



INTERIM REPORT AIDER KONSERN Q3 2022

AIDER



MANAGEMENT REPORT

Q3 2022

Financial performance

Aider has had a strong revenue growth of 62% in the third quarter in compared to last year. Revenues are at NOK 116 million, up from NOK 72 million in Q3 2021.

The EBITDA are at NOK 8,3 million in Q3 2022, which is the same as last year. The margin for Q3 2022 in respect to last year have had a decrease from 11,5 % in Q3 2021 to 7,2% in Q3 2022. There is also a slight decrease in margins on EBITDA from 18,6 % in 2021, to 17,5 % year to date.

The reduction in EBITDA margin in Q3 2022 are according to plans and are explained by the following facts:

- Periodization of holiday pay. We pay out holiday pay in June, and do not periodize salary cost during the year. This means that the margin for June/Q2 is better than it should be, as commented during investor presentation for Q2. In Q3 this is positive effect is reversed by a higher salary cost. Vacation for the most is taken in July and August, with normal salary being booked in these months, with no reduction to costs for actual holiday leave
- In July and August the activity is lower than normal, due to vacation. Thus, giving the company lower revenue, but the same cost level, and consequently lower margins. With the significant increase in employees, this effect is increasing.
- The EBITDA margin YTD have decreased with 1.1% compared to last year. This is mainly due to the fact that the acquisitions of Conto, Regnskapskontoret Hamar and PWC Accounting does not have full year effect. The effect of this is that proportionally fewer "high margin" months more "low margin months" are included.
- In August and September Aider's 2022 student onboarding program went live. An important part of Aider's success lies in the fact that we have built a strong employer brand at the business schools in Norway and consequently are able to attract more competent students than earlier years. This year 42 new employees started in late August. This is a significant cost of training for the first 2-3 months, with little or no recognizable income from the new employees. This is a clear strategy for Aider, and considered our most important investment through the year.

The cash flow from operating activities accumulated for Q3 2022 are NOK 25,1 million. Cash flow from investments are at NOK -3,2 million in Q3.

Acquisition

In Q3 there has been no completion of any Acquisition. The M&A activity is however high, and we expect to close 2-4 transactions in Q4.

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 three quarters 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 in Q3:

- Nettalliansen
- Vaq AS (former Billund Aquaculture Norway AS)
- Telenor pensjonskasse
- ABB pensjonskasse

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 counts 12 employees. Growth here has been entirely organic. Aider will continue with this strategy. So far in 2022, three more offices have been started organically:

- Stjørdal
- Sarpsborg
- Lillestrøm

Local management has been established at all three offices. Starting-up new offices must be expected to take 4-6 months before being fully operational and profitable. So, it can be expected that these newly added offices will experience profitable grow throughout 2023.



Consolidated interim financial statements Q3 2022

Income statement

Aider konsern

INCOME STATEMENT (Amount in NOK 1000)	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating income					
Revenue	5	116 494	72 054	369 005	233 440
Other income		85	77	933	126
Total operating income		116 578	72 131	369 938	233 567
Cost of goods sold		-15 974	-10 713	-45 794	-35 475
Personell expenses		-83 455	-45 886	-231 576	-134 021
Other expenses	6	-8 768	-7 247	-27 673	-20 594
EBITDA		8 381	8 285	64 896	43 476
Amortizations and depreciations	7,8,9	-5 364	-2 669	-14 164	-7 876
EBIT		3 017	5 616	50 731	35 600
Special items	3	-1 398	-622	-5 430	-1 626
Net financial items		-9 185	-2 511	-15 812	-5 476
Profit before tax		-7 565	2 483	29 489	28 498
Income taxes	4	1 502	-1 504	-6 021	-7 621
Profit for the period		-6 063	979	23 468	20 877
Profit attributable to Aider shareholders		-4 999	1 319	20 085	18 424
Profit attributable to non-controlling interests		-1 065	-339	3 383	2 453
Total		-6 063	979	23 468	20 877
Earnings per share					
Continuing operations					
- Ordinary		-6	1	23	21
- Diluted		-6	1	23	21
Discontinued operations					
		0	0	0	0
Other comprehensive income					
Profit for the period		-6 063	979	23 468	20 877
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		-6 063	979	23 468	20 877
Attributable to					
Shareholders in Aider		-4 999	1 319	20 085	18 424
Non-controlling interests		-1 065	-339	3 383	2 453

