

# Interim Report

Extenda Retail Holding 1 AB (publ)  
January 1 - June 30, 2022

## January 1 - June 30 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	2022	2021	2021
	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Dec 31
Total Adjusted Revenue*	169,117	153,354	324,346	310,029	604,279
Total Adjusted Cost*	(139,637)	(135,007)	(266,742)	(269,869)	(503,401)
<b>Adjusted EBITDA*</b>	<b>29,480</b>	<b>18,347</b>	<b>57,603</b>	<b>40,159</b>	<b>100,877</b>
Adjusted EBITDA-margin (%)	17.4%	12.0%	17.8%	13.0%	16.7%

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

- On April 1, 2022, the group acquired the Dutch group Re-Vision. The Re-Vision group (Re-Vision) has been included in the Group numbers from April 1, 2022. Re-vision group contributed to the numbers with SEK 14,511k in Revenue and SEK 6,598k in Adjusted EBITDA.
- Total adjusted revenue in Q2 2022 increased by SEK 15,763k, driven primarily by the SEK 14,511k from the Re-Vision acquisition. The organic increase was SEK 1,252k. The Software revenue and recurring support & services, adjusted for the SEK 12,078k contribution from Re-Vision, grew 15.0% compared to Q1 2022 and made up 78.8% of total revenue, same period last year 68.7%. Professional Service Revenue declined by design due to the group moving away from low gross margin projects and non-core business, i.e., Hosting and Technical Services.
- The Annual Recurring Revenue for the business organically increased (excluding Re-Vision) by SEK 52.0m to SEK 456.6m, corresponding to a growth ratio of 12.9%
- Total Adjusted Costs, adjusted for the costs for Re-Vision of SEK 7,913k continue to decrease. The Extenda Retail business model to work with partners in nearshore and offshore locations have both increased the number of hours available and reduced the total cost. This has resulted in Adjusted EBITDA that amounts to SEK 29,480k, with an Adjusted EBITDA margin of 17.4%. This is an EBITDA margin improvement of 5.4% compared to the same period last year when EBITDA was SEK 18,347k and the margin was 12.0%.

## Comments from President and CEO Leendert Venema

It has been a very busy quarter, meeting with employees and customers to leverage the possibilities after the acquisition of Re-Vision. The combination of the technologies provides retailers with additional exciting capabilities to continuously innovate, using the Hii Retail checkout platform and the My-iScan™ solution. We see a significant interest from our client base, where we already have a major Nordic client signing up for the Re-Vision technology and more in the pipeline.

The battle for retailers to attract, delight, and retain customers has never been as fierce. Today's customer has more choices than ever before, and retailers need to be on their toes to meet their shoppers' expectations and deliver identical functionality and experience both on enterprise devices and smartphones. The acquisition of Re-Vision, which has more than 10 years' experience as the market leader in Self-Scanning and a client base similar to Extenda Retail (primarily in leading grocers), truly gives us great possibilities. We continue to focus on implementing the first HiiRetail customer in Europe.

Our best-of-breed Warehouse Management System continued to win clients. During the second quarter NYCE.LOGIC, a part of Extenda Retail partnered with Europe's largest distributors of sustainable energy products to provide our WMS solution initially for their primary distribution hub in the Netherlands.

Extenda Retail is well-positioned for the coming quarters. We continue to have a strong pipeline from both existing customer investments and potential new business opportunities across multiple product lines but particularly for our Hii Retail suite, coupled with indicators demonstrating that previously deferred investments will likely be activated.

# 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
	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	
Software revenue and recurring support & services	133,227	105,331	250,348	208,975	427,063
Professional Services	29,703	36,565	60,673	75,104	136,127
<b>Total core business</b>	<b>162,930</b>	<b>141,895</b>	<b>311,021</b>	<b>284,079</b>	<b>563,190</b>
Hosting and infrastructure	3,139	4,347	6,445	11,214	17,690
Hardware and technical services	2,596	3,859	5,904	8,472	15,981
Other revenue	453	3,252	974	6,263	7,417
<b>Total Adjusted Revenue</b>	<b>169,117</b>	<b>153,354</b>	<b>324,346</b>	<b>310,029</b>	<b>604,279</b>

