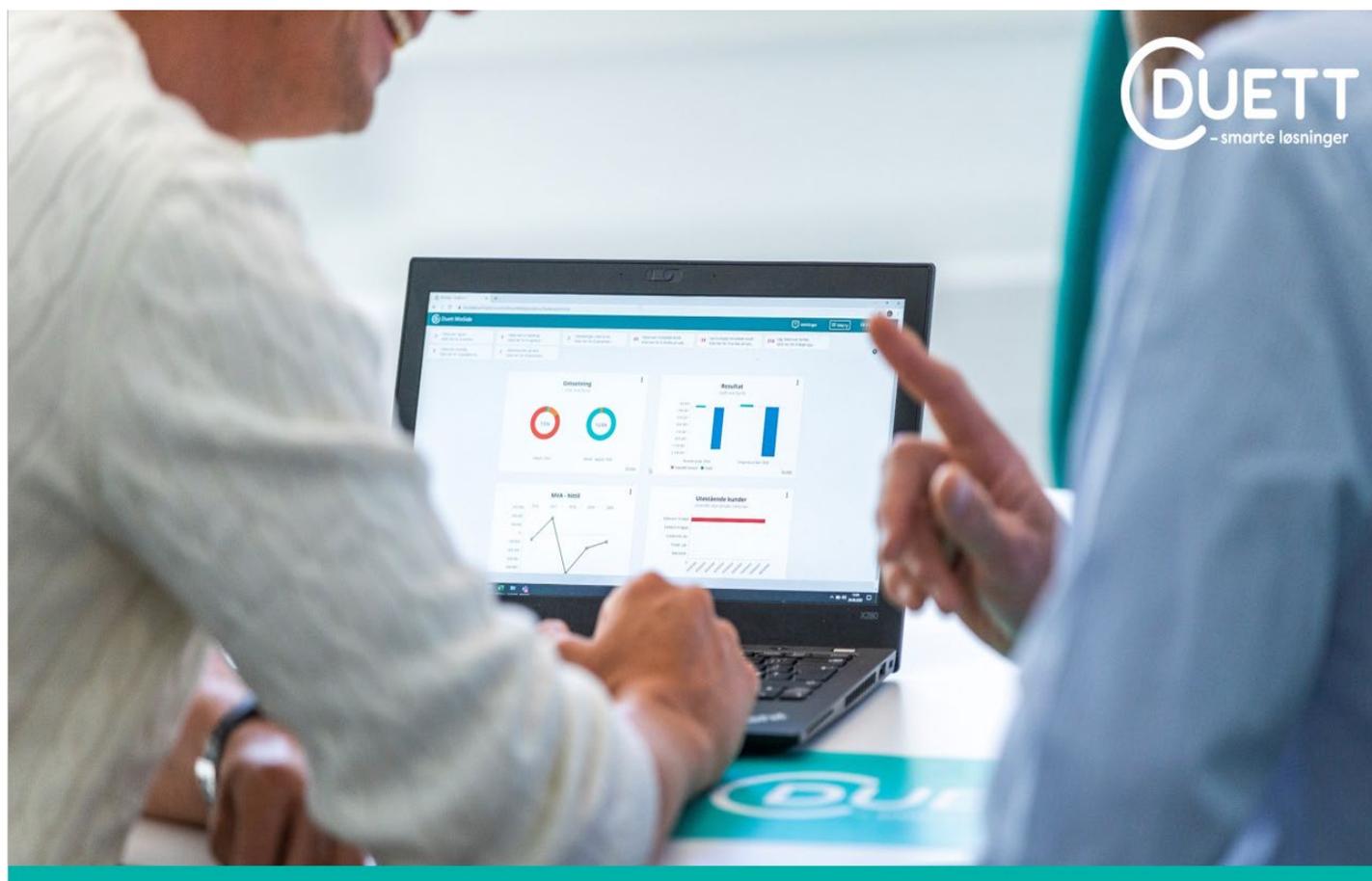


# Q3

INTERIM REPORT

2022



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## Key figures Bond Reporting

