 3 more offices have been started organically:

- Stjørdal
- Sarpsborg
- Lillestrøm

Local management has been established at all three offices. Starting-up new must be expected to take 4-6 months, however it can be expected that these offices will grow throughout 2023.

New services

Aider's ambition is to develop and launch one significant new service every six months. In autumn 2021, the focus was on developing HR consultancy as a service. This venture has been a great success. At the end of the first half of 2022, the HR team consists of 11 people. The HR services are delivered both as an "added value service" to existing customers, but we experience that the HR service also attracts new customers for Aider.

In the first half of 2022, the focus has been developing business analytics services. Competence has been recruited both in data warehouse/integration and front-end report development. A scalable platform and data model has been developed with ready-made integrations with the most important systems Aider uses. This will significantly reduce the implementation cost for new customers. The team currently consists of 9 people, with part of the resources being employed in the subsidiary Grasp Labs AS where Aider owns 30%. Several projects have already been completed with existing Aider customers. The business analytics service will significantly enhance Aider's ability to be a relevant advisor and help our customers with business insight.

In the second half of 2022, it has been decided to build a Sustainability Reporting advisory team. 3 people are currently responsible for the venture.

Bond

Aider has a strategy to continue the strong growth rate. It has therefore been important to have solid financing in place to ensure further growth.

In Q2, a bond loan was issued and collected, initially of NOK 500 million with tap possibilities of a total of NOK 1.750 million. The bond is a bullet loan and has a maturity until 2026 with a floating interest rate.



Consolidated interim financial statements Q2 2022

Income statement

Aider konsern

INCOME STATEMENT (Amount in NOK 1000)	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operating income					
Revenue	5	135 447	80 044	252 511	161 386
Other income		36	29	848	49
Total operating income		135 483	80 073	253 360	161 436
Cost of goods sold		-14 685	-12 456	-29 821	-24 763
Personell expenses		-73 687	-40 908	-148 120	-88 136
Other expenses	6	-10 323	-6 897	-18 904	-13 346
EBITDA		36 788	19 813	56 514	35 191
Amortizations and depreciations	7,8,9	-5 510	-2 606	-8 801	-5 208
EBIT		31 278	17 207	47 714	29 984
Special items	3	-3 324	-468	-4 033	-1 005
Net financial items		-5 445	-1 361	-6 627	-2 965
Profit before tax		22 509	15 378	37 054	26 014
Income taxes	4	-4 843	-3 639	-7 523	-6 117
Profit for the period		17 666	11 739	29 531	19 897
Profit attributable to Aider shareholders		14 935	10 247	25 084	17 105
Profit attributable to non-controlling interests		2 731	1 492	4 448	2 792
Total		17 666	11 739	29 531	19 897
Earnings per share					
Continuing operations					
- Ordinary		18	12	30	20
- Diluted		18	12	0	0
Discontinued operations					
		0	0	0	0
Other comprehensive income					
Profit for the period		17 666	11 739	29 531	19 897
Items that may not be reclassified to the income statement		0	0	0	0
Items that may be reclassified to the income statement		0	0	0	0
Total comprehensive income		17 666	11 739	29 531	19 897
Attributable to					
Shareholders in Aider		14 935	10 247	25 084	17 105
Non-controlling interests		2 731	1 492	4 448	2 792

Balance sheet

Aider konsern

ASSETS (Amount in NOK 1000)	Note	30.06.2022	30.06.2021	31.12.2021
Non-current assets				
Intangible assets				
Research and development	9	11 114	11 419	11 541
Deferred tax assets		2 338	2 632	2 222
Goodwill	2,9	641 829	387 471	424 382
Total intangible assets		655 281	401 521	438 146
Tangible assets				
Right-of-use assets	7	43 881	45 338	47 088
Property, plant and equipment	8	6 028	3 542	4 539
Total tangible assets		49 909	48 880	51 628
Non-current financial assets				
Investment in associated companies		1 010	1 064	1 010
Investment in shares		1 755	0	0
Loan to group companies		52 626	0	0
Other long-term receivables		120	82	120
Total non-current financial assets		55 511	1 146	1 130
Total non-current assets		760 701	451 548	490 903
Current assets				
Accounts receivables		80 012	43 553	46 330
Other short-term receivables		16 606	4 460	5 613
Cash and Cash equivalents		137 757	21 126	24 058
Total current assets		234 375	69 140	76 001
Total assets		995 076	520 687	566 904