## Q2 2022 (Apr - Jun 2022)

Total adjusted revenue grew SEK 15,763k compared to the same period last year, with the core business growing SEK 21,035k or 14.8%. Software revenues and recurring support & services, which are our recurring subscription revenues and are the main benchmark, grew well during the period, with SEK 27,896k of growth, or 26.5% to SEK 133,227k. Re-Vision is included as of Q2 2022 and contributed to the increase with SEK 12,078k. Excluding the impact of the acquisition, Software revenues and recurring support & services grew 15.0%. From a product perspective, most growth continues to be within our new Hii Retail suite, but also from our other POS products. Recurring subscription revenues now represent 81.7% of the total core business, a healthy increase on last year's 74.2%. 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. Consequently, the company's Professional Services revenue declined compared to the same quarter last year by approximately SEK 9,124k. Re-Vision contributed with SEK 2,262k of Professional Services revenue in the quarter.

The strategic transition towards being a software company entailed that revenue from non-core business, including hosting, technical services, and hardware, decreased with SEK 5,270k in the second quarter. This as these services are phased out and will be continued by external suppliers rather than Extenda Retail.

Approximately one fourth 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 1,354k higher.

## H1 2022 (Jan - Jun 2022)

The revenue for the first half year of 2022 amounts to SEK 324,346k, of which Re-Vision was SEK 14,511k. The total core business grew by SEK 26,942k or 9.5% to SEK 311,021k. Overall the comments for the half year are the same as explained for the second quarter, i.e. Software revenue and recurring support & services growth continues. Professional services decreased due to shifting the business to recurring services. Hosting and infrastructure, as well as Hardware and technical services decreases by design in our transition toward being a software company.

The Software Revenue and recurring support & services have increased by SEK 4,028k in the second quarter of 2022, excluding the contribution from Re-Vision, resulting in an increase by 3.4% from the first quarter of 2022. The main part of the increase was driven by higher sales to existing customers, mostly roll-outs of new stores. Professional Services declined somewhat in the second quarter of 2022 compared to the first quarter, mostly due to fewer working days since the second quarter included the Easter holiday as well as other bank holidays.

Approximately one fourth 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 half year 2021 income converted to the 2022 rate would have been SEK 4,179k 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
	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	
Direct cost	(45,268)	(49,557)	(93,291)	(103,524)	(191,340)
Other external costs	(40,968)	(27,675)	(74,043)	(50,261)	(115,061)
Personnel costs	(60,925)	(60,201)	(113,662)	(119,772)	(207,695)
Capitalized work for own account	7,633	2,739	14,256	4,447	10,697
Other operating expenses	(110)	(314)	(3)	(759)	(2)
<b>Total Adjusted Cost</b>	<b>(139,637)</b>	<b>(135,007)</b>	<b>(266,742)</b>	<b>(269,869)</b>	<b>(503,401)</b>

Direct cost is direct cost of revenue, i.e., cost for time spent and license cost allocated directly to the revenue, which includes labor cost. The Extenda Retail business model to work with partners in nearshore and offshore locations has resulted in lowered Direct cost with SEK 4,289k and Personnel cost with SEK 4,294k, despite more hours available. Re-Vision personnel costs are included in Q2 2022 with SEK 5,018k.

Other external costs consist of other consulting costs, including costs for partners, 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 in Q2 2022 of SEK 13,293k compared to the same period last year is mainly due to the increased development efforts and cost for IT including information security as the group continues to shift to more cloud-delivered software. The pandemic restrictions were phased out during the quarter, which enabled participation in industry fairs, increasing marketing and travel costs. Other external costs in Q2 from Re-Vision amount to SEK 2,116k.

## 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
	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	
Operating earnings	(15,821)	(17,982)	(42,561)	(42,502)	(8,898)
Add back Amortizations, depreciations and write-downs	41,266	32,819	75,684	64,996	130,800
Add back items affecting comparability*	4,035	3,509	24,480	17,665	(21,024)
<b>Adjusted EBITDA</b>	<b>29,480</b>	<b>18,347</b>	<b>57,603</b>	<b>40,159</b>	<b>100,877</b>

Adjusted EBITDA for Q2 2022 has increased by SEK 11,133k to SEK 29,480k, Re-Vision contributed with SEK 6,598k in Adjusted EBITDA. The rest of the increase is mainly due to the lower Adjusted cost.