Revenue growth (YTD Q3-21 vs. YTD Q3-22)

**4%**

Recurring revenue (Q3 2022)

**91%**

EBITDA growth (YTD Q3-21<sup>2</sup> vs. YTD Q3-22)

**-2%**

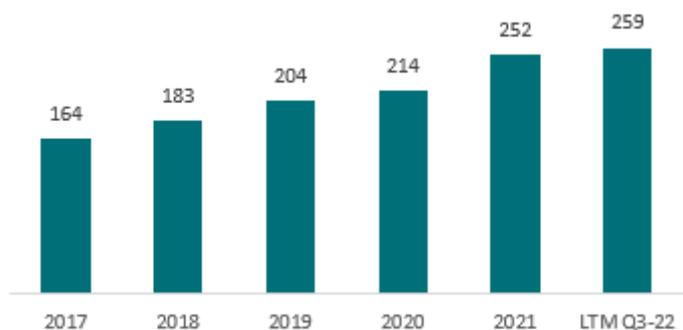
EBITDA margin (Q3 2022)

**28%**

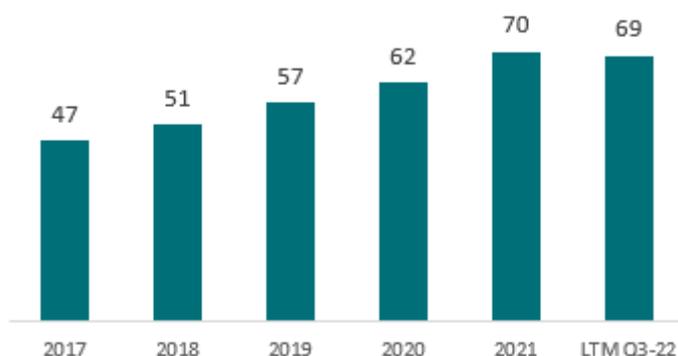
Net leverage

**6,1x**

Pro-forma revenues<sup>2</sup> (NOKm)



Pro-forma adjusted EBITDA<sup>2</sup> (NOKm)



1) Key figures are presented according to the bond agreement (adjusted for leasing- and one-off costs, and Skyhost ApS for 2021)

2) Pro-forma revenues/EBITDA includes Skyhost ApS for full-year-2021

## Management Comments

**The group continues to increase the revenue compared to last year. 2022 has been, and still is, a year with focus on further product investments and release of new functionality. We are continuing to increase our workforce to facilitate for future product development.**

### **Financial development**

Revenue year to date Q3 2022 reached NOK 195,7m, of which Skyhost ApS contributed with NOK 21,4m. Revenue has grown 4% compared to the same period previous year. EBITDA (see definition in appendix) is seeing a slight decline, mainly due to upscaling of the development department. This is the primary driver for increased costs through the year.

### **Integration of SkyHost ApS**

On April 16th last year the acquisition of Skyhost ApS was successfully completed, thus marks 2022 the first full year where Skyhost is part of the group.

### **Duett**

Duett shows a steady growth in revenue and will release exciting new functionality later this year that will affect the revenue positively from 2023.

### **Skyhost ApS**

Skyhost ApS shows steady growth in Denmark and continuous to maintain good margins.

