



# Interim Report

**Extenda Retail Holding 1 AB (publ)**

**Org Nr: 559167-1507**

**Q2 2024**

## January - June in brief

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net sales	169 486	180 982	339 310	356 847	711 587
<i>of which Annual software agreements continually renewed (%)</i>	85,1%	78,1%	84,9%	79,2%	79,9%
EBITDA	28 282	35 792	70 072	61 813	140 609
Adjusted EBITDA*	32 636	40 303	66 078	75 815	166 774
<i>Adjusted EBITDA-margin (%)</i>	19,3%	22,3%	19,5%	21,2%	23,4%

\*Adjusted EBITDA consists of EBITDA excluding items affecting comparability. Please see the details in Note G4. Please find definitions of KPIs and alternative performance measures on page 20.

### The second quarter 2024

- Net sales amounted to SEK 169,486 thousand. Software revenue, including our Hii Retail and Warehouse Management solutions, grew by 2.0%. However, the current economic climate led some customers to be more cautious with new spending commitments in prior quarters, affecting the pace of recurring revenue growth. Additionally, service revenues are SEK 12,292 thousand lower as customers postpone projects.
- The share of annual software agreements that are continually renewed (i.e., recurring revenue) amounts to 85.1% of Net sales. The Annual Recurring Revenue increased by SEK 44.1m to SEK 549.0m, corresponding to a growth ratio of 8.7%.
- The adjusted EBITDA margin decreased to 19.3% from 22.3% compared to the same period last year. Adjusted EBITDA amounts to SEK 32,636k, a decrease of SEK (7,667) thousand, mainly due to lower service revenue offset by lower costs for consultants and hosting.

## Comments from CEO Leendert Venema

I am pleased to share that Extenda Retail achieved remarkable results in the second quarter. Our bookings reached an all-time high, reflecting the promise of our strong suite of retail solutions, particularly for our Hii Retail and NYCE.Logic cloud-based platforms are our primary growth engines.

During this period, we secured a significant new client—a prominent Swedish retailer—and received renewed commitments from existing clients to transition to our Hii Retail platform. These decisions validate our initial strategic choices regarding technology. Our native cloud architecture, renowned for its security, performance, and flexibility, is gaining market traction and recognition from our customers. Consistent with our long-term strategy, this mix shift involves a continued decline in professional services revenue as we move away from the large, complex project often involving system integrators to more agile, mobile and cloud transformations.

Our warehouse management software, NYCE.LOGIC continues to expand its market share across Northern Europe, particularly in the Netherlands and Belgium. The Benelux region remains a strategic focal point for our growth. I am thrilled to announce a partnership with a consultancy firm that will support our upcoming implementations.

Despite some of the economic uncertainty leading to a temporary slowdown in revenue growth, we have made significant strides in mitigating their impact, ensuring stability and profitability. We expect margins to expand as we continue to shift to high-margin recurring revenue, and our commitment to cost-saving measures remains unwavering throughout the year.

While uncertainties persist in 2024, we maintain an optimistic outlook. Our extremely strong bookings quarter reflects the market demand and opportunity for our products, even in this continued high-interest rate environment. Our robust business model and strong presence in key sectors across Northern Europe position us well to navigate challenges and seize opportunities.

Our strategic priorities remain firm: driving innovation, expanding our market reach, and enhancing customer satisfaction. By learning from the first half of 2024, living by our core values of Trust, Innovation, and Care, and staying agile in our approach, we are confident in our ability to continue the momentum with our cloud-based solutions to drive recurring revenue growth and margin expansion in the coming quarters.

## Summary of financial information

The table below summarizes Extenda Retail's financial information. Please see the definitions on page 20.

### Net Sales Q2

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Software revenue	144 173	141 326	288 061	282 690	568 255
Service revenue	24 232	36 524	49 145	65 616	132 551
Hosting and infrastructure*	792	1 501	1 570	4 575	6 523
Hardware and technical services*	289	1 630	533	3 966	4 258
<b>Total Net sales</b>	<b>169 486</b>	<b>180 982</b>	<b>339 310</b>	<b>356 847</b>	<b>711 587</b>

\*Offerings being phased out over time.

Software revenues grew during the period with SEK 2,847 thousand or 2.0% to SEK 144,173k. The expansion of retail and warehouse spaces is fueling demand for our Hii Retail suite and WMS software, making them the primary source of our product growth. Recurring subscription revenues now represent 85.1% of the net sales, vs. last year's 78.1%. Although a well-known technology research firm observes that retailers are currently cautious and in a "holding pattern," they also forecast a significant market upswing in late 2024, with even stronger growth expected in 2025. Extenda Retail is strategically positioned to take advantage of this anticipated growth by prioritizing the acceleration of recurring software revenue and driving revenue and profitability.