The operating earnings for the period Jan - Jun 2022 were SEK (-42,561)k, vs. the same period last year of SEK (42,502)k, which included one-off items of SEK (24,480)k, vs. last year SEK (17,665)k and depreciation and amortization of SEK (75,684)k, vs. last year SEK (64,996)k. One-off items for the period Jan-Jun 2022 were largely related to the acquisition of the Re-Vision group and the bond financing activity. Earnings after tax for the period were SEK (76,056)k, which includes net financial items of SEK (32,963)k and income tax of SEK (1,511)k. Earnings after tax for the previous year period were SEK (73,151)k, which includes net financial items of SEK (30,900)k and income tax of SEK 252k.

## Financial position in brief

SEK thousands	2022	2021	2021
	Jun 30	Jun 30	Dec 31
Long-term assets	1,087,492	908,622	872,371
Other short term assets	173,566	133,831	141,154
Cash and cash equivalents	140,866	99,668	148,024
<b>Total Assets</b>	<b>1,401,923</b>	<b>1,142,122</b>	<b>1,161,549</b>
Total equity	309,854	373,481	385,910
Long term liabilities	720,908	441,315	445,485
Short term liabilities	371,161	327,326	330,155
<b>Total equity and liabilities</b>	<b>1,401,923</b>	<b>1,142,122</b>	<b>1,161,550</b>

Total assets at the end of the period amounted to SEK1,401,923k compared to the same quarter previous year of SEK 1,142,122k, an increase of SEK 178,870k. Long-term assets increased by SEK 250,818k from the Re-Vision acquisition. The remaining amount consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with STG's acquisitions of Visma Retail and Extenda. Investments in intangible fixed assets were capitalized development for internally developed software. Investments in intangible fixed assets during the period totaled SEK 31,654k million and during the same period, last year were SEK 16,962k.

Cash and cash equivalents on June 30, 2022, amounted to SEK 140,866k and decreased during the period from January to June by SEK 7,158k. Cash Flow from current activities amounted to SEK (68,541) SEK, acquisition of subsidiaries had a cash outflow of SEK (139,314)k, Investment in intangible assets was SEK (31,654)k and in tangible assets was SEK (40)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 309,854k compared to the year-end of SEK 385,909k. The decrease derives from the income statement offset by currency differences in equity of SEK 980k. The equity/assets ratio at the end of the period was 22,1% and 32,7% the same period last year explained by the increasing borrowing financing for the Re-Vision acquisition.

Long-term liabilities have increased with SEK 279,593k 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 371,161k include SEK 95,104k of deferred payments of taxes for social charges and withholding taxes, including interest, given to the Group as support to help companies through the corona pandemic. The nominal amount as of March 31, 2022, was SEK 91,271k of which SEK 34,819k was due in 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 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 constitutes ~2% 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

No significant events after the reporting period.

### 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 Q2 2022 totaled SEK (1,101)k, and income after tax amounted to SEK (1,101)k, Net financial items for Q2 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 - (-).

Net financial items for Jan - Jun 2022 totaled SEK (1,359)k, and income after tax amounted to SEK (1,359)k, Net financial items for Jan - Jun 2021 totaled SEK (-)k, and income after tax amounted to SEK (-)k.

Investments in property, plant and equipment, and intangible assets for Jan - Jun 2022 amounted to SEK - (-).

On June 30, 2022, the Parent Company had SEK 525,826k in Long term liabilities consisting of the Bond Loan of 550,000 SEK offset by prepaid loan fees of SEK 24,174k and a long-term receivable of SEK 535,381k 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.

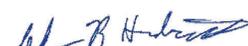
## Statement of assurance

The Board of Directors and 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, August 26, 2022

