

Interim Report

Extenda Retail Holding 1 AB (publ)
January 1 - March 31, 2022

January 1 - March 31 in brief

Extenda Retail Holding 1 AB (publ) group was formed as a result of Symphony Technology Groups (STG) acquisition of Extenda AB and certain retail-focused business units of Visma in September 2018 through Extenda Retail Holding 1 AB and its subsidiaries. The group is referred to below as Extenda Retail.

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Total Adjusted Revenue*	155,228	156,675	604,279
Total Adjusted Cost*	(127,108)	(134,863)	(503,401)
Adjusted EBITDA*	28,120	21,811	100,877
Adjusted EBITDA-margin (%)	18.1%	13.9%	16.7%

*Total Adjusted Revenue, Cost and EBITDA consists of Revenue, Cost and EBITDA less items affecting comparability. Please see details in Note G2.

- At the end of the quarter, the Group has put in place a new financing arrangement. The new financing arrangement consists of a corporate bond of SEK 550,000k and a revolving credit facility of SEK 75,000k. As a result of this, the Group has settled all bank loans with Barings. The new financing arrangement was made in conjunction with the acquisition of the Dutch group Re-Vision in April 2022.
- Total adjusted revenue decreased by SEK 1,447k. The core revenue stream, Recurring Software revenue, grew 13% compared to Q1 2021 and made up 75% of total revenue, same period last year 66%. However, the Professional Service Revenue declined by design due to moving away from low gross margin projects and non-core business, i.e., Hosting and Technical services.
- The Annual Recurring Revenue increased with SEK 54,8m to SEK 447,5m, corresponding to a growth ratio of 14,0%
- Total Expenses continue to decrease. The Extenda Retail business model to work with partners in nearshore and offshore locations has both increased the number of hours available and reduced the total cost. The time spent by own personnel on development instead of maintenance has increased, resulting in higher capitalized development cost compared to in the first quarter of 2021.
- Adjusted EBITDA amounts to SEK 28,120k, with an Adjusted EBITDA margin of 18%. A margin improvement of 4,2% compared to the same period last year when EBITDA was SEK 21,811k.

Comments from President and CEO Leendert Venema

As a result of increasing momentum from the retail sector to accelerate the digital, omnichannel shopping experience for consumers, Extenda Retail continued to progress the strategy to launch the new Cloud-native Hii Retail checkout platform. With our new "unified basket" approach and the adoption of a pure MACH (Microservices, API-first, Cloud-native, Headless) implementation, we are well positioned to gain a fair market share across Europe.

Commitment was obtained from several tier-1 customers to commence incremental migrations across all sectors. Extenda Retail's Hii Retail platform was also selected by one of Europe's leading sportswear & equipment retailers to support their geographical expansion across both brick-and-mortar and e-commerce retail channels.

The strategy to execute an expansion across Europe also gathered momentum across all business lines, with significant investment in resources in the Benelux, UK and Iberia. Twelve new resellers were acquired to accelerate the wins in the small-and-medium sectors for retail, hospitality, and leisure.

The increase in physical logistics supply chain volumes continued to increase, witnessed by even greater demand for consumer consumption due to the pandemic. The result was a significant improvement in our Warehouse Management (WMS) business which delivered the highest revenues in its history. In addition, existing retail and 3PL WMS customers de-risked existing deployments by investing in incremental application management services from Extenda Retail.

With a strong pipeline from both existing customer investments and potential new business opportunities, coupled with indicators demonstrating that further deferred investments would likely be activated, Extenda Retail is well-positioned for the coming quarters.

Summary of financial information

Total adjusted revenue

Total adjusted revenue is Total revenue less items affecting comparability (please see Note G2 for details).

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Software revenue and recurring support & services	117,121	103,645	427,063
Professional Services	30,970	38,539	136,127
Total core business	148,092	142,184	563,190
Hosting and infrastructure	3,307	6,867	17,690
Hardware and technical services	3,308	4,614	15,981
Other revenue	521	3,011	7,417
Total Adjusted Revenue	155,228	156,675	604,279

Total adjusted revenue decreased with SEK 1,447k compared to the same period last year. Software revenues and recurring support & services, which are our recurring subscription revenues and are the main benchmark, grew during the year with SEK 13,476k or 13.0% to SEK 117,121k. From a product perspective, most growth is within our new Hii Retail suite, but also from our POS products. The recurring subscription revenues now represent approximately 79% of the total core business, last year 73%. According to a reputable technology research firm, the market for retail software is expected to grow at a double-digit rate over the next five years. The company is focused on growing its recurring revenue base while continuing to improve efficiency and scalability to drive improved margins.

