

# Interim Report

Extenda Retail Holding 1 AB (publ)

Org Nr: 559167-1507

Q3 2024



## January – September in brief

	2024	2023	2024	2023	2023
SEK thousands	Jul – Sep	Jul – Sep	Jan – Sep	Jan – Sep	Jan – Dec
Net sales*	170,850	176,626	510,159	533,473	711,587
of which Annual agreements continually renewed (%)	88.5%	80.4%	86.1%	79.6%	79.9%
EBITDA	50,941	48,620	121,012	110,433	140,609
Adjusted EBITDA**	59,534	52,197	125,611	128,012	166,774
Adjusted EBITDA-margin (%)	34.8%	29.6%	24.6%	24.0%	23.4%

\*Please see Note G2, \*\*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 third quarter 2024

- Net sales were SEK 170,850 thousand. Software revenue, including our Hii Retail and Warehouse Management solutions, amounted to SEK 151,257 thousand and grew by 6.6 % and 8.0 % without the negative currency impact. However, the current economic climate made some customers more cautious with new spending commitments in prior quarters, affecting the pace of recurring revenue growth. Additionally, service revenues are SEK 14,761 thousand lower due to our shift away from large implementation projects, as the Hii Retail solution requires fewer implementation hours than the classic products.
- The annual software agreement share that is continually renewed (i.e., recurring revenue) amounts to 88.5% of Net sales. The Annual Recurring Revenue increased by SEK 58.4m to SEK 582.8.0m, corresponding to a growth ratio of 11.1%.
- The adjusted EBITDA margin increased to 34.8% from 29.6% compared to the same period last year. Adjusted EBITDA amounts to SEK 59,534k, an increase of SEK 7,337 thousand, mainly due to cost-saving measures lowering costs for consultants and employees.

## Comments from CEO Leendert Venema

I'm pleased to report that Extenda Retail continues to deliver strong results in the third quarter, with margins reaching a record high. This highlights the strength of our retail solutions suite, especially our Hii Retail and NYCE.Logic cloud-based platforms which are our primary growth drivers.

During this period, we onboarded a new Hii Retail client with stores across all the major cities in Sweden. We continued to secure renewed commitments from existing clients to transition to our Hii Retail platform. These decisions affirm our strategic focus on technology. Our native cloud architecture, recognized for its security, performance, and flexibility, is gaining customer traction and recognition. Consistent with our long-term vision, we aim for large clients and we have found a much faster way from decision to value. Hence, we're shifting from large, complex projects involving system integrations to more agile, mobile, and cloud transformations. This shift is reflected in a continued reduction in professional services revenue.

Although uncertainties remain in 2024, we maintain an optimistic outlook. We are observing an increased interest in new projects and investments by our clients and the market. Declining interest and inflation levels, as well as pent-up demand for technology investments, may be the reason behind this. Our resilient business model and strong presence across key sectors in Northern Europe position us well to navigate challenges and seize opportunities.

Our strategic priorities are unchanged: driving innovation, expanding our market reach, and enhancing customer satisfaction. Drawing from our experience in the first three quarters of 2024 and staying true to our core values of Trust, Innovation, and Care, we are confident in our ability to sustain our momentum. Our agile approach with cloud-based solutions will continue to fuel 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 Q3

	2024	2023	2024	2023	2023
SEK thousands	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Software revenue	151,257	141,944	439,318	424,633	568,255
Service revenue	18,595	33,356	67,740	98,972	132,551
Hosting and infrastructure*	772	997	2,342	5,572	6,523
Hardware and technical services*	226	330	759	4,296	4,258
<b>Total Net sales</b>	<b>170,850</b>	<b>176,626</b>	<b>510,159</b>	<b>533,473</b>	<b>711,587</b>

\*Offerings being phased out over time.

Software revenues grew during the period with SEK 9,313 thousand or 6.6% to SEK 151,257k. The growth of retail and warehouse spaces drives demand for our Hii Retail suite and WMS software, positioning them as key contributors to our product growth. Our software-related annual agreements continually renewed now account for 88.5% of net sales, up from 80.4% last year. Extenda Retail is well-positioned to capitalize on this anticipated growth by accelerating recurring software revenue and enhancing revenue and profitability.