  
Johnie Tristan Treadwell  
Chairman of the Board

  
Mahinder Mathrani  
Board member

  
Adam Hendricks  
Board member

  
Edoardo Bounous  
Board member

  
Håkan Valberg  
Board member

  
Leendert Venema  
CEO

*This interim report is unaudited.*

## Condensed consolidated statement of profit and loss and other comprehensive income

SEK thousands	Note	2022	2021	2022	2021	2021
		Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net revenue		169,010	152,721	323,899	308,684	604,424
Other operating income		919	632	2,286	1,345	56,120
<b>Total revenue</b>	<b>G2</b>	<b>169,929</b>	<b>153,354</b>	<b>326,185</b>	<b>310,029</b>	<b>660,544</b>
Direct cost		(45,268)	(49,557)	(93,291)	(103,524)	(193,852)
Other external costs		(45,870)	(30,548)	(99,068)	(58,073)	(134,187)
Personnel costs		(60,377)	(60,836)	(113,443)	(129,625)	(219,412)
Work performed by the group and capitalized		7,633	2,739	14,256	4,447	10,697
Amortizations, depreciations and write downs		(41,266)	(32,819)	(75,684)	(64,996)	(130,800)
Other operating expenses		(603)	(314)	(1,517)	(759)	(1,888)
<b>Total cost</b>		<b>(185,750)</b>	<b>(171,335)</b>	<b>(368,746)</b>	<b>(352,531)</b>	<b>(669,442)</b>
<b>Operating earnings</b>		<b>(15,821)</b>	<b>(17,982)</b>	<b>(42,561)</b>	<b>(42,502)</b>	<b>(8,898)</b>
Financial income		334	110	605	242	547
Financial costs		(7,458)	(4,877)	(33,568)	(31,142)	(60,895)
<b>Earnings before tax</b>		<b>(22,945)</b>	<b>(22,748)</b>	<b>(75,524)</b>	<b>(73,403)</b>	<b>(69,246)</b>
Income tax		(610)	124	(1,511)	252	8,024
<b>Earnings for the period</b>		<b>(23,555)</b>	<b>(22,624)</b>	<b>(77,036)</b>	<b>(73,151)</b>	<b>(61,222)</b>
<b>Other comprehensive income</b>						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences from operations abroad		(2,597)	(1,928)	979	1,841	4,830
<b>Total other comprehensive income</b>		<b>(2,597)</b>	<b>(1,928)</b>	<b>979</b>	<b>1,841</b>	<b>4,830</b>
<b>Total comprehensive income for the period</b>		<b>(26,152)</b>	<b>(24,552)</b>	<b>(76,056)</b>	<b>(71,310)</b>	<b>(56,392)</b>
<b>Earnings for the period attributable to:</b>						
Parent Company shareholders		(23,555)	(22,624)	(77,036)	(73,151)	(61,222)
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders		(26,152)	(24,552)	(76,056)	(71,310)	(56,392)

## Condensed report on the financial position of the Group

SEK thousands	Note	2022 Jun 30	2021 Jun 30	2021 Dec 30
<b>Long-term assets</b>				
Intangible assets		999,906	813,516	778,094
Tangible assets		12,690	15,594	13,790
Rights of use assets		73,916	78,419	73,320
Deferred tax assets		0	0	6,187
Other non-current receivables		980	1,093	980
<b>Total long-term assets</b>		<b>1,087,492</b>	<b>908,622</b>	<b>872,371</b>
<b>Short-term assets</b>				
Inventories		0	275	0
Accounts receivable		130,841	105,797	102,824
Current tax assets		10,994	9,938	6,845
Contract assets		17,558	3,259	14,310
Other current assets		14,172	14,562	17,175
Cash and cash equivalents		140,866	99,668	148,024
<b>Total short-term assets</b>		<b>314,431</b>	<b>233,499</b>	<b>289,178</b>
<b>Total assets</b>		<b>1,401,923</b>	<b>1,142,122</b>	<b>1,161,549</b>
<b>Equity</b>				
Share capital		50	50	50
Other paid-in capital		868,441	870,932	868,441
Reserves		1,889	(1,823)	630
Retained earnings including earnings for the period		(560,526)	(495,677)	(483,211)
<b>Total equity</b>		<b>309,854</b>	<b>373,481</b>	<b>385,910</b>
<b>Long-term liabilities</b>				
Provisions	G3	76,066	69,675	71,348
Interest-bearing liabilities		568,224	297,964	306,018
Operating lease obligations non-current		66,561	71,853	68,119
Deferred tax liabilities		10,057	1,824	-
<b>Total long-term liabilities</b>		<b>720,908</b>	<b>441,315</b>	<b>445,485</b>
<b>Short-term liabilities</b>				
Accounts payable		50,186	36,253	60,061
Operating lease obligations current		14,492	11,727	11,829
Contract liabilities		118,385	79,669	76,616
Other current liabilities		188,099	199,676	181,649
<b>Total short-term liabilities</b>		<b>371,161</b>	<b>327,326</b>	<b>330,155</b>
<b>Total equity and liabilities</b>		<b>1,401,923</b>	<b>1,142,122</b>	<b>1,161,550</b>