The company has intentionally moved away from selling non-recurring revenue including Professional Services and Perpetual licenses, and instead focused on continuing to grow its base of recurring revenue. As a consequence, the company's Professional Services revenue declined compared to the same quarter last year by approximately SEK 7,569k. The customers are increasingly buying agile teams sold on annual or longer contracts, which are then included under Software revenue and recurring support & services.

The strategic transition toward being a software company meant that sales of non-software supplies, including hosting, technical services, and hardware, decreased revenue with SEK 7,345k. This as these supplies are phased out and will be continued by other suppliers outside Extenda Retail.

Approximately 24% of the company's revenues are generated in the Norwegian company Extenda Retail AS. The weakening of the Swedish krona against the Norwegian krone has positively impacted the Group's revenue in 2022. The first quarter 2021 income converted to the 2022 rate would have been SEK 2,825k higher.

Total adjusted costs

Total adjusted costs is Total costs less items affecting comparability (please see Note G2 for details).

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Direct cost	(48,023)	(53,967)	(191,340)
Other external costs	(33,079)	(22,587)	(115,061)
Personnel costs	(52,737)	(59,571)	(207,695)
Capitalized work for own account	6,623	1,708	10,697
Other operating expenses	108	(446)	(2)
Total Adjusted Cost	(127,108)	(134,863)	(503,401)

Direct cost is direct cost of revenue, i.e., cost for time spent and license cost that are allocated directly to the revenue and it includes labor cost. The Extenda Retail business model to work with partners in nearshore and offshore locations have resulted in lowered Direct cost with SEK 5,944k and Personnel cost with SEK 6,834k, despite more hours available.

Other external costs consist of other consulting costs, mainly time spent for maintenance of our product suite, development of new products and other costs like IT environment, marketing and office-related costs. The increase of SEK 10,492k is mainly due to the increased development efforts and for IT including information security. The pandemic restrictions were phased out during the quarter, which enabled participation in industry fairs, increasing marketing and travel costs.

Adjusted EBITDA and Earnings for the period

Adjusted EBITDA is EBITDA less items affecting comparability (please see Note G2 for details).

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Operating earnings	(26,740)	(24,521)	(8,898)
Add back Amortizations, depreciations and write downs	34,418	32,177	130,800
Add back items affecting comparability*	20,442	14,156	(21,024)
Adjusted EBITDA	28,120	21,811	100,877

Adjusted EBITDA has increased by SEK 6,309k to SEK 28,120k, mainly due to the lower cost and an increase in capitalized development cost for own personnel.

The operating earnings for the financial year were SEK (26,740)k, vs. last year of SEK (24,521)k, which included one-off items of SEK (20,442)k, vs. last year SEK (14,156)k and depreciation and amortization of SEK (34,418)k, vs. last year SEK (32,177)k. Earnings after tax for the period were SEK (53,481)k, which includes net financial items of SEK (25,840)k and income tax of SEK (901)k. Earnings after tax for the previous year were SEK (50,527)k, which includes net financial items of SEK (26,134)k and income tax of SEK 128k.

Financial position in brief

SEK thousands	2022	2021	2021
	March 31	March 31	December 31
Long-term assets	857,735	932,661	872,371
Other short term assets	348,913	122,018	141,154
Cash and cash equivalents	137,928	114,175	148,024
Total Assets	1,344,575	1,168,854	1,161,549
Total equity	336,006	398,034	385,909
Long term liabilities	662,845	445,749	445,485
Short term liabilities	345,724	325,072	330,155
Total equity and liabilities	1,344,575	1,168,854	1,161,549

Total assets at the end of the period amounted to SEK1,344,575k compared to the same quarter previous year of SEK 1,168,854k, of which SEK 767,712k thousands consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with STG's acquisitions of Visma Retail and Extenda, previous year SEK 833,896k. Investments in intangible fixed assets were capitalized development for internally developed software. Investments in intangible fixed assets during the period totaled SEK 17,080k million and during the same period last year were SEK 8,478k.

