



Interim report

January 1 – June 30, 2020



HOISTGROUP™
hospitality innovations.

Hoist Group Holding Intressenter AB, 559094-0689, Parent company for Hoist Group.

Hoist Group is a total supplier of technical systems with integrated software for hotels and public services. With more than 20 years of experience, Hoist Group is market leading in high speed solutions for internet, TV systems, booking and back office systems, and locking systems. Hoist Group has its headquarters in Sweden and has offices in 18 countries within the EMEA region.

Net sales for the first half of 2020 amounted to 483.9 SEKm (670.6), which corresponds to a decrease of 28%. Adjusted EBITDA amounted to 62.5 SEKm, which is a decrease of 4%. Reported earnings per share was SEK -0.22 (-0.33).

Key Performance Indicators

| in KSEK | Apr-Jun | | Jan-Jun | | Full year |
|----------------------------|----------|----------|----------|----------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Net Sales | 199,232 | 395,648 | 483,890 | 670,551 | 1,323,244 |
| Of which recurring revenue | 129,861 | 139,914 | 271,641 | 275,035 | 553,677 |
| Adjusted EBITDA | 31,505 | 41,122 | 62,455 | 64,834 | 132,368 |
| E BITDA | 29,594 | 33,453 | 59,497 | 50,414 | 77,869 |
| Adjusted EBITA | 14,356 | 24,442 | 28,888 | 31,845 | 64,533 |
| E BITA | 12,446 | 16,773 | 25,930 | 17,425 | 10,034 |
| Profit before tax | - 20,702 | - 12,216 | - 27,323 | - 36,013 | - 97,307 |
| Net profit | - 20,064 | - 11,729 | - 25,570 | - 35,517 | - 98,927 |

| Earnings per share | Apr-Jun | | Jan-Jun | | Full year |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Profit for the period in KSEK | - 20,064 | - 11,729 | - 25,570 | - 35,517 | - 98,927 |
| Number of shares | 117,902,458 | 113,514,014 | 117,902,458 | 106,757,257 | 111,189,830 |
| Earnings per share | - 0.17 | - 0.10 | - 0.22 | - 0.33 | - 0.89 |

Financial summary of interim period January – June 2020

The outbreak of the Covid 19 pandemic had a moderate impact on the Group's operation during the first quarter of 2020, but the impact increased during the second quarter. Limited mobility in many of Hoist Group's markets led to delays on deliveries and installations of existing order backlog. At the same time, new sales activities were affected negatively due to liquidity limitations in the hotel industry, and due to reduced demand linked to low occupancy rates. The Group has acted in a responsive and forceful manner and has adjusted its' costs to the low activity level, which in turn has led to an increased EBITA for the first half of 2020, compared to the corresponding period in 2019.

Income Statement

Net sales for the first half of 2020 amounted to 483.9 SEKm which corresponds to a decrease of 28 % compared to the first half of 2019 (670.6). The decrease during the period is attributable to the project sales that have been hit hard by the Covid 19 pandemic. All Hoist Group's regions show lower project revenue during the period. At the same time, maintained or increased recurring revenues, show strong customer relationships and the underlying strength of the Group's diversified product portfolio.

During the first six months the gross margin has improved compared to the same period in 2019, mainly due to an increased share of recurring revenue. Hoist Group has over time continuously worked with cost control and streamlining of operations and the Group is in an excellent position to make better use of the advantages of large-scale operations. The second quarter of 2020 is defined by further measures to lower costs, both temporary and long-term, i.e. short-term leave, contract negotiations and structural changes.

Hoist Group's adjusted EBITDA amounted to 62.5 SEKm (64.8). Adjusted EBITA amounted to 28.9 SEKm (31.8). EBITDA and EBITA has been affected by non-recurring costs of -3.0 SEKm (-14.4) where 1.9 SEKm is related to loss of custom due to Covid-19 and 1.1 SEKm is related to previous year.

The Group's depreciation of tangible assets and capitalized research and development expenses amounted to 33.6 SEKm (33.0). The Group's net result amounted to -25.6 SEKm (-35.5) and includes depreciation of customer relations of 28.2 SEKm (27.9).

Balance Sheet

The Group's net debt on June 30 amounted to 367.5 SEKm compared to 422.2 SEKm on June 30, 2019.

Available liquidity amounted to 224.1 SEKm on June 30, compared to 153.8 SEKm on the same period previous year. Liquidity consist of 165.2 SEKm in cash and cash equivalents and 58.9 SEKm in unutilized credit facilities.

Equity amounted to 788.5 SEKm and has decreased by 29.1 SEKm since the turn of the year. Equity ratio amounted to 40.8 % (42.2 %)

Cash Flow

Cash flow from operating activities amounted to 55.0 SEKm during the period, of which cash flow from changes in working capital was 17.9 SEKm. Cash flow from investing activities was -32.2 SEKm, of which -16.1 SEKm was intended for software development. Cash flow from financing activities was -8.1 SEKm. The total cash flow of the quarter amounted to 14.7 SEKm.