# Condensed Consolidated Interim Financial Statement

## Condensed consolidated statement of profit and loss

	Note	Q3-2022	Q3-2021	YTD 2022	YTD 2021
<b>Revenue</b>		<b>61 444 497</b>	<b>59 466 813</b>	<b>195 655 178</b>	<b>182 202 404</b>
Materials, software and services		20 259 812	19 513 406	61 316 161	59 754 852
Salary and personell costs		19 771 885	14 158 203	56 063 046	43 852 076
Other operating expences		7 104 178	4 673 667	18 165 476	15 461 967
Depreciation and amortizations		25 460 950	27 051 674	76 529 784	72 039 069
<b>Operating expenses</b>		<b>72 596 826</b>	<b>65 396 950</b>	<b>212 074 467</b>	<b>191 107 965</b>
<b>Operating profit/loss(-)</b>		<b>-11 152 329</b>	<b>-5 930 137</b>	<b>-16 419 289</b>	<b>-8 905 561</b>
Finance income		21 220	135 095	34 933	141 663
Finance expenses		9 842 705	8 761 638	27 453 844	19 950 344
<b>Net Finance</b>		<b>-9 821 485</b>	<b>-8 626 543</b>	<b>-27 418 911</b>	<b>-19 808 681</b>
<b>Profit/loss(-) before tax</b>		<b>-20 973 814</b>	<b>-14 556 680</b>	<b>-43 838 200</b>	<b>-28 714 241</b>
Income tax expenses		-4 738 255	-3 062 494	-10 129 465	-5 768 566
<b>Profit/loss(-) after tax</b>		<b>-16 235 559</b>	<b>-11 494 186</b>	<b>-33 708 735</b>	<b>-22 945 676</b>
Attributable to:					
<b>Equity holders of the parent company</b>		<b>-16 235 559</b>	<b>-11 494 186</b>	<b>-33 708 735</b>	<b>-22 945 676</b>

## Condensed consolidated statement of comprehensive income

Consolidated statement of other comprehensive income	Q3-2022	Q3-2021	YTD 2022	YTD 2021
<b>Net profit/loss(-) after tax</b>	<b>-16 235 559</b>	<b>-11 494 186</b>	<b>-33 708 735</b>	<b>-22 945 676</b>
	0	0	0	0
<b>Items that will not be reclassified to profit and loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Foreign currency translation differences - foreign operations	3 960 772	-61 932	9 839 514	-35 188
<b>Other comprehensive income for the period, net of tax</b>	<b>3 960 772</b>	<b>-61 932</b>	<b>9 839 514</b>	<b>-35 188</b>
<b>Total comprehensive income for the period</b>	<b>-12 274 787</b>	<b>-11 556 118</b>	<b>-23 869 221</b>	<b>-22 980 864</b>
	0	0	0	0
Attributable to:	0	0	0	0
<b>Equity holders of the parent company</b>	<b>-12 274 787</b>	<b>-11 556 118</b>	<b>-23 869 221</b>	<b>-22 980 864</b>

# Condensed Consolidated Interim Financial Statement

## Condensed consolidated statement of financial position 1/2

Note	30.09.2022	31.12.2021
<b>Non-current assets</b>		
Property and equipment	15 766 393	16 203 819
Intangible assets	361 847 570	408 811 246
Goodwill	430 074 691	424 906 555
Right of use assets	20 809 421	26 978 774
Other investments	2 501	2 501
<b>Total non-current assets</b>	<b>828 500 577</b>	<b>876 902 895</b>
<b>Current assets</b>		
Inventories	1 701 441	1 865 154
Accounts receivables	14 076 648	15 204 740
Other receivables and prepayments	6 516 505	5 268 732
Cash and deposits	76 486 123	73 048 920
<b>Total current assets</b>	<b>98 780 717</b>	<b>95 387 546</b>
<b>TOTAL ASSETS</b>	<b>927 281 293</b>	<b>972 290 441</b>

# Condensed Consolidated Interim Financial Statement

## Consolidated statement of financial position (IFRS) 2/2

	Note	30.09.2022	31.12.2021
<b>Equity</b>			
Share capital		3 493 200	3 493 200
Other paid in capital		368 770 887	368 770 887
<b>Total paid in capital</b>		<b>372 264 087</b>	<b>372 264 087</b>
<b>Other equity and exchange differences</b>			
Other equity and exchange differences		-95 632 282	-71 763 056
<b>Total other equity</b>		<b>-95 632 282</b>	<b>-71 763 056</b>
<b>Total equity</b>		<b>276 631 805</b>	<b>300 501 031</b>
<b>Non-current liabilities</b>			
Bonds		490 303 521	488 560 062
Lease liabilities		13 226 159	19 717 947
Deferred tax		70 645 425	80 178 317
<b>Total non-current liabilities</b>		<b>574 175 105</b>	<b>588 456 326</b>
<b>Current liabilities</b>			
Accounts payables		11 903 477	12 179 632
Lease liabilities		9 579 882	9 969 760
VAT and other public taxes		9 150 166	13 648 154
Current tax payable		903 791	3 078 761
Prepaid revenue		25 243 049	24 289 113
Other current liabilities		19 694 020	20 167 664
<b>Total current liabilities</b>		<b>76 474 384</b>	<b>83 333 084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>927 281 293</b>	<b>972 290 441</b>