Other short-term assets of SEK 348,913k includes a receivable of SEK 198,621k deposited at the Dutch Notary on behalf of the seller of the Re-Vision group, which was temporary until the transaction was completed in early April.

Cash and cash equivalents at March 31, 2022, amounted to SEK 137,928k and decreased during the period from January to March by SEK 10,093k. Cash Flow from current activities amounted to (224,554) including the SEK 198,621k deposit at Dutch

Notary for the Re-Vision acquisition. Investment in intangible assets was SEK (17,080)k. The new bond loan had a positive cash inflow of SEK 550,000k offset by the repayment of the Barings loan of SEK 319,234k.

Total equity amounted to SEK 336,006k compared to year-end of SEK 385,909k. The decrease derives from the income statement offset by currency differences in equity of SEK 3,576k. The equity/assets ratio at the end of the period was 25% and 34% the same period last year explained by the increasing borrowing financing for the Re-Vision acquisition.

Long-term liabilities have increased with SEK 217,096k compared to the same period last year. The increase is due to the new Bond loan of SEK 550,000k offset by the repayment of the Barings loan of SEK 319,234k.

Short-term liabilities of SEK 345,724k include SEK 95,104k of deferred payments of taxes for social charges and withholding taxes including interest, given to the Group as a support to help companies through the corona pandemic. Nominal amount as of March 31, 2022 was SEK 91,271k of which SEK 34,819k was due April 2022, SEK 4,751k in September 2022 and the remainder SEK 51,701k due in February 2023. For the SEK 34,819k due in April 2022, Extenda Retail received an approval of a 3-year repayment plan where approx. SEK 6,000k should be paid semi-annually starting in October 2022.

Significant risks and uncertainties

Market and Technological Development

The development of the broader economy, as well as trends that impact specific customer segments all impact the market opportunities for Extenda Retail. The financial climate impacts demand from individuals and companies and changes customer buying patterns which in turn affect investment plans and strategic initiatives.

Global changes in retail continue, with digitalization and new customer service models creating powerful forces for change that affect the entire retail sector, including our customers. The changes that result from digitalization, increased demand for personalization, dynamic pricing, AI, and mobile-first strategies require continued investment in development to ensure that Extenda Retail can continue to be at the forefront of developing next-generation retail solutions.

This rapid industry change can lead to longer sales cycles due to customers needing to make strategic choices that have long-term implications for their businesses. We believe these developments offer us strong and increasing potential for new and additional sales of our market-leading offerings.

Operational risk

One prerequisite for both additional sales as well as maintenance of our long-term customer relationships is delivery of successful customer projects. It is of the utmost importance that we continue to place the customer at the center of everything we do, as failures in customer projects or in living up to customer expectations can result in long-term damage to our good reputation in the market.

Financial risk

Extenda Group is exposed to a number of financial risks in its operations. Financial risks principally pertain to currency risks, interest-rate risks and credit, and counterparty risks. Risk management is regulated by the finance policy adopted by the Board. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with the Extenda Retail management team. For more information concerning these risks, refer to Note G29, Financial Risk Management, and Financial Instruments of the Extenda Retail Annual Report of 2021.

Other information

Russian invasion of Ukraine

On February 24, Russia initiated an invasion of Ukraine. Extenda Retail condemns these acts of violence and is working actively to support Ukrainian humanitarian efforts. Extenda Retail is conducting no operations in Russia today. The Group has a small number of highly valued employees in Ukraine through our partners and through our subsidiary, which constitute ~5% of Extenda Retail's workforce, who are affected to varying degrees by the invasion. In financial terms, the Russian invasion of Ukraine may have a somewhat negative impact on the development of the Group's earnings and positions. Extenda Retail has mitigated the impact by offering employment in Sweden for those Ukrainians to whom it is possible to relocate. It is not possible at the current time to assess the direct consequences of the conflict for Extenda Retail.

Events after the end of the reporting period

In April 2022, the Group acquired the Dutch group Re-Vision through the Holding company Innovation Retail Solutions Holding B.V. The purchase price amounted to EUR 23,185k including Re-Vision's cash received and the company, including its subsidiaries, has an annual revenue of approximately EUR 6,000k. The cash balance of Re-Vision was EUR 5,736k by the end of March. The acquisition is part of the company's strategy to grow both organically and through acquisitions. Re-Vision Group

provides opportunities for new business as we gain expanded product offerings and a larger customer base in countries where we have limited sales today, including Germany, the United Kingdom and the Netherlands.