Financial summary of the second quarter 2020

Net sales for the second quarter amounted to 199.2 SEKm, which corresponds to a decrease of 50 % compared to the second quarter of 2019 (395.6).

Hoist Groups adjusted EBITDA amounted to 31.5 SEKm (41.1). Adjusted EBITA amounted to 12.4 SEKm (16.8). EBITDA and EBITA has been affected by non-recurring costs of -1.9 SEKm (-7.7) which are related to loss of custom due to effects of Covid-19.

The Group's depreciation of tangible assets and capitalized research and development expenses amounted to 17.1 SEKm (16.7). The Group's net result amounted to -20.1 SEKm (-11.7) and includes depreciation of customer relations of 14.1 SEKm (28.2).

Cash flow from operating activities amounted to 61.1 SEKm during the period, of which cash flow from changes in working capital was 17.9 SEKm. Cash flow from investing activities was -20.0 SEKm, of which -8.9 SEKm was intended for software development. Cash flow from financing activities was 2.3 SEKm. The total cash flow of the quarter amounted to 43.3 SEKm.

Significant events during the interim period 2020

The outbreak of the Covid-19 pandemic affects Hoist Group's market on a wide front, where over 75 % of the Group's clients had to temporarily shut down operations. Hoist Group experienced an interruption in growth during the second quarter and predicts a similar scenario even during the third quarter, followed by a gradual return to normality during the fourth quarter 2020. Hoist Group's diversified product portfolio and its large share of contract revenue create conditions for a relatively quick recovery when markets reopen. All employees in sales, admin, installation and support are to varying degrees on short-term leave and are able to come back to work quickly when needed. Product development within Hoist Group has to a lesser degree used short-term leave, since the Group has decided that development should continue according to the original plan, to ensure that new functions and upgrades are ready for new and existing clients when the markets reopen.

Significant events after the end of the period

On July 7th 2020, Hoist Group Nordic Trustee, agent for Hoist Group's bond loans, instructed to call for written proceedings with bondholders in order to bring forth certain changes in the bond terms and certain changes in a share pledge agreement regarding the shares in Hoist Group. Hoist Group proposed that the bondholders would decide on an increase in the permitted size of the working capital facility by 40 SEKm and certain changes in the share pledge agreement, as well as a margin adjustment on the bond loan of 1.00 % per year. On August 3, 2020, Hoist Group announced that the bondholders had approved the proposal. For a complete description of the changes in the bond terms as a result of the written procedure, please refer to the updated bond terms that are available on the Hoist Group website. The proceedings were requested by Hoist Group to ensure extra liquidity due to market uncertainty during the Covid-19 outbreak. Hoist Group has to date not had to utilize the expanded working capital facility and sees it as an additional buffer for upcoming quarters.

Transactions with related parties

As of June 30, 2020, the shareholder loan amounted to 52.5 SEKm including accumulated interest.

Financial summary parent company

The parent company's result before tax was -3.2 SEKm (-6.09) for the quarter and -6.1 SEKm (-8.5) for the first six months.

Paid interest expenses during the interim period amounted to 15.7 SEKm.

Risks and risk analysis

Clients' ability to pay and suppliers' financial situation

Noticed risks are clients' ability to pay and suppliers' financial situation. These areas are continuously monitored in the financial reporting through credit checks, monitoring accounts receivable and inspecting suppliers' financial situation.

Risks regarding economic and political conditions in Europe

A negative change in the economic conditions in Europe or in the market of a country that indirectly affects countries where the Group is operating, can negatively affect the Group's operations. Great Britain's withdrawal from the EU, Brexit, may affect the Group's operations. Assessment with current knowledge from the management is that Brexit will only have a minor effect on the Group's operations.

The spread of Covid-19 to Europe affects the profitability of Hoist Group's customers in the hotel industry.

The Group's customers' ability to pay deteriorates due to Covid-19 during the periods where they have an exceptionally low occupancy rate or have been forced to shut down. The Group has frequent dialogues with clients and closely monitors accounts receivable.

Technological development

The industry in which the Group operates is characterized by rapid technological development and digitalization. In order to remain competitive, the Group must continue to develop new services and increase and improve functionality, availability and functions in its existing service offerings and networks, e.g. by ensuring that its software can handle the growing demand for bandwidth intensive services.

For a more detailed description of the Group's risks and uncertainties, see the Group's annual report.

Magnus Lindholm CFO, ir@hoistgroup.com

The next quarterly report from Hoist Group will be published on November 30, 2020.

The Board of Directors and the CEO certify that the year-end report provides a true and fair view of the Parent Company's and the Group's operations, financial position and results.