Balance sheet

Aider konsern

ASSETS (Amount in NOK 1000)	Note	30.09.2022	30.09.2021	31.12.2021
Non-current assets				
Intangible assets				
Research and development	9	13 466	12 073	11 541
Deferred tax assets		2 338	2 685	2 222
Goodwill	2,9	641 708	405 519	424 382
Total intangible assets		657 511	420 277	438 146
Tangible assets				
Right-of-use assets	7	66 901	43 335	47 088
Property, plant and equipment	8	5 936	3 773	4 539
Total tangible assets		72 838	47 108	51 628
Non-current financial assets				
Investment in associated companies		1 010	1 037	1 010
Investment in shares		1 755	0	0
Loan to group companies		0	0	0
Other long-term receivables		474	72	120
Total non-current financial assets		3 239	1 109	1 130
Total non-current assets		733 588	468 494	490 903
Current assets				
Accounts receivables		73 336	44 898	46 330
Other short-term receivables		23 201	6 168	5 613
Cash and Cash equivalents		159 518	24 480	24 058
Total current assets		256 055	75 546	76 001
Total assets		989 643	544 040	566 904

Balance sheet

Aider konsern

EQUITY AND LIABILITIES (Amount in NOK 1000)	Note	30.09.2022	30.09.2021	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		19 689	6 146	0
Uncovered loss		0	0	-396
Minority		3 466	2 490	37
Total equity		305 949	291 431	282 436
LIABILITIES				
Provisions				
Deferred tax		177	224	176
Total provisions		177	224	176
Non-current liabilities				
Interest bearing debt	3	486 878	91 955	99 876
Lease liabilities	3,7	68 962	44 499	48 402
Total non-current liabilities		555 840	136 454	148 279
Current liabilities				
Liabilities to group companies		0	4 813	25 891
Accounts payables		17 456	11 215	12 426
Tax payable	4	9 296	7 596	6 503
Public duties payable		35 260	20 255	26 538
Other current liabilities		65 663	72 052	64 656
Total current liabilities		127 676	115 931	136 014
Total liabilities		683 694	252 610	284 468
Total equity and liabilities		989 643	544 040	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	-	-12 240	-	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			19 689	396	3 383	23 468
Transaction with minority					45	45
Dividend to minority					-	-
Equity 30 September 2022	1 000	281 794	19 689	0	3 466	305 949

Cash flow statement

Aider konsern

(Amount in NOK 1000)	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Operating activities					
Profit for the period before tax		-7 565	2 483	29 489	28 497
Tax paid		-3 793	-855	-7 372	-1 207
Depreciation and amortization		5 364	2 669	14 164	7 877
Change in group loans		52 626	19 670	52 626	17 812
Change in accounts receivables		5 295	6 305	-7 729	-2 670
Change in accounts payables		-7 689	-136	4 664	-1 172
Change in other accrual items		-19 080	-15 786	-25 575	-17 174
Cash flow from operating activities		25 157	14 350	60 267	31 963
Investment activities					
Net expenditure on property, plant and equipment		-3 215	-12 179	-327 839	-22 623
Cash received in acquisitions	2	0	3 661	10 196	3 661
Cash flow from investment activities		-3 215	-8 518	-317 642	-18 962
Financing activities					
Proceeds from the issuance of new long-term liabilities		0	-1 713	515 903	25 520
Repayment of long-term liabilities		-181	-765	-123 068	-29 935
Proceeds from equity		0	0	0	0
Payment of dividend		0	0	0	0
Cash flow from financing activities		-181	-2 478	392 835	-4 415
Net change in cash and cash equivalents		21 761	3 354	135 460	8 586
Cash and cash equivalents at the start of the period		137 757	21 126	24 058	15 894
Cash and cash equivalents at the end of the period		159 518	24 480	159 518	24 480

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 November 23, 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.