Parent company

The Parent Company Extenda Retail Holding 1 AB (publ) (559167-1507) was established in 2018 and was registered with the Swedish Companies Registration Office for the first time on July 5, 2018. The company is owned by Extenda Retail S.A.R.L, which is in turn ultimately owned by STG Fund V and the management.

Net financial items for Q1 2022 totaled SEK (258)k, and income after tax amounted to SEK (258)k, Net financial items for Q1 2021 totaled SEK (-)k, and income after tax amounted to SEK (-)k.

Investments in property, plant, and equipment, and intangible assets for the period amounted to SEK - (-).

On March 31, 2022, the Parent Company had SEK 524,553k in Long term liabilities consisting of the Bond Loan of 550,000 SEK offset by prepaid loan fees of SEK 25,447k and a long term receivable of SEK 525,901k to Extenda Retail Holding 2 AB.

Extenda Retail Holding 1 AB has no significant related party transactions other than transactions with group companies. All transactions with related parties are carried out on market-based terms. The nature and scope of related party transactions during the period are essentially the same as in 2021.

Statement of assurance

The CEO assures that the interim report provides a true and fair review of the Parent Company and the Group's operations, position, and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Stockholm, May 30, 2022

Leendert Venema
CEO

This interim report is unaudited.

Condensed consolidated statement of profit and loss and other comprehensive income

SEK thousands	Note	2022	2021	2021
		Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		154,890	155,962	604,424
Other operating income		1,367	713	56,120
Total revenue	G2	156,256	156,675	660,544
Direct cost		(48,023)	(53,967)	(193,852)
Other external costs		(53,198)	(27,525)	(134,187)
Personnel costs		(53,066)	(68,789)	(219,412)
Work performed by the group and capitalized		6,623	1,708	10,697
Amortizations, depreciations and write downs		(34,418)	(32,177)	(130,800)
Other operating expenses		(914)	(446)	(1,888)
Total cost		(182,996)	(181,196)	(669,442)
Operating earnings		(26,740)	(24,521)	(8,898)
Financial income		271	131	547
Financial costs		(26,110)	(26,265)	(60,895)
Earnings before tax		(52,579)	(50,654)	(69,246)
Income tax		(901)	128	8,024
Earnings for the period		(53,481)	(50,527)	(61,222)
Other comprehensive income				
<i>Items that can be reclassified to profit or loss</i>				
Translation differences from operations abroad		3,576	3,769	4,830
Total other comprehensive income		3,576	3,769	4,830
Total comprehensive income for the period		(49,904)	(46,757)	(56,392)
Earnings for the period attributable to:				
Parent Company shareholders		(53,481)	(50,527)	(61,222)
Total comprehensive income attributable to:				
Parent Company shareholders		(49,904)	(46,757)	(56,392)

Condensed report on the financial position of the Group

SEK thousands	Note	2022 March 31	2021 March 31	2021 December 31
Long-term assets				
Intangible assets		767,712	833,896	778,094
Tangible assets		12,679	16,754	13,790
Rights of use assets		71,078	80,969	73,320
Deferred tax assets		5,286	0	6,187
Other non-current receivables		980	1,043	980
Total long-term assets		857,735	932,661	872,371
Short-term assets				
Inventories		0	300	0
Accounts receivable		108,272	94,297	102,824
Current tax assets		8,240	8,809	6,845
Contract assets		15,845	1,464	14,310
Other current assets		216,556	17,149	17,175
Cash and cash equivalents		137,928	114,175	148,024
Total short-term assets		486,841	236,193	289,178
Total assets		1,344,576	1,168,854	1,161,549
Equity				
Share capital		50	50	50
Other paid-in capital		868,441	870,932	868,441
Reserves		4,463	105	630
Retained earnings including earnings for the period		(536,949)	(473,053)	(483,211)
Total equity		336,006	398,034	385,910
Long-term liabilities				
Provisions	G3	72,851	67,511	71,348
Interest-bearing liabilities		523,313	302,571	306,018
Operating lease obligations non-current		66,681	73,719	68,119
Deferred tax liabilities		-	1,947	-
Total long-term liabilities		662,845	445,749	445,485
Short-term liabilities				
Accounts payable		53,544	37,960	60,061
Operating lease obligations current		11,589	11,676	11,829
Contract liabilities		77,542	68,901	76,616
Other current liabilities		203,048	206,534	181,649
Total short-term liabilities		345,724	325,072	330,155
Total equity and liabilities		1,344,575	1,168,854	1,161,550

