

# Interim Report

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

## January 1 - September 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
	Jul 1 - Sep 30	Jul 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Dec 31
Total Adjusted Revenue*	165,908	146,080	490,254	455,535	604,279
Total Adjusted Cost*	(117,559)	(107,142)	(384,052)	(376,439)	(503,401)
<b>Adjusted EBITDA*</b>	<b>48,350</b>	<b>38,938</b>	<b>106,202</b>	<b>79,097</b>	<b>100,877</b>
Adjusted EBITDA-margin (%)	29.1%	26.7%	21.7%	17.4%	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 year-to-date with SEK 29,409k in Revenue and SEK 15,570k in Adjusted EBITDA.
- The Annual Recurring Revenue for the business organically increased (excluding Re-Vision) by SEK 40.7m to SEK 442.3m, corresponding to a growth ratio of 10.1%.
- Total adjusted revenue in Q3 2022 increased by SEK 19,828k, of which SEK 14,898k from the Re-Vision acquisition. The organic increase was SEK 4,930k and derives mainly from the Software revenue and recurring support & services that continued to grow. Professional Service Revenue declined by design due to the group continuing to grow the recurring revenue base and moving away from non-recurring and non-core business.
- Adjusted EBITDA that amounts to SEK 48,350 k, with an Adjusted EBITDA margin of 29.1%. This is an EBITDA margin improvement of 2.4% compared to the same period last year when EBITDA was SEK 38,938k and the margin was 26.7%. The margin improvement primarily stems from the business model to work with partners globally and the acquisition of Re-Vision.

## Comments from President and CEO Leendert Venema

In turbulent economic times, those retailers who focus on customer service, great value, and delivering fresh, innovative shopping experiences are the ones who will thrive in the battle to attract and delight customers. Our Hii Retail products are the first to market, next generation enterprise-grade cloud solution, built on the Google Cloud platform, enabling our customers to deliver a superior customer experience across all fulfillment channels. With Hii Retail's cloud-based platform, retailers can innovate multiple times faster to boost service, cut wait times with self-service, and scale during peak times.

During the third quarter of the year Extenda Retail continued to work with one of Europe's leading sportswear and equipment retailers to rollout Hii Checkout. The business currently operates brick-and-mortar stores in three countries and is also expanding its digital presence. In the Nordic market, a large multi-format grocery chain has implemented Hii Retail Checkout Hub, Scan & Go together with the Re-vision's Basket Audit Service to reduce loss in a self-serve environment effectively.

Extenda Retail also continued to win clients and partnerships with the NYCE.LOGIC Warehouse Management System. The most recent partnership with a 3PL has been a real success - achieving cost reductions of at least 15% and a 55% increase in efficiency as well as enabling speed, scalability and effortless onboarding of new clients.

Extenda Retail expects strong momentum to be maintained going into the last quarter of the year. After years of engaging primarily remotely due to the pandemic it is finally time to meet new and existing customers in person and hear inspiring stories, at conferences and events. The sales pipeline continues to grow strongly with high quality leads, and our existing customers continue to roll-out more stores and add more volume to the Hii Retail platform. Supply chains will remain under stress for some time to come, and physical product distribution remains as challenging as ever. As such, we expect interest to remain strong in our WMS and logistics offerings.

## 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
	Jul 1 - Sep 30	Jul 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Sep 30	
Software revenue and recurring support & services	134,874	106,866	385,223	315,841	427,063
Professional Services	23,854	28,231	84,528	103,335	136,127
<b>Total core business</b>	<b>158,729</b>	<b>135,097</b>	<b>469,750</b>	<b>419,176</b>	<b>563,190</b>
Hosting and infrastructure	3,210	3,178	9,655	14,392	17,690
Hardware and technical services	2,558	4,098	8,462	12,570	15,981
Other revenue	1,412	3,708	2,386	9,398	7,417
<b>Total Adjusted Revenue</b>	<b>165,908</b>	<b>146,080</b>	<b>490,254</b>	<b>455,535</b>	<b>604,279</b>