Service revenue for the current period is SEK (12,292) thousand less than during the same period last year. The decrease in service revenue for Q2 2024 was driven by our shift away from large implementation projects as Hii Retail solution requires fewer implementation hours than the classic products.

Hosting and infrastructure, together with hardware and technical services, continue to decrease SEK (2,050) thousand, which aligns with our plan to discontinue these.

Approximately 22% of the company's total revenues were generated from Extenda Retail AS, a Norwegian subsidiary. The weakening of the Swedish krona against the Norwegian krone positively impacted the Group's revenue of SEK 639 thousand in Q2 2024. Approximately 8% of the company's total revenues were generated from Re-Vision B.V., a subsidiary in the Netherlands, where the strengthening of the Swedish krona against the Euro negatively impacted the Group's revenue in Q2 2024 by SEK (97) thousand.

## Result Q2

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Operating profit	3 854	(4 997)	21 910	(19 077)	(21 093)
Add back amortization, depreciation and write-downs	24 429	40 788	48 162	80 890	161 702
Add back items affecting comparability	4 353	4 511	(3 994)	14 002	26 165
<b>Adjusted EBITDA</b>	<b>32 636</b>	<b>40 303</b>	<b>66 078</b>	<b>75 815</b>	<b>166 774</b>
<b>Adjusted EBITDA-margin (%)</b>	<b>19,3%</b>	<b>22,3%</b>	<b>19,5%</b>	<b>21,2%</b>	<b>23,4%</b>

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

Adjusted EBITDA decreased by SEK (7,667) thousand to SEK 32,636 thousand, and the corresponding margin decreased from 22.3% to 19.3%, primarily due to somewhat less revenue and less work capitalized offset by lower direct costs and external costs due to cost consciousness.

Our focus on direct costs, which are expenses directly tied to generating revenue like employee time and licensing fees, has paid off. Efficient partnerships in cost-effective locations and a decrease in service revenue led to lower costs, SEK 4,721 thousand, this year compared to last year. Additionally, phasing out our hosting service has further reduced costs.

Other external costs encompass various consulting fees, primarily related to the maintenance of our product suite and the development of new products, along with expenditures on IT infrastructure, marketing, and office-related expenses. Our emphasis on forming partnerships in cost-effective locations and reducing contracted resources has contributed to a lower overall cost for maintaining our product suite. Additionally, travel costs in the second quarter were significantly lower compared to the same period last year, and we reversed an accrual for an onerous project after reaching an agreement with the client that it was unnecessary. When adjusted for items affecting comparability, other external costs amounted to SEK 47,436 thousand, which is SEK 4,459 thousand less than the same period last year.

Employee compensation costs this quarter reached SEK 84,806 thousand. After adjusting for one-time items, this represents a SEK 919 thousand increase compared to the same period last year. This rise is mainly due to two factors. First, this year's annual salary adjustments were higher due to the inflationary climate from 2023. Second, a provision was made for restructuring changes, moving services from our own staff to our service partners, and adjusting the business to another cost structure.

We continue to invest in our native cloud product. The capitalized work for our own account (i.e., work performed by our own employees and consultants) decreased somewhat compared to the same period last year. It amounted to SEK (15,150) thousand, compared to SEK (18,638) thousand in the same period last year.

The operating profit for the period was SEK 3,854 thousand, vs. last year of SEK (4,997) thousand, which included one-off items of SEK (4,353) thousand vs. last year's SEK (4,511) thousand and depreciation and amortization of SEK (24,429) thousand, vs. last year SEK (40,788) thousand. Amortization of intangible assets from the Visma/Extenda acquisition was finalized in September 2023. Hence, from October 2023, the quarterly amortizations will be approx. SEK 15,000 thousand less.

Net profit for the period was SEK (16,659) thousand, which includes net financial items of SEK (22,408) thousand and income tax of SEK (1,896) thousand. Net profit for the period previous year was SEK (15,416) thousand, which includes net financial items of SEK (10,105) thousand and income tax of SEK (315) thousand.