Service revenue for the current period is SEK (14,761) thousand less than during the same period last year. The decrease in service revenue for Q3 2024 continues our shift away from large implementation projects, as the Hii Retail solution requires fewer implementation hours than the classic products.

Hosting and infrastructure, together with hardware and technical services, continue to decrease SEK (329) thousand, which aligns with our plan to discontinue these offerings.

Approximately 22% of the company's total revenues were generated from Extenda Retail AS, a Norwegian subsidiary. The strengthening of the Swedish krona against the Norwegian krone negatively impacted the Group's revenue by SEK (2,235) thousand in Q3 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 by SEK (227) thousand in Q3 2024.

### Result Q3

	2024	2023	2024	2023	2023
SEK thousands	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Operating profit	22,232	-7,474	44,141	-26,551	-21,093
Add back amortization, depreciation and write-downs	28,709	56,094	76,871	136,984	161,702
Add back items affecting comparability	8,593	3,577	4,599	17,579	26,165
<b>Adjusted EBITDA</b>	<b>59,534</b>	<b>52,197</b>	<b>125,611</b>	<b>128,012</b>	<b>166,774</b>
<b>Adjusted EBITDA-margin (%)</b>	<b>34.8%</b>	<b>29.6%</b>	<b>24.6%</b>	<b>24.0%</b>	<b>23.4%</b>

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

Adjusted EBITDA increased by SEK 7,337 thousand to SEK 59,534 thousand. The corresponding margin increased from 29.6% to 34.8%, primarily due to lower direct costs, external costs and employee costs, which aligns well with our strategy to achieve efficiencies and improve the fixed cost leverage so that they better match our future needs.

## Total cost Q3

	2024	2023	2024	2023	2023
SEK thousands	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Direct cost	(22,751)	(26,324)	(72,643)	(86,414)	(112,570)
Other external costs	(45,919)	(51,343)	(142,248)	(164,314)	(213,443)
Other costs for employee compensation	(65,256)	(69,102)	(231,870)	(233,429)	(322,839)
Work performed by the group and capitalized	14,174	17,805	46,748	58,922	77,304
Amortizations, depreciations and write-downs	(28,709)	(56,094)	(76,871)	(136,984)	(161,702)
Other operating expenses	(939)	(1,556)	(3,563)	(3,254)	(6,185)
<b>Total cost</b>	<b>(149,401)</b>	<b>(186,614)</b>	<b>(480,448)</b>	<b>(565,473)</b>	<b>(739,436)</b>

Our focus on direct costs, which are expenses directly tied to generating revenue like resource time and licensing fees, has paid off. Efficient partnerships in cost-effective locations and a decrease in service revenue led to lower costs, SEK 3,573 thousand, this quarter compared to the same quarter last year (SEK 2,177 after adjustments for items affecting comparability).

Other external costs include a range of consulting fees, mainly for maintaining our product suite and developing new products, and spending on IT infrastructure, marketing, and office-related expenses. Other external costs decreased by SEK 5,424 thousand (when adjusted for items affecting comparability, SEK 5,179 thousand) less than the same period last year. Our focus on building partnerships in cost-efficient locations and reducing contracted resources has helped lower the overall cost of maintaining our product suite. This reduction, combined with travel expenses that were notably lower than in the same period last year, contributed positively to our financial performance.

Other costs for employee compensation for this quarter totaled SEK 65,256 thousand, marking a decrease of SEK 3,846 thousand compared to the same period last year. Adjusted for items affecting comparability, the decrease amounts to SEK 10,410 thousand. The items affecting comparability, totaling SEK 7,678 thousand in Q3 2024, include a provision for restructuring, shifting some services from our staff to service partners, and adapting the business to a new cost structure. The decrease primarily reflects the overall reduction in staff and the lowered variable salary compensation.

We continue to invest in our cloud-native 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 14,174 thousand, compared to SEK 17,805 thousand in the same period last year.