Balance sheet

Aider konsern

EQUITY AND LIABILITIES (Amount in NOK 1000)	Note	30.06.2022	30.06.2021	31.12.2021
EQUITY				
Paid-in capital				
Share capital		1 000	1 000	1 000
Share premium		281 794	281 794	281 794
Total paid-in capital		282 794	282 794	282 794
Other equity		24 688	4 827	0
Uncovered loss		0	0	-396
Minority		4 530	2 830	37
Total equity		312 012	290 452	282 436
LIABILITIES				
Provisions				
Deferred tax		177	210	176
Total provisions		177	210	176
Non-current liabilities				
Interest bearing debt	3	495 153	95 633	99 876
Lease liabilities	3,7	45 492	46 297	48 402
Total non-current liabilities		540 645	141 931	148 279
Current liabilities				
Liabilities to group companies		0	4 813	25 891
Accounts payables		25 251	9 969	12 426
Tax payable	4	14 591	6 416	6 503
Public duties payable		34 173	18 401	26 538
Other current liabilities		68 227	48 497	64 656
Total current liabilities		142 242	88 095	136 014
Total liabilities		683 064	230 236	284 468
Total equity and liabilities		995 076	520 687	566 904

Statement of equity

Aider konsern

(Amount in NOK 1000)	Share capital	Share premium	Other equity	Uncovered loss	Minority	Total
Equity 1 January 2021	1 000	281 794	0	-12 240	0	270 554
Result for the period				11 882	1 883	13 765
Transaction with minority				-37	37	0
Dividend to minority					-1 883	-1 883
Equity 31 December 2021	1 000	281 794	0	-396	37	282 436
Result for the period			24 688	396	4 448	29 531
Transaction with minority					45	45
Dividend to minority					0	0
Equity 30 June 2022	1 000	281 794	24 688	0	4 530	312 012

Cash flow statement

Aider konsern

(Amount in NOK 1000)	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operating activities					
Profit for the period before tax		22 509	15 378	37 054	26 014
Tax paid		-92	-236	-3 579	-353
Depreciation and amortization		5 510	2 606	8 801	5 208
Change in group loans		0	-1 745	0	-1 858
Change in accounts receivables		-837	-231	-13 024	-8 976
Change in accounts payables		11 700	-2 941	12 353	-1 036
Change in other accrual items		-29 355	315	-6 494	-1 387
Cash flow from operating activities		9 434	13 146	35 110	17 613
Investment activities					
Net expenditure on property, plant and equipment		-112 954	-8 910	-324 624	-10 444
Cash received in acquisitions	2	4 671	0	10 196	0
Cash flow from investment activities		-108 283	-8 910	-314 427	-10 444
Financing activities					
Proceeds from the issuance of new long-term liabilities		323 717	21 525	515 903	27 233
Repayment of long-term liabilities		-117 589	-19 037	-122 887	-29 170
Proceeds from equity		0	0	0	0
Payment of dividend		0	0	0	0
Cash flow from financing activities		206 129	2 488	393 016	-1 937
Net change in cash and cash equivalents		107 280	6 724	113 699	5 232
Cash and cash equivalents at the start of the period		30 477	14 402	24 058	15 894
Cash and cash equivalents at the end of the period		137 757	21 126	137 757	21 126

Notes to consolidated statement

Aider konsern

Note 1 – Accounting principles

General information

Aider Konsern (the group) consists of Aider Konsern AS (the company) and its subsidiaries. The head office is located at Karenslyst allé 11, 0278 Oslo.

Aider Konsern's consolidated statements for Q2 2022 were authorized for issue by the board of directors on August 24, 2022.

Basis for preparation

The condensed consolidated interim statements have been prepared according IAS 34 Interim Financial Reporting and should be read in relation with the annual consolidated financial statement for 2021.

The accounting policies applied are the same as in the annual report, unless otherwise stated below in the following notes.

In the preparation of the interim accounts the management have used estimates and assumptions which have effect on the income statement and valuation of assets and liabilities, as well as uncertain assets and liabilities on the reporting date accordance to good accounting principles. Areas with high degree of estimates and complexities are described in the notes.

The condensed consolidated interim financial statements are unaudited.

Note 2 – Business combinations

Aider Konsern acquired all of the shares in the following companies:

- Conto AS acquired 1st of May 2022
- Regnskapskontoret Hamar AS 1st of May 2022
- PWC Accounting AS 1st of March 2022

The result in the consolidated statements reflects the period where Aider Konsern controlled the shares.

(Amount in NOK 1000)	Fair value recognized on acquisition	
	30.06.2022	30.06.2021
Assets		
Property, plants and equipment	2 815	1 631
Cash and cash equivalents	10 196	1 527
Deferred tax assets	113	-
Receivables	41 487	3 279
Total	54 612	6 437
Liabilities		
Accounts payables	243	228
Other current liabilities	28 676	3 205
Public duties payable	12 296	1 290
Deferred tax	3 103	-
Liabilities	44 318	4 722
Net identifiable assets and liabilities at fair value	10 294	1 714
Goodwill	217 447	14 743
Purchase price	227 741	16 457
Share issued, at fair value*	4 000	9 107
Cash	223 741	7 350
Total consideration	227 741	16 457
Paid in cash	223 741	7 350
Cash received	10 196	1 527
Net decrease/(increase) in cash	213 545	5 823

*Shares are issued in the parent company Aider Holding AS.