## Financial position and cash flow in brief

	<b>2024</b>	<b>2023</b>	<b>2023</b>
<b>SEK thousands</b>	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
Non-current assets	986 613	995 631	982 458
Other current assets	134 031	183 636	163 922
Cash and cash equivalents	24 304	31 626	23 833
<b>Total assets</b>	<b>1 144 949</b>	<b>1 210 894</b>	<b>1 170 213</b>
Total equity	181 087	216 600	200 155
Non-current liabilities	641 176	677 271	655 893
Current liabilities	322 686	317 022	314 165
<b>Total equity and liabilities</b>	<b>1 144 949</b>	<b>1 210 894</b>	<b>1 170 213</b>

Total assets at the end of the period amounted to SEK 1,144,949 thousand compared to year-end 2023 of SEK 1,170,213 thousand, of which SEK 891,119 thousand consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with the acquisition of Re-Vision group April 1, 2022, and STG's acquisitions of Visma Retail and Extenda. Previous year the intangible assets amounted to SEK 886,705k. Investments in intangible fixed assets were capitalized development for internally developed software. Investments in intangible fixed assets during the period Jan - Jun totaled SEK 35,353 thousand, and during the same period last year, SEK 43,585 thousand.

Cash and cash equivalents by June 30, 2024, amounted to SEK 24,304 thousand and increased by SEK 471 thousand during the period from January to June. The net working capital change includes SEK 17,556 thousand repayments of withheld taxes. Cash Flow from current activities amounted to SEK 31,825 thousand. Investment in financial, intangible, and tangible assets was SEK (36,449) thousand, and lease payments were SEK (10,474) thousand. During June we also used 15,000 thousand from the RCF which was re-paid in August.

Total equity amounted to SEK 181,087 thousand, compared to SEK 200,155 thousand at year-end 2023. The change derives from the profit of SEK 14,465 thousand and currency differences in equity of SEK (4,604) thousand. The equity/assets ratio at the end of the period was 15.8%, compared to 17.9% in the same period last year.

Non-current liabilities have decreased by SEK 14,717 thousand compared to year-end 2023. The decrease is due mainly to the reclassification of long-term debt to short-term debt for the deferred payments of taxes for social charges and withholding taxes, offset by currency differences in the loan from Extenda Retail S.á.r.l., nominated in EUR and non-current lease liabilities since we prolonged the office lease in the Netherlands.

Current liabilities of SEK 322,686 thousand include the current part of SEK 35,937 thousand 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.

## Investments

The group's total cash flow for investments (intangible, tangible, and financial) remains relatively consistent at a high % of revenue. It amounts to SEK (36,449) thousand, compared to SEK (43,894) thousand in the same period last year. The investments primarily refer to developing new functionality in our cloud-native solution, Hii Retail.

## Seasonal variations

The business is somewhat seasonal in terms of Service revenue, with less service revenue in June-August due to the summer holidays in the Nordics. A reversal of the accrual for vacation is expected in July and August.

## Financing

The group's cash and cash equivalents consist of bank balances. At the end of the period, they amounted to SEK 24,304 thousand.

The current financing consists of a bond loan with a framework of SEK 1,000,000 thousand, of which SEK 550,000 thousand has been used. The bond was issued at the end of March 2022 and runs for five years with an interest rate of 3M STIBOR plus a 6.75% margin. There are no ongoing covenants attached to the bond loan. The Group also has a shareholder loan from Extenda Retail S.á.r.l. Interest accrues at a fixed rate of 5.0% and is payable on demand. The loan has a five-year maturity.

In Q1 2024, Extenda Retail signed an amendment to extend the super senior revolving facility agreement to March 29, 2025. As of June 30, 2024, the facility was used with SEK 15,000 thousand. The total amount is SEK 75,000 thousand.

## Significant risks and uncertainties

Several risks and uncertainty factors affect Extenda Retail's operations, financial position, and results. Managing these risks is necessary for Extenda Retail to meet its short-term goals. These risks can be divided into three main categories: market-related, operational, and financial. The group's annual report for 2023 describes these risks.

### Market and Technological Development

Macroeconomic and cyclical developments, as well as trends affecting specific customer segments, influence the Extenda Retail market. The financial climate influences demand from individuals and businesses and changes customers' buying patterns, influencing investment plans and strategic initiatives. The market in 2023 was volatile, with higher-than-usual inflation and higher-than-recent benchmark interest rates. In 2024, the interest rates started to decrease, but there are still many uncertainties in the market.

Global change in retail continues, with digitalization and new ways of delivering customer service, creating powerful forces of change that affect the entire retail industry, including our customers. The changes brought about by digitalization, increased demand for customization, dynamic pricing, AI, and mobile-first strategies require continued investment development to ensure Extenda Retail can remain at the forefront of developing next-generation retail solutions.

This rapid industry change can lead to longer sales cycles because customers must make strategic choices with long-term implications for their businesses. Nevertheless, these developments offer us a strong and growing potential for new and additional sales of our market-leading offerings.