The operating profit for the period was SEK 22,232 thousand, vs. SEK (7,474) thousand last year. This included one-off items of SEK (8,593) thousand vs. last year's SEK (2,831) thousand and depreciation and amortization of SEK (28,709) thousand vs. SEK (56,094) thousand last year. The amortization of intangible assets from the Visma/Extenda acquisition was finalized in September 2023, hence the significant decrease compared to last year.

Net profit for the period was SEK (3,075) thousand, which includes net financial items of SEK (21,403) thousand and income tax of SEK (3,903) thousand. Net profit for the period previous year was SEK (30,929) thousand, which includes net financial items of SEK (23,247) thousand and income tax of SEK (208) thousand.

## Financial position and cash flow in brief

	2024	2023	2023
SEK thousands	Sep 30	Sep 30	Dec 31
Non-current assets	965,784	961,266	982,458
Other current assets	122,256	175,610	163,922
Cash and cash equivalents	14,815	41,327	23,833
<b>Total assets</b>	<b>1,102,856</b>	<b>1,178,203</b>	<b>1,170,213</b>
Total equity	223,535	190,093	200,155
Non-current liabilities	581,867	671,859	655,893
Current liabilities	297,453	316,251	314,165
<b>Total equity and liabilities</b>	<b>1,102,856</b>	<b>1,178,203</b>	<b>1,170,213</b>

Total assets at the end of the period amounted to SEK 1,102,856 thousand compared to year-end 2023 of SEK 1,170,213 thousand, of which SEK 875,937 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. As of December 31, 2023, the intangible assets amounted to SEK 886,705 thousand. Investments in intangible fixed assets consist of capitalized development for internally developed software. The investments in intangible fixed assets during the period Jan - Sep totaled SEK 49,734 thousand, and during the same period last year, SEK 61,116 thousand.

Cash and cash equivalents by September 30, 2024, amounted to SEK 14,815 thousand and decreased by SEK 9,018 thousand during the period from January to September. The net working capital change includes SEK 28,554 thousand repayments of deferred taxes from the Corona pandemic. Cash Flow from current activities amounted to SEK 42,016 thousand. Investment in financial, intangible, and tangible assets was SEK (50,865) thousand, and lease payments were SEK (16,700) thousand. We also borrowed SEK 15,000 thousand during September from the RCF, a credit facility, to manage swings in customer payments, which was fully re-paid in October.

Total equity amounted to SEK 223,535 thousand, compared to SEK 200,155 thousand at year-end 2023. The change derives from the net profit of SEK (17,540) thousand, currency differences in equity of SEK (7,668) thousand and a non-cash shareholders' contribution from Extenda Retail S.á.r.l. of SEK 48,587 thousand. The equity/assets ratio at the end of the period was 20.3%, compared to 16.1% in the same period last year.

Non-current liabilities decreased by SEK 74,026 thousand compared to year-end 2023. The decrease is mainly due to the reclassification of long-term debt to short-term debt for the deferred payments of taxes for social charges and withholding taxes. The non-cash shareholders' contribution of the loan note from Extenda Retail S.á.r.l. increased equity and decreased non-current liabilities. Non-current lease liabilities increased since we extended the office lease in the Netherlands.

Current liabilities of SEK 297,453 thousand include the current part of SEK 36,633 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) is still healthy, though it has come down materially as % of revenue. It amounts to SEK (50,865) thousand for January - September 2024, compared to SEK (61,593) 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.

## Financing

The group's cash and cash equivalents consist of bank balances. At the end of the period, they amounted to SEK 14,815 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 had a shareholder loan from Extenda Retail S.å.r.l. with a fixed interest rate of 5.0% payable on demand and five-year maturity. As of September 30, 2024, the loan was contributed by Extenda Retail S.å.r.l. as a shareholder contribution, improving the equity and the equity/asset ratio (%).

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

## Significant risks and uncertainties

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 and 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. The group has a bond loan and a credit facility. The bond loan matures in March 2027, and the credit facility is renewed annually. 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

The ongoing conflicts in Ukraine and the Middle East are deeply concerning. While the conflicts may have financially impacted our business, Extenda Retail has no direct operations in either Russia or the Middle East. We are monitoring the situation and are ready to adapt our strategies to navigate these geopolitical challenges. Due to the unpredictable nature of these events, it is difficult to quantify their long-term effects on our operations. However, we remain committed to our core business and customer service globally.