	Fair value recognized on acquisition	
	30.09.2022	30.09.2021
(Amount in NOK 1000)		
Assets		
Property, plants and equipment	2 815	3 563
Cash and cash equivalents	10 196	5 188
Deferred tax assets	113	0
Receivables	41 487	6 949
Total	54 612	15 700
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	10 508
Net identifiable assets and liabilities at fair value	10 294	5 192
Goodwill	217 447	33 886
Purchase price	227 741	39 078
Share issued, at fair value*	4 000	18 609
Cash	223 741	20 470
Total consideration	227 741	39 078
Paid in cash	223 741	20 470
Cash received	10 196	5 188
Net decrease/(increase) in cash	213 545	15 282

*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	159 518
Restricted cash related to payroll	-11 556
Overdraft facility	40 000
Free liquidity	187 962
Over-/under coverage	167 962

Debt Leverage

Interest bearing debt	486 878
Lease liabilities	68 962
Total interest bearing liabilities	555 840

Cash and cash equivalents	159 518
Net interest bearing debt	396 322

EBITDA LTM*	76 508
-------------	--------

Net interest bearing debt to EBITDA	5.2
--	------------

*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	3 636
Work related to issuance of Bond	1 794
Total	5 430

Note 4 – Tax

(Amount in NOK 1000)	YTD 2022	YTD 2021
Profit before tax	29 489	28 498
Calculated tax on profit	6 488	6 269
<i>Tax effects of:</i>		
Non-deductible expenses/non-taxable income	37	12
Temporary differences	-504	1 340
Tax of the period	6 021	7 621
Tax payable		
Tax payable from previous years	1 113	299
Tax effect of businesses acquired	2 163	-324
Tax for the period	6 021	7 621
Total tax payable	9 296	7 596

Note 5 – Revenue

By segment (Amount in NOK 1000)	YTD 2022	YTD 2021
Payroll- and accounting services	325 033	195 405
IT services	43 103	37 011
Other income	869	1 023
Total	369 005	233 440
Geographical information		
Norway	369 005	233 440
Total	369 005	233 440

Note 6 – Specification of other operating expenses

(Amount in NOK 1000)	YTD 2022	YTD 2021
Audit, consultancy and legal fees	4 234	2 541
Office costs	4 054	5 360
IT equipment	9 324	6 845
Course fees	1 290	395
Advertising and sales costs	4 000	1 746
Loss on receivables	731	321
Other expenses	4 039	3 385
Total other operating costs	27 673	20 594

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	29 901	-	29 901
Disposals	-	-	-
Acquisition cost end of period	86 136	4 276	90 412
Accumulated depreciation and impairment beginning of period	11 752	1 671	13 423
Depreciation	9 271	818	10 089
Impairment losses in the period	-	-	-
Disposals	-	-	-
Accumulated depreciation and impairment end of period	21 023	2 488	23 511
Carrying amount of right-of-use assets at end of period	65 113	1 788	66 901
Period of rent	74 måneder	40 måneder	
Remaining period of rent	74 måneder	40 måneder	
Lease liabilities			
Less than 1 year	12 618	1 110	13 728
1-5 years	38 546	790	39 336
More than 5 years	15 898	-	15 898
Total	67 062	1 900	68 962

Note 8 – Property, plant and equipment

(Amount in NOK 1000)	Equipment and moveables	Total
Acquisition cost 1 January 2022	9 528	9 528
Additions	59	59
Additions through acquisitions	2 815	2 815
Disposals	-	-
Acquisition cost end of period	12 402	12 402
Accumulated depreciation and write-downs	6 465	6 465
Carrying amount end of period	6 028	6 028
Depreciation in current period	1 477	1 477
Depreciation	20 -33%	

Note 9 – Intangible assets

(Amount in NOK 1000)	Research & Development	Goodwill	Total
Acquisition cost 1 January 2022	26 276	424 382	450 658
Additions through acquisitions	-	217 325	217 325
Additions	4 524	-	4 524
Disposals	-	-	-
Acquisition cost end of period	30 799	641 708	672 507
Accumulated depreciation and write-downs	17 333	0	17 333
Carrying amount end of period	13 466	641 708	689 840
Depreciation in current period	2 599	-	2 599
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.

AIDER