# Condensed Consolidated Financial Statement

## Condensed consolidated statement of cashflows

	YTD 2022	YTD 2021
<b>Operating activities</b>		
Profit/loss(-) before tax	-43 838 200	-27 319 289
Deprecation and amortization	77 071 787	72 039 071
Taxes Paid	-2 826 190	-5 958 562
Net finance	27 418 911	18 413 731
Change in:		
Inventory	270 516	-1 587 858
Trade payables	-305 006	10 430 454
Trade receivables	1 402 283	-5 397 411
Prepaid revenue	496 920	3 570 947
Other net working capital	-8 322 254	4 514 308
<b>Cashflow operating activities</b>	<b>51 368 767</b>	<b>68 705 391</b>
<b>Investing activities</b>		
Capitalized development costs	-15 935 557	-14 942 076
Purchase of tangible and intangible assets	-1 137 002	-1 342 833
Net paid in business combinations	0	-97 841 502
<b>Cashflow investing activities</b>	<b>-17 072 559</b>	<b>-114 126 411</b>
<b>Financing activities</b>		
Bonds	0	500 000 000
Expences related to establishment of bond	0	-13 051 154
Repayment of debt	0	-340 000 000
Payment of lease	-7 758 126	-9 691 735
Paid interest	-24 055 322	-14 715 976
Net change credit facility	0	-3 394 327
<b>Cashflow financing activities</b>	<b>-31 813 448</b>	<b>119 146 808</b>
<b>Net change in cash and cash equivalents</b>	<b>2 482 759</b>	<b>73 725 787</b>
Cash and cash equivalents in the beginning of the period	73 048 920	602 692
Foreign currency translation differences for cash and cash equivalents	954 445	113 562
<b>Cash and cash equivalents in the end of the period</b>	<b>76 486 125</b>	<b>74 442 041</b>

# Condensed Consolidated Financial Statement

## Condensed consolidated statement of changes in equity

	Note	Share capital	Premium fund	Exchange differences	Other equity	Total equity
<b>Opening balance on January 1 2021</b>		<b>3 000 000</b>	<b>307 499 987</b>	<b>0</b>	<b>-32 384 804</b>	<b>278 115 183</b>
New equity		61 764 003	97	0	0	61 764 100
Total comprehensive income for the period		0	0	-35 188	-22 945 675	-22 980 863
<b>Closing balance on September 30 2021</b>		<b>64 764 003</b>	<b>307 500 084</b>	<b>-35 188</b>	<b>-55 330 479</b>	<b>316 898 420</b>
<b>Opening balance on January 1 2022</b>		<b>64 764 003</b>	<b>307 500 084</b>	<b>-102 131</b>	<b>-71 660 924</b>	<b>300 501 032</b>
Total comprehensive income for the period		0	0	9 839 514	-33 708 735	-23 869 221
<b>Closing balance on September 30 2022</b>		<b>64 764 003</b>	<b>307 500 084</b>	<b>9 737 383</b>	<b>-105 369 659</b>	<b>276 631 811</b>

# Condensed Consolidated Financial Statement

## Notes

### **1. General**

These condensed consolidated interim financial statements of Duett Software Group consist of the Company and its subsidiaries, Duett AS and Skyhost ApS, collectively referred to as the Group.

### **2. Basis for preparation**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the 2021 Annual financial statements. The condensed consolidated interim financial statement do not include all the information required for complete annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for 2021. These condensed consolidated interim financial statements are unaudited.