## Condensed consolidated statement of changes in equity

### Equity attributable to the Parent Company's shareholders

SEK thousands	2022 Jun 30	2021 Jun 30	2021 Dec 31
<b>Opening balance</b>	<b>385,910</b>	<b>419,791</b>	<b>419,791</b>
<i>Changes in equity</i>			
Earnings for the period	(77,036)	(73,151)	(61,222)
Other comprehensive income	979	1,841	4,830
<b>Total comprehensive income</b>	<b>(76,056)</b>	<b>(71,310)</b>	<b>(56,392)</b>
<i>Transactions with owners</i>			
Shareholder contributions received	-	25,000	25,000
Dividend	-	-	(2,490)
<b>Total</b>	<b>0</b>	<b>25,000</b>	<b>22,510</b>
<b>Ending balance</b>	<b>309,854</b>	<b>373,481</b>	<b>385,909</b>

## Condensed consolidated cash flow Statement

SEK thousands	Note	2022 Jun 30	2021 Jun 30	2021 Dec 31
Operating earnings		(42,561)	(42,502)	(8,898)
Adjustment for non-cash items, etc.		78,396	65,821	131,123
Interest received		605	214	547
Interest and financial items paid		(53,761)	(19,082)	(37,585)
Income tax paid		(2,910)	-	(298)
<b>Cash flow from operations before to changes in working capital</b>		<b>(20,231)</b>	<b>4,451</b>	<b>84,888</b>
<b>Cash flow from changes to working capital</b>				
Change in inventories		-	(13)	274
Change in current receivables		(16,411)	(7,761)	(17,142)
Change in current liabilities		(31,899)	65,060	64,410
<b>Cash flow from current activities</b>		<b>(68,541)</b>	<b>61,737</b>	<b>132,430</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries		(139,314)	(11,751)	(11,751)
Acquisitions of intangible assets		(31,654)	(16,962)	(36,624)
Acquisitions of tangible assets		(40)	(178)	(473)
Acquisitions of financial assets		1	-	1
<b>Cash flow from investing activities</b>		<b>(171,007)</b>	<b>(28,891)</b>	<b>(48,847)</b>
<b>Financing activities</b>				
Shareholder contributions received		-	25,000	25,000
Paid dividend		-	-	(2,409)
Lease liability payments		(1,050)	(5,875)	(11,749)
New borrowings		550,000	-	-
Loans repayment		(319,234)	-	-
<b>Cash flow from financing activities</b>		<b>229,716</b>	<b>19,125</b>	<b>10,842</b>
<b>Cash flow for the period</b>		<b>(9,832)</b>	<b>51,971</b>	<b>94,425</b>
<b>Cash and cash equivalents at start of period</b>		<b>148,024</b>	<b>49,407</b>	<b>49,407</b>
Translation difference on cash and cash equivalents		2,674	(1,710)	4,192
<b>Cash and cash equivalents at end of period</b>		<b>140,866</b>	<b>99,668</b>	<b>148,024</b>

## Parent company income statement

SEK thousands	Note	2022 Apr - Jun	2021 Apr - Jun	2022 Jan - Jun	2021 Jan - Jun	2021 Jan - Dec
<b>Operating revenues</b>		-	-	-	-	-
Other external costs		2	-	2	-	0
<b>Operating earnings</b>		<b>2</b>	-	<b>2</b>	-	-
Interest income and similar items		9,736	-	9,833	-	0
Interest expenses and similar items		(10,838)	-	(11,194)	-	0
<b>Earnings before tax</b>		<b>(1,101)</b>	-	<b>(1,359)</b>	-	<b>0</b>
<b>Earnings for the period</b>		<b>(1,101)</b>	-	<b>(1,359)</b>	-	<b>320</b>
Total comprehensive income for the period		<b>(1,101)</b>	-	<b>(1,359)</b>	-	<b>320</b>