### Q3 2022 (Jul - Sep 2022)

Total adjusted revenue grew SEK 19,828k compared to the same period last year, with the core business growing SEK 23,632k or 17.5%. Software revenues and recurring support & services, which are our recurring subscription revenues and are the main benchmark, grew well during the period, with SEK 28,008k of growth, or 26.2% to SEK 134,874k. Re-Vision is included as of Q2 2022 and contributed to the increase in Q3 with SEK 13,673k. Excluding the impact of the acquisition, Software revenues and recurring support & services grew organically 13.4%, where the growth derives mainly from our new cloud-based Hii Retail suite. Recurring subscription revenues now represent 85% of the total core business, an increase on last year's 79%. 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 continues to focus on growing its recurring revenue base while improving efficiency and scalability to drive improved margins.

Extenda Retail 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. Therefore, the company's Professional Services revenue declined compared to the same quarter last year by approximately SEK 4,377k. Third quarter is consistently lower due to seasonality related to summer holidays.

The strategic transition towards being a software company and consequently phasing out non-core business continued. In the third quarter, the hosting, technical services, and hardware revenue decreased with SEK 3,804k. These services, that were generally related to the business acquired from Visma, are being phased out from contracting via Extenda Retail and are fulfilled today by external suppliers.

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 third quarter 2021 income converted to the 2022 rate would have been SEK 2,535k higher.

### 9M 2022 (Jan - Sep 2022)

The revenue for the period amounted to SEK 490,254k, of which Re-Vision was SEK 29,409k. The total core business (excluding Re-Vision) grew organically by SEK 21,165k or 5.0% to SEK 469,750k. Overall the comments for the year-to-date period are the same as explained for the third quarter, i.e. Software revenue and recurring support & services growth continue. Professional services decreased due to shifting the business to recurring services. Hosting and infrastructure, as well as hardware and technical services, decreased by design in our transition toward being a software company and continued separation of non-core revenue streams.

In the third quarter of 2022, the Software revenue and recurring support & services increased by SEK 1,649k, an increase of 1.2% from the second quarter of 2022. Higher sales drove the main part of the increase to existing customers rolling out new stores. Professional Services declined somewhat in the third quarter of 2022 due to seasonality effects since many clients reduced their projects during the summer period.

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. Year-to-date income 2021 converted to the 2022 rate would have been SEK 6,714k 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
	Jul 1 - Sep 30	Jul 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Sep 30	
Direct cost	(39,085)	(40,771)	(131,902)	(143,896)	(191,340)
Other external costs	(40,894)	(32,822)	(115,388)	(83,010)	(115,061)
Personnel costs	(48,593)	(35,501)	(162,030)	(155,173)	(207,695)
Capitalized work for own account	11,011	2,290	25,267	6,737	10,697
Other operating expenses	2	(338)	(0)	(1,097)	(2)
<b>Total Adjusted Cost</b>	<b>(117,559)</b>	<b>(107,142)</b>	<b>(384,052)</b>	<b>(376,439)</b>	<b>(503,401)</b>

## 9M 2022 (Jan - Sep 2022)

Direct cost is direct cost of revenue, i.e., cost for time spent and license cost directly attributable to the revenue, which includes labor cost. The Extenda Retail business model, to work with partners in nearshore and offshore locations, explains the SEK 11,994k reduction in direct costs year-to-date compared to the same period last year. Personnel costs, adjusted with Re-vision of SEK 6,638k, are at the same level as last year. Other external costs consist of other consulting costs, including costs for partners, mainly time spent on maintenance of our product suite, development of new products, and other costs like IT environment, marketing, and office-related costs. The increase year-to-date 2022 of SEK 32,378k 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 last two quarters, which enabled participation in industry fairs, increasing marketing and travel costs. Other external costs year-to-date 2022 from Re-Vision amounted to SEK 7,034k.