# Condensed Interim Financial Statement of the Parent Company

## Condensed statement of profit and loss (NGAAP<sup>1</sup>)

	Note	Q3-2022	Q3-2021	YTD 2022	YTD 2021
<b>Revenue</b>		<b>0</b>	<b>5 499</b>	<b>0</b>	<b>5 499</b>
Other operating expenses		496 884	922 991	2 803 064	1 115 593
<b>Operating expenses</b>		<b>496 884</b>	<b>922 991</b>	<b>2 803 064</b>	<b>1 115 593</b>
<b>Operating profit/loss(-)</b>		<b>-496 884</b>	<b>-917 492</b>	<b>-2 803 064</b>	<b>-1 110 094</b>
Finance income		904 281	345 337	2 806 173	1 036 012
Finance expenses		9 312 785	7 434 694	26 020 190	18 207 293
<b>Net Finance</b>		<b>-8 408 504</b>	<b>-7 089 357</b>	<b>-23 214 017</b>	<b>-17 171 281</b>
		0	0	0	0
<b>Profit/loss(-) before tax</b>		<b>-8 905 388</b>	<b>-8 006 849</b>	<b>-26 017 081</b>	<b>-18 281 375</b>
Income tax expenses		-1 959 185	-1 761 507	-5 723 758	-4 021 903
<b>Profit/loss(-) after tax</b>		<b>-6 946 203</b>	<b>-6 245 342</b>	<b>-20 293 323</b>	<b>-14 259 473</b>

# Condensed Interim Financial Statement of the Parent Company

## Condensed statement of financial position (NGAAP<sup>1</sup>)

	Note	30.09.2022	31.12.2021
<b>Non-current assets</b>			
Investment in group companies		797 969 163	797 969 163
<b>Total non-current assets</b>		<b>797 969 163</b>	<b>797 969 163</b>
<b>Current assets</b>			
Receivables group companies		55 185 802	63 683 216
Cash and deposits		268 931	15 524 683
<b>Total current assets</b>		<b>55 454 733</b>	<b>79 207 899</b>
<b>TOTAL ASSETS</b>		<b>853 423 896</b>	<b>877 177 062</b>
<b>Equity</b>			
Share capital		3 493 200	3 493 200
Other paid in capital		368 770 887	368 770 887
<b>Total paid in capital</b>		<b>372 264 087</b>	<b>372 264 087</b>
<b>Other equity and exchange differences</b>			
Other equity and exchange differences		-19 485 399	6 531 682
<b>Total other equity</b>		<b>-19 485 399</b>	<b>6 531 682</b>
<b>Total equity</b>		<b>352 778 688</b>	<b>378 795 769</b>
<b>Non-current liabilities</b>			
Bonds		490 303 521	488 560 062
Deferred tax		2 516 786	2 516 786
<b>Current liabilities</b>			
Accounts payables		383 122	828 247
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>853 423 896</b>	<b>877 177 062</b>

# Condensed Interim Financial Statement of the Parent Company

## Condensed statement of cashflows (NGAAP<sup>1</sup>)

	YTD 2022	YTD 2021
<b>Operating activities</b>		
Profit/loss(-) before tax	-26 017 081	-18 281 374
Taxes Paid	-209 532	-2 240 663
Net finance	23 214 017	18 281 375
Change in:		
Trade payables	-445 125	3 821 473
Other net working capital	-445 017	1 264 880
<b>Cashflow operating activities</b>	<b>-3 902 738</b>	<b>2 845 691</b>
<b>Investing activities</b>		
Purchase of shares in subsidiaries	0	-107 772 212
<b>Cashflow investing activities</b>	<b>0</b>	<b>-107 772 212</b>
<b>Financing activities</b>		
Bonds	0	500 000 000
Expences related to establishment of bond	0	-13 051 154
Repayment of debt	0	-340 000 000
Paid interese	-22 656 601	-13 188 670
Net change intercompany	11 303 587	-1 238 748
Net finance	0	-13 188 670
<b>Cashflow financing activities</b>	<b>-11 353 014</b>	<b>132 521 428</b>
<b>Net change in cash and cash equivalents</b>	<b>-15 255 752</b>	<b>27 594 907</b>
Cash and cash equivalents in the beginning of the period	15 524 683	400 881
<b>Cash and cash equivalents in the end of the period</b>	<b>268 931</b>	<b>27 995 788</b>

<sup>1</sup>The condensed separate financial statements have been prepared using the same NGAAP accounting policies as in the annual financial statements for 2021, but have not been prepared in accordance with NRS 11 Delårsregnskap.