Note 3 – Long-term interest bearing debt

Long-term debt with maturity over five years after reporting date:

(Amount in NOK 1000)	Currency	Maturity	Maturity over five years
Bond	NOK	20.05.2026	492 279

Bond:

Aider Konsern have issued a bond on MNOK 500. The bond have an interest of 6% + NIBOR and principal shall be paid in full on the maturity date

In relation with the bond, the Group must have at any time MNOK 20 in free liquidity:

Cash and cash equivalents	137 757
Restricted cash related to payroll	-11 097
Overdraft facility	40 000
Free liquidity	166 666
Over-/under coverage	146 660

Debt Leverage

Interest bearing debt	495 153
Lease liabilities	45 492
Total interest bearing liabilities	540 645

Cash and cash equivalents	137 757
Temporary Group relationship*	52 626
Net interest bearing debt	350 262

EBITDA LTM*	82 038
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Net interest bearing debt to EBITDA	4.3
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*When the bond was issued, the group account arrangement was moved from the parent company Aider Holding to Aider Konsern, and settlement of group balances was made in Q3 2022.

**EBITDA LTM is proforma EBITDA last twelve months included allowed one-off adjustments (special items) under terms agreement for the bond.

The special items that are adjusted are the following in YTD 2022:

Integration of new offices and acquired companies	2 987
Work related to issuance of Bond	1 046
Total	4 033

Note 4 – Tax

(Amount in NOK 1000)	YTD 2022	YTD 2021
Profit before tax	37 054	26 014
Calculated tax on profit	8 152	5 723
<i>Tax effects of:</i>		
Non-deductible expenses/non-taxable income	23	12
Temporary differences	-652	382
Tax of the period	7 523	6 117
Tax payable		
Tax payable from previous years	4 906	299
Tax effect of businesses acquired	2 163	0
Tax for the period	7 523	6 117
Total tax payable	14 591	6 416

Note 5 – Revenue

By segment (Amount in NOK 1000)	YTD 2022	YTD 2021
Payroll- and accounting services	223 298	137 244
IT services	28 550	23 529
Other income	663	613
Total	252 511	161 386
Geographical information		
Norway	252 511	161 386
Total	252 511	161 386

Note 6 – Specification of other operating expenses

(Amount in NOK 1000)	YTD 2022	YTD 2021
Audit, consultancy and legal fees	2 681	1 771
Office costs	2 963	3 125
IT equipment	5 665	5 171
Course fees	574	213
Advertising and sales costs	2 840	1 037
Loss on receivables	523	203
Other expenses	3 658	1 826
Total other operating costs	18 904	13 346

Note 7 – Leases

The Group have entered into operational lease agreements for offices, equipment and other facilities. The lease agreements do not contain restrictions on the Groups dividend policy or financing options,

(Amount in NOK 1000)	Offices	Equipment	Total
Acquisition cost beginning of period	56 235	4 276	60 511
Addition of right-of-use assets	2 473	-	2 473
Disposals	-	-	-
Acquisition cost end of period	58 707	4 276	62 984
Accumulated depreciation and impairment beginning of period	11 752	1 671	13 423
Depreciation	5 135	545	5 680
Impairment losses in the period	-	-	-
Disposals	-	-	-
Accumulated depreciation and impairment end of period	16 887	2 216	19 103
Carrying amount of right-of-use assets at end of period	41 820	2 061	43 881
Period of rent	74 måneder	40 måneder	
Remaining period of rent	74 måneder	40 måneder	
Lease liabilities			
Less than 1 year	10 052	1 338	11 389
1-5 years	25 484	836	26 320
More than 5 years	7 783	-	7 783
Total	43 318	2 174	45 492

Note 8 – Property, plant and equipment

(Amount in NOK 1000)	Equipment and moveables	Total
Acquisition cost 1 January 2022	9 528	9 528
Additions	-	-
Additions through acquisitions	2 815	2 815
Disposals	12 343	12 343
Acquisition cost end of period	12 343	12 343
Accumulated depreciation and write-downs	6 315	6 315
Carrying amount end of period	6 028	6 028
Depreciation in current period	1 327	1 327
Depreciation	20 -33%	

Note 9 – Intangible assets

(Amount in NOK 1000)	Research & Development	Goodwill	Total
Acquisition cost 1 January 2022		26 276	424 382
Additions through acquisitions		-	217 447
Additions		1 367	-
Disposals		-	-
Acquisition cost end of period		27 642	641 829
Accumulated depreciation and write-downs		16 528	-
Carrying amount end of period		11 114	641 829
Depreciation in current period		1 794	-
Economic lifetime		3-5 years	Not applicable

Research and development relates to solutions for automation of incoming invoices for accounting systems and development of quality system. The cost incurred are identifiable, can easily isolate and will have clear economic benefits in the future.

Goodwill have arisen from the transactions where Aider Konern merged with the sister companies TET Gruppen AS and Aider AS with subsidiaries in 2020, as well as companies in note 2. Goodwill in these transactions are related to personnel, knowledge of operations as an accounting firm and regulatory requirements as well as relationships.

Goodwill is tested for impairment, through valuation of the group before and after acquisition, where no indication of impairment are uncovered.

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