## Adjusted EBITDA and Earnings for the period

Adjusted EBITDA is EBITDA less items affecting comparability (please see Note G4 for details).

SEK thousands	2022		2021		2021
	Jul 1 - Sep 30	Jul 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Sep 30	
Operating earnings	(1,001)	184	(43,562)	(42,319)	(8,898)
Add back Amortizations, depreciations and write downs	42,849	32,362	118,534	97,358	130,800
Add back items affecting comparability*	6,501	6,392	31,230	24,057	(21,024)
<b>Adjusted EBITDA</b>	<b>48,350</b>	<b>38,938</b>	<b>106,202</b>	<b>79,097</b>	<b>100,877</b>

\*Please see Note G4 for details

Adjusted EBITDA for Q3 2022 has increased by SEK 9,412k to SEK 48,350k, Re-Vision contributed with SEK 9,446k in Adjusted EBITDA and excluding Re-Vision, EBITDA was flat on the prior year.

The operating earnings for the period Jan - Sep 2022 were SEK (43,562)k, vs. the same period last year of SEK (42,319)k, which included one-off items of SEK (31,230)k, vs. last year SEK (24,057)k and depreciation and amortization of SEK (118,534)k, vs. last year SEK (97,358)k. One-off items for the period Jan-Sep 2022 were largely related to the acquisition of the Re-Vision group and the bond financing activity. The increase in amortizations is driven by the Re-vision acquisition. Earnings after tax for the period were SEK (89,731)k, which includes net financial items of SEK (44,002)k and income tax of SEK (2,168)k. Earnings after tax for the previous year period were SEK (86,708)k, including net financial items of SEK (44,549)k and income tax of SEK 160k.

## Financial position in brief

	2022	2021	2021
SEK thousands	Sep 30	Sep 30	Dec 31
Long-term assets	1,075,571	886,616	872,371
Other short term assets	183,241	131,951	141,154
Cash and cash equivalents	126,006	95,736	148,024
<b>Total Assets</b>	<b>1,384,819</b>	<b>1,114,303</b>	<b>1,161,549</b>
Total equity	299,250	360,531	385,910
Long term liabilities	720,145	442,135	445,485
Short term liabilities	365,423	311,637	330,154
<b>Total equity and liabilities</b>	<b>1,384,819</b>	<b>1,114,303</b>	<b>1,161,549</b>

Total assets at the end of the period amounted to SEK 1,384,819k compared to the same quarter previous year of SEK 1,114,303k, an increase of SEK 270,516k. 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 from 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 57,512k million, compared to the same period last year of SEK 25,788k. This increase was driven by an increase in investment on our Hii Retail cloud-based solutions.

Cash and cash equivalents on September 30, 2022, amounted to SEK 126,006k and decreased during the period from January to September by SEK 22,018k. Cash Flow from current activities amounted to SEK (58,274)k SEK, acquisition of subsidiaries had a cash outflow of SEK (139,314)k, Investment in intangible assets was SEK (57,512)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 299,250k compared to the year-end of SEK 385,910k. The decrease derives from the income statement offset by currency differences in equity of SEK 3,071k. The equity/assets ratio at the end of the period was 21,6% and 32,3% the same period last year, explained by the increasing borrowing for the Re-Vision acquisition.

Long-term liabilities have increased with SEK 278,010k 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 365,423k include SEK 96,513k 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 September 30, 2022, was SEK 91,271k, of which SEK 34,819k was previously due in April 2022, SEK 4,751k in September 2022, and the remainder SEK 51,701k due in February 2023. Extenda Retail received approval for revised payment plans for these charges based on standard government programs offered to similar companies. For the SEK 34,819k previously 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. For the SEK 4,751k previously due in September 2022, Extenda Retail received approval of a 3-year repayment plan where approx SEK 800k should be paid semi-annually starting in March 2023. For the remaining amount of SEK 51,701k due in February 2023 Extenda Retail will be able to apply at the end of the year for a 3-year repayment plan.