### Operational risk

A prerequisite for additional sales and maintaining our long-term customer relationships is the delivery of successful customer projects. Extenda Retail's business depends on continued strong renewals by its existing customer base, and the loss of key customers may significantly negatively impact Extenda Retail's financial results. It is of the utmost importance that we continue to put the customer at the center of everything we do, as quality issues in customer projects or not meeting customer expectations can lead to 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 mainly pertain to currency, interest rate, 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 2023 Annual Report.

## Other information

We continue to condemn the ongoing Russian invasion of Ukraine and actively support Ukrainian humanitarian efforts. Financially, the conflict may have negatively affected our earnings and positions. We closely monitor developments, adapting strategies to navigate ongoing geopolitical challenges, including rising tension in the Middle East. Extenda Retail currently has no operations in Russia or the Middle East. It is not possible to quantify the long-term effects of these situations.

## Current market situation

Globally, inflation and interest rates seem to be stabilizing while heightened tensions persist. The market situation affects the Group with increased interest costs and some revenue delays. A continued high inflation rate poses challenges to our costs and future revenue.

## Events after the end of the reporting period

There are no other significant events after the reporting period to be reported.

## 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.á.r.l, which is ultimately owned by STG Fund V and the management.

Net financial items for Q2 2024 totaled SEK (2,343) thousand, and income after tax amounted to SEK (2,343) thousand. Net financial items for Q2 2023 totaled SEK (2,055) thousand, and income after tax amounted to SEK (2,055) thousand.

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

On June 30, 2024, the Parent Company had SEK 536,004 thousand in Long-term liabilities consisting of the Bond Loan of SEK 550,000 thousand offset by prepaid loan fees of SEK 13,996 thousand and a long-term receivable of SEK 555,366 thousand to Extenda Retail Holding 3 AB.

On June 30, 2023, the Parent Company had SEK 530,915 thousand in Long-term liabilities consisting of the Bond Loan of 550,000 SEK offset by prepaid loan fees of SEK 19,085 thousand and a long-term receivable of SEK 552,478 thousand to Extenda Retail Holding 3 AB.

Extenda Retail Holding 1 AB has no significant related party transactions other than transactions with group companies. All related party transactions are carried out on market-based terms. The nature and scope of related party transactions during the period are essentially the same as in 2023.

# Statement of Assurance

The Board of Directors and CEO assures that the interim report provides an accurate 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 30, 2024

Johnie Tristan Treadwell  
Chairman of the board  
Menlo Park, USA

Mahinder Mathrani  
Board member  
Bengaluru, India

Adam Hendricks  
Board member  
Menlo Park, USA

Edoardo Bounous  
Board member  
Milan, Italy

Håkan Valberg  
Board member  
Lagos, Portugal

Laura Shesgreen  
Board member  
Dublin, Ireland

Leendert Venema  
Board member and CEO  
Stockholm, Sverige

*This interim report is unaudited.*



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

SEK thousands	Note	2024	2023	2024	2023	2023
		Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net Sales	G2	169 486	180 982	339 310	356 847	711 587
Other operating income		1 348	1 876	13 648	2 935	6 756
<b>Total revenue</b>		<b>170 834</b>	<b>182 858</b>	<b>352 957</b>	<b>359 782</b>	<b>718 343</b>
Direct cost		(24 478)	(29 199)	(49 892)	(60 089)	(112 570)
Other external costs		(47 383)	(54 661)	(96 329)	(112 971)	(213 443)
Other costs for employee compensation		(84 806)	(80 990)	(166 614)	(164 326)	(322 839)
Work performed by the group and capitalized		15 150	18 638	32 574	41 116	77 304
Amortizations, depreciations and write-downs		(24 429)	(40 788)	(48 162)	(80 890)	(161 702)
Other operating expenses		(1 036)	(854)	(2 625)	(1 698)	(6 185)
<b>Total cost</b>		<b>(166 980)</b>	<b>(187 855)</b>	<b>(331 048)</b>	<b>(378 859)</b>	<b>(739 436)</b>
<b>Operating profit</b>		<b>3 854</b>	<b>(4 997)</b>	<b>21 910</b>	<b>(19 077)</b>	<b>(21 093)</b>
Financial income		187	8 685	4 435	9 396	911
Financial costs		(22 596)	(18 790)	(39 180)	(36 271)	(82 072)
<b>Net financial items</b>		<b>(22 408)</b>	<b>(10 105)</b>	<b>(34 744)</b>	<b>(26 874)</b>	<b>(81 161)</b>
<b>Profit before tax</b>		<b>(18 555)</b>	<b>(15 101)</b>	<b>(12 835)</b>	<b>(45 951)</b>	<b>(102 254)</b>
Income tax		1 896	(315)	(1 630)	(821)	41 898
<b>Net profit for the period</b>		<b>(16 659)</b>	<b>(15 416)</b>	<b>(14 465)</b>	<b>(46 773)</b>	<b>(60 356)</b>
<b>Other comprehensive income</b>						
<i>Items that can be reclassified to profit or loss</i>						
<i>Translation differences from operations abroad</i>		(2 336)	1 184	(4 604)	(12 042)	(14 904)
<b>Total other comprehensive income</b>		<b>(2 336)</b>	<b>1 184</b>	<b>(4 604)</b>	<b>(12 042)</b>	<b>(14 904)</b>
<b>Total comprehensive income for the period</b>		<b>(18 995)</b>	<b>(14 232)</b>	<b>(19 068)</b>	<b>(58 814)</b>	<b>(75 259)</b>
<b>Profit for the period attributable to:</b>						
Parent Company shareholders		(16 659)	(15 416)	(14 465)	(46 773)	(60 356)
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders		(18 995)	(14 232)	(19 068)	(58 814)	(75 259)