## Current market situation

Globally, inflation and interest rates seem to be stabilizing or having a declining trend while the heightened geopolitical tensions persist. The market situation affects the Group with high interest costs and some revenue delays.

## 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 Q3 2024 totaled SEK (2,387) thousand, and income after tax amounted to SEK (2,388) thousand. Net financial items for Q3 2023 totaled SEK (1,927) thousand, and income after tax amounted to SEK (1,927) thousand.

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

On September 30, 2024, the Parent Company had SEK 537,277 thousand in Long-term liabilities consisting of the Bond Loan of SEK 550,000 thousand offset by prepaid loan fees of SEK 12,723 thousand and a long-term receivable of SEK 569,834 thousand to Extenda Retail Holding 3 AB.

On September 30, 2023, the Parent Company had SEK 532,187 thousand in Long-term liabilities consisting of the Bond Loan of 550,000 SEK offset by prepaid loan fees of SEK 17,813 thousand and a long-term receivable of SEK 535,655 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 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, November 29, 2024

Leendert Venema  
CEO  
Stockholm, Sweden

*This interim report is unaudited.*



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

SEK thousands	Note	2024 Jul - Sep	2023 Jul - Sep	2024 Jan - Sep	2023 Jan - Sep	2023 Jan - Dec
Net Sales	G2	170,850	176,626	510,159	533,473	711,587
Other operating income		783	2,514	14,431	5,449	6,756
<b>Total revenue</b>		<b>171,632</b>	<b>179,140</b>	<b>524,590</b>	<b>538,922</b>	<b>718,343</b>
Direct cost		(22,751)	(26,324)	(72,643)	(86,414)	(112,570)
Other external costs		(45,919)	(51,343)	(142,248)	(164,314)	(213,443)
Other costs for employee compensation		(65,256)	(69,102)	(231,870)	(233,429)	(322,839)
Work performed by the group and capitalized		14,174	17,805	46,748	58,922	77,304
Amortizations, depreciations and write downs		(28,709)	(56,094)	(76,871)	(136,984)	(161,702)
Other operating expenses		(939)	(1,556)	(3,563)	(3,254)	(6,185)
<b>Total cost</b>		<b>(149,401)</b>	<b>(186,614)</b>	<b>(480,448)</b>	<b>(565,473)</b>	<b>(739,436)</b>
<b>Operating profit</b>		<b>22,232</b>	<b>(7,474)</b>	<b>44,141</b>	<b>(26,551)</b>	<b>(21,093)</b>
Financial income		228	454	1,617	5,388	911
Financial costs		(21,631)	(23,701)	(57,765)	(55,510)	(82,072)
<b>Net financial items</b>		<b>(21,403)</b>	<b>(23,247)</b>	<b>(56,148)</b>	<b>(50,121)</b>	<b>(81,161)</b>
<b>Profit before tax</b>		<b>828</b>	<b>(30,722)</b>	<b>(12,007)</b>	<b>(76,673)</b>	<b>(102,254)</b>
Income tax		(3,903)	(208)	(5,533)	(1,029)	41,898
<b>Net profit for the period</b>		<b>(3,075)</b>	<b>(30,929)</b>	<b>(17,540)</b>	<b>(77,702)</b>	<b>(60,356)</b>
<b>Other comprehensive income</b>						
<b>Items that can be reclassified to profit or loss</b>						
Translation differences from operations abroad		(3,064)	4,394	(7,668)	(7,648)	(14,904)
<b>Total other comprehensive income</b>		<b>(3,064)</b>	<b>4,394</b>	<b>(7,668)</b>	<b>(7,648)</b>	<b>(14,904)</b>
<b>Total comprehensive income for the period</b>		<b>(6,139)</b>	<b>(26,535)</b>	<b>(25,208)</b>	<b>(85,350)</b>	<b>(75,259)</b>
<b>Profit for the period attributable to:</b>						
Parent Company shareholders		(3,075)	(30,929)	(17,540)	(77,702)	(60,356)
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders		(6,139)	(26,535)	(25,208)	(85,350)	(75,259)