## Significant risks and uncertainties

### Market and Technological Development

The broader economy and 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, affecting 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 additional sales and maintenance of our long-term customer relationships is the 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, 2022 Russia initiated an invasion of Ukraine. Extenda Retail condemns these acts of violence and is actively supporting 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 employing those Ukrainians to whom it was possible to relocate to Sweden. 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 ultimately owned by STG Fund V and the management.

Net financial items for Q3 2022 totaled SEK (2,313)k, and income after tax amounted to SEK (2,313)k, Net financial items for Q3 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 - Sep 2022 totaled SEK (3,672)k, and income after tax amounted to SEK (3,672)k, Net financial items for Jan - Sep 2021 totaled SEK (-)k, and income after tax amounted to SEK (-)k.

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

On September 30, 2022, the Parent Company had SEK 527,098k in Long term liabilities consisting of the Bond Loan of 550,000 SEK offset by prepaid loan fees of SEK 22,902k and a long-term receivable of SEK 529,342k 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, November 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	2022	2021	2021
		Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		165,815	144,455	489,714	453,139	604,424
Other operating income		1,300	1,736	3,585	3,081	56,120
<b>Total revenue</b>	<b>G2</b>	<b>167,115</b>	<b>146,191</b>	<b>493,300</b>	<b>456,220</b>	<b>660,544</b>
Direct cost		(39,356)	(41,444)	(132,647)	(144,968)	(193,852)
Other external costs		(44,816)	(37,348)	(143,884)	(95,421)	(134,187)
Personnel costs		(51,433)	(36,806)	(164,875)	(166,431)	(219,412)
Work performed by the group and capitalized		11,011	2,290	25,267	6,737	10,697
Amortizations, depreciations and write downs		(42,849)	(32,362)	(118,534)	(97,358)	(130,800)
Other operating expenses		(673)	(338)	(2,190)	(1,097)	(1,888)
<b>Total cost</b>		<b>(168,116)</b>	<b>(146,008)</b>	<b>(536,862)</b>	<b>(498,539)</b>	<b>(669,442)</b>
<b>Operating earnings</b>		<b>(1,001)</b>	<b>184</b>	<b>(43,562)</b>	<b>(42,319)</b>	<b>(8,898)</b>
Financial income		1,065	110	1,670	352	547
Financial costs		(12,103)	(13,759)	(45,672)	(44,901)	(60,895)
<b>Earnings before tax</b>		<b>(12,039)</b>	<b>(13,465)</b>	<b>(87,563)</b>	<b>(86,868)</b>	<b>(69,246)</b>
Income tax		(657)	(92)	(2,168)	160	8,024
<b>Earnings for the period</b>		<b>(12,696)</b>	<b>(13,556)</b>	<b>(89,731)</b>	<b>(86,708)</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		2,092	606	3,071	2,447	4,831
<b>Total other comprehensive income</b>		<b>2,092</b>	<b>606</b>	<b>3,071</b>	<b>2,447</b>	<b>4,831</b>
<b>Total comprehensive income for the period</b>		<b>(10,603)</b>	<b>(12,950)</b>	<b>(86,660)</b>	<b>(84,260)</b>	<b>(56,391)</b>
<b>Earnings for the period attributable to:</b>						
Parent Company shareholders		(12,696)	(13,556)	(89,731)	(86,708)	(61,222)
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders		(10,603)	(12,950)	(86,660)	(84,260)	(56,391)