# Condensed report on the financial position of the Group

SEK thousands	Note	2024	2023	2023
		Jun 30	Jun 30	Dec 31
<b>Non-current assets</b>				
Intangible assets and goodwill		891 119	939 467	886 705
Property, plant, and equipment		7 418	9 576	7 815
Right-of-use assets		51 096	45 918	44 558
Deferred tax assets		36 328	-	42 728
Other non-current assets		652	670	652
<b>Total non-current assets</b>		<b>986 613</b>	<b>995 631</b>	<b>982 458</b>
<b>Current assets</b>				
Trade receivables		102 997	144 835	134 204
Current tax assets		10 110	13 117	6 990
Contract assets		10 679	16 976	14 190
Other current assets		10 246	8 709	8 538
Cash and cash equivalents		24 304	31 626	23 833
<b>Total current assets</b>		<b>158 335</b>	<b>215 263</b>	<b>187 755</b>
<b>Total assets</b>		<b>1 144 949</b>	<b>1 210 894</b>	<b>1 170 213</b>
<b>Equity</b>				
Share capital		500	500	500
Other contributed capital		868 441	868 441	868 441
Reserves		(32 104)	(23 428)	(27 501)
Retained earnings, including profit for the period		(655 751)	(628 913)	(641 284)
<b>Total equity</b>		<b>181 087</b>	<b>216 600</b>	<b>200 155</b>
<b>Non-current liabilities</b>				
Provisions		573	6 239	1 927
Loan liabilities		583 612	577 768	578 792
Non-current lease liabilities		37 715	38 715	37 583
Deferred tax liabilities		-	1 998	-
Other interest-bearing non-current liabilities		19 276	52 552	37 591
<b>Total non-current liabilities</b>		<b>641 176</b>	<b>677 271</b>	<b>655 893</b>
<b>Current liabilities</b>				
Trade payables		52 073	43 104	62 817
Other interest-bearing current liabilities		51 077	34 090	34 974
Current tax liabilities		172	-	93
Current lease liabilities		20 779	17 698	16 402
Contract liabilities		101 384	123 777	104 840
Other current liabilities		97 201	98 354	95 262
<b>Total current liabilities</b>		<b>322 686</b>	<b>317 022</b>	<b>314 165</b>
<b>Total equity and liabilities</b>		<b>1 144 949</b>	<b>1 210 894</b>	<b>1 170 213</b>

# Condensed consolidated statement of changes in equity

Equity attributable to the Parent Company's shareholders

SEK thousands	Note	2024	2023	2023
		Jun 30	Jun 30	Dec 31
<b>Equity</b>				
Opening balances		200 155	275 415	275 415
<i>Changes in equity</i>				
Profit for the period		(14 465)	(46 773)	(60 356)
Translation differences		(4 604)	(12 042)	(14 904)
<b>Total comprehensive income</b>		<b>(19 068)</b>	<b>(58 814)</b>	<b>(75 260)</b>
<b>Ending balance</b>		<b>181 087</b>	<b>216 600</b>	<b>200 155</b>