## Condensed report on the financial position of the Group

SEK thousands	Note	2024 Sep 30	2023 Sep 30	2023 Dec 31
<b>Non-current assets</b>				
Intangible assets and goodwill		875,937	906,102	886,705
Property, plant, and equipment		6,427	8,732	7,815
Right-of-use assets		47,259	45,780	44,558
Deferred tax assets		35,510	-	42,728
Other non-current assets		652	652	652
<b>Total non-current assets</b>		<b>965,784</b>	<b>961,266</b>	<b>982,458</b>
<b>Current assets</b>				
Trade receivables		90,146	121,420	134,204
Current tax assets		11,015	12,439	6,990
Contract assets		11,214	23,697	14,190
Other current assets		9,881	18,055	8,538
Cash and cash equivalents		14,815	41,327	23,833
<b>Total current assets</b>		<b>137,071</b>	<b>216,937</b>	<b>187,755</b>
<b>Total assets</b>		<b>1,102,856</b>	<b>1,178,203</b>	<b>1,170,213</b>
<b>Equity</b>				
Share capital		500	500	500
Other contributed capital		917,028	868,441	868,441
Reserves		(35,170)	(19,034)	(27,501)
Retained earnings including profit for the period		(658,824)	(659,814)	(641,284)
<b>Total equity</b>		<b>223,535</b>	<b>190,093</b>	<b>200,155</b>
<b>Non-current liabilities</b>				
Provisions		1,128	6,952	1,927
Loan liabilities		536,657	578,676	578,792
Non-current lease liabilities		35,909	38,584	37,583
Deferred tax liabilities		-	1,936	-
Other interest-bearing non-current liabilities		8,173	45,712	37,591
<b>Total non-current liabilities</b>		<b>581,867</b>	<b>671,859</b>	<b>655,893</b>
<b>Current liabilities</b>				
Trade payables		48,000	68,198	62,817
Other interest-bearing current liabilities		51,678	28,510	34,974
Current tax liabilities		67	-	93
Current lease liabilities		21,487	17,187	16,402
Contract liabilities		86,856	110,732	104,840
Other current liabilities		89,365	91,624	95,262
<b>Total current liabilities</b>		<b>297,453</b>	<b>316,251</b>	<b>314,165</b>
<b>Total equity and liabilities</b>		<b>1,102,856</b>	<b>1,178,203</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 Sep 30	2023 Sep 30	2023 Dec 31
<b>Equity</b>				
<b>Opening balances</b>		<b>200,155</b>	<b>275,415</b>	<b>275,415</b>
<b>Changes in equity</b>				
Profit for the period		(17,540)	(77,702)	(60,356)
Shareholders Contribution		48,587	-	-
Translation differences		(7,668)	(7,648)	(14,904)
<b>Total comprehensive income</b>		<b>23,379</b>	<b>(85,321)</b>	<b>(75,260)</b>
<b>Ending balance</b>		<b>223,535</b>	<b>190,093</b>	<b>200,155</b>

## Condensed consolidated cash flow Statement

SEK thousands	Note	2024	2023	2023
		Jan - Sep	Jan - Sep	Jan - Dec
<b>Operating profit</b>		44,141	(26,551)	(21,093)
Adjustment for non-cash items, etc.		70,251	134,278	155,425
Interest received		659	662	911
Interest and financial items paid		(51,859)	(50,232)	(64,747)
Income tax paid		-	-	(42)
<b>Cash flow from operations before changes in working capital</b>		<b>63,193</b>	<b>58,155</b>	<b>70,454</b>
<b>Cash flow from changes to working capital</b>				
Change in current receivables		1,420	655	4,461
Change in current liabilities		(22,597)	(12,533)	(19,570)
<b>Cash flow from current activities</b>		<b>42,016</b>	<b>46,278</b>	<b>55,345</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries		-	(37,069)	(37,069)
Acquisitions of intangible assets		(49,734)	(61,116)	(80,738)
Acquisitions of property, plant and equipment		(1,131)	(477)	(607)
Change in other noncurrent assets		-	277	277
<b>Cash flow from investing activities</b>		<b>(50,865)</b>	<b>(98,385)</b>	<b>(118,136)</b>
<b>Financing activities</b>				
Lease liability payments		(16,700)	(14,417)	(20,719)
New borrowings		15,000	-	-
<b>Cash flow from financing activities</b>		<b>(1,700)</b>	<b>(14,417)</b>	<b>(20,719)</b>
<b>Cash flow for the period</b>		<b>(10,550)</b>	<b>(66,524)</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		1,532	1,513	1,007
<b>Cash and cash equivalents at end of period</b>		<b>14,815</b>	<b>41,327</b>	<b>23,833</b>