## Condensed report on the financial position of the Group

SEK thousands	Note	2022 Sep 30	2021 Sep 30	2021 Dec 30
<b>Long-term assets</b>				
Intangible assets		992,100	794,938	778,094
Tangible assets		11,438	14,715	13,790
Rights of use assets		70,856	75,869	73,320
Deferred tax assets		-	-	6,187
Other non-current receivables		1,177	1,093	980
<b>Total long-term assets</b>		<b>1,075,571</b>	<b>886,616</b>	<b>872,371</b>
<b>Short-term assets</b>				
Inventories		-	302	-
Accounts receivable		140,265	100,140	102,824
Current tax assets		10,514	9,564	6,845
Contract assets		17,553	7,747	14,310
Other current assets		14,910	14,198	17,175
Cash and cash equivalents		126,006	95,736	148,024
<b>Total short-term assets</b>		<b>309,247</b>	<b>227,687</b>	<b>289,178</b>
<b>Total assets</b>		<b>1,384,819</b>	<b>1,114,303</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		3,981	(1,217)	630
Retained earnings including earnings for the period		(573,222)	(509,233)	(483,211)
<b>Total equity</b>		<b>299,250</b>	<b>360,531</b>	<b>385,910</b>
<b>Long-term liabilities</b>				
Provisions	G3	75,506	69,480	71,348
Interest-bearing liabilities		569,576	300,754	306,018
Operating lease obligations non-current		64,350	69,986	68,119
Deferred tax liabilities		10,714	1,915	-
<b>Total long-term liabilities</b>		<b>720,145</b>	<b>442,135</b>	<b>445,485</b>
<b>Short-term liabilities</b>				
Accounts payable		54,659	41,599	60,061
Operating lease obligations current		14,352	11,778	11,829
Contract liabilities		110,594	73,442	76,616
Other current liabilities		185,817	184,818	181,648
<b>Total short-term liabilities</b>		<b>365,423</b>	<b>311,637</b>	<b>330,154</b>
<b>Total equity and liabilities</b>		<b>1,384,819</b>	<b>1,114,303</b>	<b>1,161,549</b>

## Condensed consolidated statement of changes in equity

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

	2022	2021	2021
SEK thousands	Sep 30	Sep 30	Dec 31
<b>Opening balance</b>	<b>385,910</b>	<b>419,791</b>	<b>419,791</b>
<b><i>Changes in equity</i></b>			
Earnings for the period	(89,731)	(86,708)	(61,222)
Other comprehensive income	3,071	2,447	4,831
<b>Total comprehensive income</b>	<b>(86,660)</b>	<b>(84,260)</b>	<b>(56,391)</b>
<b><i>Transactions with owners</i></b>			
Shareholder contributions received	-	25,000	25,000
Dividend	-	-	(2,490)
<b>Total</b>	<b>-</b>	<b>25,000</b>	<b>22,510</b>
<b>Ending balance</b>	<b>299,250</b>	<b>360,531</b>	<b>385,910</b>

## Condensed consolidated cash flow Statement

<b>SEK thousands</b>	<b>Not e</b>	<b>2022 Sep 30</b>	<b>2021 Sep 30</b>	<b>2021 Dec 31</b>
Operating earnings		(43,562)	(42,319)	(8,898)
Adjustment for non-cash items, etc.		121,101	98,186	131,123
Interest received		0	316	547
Interest and financial items paid		(60,689)	(27,249)	(37,585)
Income tax paid		(64)	-	(298)
<b>Cash flow from operations before to changes in working capital</b>		<b>16,785</b>	<b>28,934</b>	<b>84,888</b>
<b>Cash flow from changes to working capital</b>				
Change in inventories		-	(40)	274
Change in current receivables		(10,018)	(6,228)	(17,142)
Change in current liabilities		(51,305)	47,371	64,410
<b>Cash flow from current activities</b>		<b>(44,538)</b>	<b>70,037</b>	<b>132,430</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries		(139,314)	(11,751)	(11,751)
Acquisitions of intangible assets		(57,512)	(25,788)	(36,624)
Acquisitions of tangible assets		(40)	(333)	(473)
Acquisitions of financial assets		-	-	1
<b>Cash flow from investing activities</b>		<b>(196,865)</b>	<b>(37,872)</b>	<b>(48,847)</b>
<b>Financing activities</b>				
Shareholder contributions received		-	25,000	25,000
Paid dividend		-	-	(2,409)
Lease liability payments		(14,219)	(8,812)	(11,749)
New borrowings		550,000	-	-
Loans repayment		(319,235)	-	-
<b>Cash flow from financing activities</b>		<b>216,546</b>	<b>16,188</b>	<b>10,842</b>
<b>Cash flow for the period</b>		<b>(24,857)</b>	<b>48,353</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		2,839	(2,024)	4,192
<b>Cash and cash equivalents at end of period</b>		<b>126,006</b>	<b>95,736</b>	<b>148,024</b>