## Condensed consolidated cash flow Statement

SEK thousands	Note	2024	2023	2023
		Jan - Jun	Jan - Jun	Jan - Dec
<b>Operating profit</b>		21 910	(19 077)	(21 093)
Adjustment for non-cash items, etc.		44 952	77 757	155 425
Interest received		431	208	911
Interest and financial items paid		(34 872)	(32 508)	(64 747)
Income tax paid		-	-	(42)
<b>Cash flow from operations before to changes in working capital</b>		<b>32 420</b>	<b>26 380</b>	<b>70 454</b>
<b>Cash flow from changes to working capital</b>				
Change in current receivables		33 807	(6 361)	4 461
Change in current liabilities		(34 401)	(4 934)	(19 570)
<b>Cash flow from current activities</b>		<b>31 825</b>	<b>15 085</b>	<b>55 345</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries		-	(37 069)	(37 069)
Acquisitions of intangible assets		(35 353)	(43 585)	(80 738)
Acquisitions of property, plant and equipment		(1 096)	(308)	(607)
Change in other non current assets		-	277	277
<b>Cash flow from investing activities</b>		<b>(36 449)</b>	<b>(80 686)</b>	<b>(118 136)</b>
<b>Financing activities</b>				
Lease liability payments		(10 474)	(10 334)	(20 719)
New borrowings		15 000	-	-
<b>Cash flow from financing activities</b>		<b>4 526</b>	<b>(10 334)</b>	<b>(20 719)</b>
<b>Cash flow for the period</b>		<b>(98)</b>	<b>(75 934)</b>	<b>(83 511)</b>
<b>Cash and cash equivalents at start of period</b>		<b>23 833</b>	<b>106 337</b>	<b>106 337</b>
Translation difference on cash and cash equivalents		569	1 223	1 007
<b>Cash and cash equivalents at end of period</b>		<b>24 304</b>	<b>31 626</b>	<b>23 833</b>

## Parent company income statement

SEK thousands	Note	2024	2023	2024	2023	2023
		Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Other external costs		(1)	(0)	(1)	(1)	(2)
Other operating expenses		-	(3)	(0)	(3)	(249)
<b>Total cost</b>		<b>(1)</b>	<b>(3)</b>	<b>(1)</b>	<b>(5)</b>	<b>(251)</b>
<b>Operating profit</b>		<b>(1)</b>	<b>(3)</b>	<b>(1)</b>	<b>(5)</b>	<b>(251)</b>
Financial income		14 728	13 805	29 465	26 577	56 369
Financial costs		(17 070)	(15 857)	(33 554)	(30 569)	(64 086)
<b>Profit before tax</b>		<b>(2 343)</b>	<b>(2 055)</b>	<b>(4 090)</b>	<b>(3 997)</b>	<b>(7 968)</b>
Appropriations		-	-	-	-	12 674
Income tax		-	-	-	-	2 541
<b>Net profit for the period</b>		<b>(2 343)</b>	<b>(2 055)</b>	<b>(4 090)</b>	<b>(3 997)</b>	<b>7 247</b>
<b>Total comprehensive income for the period</b>		<b>(2 343)</b>	<b>(2 055)</b>	<b>(4 090)</b>	<b>(3 997)</b>	<b>7 247</b>

## Parent company balance sheet

SEK thousands	Note	2024 Jun 30	2023 Jun 30	2023 Dec 31
<b>Long-term assets</b>				
Shares in group companies		870 932	870 932	870 932
Long-term receivables from group companies		555 366	552 478	550 736
Deferred tax assets		2 541	-	2 541
<b>Total long-term assets</b>		<b>1 428 839</b>	<b>1 423 409</b>	<b>1 424 208</b>
<b>Short-term assets</b>				
Trade receivables		-	-	12 674
Current tax assets		273	254	64
<b>Total current assets</b>		<b>273</b>	<b>254</b>	<b>12 738</b>
<b>Total assets</b>		<b>1 429 112</b>	<b>1 423 663</b>	<b>1 436 946</b>
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital (50,000 shares)		500	500	500
<b>Total restricted equity</b>		<b>500</b>	<b>500</b>	<b>500</b>
<i>Unrestricted equity</i>				
Retained earnings		847 053	839 806	839 806
Profit for the period		(4 090)	(3 997)	7 247
<b>Total unrestricted equity</b>		<b>842 963</b>	<b>835 808</b>	<b>847 053</b>
<b>Total equity</b>		<b>843 463</b>	<b>836 308</b>	<b>847 553</b>
<b>Long-term liabilities</b>				
<b>Loan liabilities</b>		536 004	530 915	533 460
<b>Total long-term liabilities</b>		<b>536 004</b>	<b>530 915</b>	<b>533 460</b>
<b>Short-term liabilities</b>				
Accounts payable		-	-	3
Short-term liabilities to group companies		49 645	56 594	55 931
<b>Total current liabilities</b>		<b>49 645</b>	<b>56 440</b>	<b>55 934</b>
<b>Total equity and liabilities</b>		<b>1 429 112</b>	<b>1 423 663</b>	<b>1 436 946</b>

## Statement of changes in equity

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

SEK thousands	Note	2024 Jun 30	2023 Jun 30	2023 Dec 31
<b>Equity</b>				
Opening balances		847 553	840 306	840 306
<i>Changes in equity</i>				
Earnings for the period		(4 090)	(3 997)	7 247
<b>Total comprehensive income</b>		<b>(4 090)</b>	<b>(3 997)</b>	<b>7 247</b>
<b>Ending balance</b>		<b>843 463</b>	<b>836 308</b>	<b>847 553</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 2023 Annual Report and should be read in conjunction with that Annual Report.