Condensed consolidated statement of changes in equity

Equity attributable to the Parent Company's shareholders

SEK thousands	2022 March 31	2021 March 31	2021 December 31
Opening balance	385,910	419,791	419,791
<i>Changes in equity</i>			
Earnings for the period	(53,470)	(50,527)	(61,222)
Other comprehensive income	3,576	3,769	4,830
Total comprehensive income	(49,893)	(46,757)	(56,392)
<i>Transactions with owners</i>			
Shareholder contributions received	-	25,000	25,000
Dividend	-	-	(2,490)
Total	0	25,000	22,510
Ending balance	336,017	398,034	385,909

Condensed consolidated cash flow Statement

SEK thousands	Note	2022 March 31	2021 March 31	2021 December 31
Operating earnings		(26,729)	(24,521)	(8,898)
Adjustment for non-cash items, etc.		34,101	35,172	131,123
Interest received		271	123	547
Interest and financial items paid		(31,585)	(8,186)	(37,585)
Income tax paid		0	0	(298)
Cash flow from operations before to changes in working capital		(23,942)	2,588	84,888
Cash flow from changes to working capital				
Change in inventories		0	(37)	274
Change in current receivables		(205,947)	2,947	(17,142)
Change in current liabilities		5,345	60,718	64,410
Cash flow from current activities		(224,543)	66,216	132,430
Investing activities				
Acquisitions of subsidiaries		0	(11,751)	(11,751)
Acquisitions of intangible assets		(17,080)	(8,478)	(36,624)
Acquisitions of tangible assets		0	(209)	(473)
Acquisitions of financial assets		1	0	1
Cash flow from investing activities		(17,079)	(20,438)	(48,847)
Financing activities				
Shareholder contributions received		0	25,000	25,000
Paid dividend		0	-	(2,409)
Lease liability payments		(1,678)	(2,937)	(11,749)
New borrowings		550,000	-	-
Loans repayment		(319,234)	-	-
Cash flow from financing activities		229,088	22,063	10,842
Cash flow for the period		(12,535)	67,841	94,425
Cash and cash equivalents at start of period		148,024	49,407	49,407
Translation difference on cash and cash equivalents		2,449	(3,073)	4,192
Cash and cash equivalents at end of period		137,939	114,175	148,024

Parent company income statement

		2022	2021	2021
SEK thousands	Note	Jan - March	Jan - March	Jan - Dec
Operating expenses		-	-	-
Operating earnings		-	-	-
Interest income and similar items		98	-	0
Interest expenses and similar items		(356)	-	0
Earnings before tax		(258)	-	0
Appropriations		0	-	320
Earnings for the period		(258)	-	320
Total comprehensive income for the period		(258)	-	320

Parent company balance Sheet

SEK thousands	Not	2022 March 31	2021 March 31	2021 December 31
Long-term assets				
Shares in group companies		870,932	845,931	870,932
Long term receivables from group companies		525,901	-	-
Total long-term assets		1,396,832	845 931	870,932
Short-term assets				
Short term receivables from group companies		320	-	320
Prepaid expenses and accrued income		395	-	-
Total short-term assets		715	-	320
Total assets		1,397,548	845 931	871,252
Equity				
<i>Restricted equity</i>				
Share capital (50,000 shares)		50	50	50
Total restricted equity		50	50	50
<i>Unrestricted equity</i>				
Retained earnings		868,121	845,931	868,121
Earnings for the period		63	(320)	320
Total unrestricted equity		868,184	845 611	868,441
Total equity		868,234	845 661	868,491
Long-term liabilities				
Long-term liabilities		524,553	-	-
Total long-term liabilities		524,553	0	0
Short-term liabilities				
Short-term liabilities to group companies		710	270	2,761
Accrued expenses and deferred income		4,050	-	-
Total short-term liabilities		4,761	270	2,761
Total equity and liabilities		1,397,548	845 931	871,252

Statement of changes in equity

SEK thousands	2022 March 31	2021 March 31	2021 December 31
Opening balance	868,491	845,661	845,661
Changes in equity			
Earnings for the period	(258)	0	320
Total comprehensive income	(258)	0	320
<i>Transactions with owners</i>			
Shareholder contributions received	-	-	25,000
Dividend	-	-	(2,490)
Total	0	0	22,510
Ending balance	868,233	845,661	868,491

Notes

Note G1, Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2. The Accounting policies adopted are consistent with those applied for in the 2021 Annual Report and should be read in conjunction with that Annual Report.