## Parent company income statement

SEK thousands	Note	2022 Jul - Sep	2021 Jul - Sep	2022 Jan - Sep	2021 Jan - Sep	2021 Jan - Dec
<b>Operating revenues</b>		-	-	-	-	-
Other external costs		-99	-	-97	-	0
<b>Operating earnings</b>		<b>-102</b>	-	<b>-100</b>	-	-
Interest income and similar items		9,900	-	19,734	-	0
Interest expenses and similar items		(12,112)	-	(23,306)	-	0
<b>Earnings before tax</b>		<b>(2,313)</b>	-	<b>(3,672)</b>	-	<b>0</b>
<b>Earnings for the period</b>		<b>(2,313)</b>	-	<b>(3,672)</b>	-	<b>320</b>
Total comprehensive income for the period		<b>(2,313)</b>	-	<b>(3,672)</b>	-	<b>320</b>

## Parent company balance Sheet

SEK thousands	Note	2022 Sep 30	2021 Sep 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		529,342		
<b>Total long-term assets</b>		<b>1,400,274</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		197	-	-
<b>Total short-term assets</b>		<b>28,957</b>	<b>-</b>	<b>320</b>
<b>Total assets</b>		<b>1,429,231</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		(3,672)	(320)	320
<b>Total unrestricted equity</b>		<b>864,769</b>	<b>845,611</b>	<b>868,441</b>
<b>Total equity</b>		<b>864,819</b>	<b>845,661</b>	<b>868,491</b>
<b>Long-term liabilities</b>				
Long-term liabilities		527,098	-	-
<b>Total long-term liabilities</b>		<b>527,098</b>	<b>0</b>	<b>0</b>
<b>Short-term liabilities</b>				
Short-term liabilities to group companies		37,314	270	2,761
<b>Total short-term liabilities</b>		<b>37,314</b>	<b>270</b>	<b>2,761</b>
<b>Total equity and liabilities</b>		<b>1,429,231</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>Sep 30</b>	<b>Sep 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	(3,672)	0	320
<b>Total comprehensive income</b>	<b>(3,672)</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>864,819</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	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan 1 - Dec 31
Software revenue and recurring support & services	134,874	106,866	385,223	315,841	427,063
Professional Services	23,854	28,231	84,528	103,335	136,127
Hosting and infrastructure	3,210	3,178	9,655	14,392	17,690
Hardware and technical services	2,558	4,098	8,462	12,570	15,981
Other revenue	2,618	3,819	5,432	10,082	63,682
<b>Total Revenue</b>	<b>167,115</b>	<b>146,191</b>	<b>493,300</b>	<b>456,220</b>	<b>660,544</b>