Preparing financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. The notes in the 2023 Annual Report describe those that are significant to the consolidated financial statements.

For practical reasons, the figures in this interim report have not been rounded off, which is why notes and tables may not total the 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.

## New and changed accounting standards in 2024

Companies have previously been required to provide information about significant disclosures and accounting principles in IAS 1 - information about accounting principles, which has now been replaced by material information about accounting principles. The purpose is to ensure more company-specific information, less standardized and irrelevant information and that material information is not obscured by other information. None of the other standards and statements that have been published by the IASB and are effective for annual periods beginning on or after January 1, 2024, have had any significant impact on the financial statements of the Group.

## Note G2, Net Sales

Total revenue is divided into the following lines of operations:

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Software Revenue	144 173	141 326	288 061	282 690	568 255
Service Revenue	24 232	36 524	49 145	65 616	132 551
Hosting and infrastructure*	792	1 501	1 570	4 575	6 523
Hardware and technical services*	289	1 630	533	3 966	4 258
<b>Total Net Sales</b>	<b>169 486</b>	<b>180 982</b>	<b>339 310</b>	<b>356 847</b>	<b>711 587</b>

\*Revenue that will be phased out over time

## 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 current liabilities with a value of SEK 0k. 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.

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
<b>Items affecting Other operating income</b>					
Settlement fee	236	-	9 393	-	-
FX in Revenue	-	-	-	-	-
<b>Total items affecting Other operating income</b>	<b>236</b>	<b>-</b>	<b>9 393</b>	<b>0</b>	<b>-</b>
<b>Items affecting Direct costs</b>					
Integration costs Re-vision	-	-	-	(109)	(108)
Onerous contracts and license fees (M&A insurance related)	-	-	-	(770)	(2 167)
<b>Total items affecting Direct costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(879)</b>	<b>(2 275)</b>
<b>Items affecting Other external costs</b>					
Legal and other services (M&A, M&A insurance, carve-out)	(244)	(645)	(244)	(1 656)	(1 091)
Outsourcing and offshoring of functions to India and Moldova	410	(1 493)	410	(3 344)	(2 526)
IT security & IT restructuring of the IT environment	(151)	(595)	(156)	(1 831)	(5 586)
Integration costs Re-Vision	-	(21)	-	(515)	(1 857)
Other	38	(12)	0	114	(324)
<b>Total items affecting Other external costs</b>	<b>53</b>	<b>(2 766)</b>	<b>10</b>	<b>(7 232)</b>	<b>(11 384)</b>
<b>Items affecting Other costs for employee compensation</b>					
Outsourcing and offshoring of functions to India and Moldova	(4 642)	(1 745)	(5 409)	(5 891)	(12 506)
<b>Total items affecting Other costs for employee compensation</b>	<b>(4 642)</b>	<b>(1 745)</b>	<b>(5 409)</b>	<b>(5 891)</b>	<b>(12 506)</b>
<b>Total items affecting comparability in EBITDA</b>	<b>(4 353)</b>	<b>(4 511)</b>	<b>3 994</b>	<b>(14 002)</b>	<b>(26 165)</b>

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

There are no significant events after the reporting period to be reported.

## Note G6, Transactions with related parties

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

## Note G7, Summary of financial information

Please find definitions of KPIs and alternative performance measures on page 20.

	2024	2023	2024	2023	2023
SEK thousands	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net Sales	169 486	180 982	339 310	356 847	711 587
Total revenue	170 834	182 858	352 957	359 782	718 343
Annual software agreements that are continually renewed	144 173	141 326	288 061	282 690	568 255
Share of annual software agreements continually renewed	85,1%	78,1%	84,9%	79,2%	79,9%
Operating profit	3 854	-4 997	21 910	-19 077	-21 093
Operating profit, %	2,3%	-2,7%	6,2%	-5,3%	-2,9%
EBITDA	28 282	35 792	70 072	61 813	140 609
Items affecting comparability	-4 353	-4 511	3 994	-14 002	-26 165
Adj. EBITDA	32 636	40 303	66 078	75 815	166 774
Adj. EBITDA margin, %	19,3%	22,3%	19,5%	21,2%	23,4%
Net financial items	-22 408	-10 105	-34 744	-26 874	-81 161
Net profit for the period	-16 659	-15 416	-14 465	-46 773	-60 356
Profit margin, %	neg	neg	neg	neg	neg
Total assets	1 144 949	1 210 894	1 144 949	1 210 894	1 170 213
Cash and cash equivalents	24 304	31 626	24 304	31 626	23 833
Loan liabilities	583 612	577 768	583 612	577 768	578 792
Equity	181 087	216 600	181 087	216 600	200 155
Net debt	559 307	546 141	559 307	546 141	554 959
Equity/assets ratio, %	15,8%	17,9%	15,8%	17,9%	17,1%

# About Extenda Retail

Extenda Retail simplifies innovation 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) and checkout, WMS, Customer Intelligence and 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 worldwide utilize Extenda Retail's solutions.