For practical reasons, the figures in this interim report have not been rounded off, which is why notes and tables may not total correct amounts. Unless otherwise specified, all figures pertain to SEK thousands (k). The interim report provides alternative performance measures for monitoring the Group's operations.

The business is somewhat seasonal regarding Professional Services, where there is less services revenue in June-August, and also a reversal of the accrual for vacation is expected in July and August.

New and changed accounting standards in 2022

None of the standards and statements that have been published by the IASB and are effective for annual periods beginning on or after January 1, 2022, have had any significant impact on the financial statements of the Group.

Note G2, Total revenue

Total revenue is divided up into the following lines of operations:

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Software revenue and recurring support & services	117,121	103,645	427,063
Professional Services	30,970	38,539	136,127
Hosting and infrastructure	3,307	6,867	17,690
Hardware and technical services	3,308	4,614	15,981
Other revenue	1,550	3,011	63,682
Total	156,256	156,675	660,544

Note G3, Recognition of financial instruments at fair value

Extenda Retails financial assets are essentially non-interest-bearing and interest-bearing receivables, in which cash flows represent only payment for the initial investment and, where applicable, interest. Their value is intended to be held to maturity and is carried at amortized cost, which is a reasonable estimate of fair value. Financial liabilities are for the most part, recognized at amortized cost. Financial instruments measured at fair value on the balance sheet are contingent considerations consisting of liabilities with a value of SEK 65,619k. Contingent consideration liabilities are recognized at fair value based on management's best estimate of the most likely outcome (level 3, as defined in IFRS 13). Other assets and liabilities are recognized at amortized cost.

Note G4, Items affecting comparability

Accounting and Valuation Principles

Items affecting comparability refer to material items and events related to changes in the Group's structure or industry, which are relevant to understanding the Group's performance on a like-for-like basis. Group EBITDA is adjusted for items affecting comparability to enable the reader to monitor and analyze underlying profitability adjusted for items that affect comparability between periods.

SEK thousands	2022 March 31	2021 March 31	2021 December 31
Items affecting revenue			
Received claim from M&A insurance	-	-	52,325
Re-invoiced consultancy cost to partner (net zero)	-	-	1,627
FX in Revenue	1,028	-	1,944
Onerous contracts (M&A insurance related)	-	-	369
Total items affecting revenue	1,028	-	56,265
Items affecting direct costs			
Onerous contracts (M&A insurance related)	-	-	(2,512)
Total items affecting direct costs	-	-	(2,512)
Items affecting other external costs			
Consultancy costs re-invoiced to partner (net zero)	-	-	(1,627)
One offs auditors and lawyers (M&A, M&A insurance, carve-out)	(16,491)	(376)	(4,519)
New Delivery model - outsourcing and offshoring	(1,995)	(4,151)	(7,037)
Policy framework & IT security	(739)	(159)	(1,538)
IFRS conversion & Go-to-Market	(58)	(382)	(1,603)
Cost related to Ukraine war	(598)	-	-
Other	(228)	130	(1,083)
Cost regarding Kaseya incident & log4j	(10)	-	(1,720)
Total items affecting other external costs	(20,119)	(4,938)	(19,126)
Items affecting personnel cost			
Severance - Rightsizing and offshoring/outsourcing	(328)	(9,218)	(9,224)
Time spent Kaseya incident	-	-	(2,493)
Total items affecting other external costs	(328)	(9,218)	(11,717)
Items affecting operating expenses			
FX in operating expenses	(1,022)	-	(1,886)
Total items affecting operating expenses	(1,022)	-	(1,886)
Total items affecting comparability in EBITDA	(20,442)	(14,156)	21,024

Note G5, Events after the end of the reporting period

In April 2022, the Group acquired the Dutch group Re-Vision through the Holding company Innovation Retail Solutions Holding B.V. The purchase price amounted to EUR 23,185k including Re-Vision's cash received and the company, including its subsidiaries, has an annual revenue of approximately EUR 6,000k. The acquisition is part of the company's strategy to grow both organically and through acquisitions. Re-Vision Group provides opportunities for new business as we gain expanded product offerings and a larger customer base in countries where we have limited sales today including Germany, the United Kingdom and the Netherlands.