### Note G3, Recognition of financial instruments at fair value

Extenda Retail's 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 64,489k. 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 Jul - Sep	2021 Jul - Sep	2022 Jan - Sep	2021 Jan - Sep	2021 Jan 1 - Dec 31
<b>Items affecting revenue</b>					
Received claim from M&A insurance	-	-	-	-	52,325
Kaseya related revenue	-	111	-	111	-
Re-invoiced consultancy cost to partner (net zero)	-	-	-	-	1,627
FX in Revenue	1,206	-	3,046	573	1,944
Onerous contracts (M&A insurance related)	-	-	-	-	369
<b>Total items affecting revenue</b>	<b>1,206</b>	<b>111</b>	<b>3,046</b>	<b>685</b>	<b>56,265</b>
<b>Items affecting direct costs</b>					
Integration costs Re-vision	(271)	-	(746)	-	-
Onerous contracts (M&A insurance related)	-	(672)	-	(1,072)	(2,512)
<b>Total items affecting direct costs</b>	<b>(271)</b>	<b>(672)</b>	<b>(746)</b>	<b>(1,072)</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 Re-vision, M&A insurance, carve-out)	(2,209)	(922)	(19,157)	(2,720)	(4,519)
New Delivery model - outsourcing and offshoring	-	(1,860)	(3,020)	(5,685)	(7,037)
Policy framework & IT security	(769)	(183)	(2,065)	(1,160)	(1,538)
IFRS conversion & Go-to-Market	-	(33)	-	(884)	(1,603)
Cost related to Ukraine war	(205)	-	(1,212)	-	-
Integration costs Re-Vision	(116)	-	(2,144)	-	-
Captive India	(499)	-	(499)	-	-
Other	(124)	406	(399)	(29)	(1,083)
Cost regarding Kaseya incident & log4j	-	(1,933)	-	(1,933)	(1,720)
<b>Total items affecting other external costs</b>	<b>(3,923)</b>	<b>(4,526)</b>	<b>(28,496)</b>	<b>(12,411)</b>	<b>(19,126)</b>
<b>Items affecting personnel cost</b>					
Severance - Rightsizing and offshoring/outsourcing	-	802	(328)	(9,152)	(9,224)
Staff cost - Re-vision integration related	(2,839)	-	(2,517)	-	-
Time spent Kaseya incident	-	(2,107)	-	(2,107)	(2,493)
<b>Total items affecting other external costs</b>	<b>(2,839)</b>	<b>(1,305)</b>	<b>(2,845)</b>	<b>(11,259)</b>	<b>(11,717)</b>
<b>Items affecting operating expenses</b>					
FX in operating expenses	(675)	-	(2,189)	-	(1,886)
<b>Total items affecting operating expenses</b>	<b>(675)</b>	<b>-</b>	<b>(2,189)</b>	<b>-</b>	<b>(1,886)</b>
<b>Total items affecting comparability in EBITDA</b>	<b>(6,501)</b>	<b>(6,392)</b>	<b>(31,230)</b>	<b>(24,057)</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
	Jul 1 - Sep 30	Jul 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Sep 30	Jan 1 - Dec 31
Total revenue	167,115	146,191	493,300	456,220	660,544
Items affecting comparability in Revenue	(1,206)	111	(3,046)	685	(56,265)
Total adjusted revenue	165,908	146,302	490,254	456,904	604,279
Operating earnings	(1,001)	184	(43,562)	(42,319)	(8,898)
Operating margin, %	-0.6%	0.1%	-8.8%	-9.3%	-1.3%
EBITDA	41,849	32,546	74,972	55,039	121,902
Items affecting comparability in EBITDA	6,501	6,392	31,230	24,057	(21,024)
Adj. EBITDA	48,350	38,938	106,202	79,097	100,877
Adj. EBITDA margin, %	29.1%	26.6%	21.7%	17.3%	16.7%
Net financial items	(11,038)	(13,648)	(44,001)	(44,549)	(60,348)
Earnings for the period	(12,696)	(13,556)	(89,731)	(86,708)	(61,222)
Profit margin, %	neg	neg	neg	neg	neg
Total assets	1,384,819	1,114,303	1,384,819	1,114,303	1,161,549
Cash and cash equivalents	126,006	95,736	126,006	95,736	148,024
Interest-bearing liabilities	569,576	300,754	569,576	300,754	306,018
Equity	299,250	360,531	299,250	360,531	385,910
Net debt	443,570	205,018	443,570	205,018	151,526
Equity/assets ratio, %	21.6%	32.4%	21.6%	32.4%	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 in shares in Extenda Retail Sarl, 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 month 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

February 28, 2023: Q4 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.