## Parent company income statement

SEK thousands	Note	2024	2023	2024	2023	2023
		Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Other external costs		(1)	0	(2)	(2)	(2)
Other operating expenses		0	-	0	(3)	(249)
<b>Total cost</b>		<b>(1)</b>	<b>0</b>	<b>(2)</b>	<b>(5)</b>	<b>(251)</b>
<b>Operating profit</b>		<b>(1)</b>	<b>0</b>	<b>(2)</b>	<b>(5)</b>	<b>(251)</b>
Financial income		14,468	14,711	43,933	41,288	56,369
Financial costs		(16,855)	(16,638)	(50,409)	(47,207)	(64,086)
<b>Profit before tax</b>		<b>(2,388)</b>	<b>(1,927)</b>	<b>(6,478)</b>	<b>(5,925)</b>	<b>(7,968)</b>
Appropriations		-	-	-	-	12,674
Income tax		-	-	-	-	2,541
<b>Net profit for the period</b>		<b>(2,388)</b>	<b>(1,927)</b>	<b>(6,478)</b>	<b>(5,925)</b>	<b>7,247</b>
<b>Total comprehensive income for the period</b>		<b>(2,388)</b>	<b>(1,927)</b>	<b>(6,478)</b>	<b>(5,925)</b>	<b>7,247</b>

## Parent company balance sheet

SEK thousands	Note	2024 Sep 30	2023 Sep 30	2023 Dec 31
<b>Long-term assets</b>				
Shares in group companies		919,519	870,932	870,932
Long-term receivables from group companies		569,834	535,655	550,736
Deferred tax assets		2,541	-	2,541
<b>Total long-term assets</b>		<b>1,491,894</b>	<b>1,406,587</b>	<b>1,424,208</b>
<b>Short-term assets</b>				
Trade receivables		-	-	12,674
Current tax assets		171	159	64
<b>Total current assets</b>		<b>171</b>	<b>159</b>	<b>12,738</b>
<b>Total assets</b>		<b>1,492,064</b>	<b>1,406,745</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		895,640	839,806	839,806
Profit for the period		(6,478)	(5,925)	7,247
<b>Total unrestricted equity</b>		<b>889,161</b>	<b>833,881</b>	<b>847,053</b>
<b>Total equity</b>		<b>889,661</b>	<b>834,381</b>	<b>847,553</b>
<b>Long-term liabilities</b>				
<b>Loan liabilities</b>		537,277	532,187	533,460
<b>Total long-term liabilities</b>		<b>537,277</b>	<b>532,187</b>	<b>533,460</b>
<b>Short-term liabilities</b>				
Accounts payable		-	-	3
Short-term liabilities to group companies		65,126	40,168	55,931
<b>Total current liabilities</b>		<b>65,126</b>	<b>40,177</b>	<b>55,934</b>
<b>Total equity and liabilities</b>		<b>1,492,064</b>	<b>1,406,745</b>	<b>1,436,946</b>

## Statement of changes in equity

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

SEK thousands	Note	2024 Sep 30	2023 Sep 30	2023 Dec 31
<b>Equity</b>				
Opening balances		847,553	840,306	840,306
<b>Changes in equity</b>				
Earnings for the period		(6,478)	(5,925)	7,247
Shareholders Contribution		48,587	-	-
<b>Total comprehensive income</b>		<b>42,109</b>	<b>(5,925)</b>	<b>7,247</b>
Ending balance		889,661	834,381	847,553

## 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	Jul – Sep	Jul – Sep	Jan – Sep	Jan – Sep	Jan – Dec
Software Revenue	151,257	141,944	439,318	424,633	568,255
Service Revenue	18,595	33,356	67,740	98,972	132,551
Hosting and infrastructure*	772	997	2,342	5,572	6,523
Hardware and technical services*	226	330	759	4,296	4,258
<b>Total Net Sales</b>	<b>170,850</b>	<b>176,626</b>	<b>510,159</b>	<b>533,473</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.