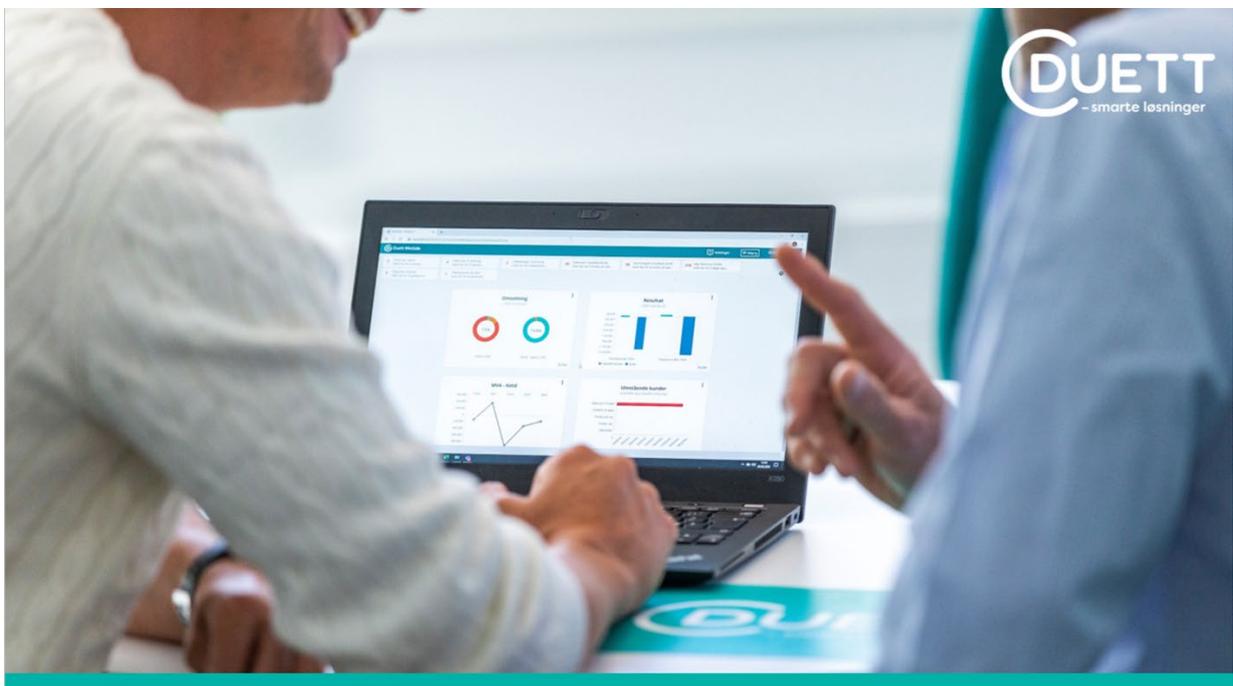
## Appendix

### Additional information required by the bond agreement

The Bonds were listed on Oslo Stock Exchange (Oslo Børs) in April 2022.

According to the bond agreement, we are required to make certain corrections when calculating EBITDA. The relevant corrections for Duett Software Group are leasing and one-off items. Below is the calculation of EBITDA according to the agreement. In addition, we have calculated the proforma EBITDA for Skyhost for the period of 2021 before the acquisition.

	Calculation of EBITDA	
	YTD 2022	YTD 2021
<b>Operating profit</b>	<b>-16 419 289</b>	<b>-8 905 561</b>
Depreciation and amortizations	76 529 784	72 039 069
Leasing	-8 660 939	-11 086 685
One-off	2 665 088	1 042 352
Pro-forma adjustment EBITDA Skyhost 1.1-31.3.2021	0	2 200 872
<b>EBITDA</b>	<b>54 114 644</b>	<b>55 290 048</b>



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