Since the fall of 2018, STG Partners, a US-based private equity firm with a proven track record of successful investments in technology companies, has backed Extenda Retail. Extenda Retail has a strong Nordic and European presence with several offices throughout Europe. Its headquarters is situated in Stockholm, Sweden.

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 29, 2024: Q3 2024 Interim report

# Definitions of KPIs and alternative performance measures

The Interim Report includes key financial ratios 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, which cannot be discerned or derived from the financial statements. These APMs are to be regarded as complements 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.

## **Net Sales**

Net sales are the sum of gross sales minus any discounts.

## **Total revenue**

Total revenue is the total revenue from recurring and non-recurring revenue streams.

## **Annual software agreements that are continually renewed**

Annual software agreements that are continually renewed (i.e., recurring revenue), is an APM that is defined as revenue from customers for the provision of goods or services during the term of a contract where the customer cannot continue to benefit from the full functionality of the goods or services without ongoing payments and revenue streams that are expected to recur for more than 12 months. Recurring revenues are mainly revenues from software, support, and maintenance contracts. For example, revenue from, e.g., system implementation and migration are not recognized as recurring revenue.

*The APM is used to follow the group's sales and the trend of converting non-recurring revenue to recurring revenue.*

## **Share of annual software agreements that are continually renewed (%)**

Annual software agreements that are continually renewed (i.e., recurring revenue) in percentage of Net Sales.

*The APM is used to track the group's sales increase and the trend of converting non-recurring revenue to recurring revenue in percentage.*

## **Operating profit**

Result before financial items and tax.

## **Operating margin (%)**

Result before financial items and tax as a percentage of total revenue.

## **EBITDA**

Result before interest, taxes, depreciation, amortization, and write-downs (Earnings before Interest, Tax, Depreciation, and Amortization).

*The APM tracks the company's results generated by ongoing operations and enables profitability comparisons between companies and industries.*

## **Items affecting comparability**

Significant events and transactions that are relevant to pay attention to when a period's results are compared with another. Items affecting comparability refer to restructuring costs (consulting costs, costs related to staff reductions, loss agreements, and write-downs, acquisition costs, legal costs, and advisory costs in connection with the establishment of new subsidiaries, integration costs (consulting costs, fees, and write-downs)) in connection with acquisitions or mergers, write-downs of any additional purchase price, write-downs, and transactions from strategic decisions, such as capital gains and losses from the sale of businesses that are essential individually or in the aggregate, material customer losses, disputes, and insurance matters as well as severance pay or similar to members of the group's management team or in its subsidiaries.

*Items affecting comparability are excluded to make it easier to compare results between periods.*

## **Adjusted EBITDA**

Result before interest, taxes, depreciation, amortization, and write-downs (Earnings before Interest, Tax, Depreciation, and Amortization) with items affecting comparability added back.

*The APM is used to follow up on the company's results generated by ongoing operations. The APM enables profitability comparisons between companies and industries.*

**Adjusted EBITDA-margin (%)**

Result before interest, taxes, depreciation, amortization, and write-downs (Earnings before Interest, Tax, Depreciation, and Amortization) with items affecting comparability added back as a percentage of Net Sales.

*The APM reflects the business's operational profitability before amortization and write-downs of acquisition-related intangible assets. Along with sales growth, the APM is one important component of monitoring the company's profitability.*

**Net financial items**

Interest income and similar items less interest expense and similar items.

**Net profit for the period**

Results after financial items, tax, and end-of-year appropriations.

*The APM is used to track the company's results after tax.*

**Total Assets**

The group's total assets

**Cash and cash equivalents**

Cash and bank equivalents are assets held in bank accounts.

**Loan liabilities**

Loan liabilities are the current and non-current parts of interest-bearing loans.

**Net debt**

Loan liabilities less cash and cash equivalents.

**Equity/assets ratio (%)**

Equity as a percentage (%) of total assets.

*The APM shows the percentage of the assets financed with equity capital. The aim is to be able to assess the group's ability to pay in the long term.*