SEK thousands	2024 Jul - Sep	2023 Jul - Sep	2024 Jan - Sep	2023 Jan - Sep	2023 Jan - Dec
<b>Items affecting Other operating income</b>					
Settlement fee	(93)	-	9,303	-	-
FX in Revenue	-	-	-	-	-
<b>Total items affecting Other operating income</b>	<b>(93)</b>	<b>-</b>	<b>9,303</b>	<b>-</b>	<b>-</b>
<b>Items affecting Direct costs</b>					
Integration costs Re-vision	-	-	-	(109)	(108)
Onerous contracts and license fees (M&A insurance related)	-	(1,396)	-	(2,166)	(2,167)
<b>Total items affecting Direct costs</b>	<b>-</b>	<b>(1,396)</b>	<b>-</b>	<b>(2,275)</b>	<b>(2,275)</b>
<b>Items affecting Other external costs</b>					
Legal and other services (M&A, M&A insurance, carve-out)	(262)	650	(1,467)	(1,006)	(1,091)
Outsourcing and offshoring of functions to India and Moldova	-	(200)	410	(2,538)	(2,526)
IT security & IT restructuring of the IT environment	3	(1,314)	(159)	(3,145)	(5,586)
Integration costs Re-Vision	-	(1,042)	-	(1,557)	(1,857)
Other	(563)	839	-	(52)	(324)
<b>Total items affecting Other external costs</b>	<b>(822)</b>	<b>(1,067)</b>	<b>(1,216)</b>	<b>(8,298)</b>	<b>(11,384)</b>
<b>Items affecting Other costs for employee compensation</b>					
Redundancies	(7,678)	-	(12,686)	-	-
Outsourcing and offshoring of functions to India and Moldova	-	(1,114)	-	(7,006)	(12,506)
<b>Total items affecting Other costs for employee compensation</b>	<b>(7,678)</b>	<b>(1,114)</b>	<b>(12,686)</b>	<b>(7,006)</b>	<b>(12,506)</b>
<b>Total items affecting comparability in EBITDA</b>	<b>(8,593)</b>	<b>(3,577)</b>	<b>(4,599)</b>	<b>(17,579)</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	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net Sales	170,850	176,626	510,159	533,473	711,587
Total revenue	171,632	179,140	524,590	538,922	718,343
Annual agreements that are continually renewed	151,257	141,944	439,318	424,633	568,255
Share of annual agreements continually renewed	88.5%	80.4%	86.1%	79.6%	79.9%
Operating profit	22,232	(7,474)	44,141	(26,551)	(21,093)
Operating profit, %	13.0%	neg	8.4%	neg	neg
EBITDA	50,941	48,620	121,012	110,433	140,609
Items affecting comparability	(8,593)	(3,577)	(4,599)	(17,579)	(26,165)
Adj. EBITDA	59,534	52,197	125,611	128,012	166,774
Adj. EBITDA margin, %	34.8%	29.6%	24.6%	24.0%	23.4%
Net financial items	(21,403)	(23,247)	(56,148)	(50,121)	(81,161)
Net profit for the period	(3,075)	(30,929)	(17,540)	(77,702)	(60,356)
Profit margin, %	neg	neg	neg	neg	neg
Total assets	1,102,856	1,178,203	1,102,856	1,178,203	1,170,213
Cash and cash equivalents	14,815	41,327	14,815	41,327	23,833
Loan liabilities	536,657	578,676	536,657	578,676	578,792
Equity	223,535	190,093	223,535	190,093	200,155
Net debt	521,841	537,349	521,841	537,349	554,959
Equity/assets ratio, %	20.3%	16.1%	20.3%	16.1%	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 European offices. 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

February 28, 2025: Q4 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 agreements that are continually renewed

Annual software-related 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 agreements that are continually renewed (%)

Annual software-related 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.*