Note G6, Transactions with related parties

Extenda Group carries out normal commercial transactions with subsidiaries. No other significant transactions with related parties occurred.

Note G7, Summary of financial information

SEK thousands	2022	2021	2021
	Jan 1 - Mar 31	Jan 1 - Mar 31	Jan 1 - Dec 31
Total revenue	156,256	156,675	660,544
Operating earnings	(26,740)	(24,521)	(8,898)
Operating margin, %	-17%	-16%	-1%
EBITDA	7,678	7,656	121,902
Items affecting comparability	20,442	14,156	(21,024)
Adj. EBITDA	28,120	21,811	100,877
Adj. EBITDA margin, %	18%	14%	15%
Net financial items	(25,901)	(26,134)	(60,348)
Earnings for the period	(53,481)	(50,527)	(61,222)
Profit margin, %	neg	neg	neg
Total assets	1,344,576	1,168,854	1,161,549
Cash and cash equivalents	137,928	114,175	148,024
Interest-bearing liabilities	523,313	302,571	306,018
Equity	336,006	398,034	385,910
Net debt	385,385	188,397	151,526
Equity/assets ratio, %	25%	34%	33%

About Extenda Retail

Extenda Retail makes innovation simple for leading retailers and 3PLs. With Extenda Retail's frictionless, game-changing software, retailers and logistics providers are able to grow their business and optimize their customers' experience.

The extensive portfolio includes the Hii Retail cloud platform, POS (point-of-sale) & Checkout, WMS, Customer Intelligence & Loyalty, and Pharmacy software. With over 40 years as an industry leader in retail software development, hundreds of retail chains with a presence in over 37 countries across the globe utilize solutions by Extenda Retail.

Since the fall of 2018, Extenda Retail operates under the new brand backed by STG Partners, a US-based private equity firm with a proven track record of successful investments in technology companies. Extenda Retail has a strong Nordic and European presence with a headquarter in Stockholm, Sweden, and several offices around Europe.

Learn more at www.extendaretail.com or follow the company on LinkedIn.

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extendaretail.com immediately after publication.

Financial calendar

August 30, 2022: Q2 Interim report

Definitions and alternative performance measures

The Interim Report includes financial key ratios that are based on IFRS. In addition, other key ratios (Alternative Performance Measures – APMs) are used by the Company and other interests to describe the Group's operations and which cannot be discerned or derived from the financial statements. These APMs are to be regarded as a complement to the financial reporting presented in accordance with IFRS. It should be noted that the APMs defined below may differ somewhat from other companies' definitions of the same terms.

Software revenue and recurring support & services - Sales of recurring software products (both SAAS and on prem solutions). Includes software license fees and maintenance. Consists of the following software systems: Hii Retail Cloud Solutions, Customer Engagement, In-store & checkout, Warehouse Management, ExtendaGO, Retail Back Office, Pharmacy. Sales of recurring support agreements and recurring long term service agreements.

Profit or loss

Adjusted Revenue - Revenue less items affecting comparability.

Operating profit – Profit before financial items and tax.

Operating profit % – Profit before financial items and tax as a percentage of revenue.

Profit before tax – Profit after net financial items.

Net financial income – Interest income and similar items less interest expense and similar items.

Margins

Operating margin – Operating profit as a percentage of turnover.

Profit margin – Profit for the year as a percentage of turnover.

Adjusted EBITDA – Operating profit before depreciation and amortization and items affecting comparability.

Adjusted EBITDA % – Operating profit before depreciation and amortization of goodwill related to acquisitions and items affecting comparability and as a percentage of revenue.

EBITDA – Earnings before interest, taxes, depreciation, and amortization.

EBITDA % – Operating profit before depreciation and amortization as a percentage of revenue.

Capital structure

Balance sheet total – Total assets.

Equity – Equity at the end of the year.

Interest-bearing debt – Long and short-term interest-bearing debt.

Equity ratio – Equity as a percentage of total assets.

Cash flow and liquidity

Cash and cash equivalents – Cash in hand and at banks and short-term investments.

Cash flow before investments – Cash flow from on-prem activities.

Cash flow after investments – Cash flow from operating activities minus capital expenditure.

Employees

Average number of employees – Average number of annual employees based on measurements at the end of each month.