## Parent company balance Sheet

SEK thousands	Note	2022 Jun 30	2021 Jun 30	2021 Dec 31
<b>Long-term assets</b>				
Shares in group companies		870,932	845,931	870,932
Long-term receivables from group companies		535,381	-	-
<b>Total long-term assets</b>		<b>1,406,312</b>	<b>845,931</b>	<b>870,932</b>
<b>Short-term assets</b>				
Short-term receivables from group companies		28,760	-	320
Prepaid expenses and accrued income		296	-	-
<b>Total short-term assets</b>		<b>29,056</b>	<b>-</b>	<b>320</b>
<b>Total assets</b>		<b>1,435,368</b>	<b>845,931</b>	<b>871,252</b>
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital (50,000 shares)		50	50	50
<b>Total restricted equity</b>		<b>50</b>	<b>50</b>	<b>50</b>
<i>Unrestricted equity</i>				
Retained earnings		868,441	845,931	868,121
Earnings for the period		(1,359)	(320)	320
<b>Total unrestricted equity</b>		<b>867,083</b>	<b>845,611</b>	<b>868,441</b>
<b>Total equity</b>		<b>867,133</b>	<b>845,661</b>	<b>868,491</b>
<b>Long-term liabilities</b>				
Long-term liabilities		525,826	-	-
<b>Total long-term liabilities</b>		<b>525,826</b>	<b>0</b>	<b>0</b>
<b>Short-term liabilities</b>				
Short-term liabilities to group companies		42,410	270	2,761
<b>Total short-term liabilities</b>		<b>42,410</b>	<b>270</b>	<b>2,761</b>
<b>Total equity and liabilities</b>		<b>1,435,368</b>	<b>845,931</b>	<b>871,252</b>

## Statement of changes in equity

<b>SEK thousands</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>Opening balance</b>	<b>868,491</b>	<b>845,661</b>	<b>845,661</b>
<i>Changes in equity</i>			
Earnings for the period	(1,359)	0	320
<b>Total comprehensive income</b>	<b>(1,359)</b>	<b>0</b>	<b>320</b>
<i>Transactions with owners</i>			
Shareholder contributions received	-	-	25,000
Dividend	-	-	(2,490)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>22,510</b>
<b>Ending balance</b>	<b>867,132</b>	<b>845,661</b>	<b>868,491</b>

## 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:

	2022	2021	2022	2021	2021
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan 1 - Dec 31
Software revenue and recurring support & services	133,227	105,331	250,348	208,975	427,063
Professional Services	29,703	36,565	60,673	75,104	136,127
Hosting and infrastructure	3,139	4,347	6,445	11,214	17,690
Hardware and technical services	2,596	3,859	5,904	8,472	15,981
Other revenue	1,264	3,252	2,814	6,263	63,682
<b>Total Revenue</b>	<b>169,929</b>	<b>153,354</b>	<b>326,185</b>	<b>310,029</b>	<b>660,544</b>

### 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 Apr 1 - Jun 30	2021 Apr 1 - Jun 30	2022 Jan 1 - Jun 30	2021 Jan 1 - Jun 30	2021 Jan 1 - Dec 31
<b>Items affecting revenue</b>					
Received claim from M&A insurance	-	-	-	-	52,325
Re-invoiced consultancy cost to partner (net zero)	-	-	-	-	1,627
FX in Revenue	811	-	1,839	-	1,944
Onerous contracts (M&A insurance related)	-	-	-	-	369
<b>Total items affecting revenue</b>	<b>811</b>	<b>-</b>	<b>1,839</b>	<b>-</b>	<b>56,265</b>
<b>Items affecting direct costs</b>					
Onerous contracts (M&A insurance related)	-	(400)	-	(400)	(2,512)
<b>Total items affecting direct costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,512)</b>
<b>Items affecting other external costs</b>					
Consultancy costs re-invoiced to partner (net zero)	-	-	-	-	(1,627)
One offs auditors and lawyers (M&A, M&A insurance, carve-out)	(254)	(1,422)	(16,744)	(1,798)	(4,519)
New Delivery model - outsourcing and offshoring	(1,580)	133	(3,568)	(3,924)	(7,037)
Policy framework & IT security	(500)	(818)	(1,240)	(977)	(1,538)
IFRS conversion & Go-to-Market	(75)	(468)	(133)	(851)	(1,603)
Cost related to Ukraine war	(408)	-	(1,006)	-	-
Integration costs Re-Vision	(1,659)	-	(1,659)	-	-
Other	(415)	(298)	(663)	(262)	(1,083)
Cost regarding Kaseya incident & log4j	(10)	-	(10)	-	(1,720)
<b>Total items affecting other external costs</b>	<b>(4,902)</b>	<b>(2,874)</b>	<b>(25,025)</b>	<b>(7,812)</b>	<b>(19,126)</b>
<b>Items affecting personnel cost</b>					
Severance - Rightsizing and offshoring/outsourcing	548	(636)	219	(9,853)	(9,224)
Time spent Kaseya incident	-	-	-	-	(2,493)
<b>Total items affecting other external costs</b>	<b>548</b>	<b>(636)</b>	<b>219</b>	<b>(9,853)</b>	<b>(11,717)</b>
<b>Items affecting operating expenses</b>					
FX in operating expenses	(492)	-	(1,514)	-	(1,886)
<b>Total items affecting operating expenses</b>	<b>(492)</b>	<b>-</b>	<b>(1,514)</b>	<b>-</b>	<b>(1,886)</b>
<b>Total items affecting comparability in EBITDA</b>	<b>(4,035)</b>	<b>(3,509)</b>	<b>(24,480)</b>	<b>(17,665)</b>	<b>21,024</b>

## Note G5, Events after the end of the reporting period

No significant events after the reporting period.

## 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	2022	2021	2021
	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Dec 31
Total revenue	169,929	153,354	326,185	310,029	660,544
Items affecting comparability in Revenue	(811)	0	(1,839)	0	(56,265)
Total adjusted revenue	169,117	153,354	324,346	310,029	604,279
Operating earnings	(15,821)	(17,982)	(42,561)	(42,502)	(8,898)
Operating margin, %	-9.3%	-11.7%	-13.0%	-13.7%	-1.3%
EBITDA	25,445	14,838	33,123	22,494	121,902
Items affecting comparability in EBITDA	4,035	3,509	24,480	17,665	(21,024)
Adj. EBITDA	29,480	18,347	57,603	40,159	100,877
Adj. EBITDA margin, %	17.4%	12.0%	17.8%	13.0%	16.7%
Net financial items	(7,123)	(4,767)	(32,963)	(30,900)	(60,348)
Earnings for the period	(23,555)	(22,624)	(77,036)	(73,151)	(61,222)
Profit margin, %	neg	neg	neg	neg	neg
Total assets	1,401,923	1,142,122	1,401,923	1,142,122	1,161,549
Cash and cash equivalents	140,866	99,668	140,866	99,668	148,024
Interest-bearing liabilities	568,224	297,964	568,224	297,964	306,018
Equity	309,854	373,481	309,854	373,481	385,910
Net debt	427,359	198,296	427,359	198,296	151,526
Equity/assets ratio, %	22.1%	32.7%	22.1%	32.7%	33.2%

## Note G8, Acquisitions

### Acquisition of Re-vision Group

On April 3, 2022, the Group acquired the Dutch Group Re-Vision through the Holding company Innovation Retail Solutions Holding B.V. Re-Vision helps retailers deliver extraordinary shopping experiences by incorporating digital commerce capabilities into the physical store environment. Consumers can enjoy a digital in-store shopping experience on their own or with a retailer-provided device. Retailers can shape the consumer journey to deliver a unique brand experience. Solutions include capabilities such as Scan & Go and Self-Scan tied to a Machine Learning platform to harvest and identify patterns in data. Use-cases for this platform include Loss Prevention and Product Up-Sell Recommendations. 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.

The purchase price amounted to SEK 241,449k including Re-Vision's cash received of SEK 59,308k, SEK 42,827k was paid as promissory note, ending with 139,314 in net cash consideration. Re-Vision Group contributes with Net Sales of approximately EUR 6,000k, Net result of EUR 1,575k and some 40 staff.

The preliminary effects of the acquisitions on the group's assets and liabilities are reported below. The acquisition analysis may be adjusted during a twelve months period.

<b>SEK thousands</b>	<b>Re-Vision</b>
Cash paid	198,621
Promissory note	42,827
Additional purchase price and other settlements, non-paid	-
<b>Total consideration</b>	<b>241,449</b>
<b>Recognised amounts of identifiable assets and liabilities</b>	
Short term assets	9,093
Cash and cash equivalents	59,308
Short term liabilities	(63,178)
Deferred tax receivables/liabilities net	(14,592)
Tangible assets	7,059
Intangible assets	102,817
<b>Net identifiable assets and liabilities</b>	<b>100,507</b>
Goodwill	140,942
<b>Total value</b>	<b>241,449</b>
<b>Cash consideration</b>	
<b>SEK thousands</b>	
Cash paid	198,621
Cash and cash equivalents in the acquired companies	(59,308)
<b>Cash consideration</b>	<b>139,314</b>

Acquisition-related costs of approximately SEK16,862k are included in the group's results. No part of reported goodwill is expected to be tax deductible.

## 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](http://www.extendaretail.com) or follow the company on LinkedIn.

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### All financial information is posted on

[extendaretail.com](http://extendaretail.com) immediately after publication.

### Financial calendar

November 30, 2022: Q3 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.