Hoist Group Holding Intressenter AB (publ)

Board of Directors and CEO,
Stockholm 28th of August 2020

Malcolm Lindblom
Chairman of the board

Alfonso Tasso
Chief Executive Officer

Marcus Jennekvist
Board member

Niklas Sloutski
Board member

Vidar Andersch
Board member

Peder Ramel
Board member

Financial report

| KSEK | Apr-Jun | | Jan-Jun | | Full year |
|---|-----------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Recurring revenue | 129,861 | 139,914 | 271,641 | 275,035 | 553,677 |
| Other revenue | 70,325 | 251,271 | 214,709 | 390,781 | 765,757 |
| Total Revenue | 200,186 | 391,185 | 486,350 | 665,816 | 1,319,434 |
| Costs of goods sold | - 97,744 | - 236,571 | - 242,431 | - 378,888 | - 746,330 |
| Gross Profit | 102,442 | 154,615 | 243,919 | 286,928 | 573,104 |
| Operating expenses | - 16,883 | - 23,525 | - 40,066 | - 47,921 | - 114,740 |
| Personnel expenses | - 55,964 | - 97,636 | - 144,355 | - 188,593 | - 380,495 |
| EBITDA | 29,594 | 33,453 | 59,497 | 50,414 | 77,869 |
| Depreciation of tangible fixed assets and capitalized research and development expenses | - 17,149 | - 16,680 | - 33,567 | - 32,989 | - 67,835 |
| EBITA | 12,446 | 16,773 | 25,930 | 17,425 | 10,034 |
| Amortisation of customer relationship | - 14,092 | - 13,843 | - 28,197 | - 27,890 | - 60,240 |
| Operating Profit | - 1,646 | 2,930 | - 2,267 | - 10,465 | - 50,206 |
| Interest income and similar items | - 10,580 | 6,185 | 3,457 | 10,105 | 8,812 |
| Interest expense and similar items | - 8,476 | - 21,331 | - 28,514 | - 35,653 | - 55,913 |
| Profit from financial items | - 19,056 | - 15,146 | - 25,057 | - 25,548 | - 47,101 |
| Profit before tax | - 20,702 | - 12,216 | - 27,323 | - 36,013 | - 97,307 |
| Tax | 638 | 487 | 1,753 | 496 | 1,620 |
| Net profit | - 20,064 | - 11,729 | - 25,570 | - 35,517 | - 98,927 |

Statement of comprehensive income

| | Apr-Jun | | Jan-Jun | | Full year |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Net Profit | - 20,064 | - 11,729 | - 25,570 | - 35,517 | - 98,927 |
| Other comprehensive income | | | | | |
| <u>Items that may be subsequently reclassified to profit or loss</u> | | | | | |
| Exchange rate differences | - 13,207 | 5,416 | - 3,496 | 9,201 | 33,056 |
| <u>Items that will not be reclassified to profit or loss</u> | | | | | |
| Income tax relating to components of other comprehensive income | - | - | - | - | - |
| OTHER TOTAL PROFIT FOR THE PERIOD, NET AFTER TAX | - 33,271 | 6,313 | - 29,066 | - 26,316 | - 65,871 |
| TOTAL COMPREHENSIVE INCOME OF THE YEAR | - 33,271 | 6,313 | - 29,066 | - 26,316 | - 65,871 |
| NET PROFIT ATTRIBUTABLE: | | | | | |
| Parent company's shareholders | - 20,064 | - 11,729 | - 25,570 | - 35,517 | - 98,927 |
| Non-controlling interests | - | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | |
| Parent company's shareholders | - 33,271 | 6,313 | - 29,066 | - 26,316 | - 65,871 |
| Non-controlling interests | - | - | - | - | - |

Segment report

| Period Apr-Jun | Project Revenue | | Recurring Revenue | | Other Revenue | | Sales between segments | | Total operating income | | | |
|----------------|-----------------|----------------|-------------------|----------------|---------------|----------|------------------------|----------|------------------------|----------|----------------|----------------|
| | Amount in KSEK | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | |
| France | 6,499 | 33,571 | 19,415 | 20,506 | - | 0 | 121 | 836 | 2,530 | 26,751 | 56,727 | |
| Sweden | 6,718 | 32,667 | 37,218 | 44,446 | 31 | - | 186 | 150 | 481 | 44,117 | 77,408 | |
| DACH* | 2,055 | 16,624 | 6,893 | 7,277 | 458 | - | 323 | 109 | 515 | 9,515 | 24,740 | |
| MED** | 8,487 | 49,471 | 11,623 | 8,254 | 23 | - | 5,257 | 398 | 665 | 20,532 | 53,133 | |
| Norway | 10,880 | 34,982 | 14,725 | 18,031 | 160 | - | - | 22 | 64 | 25,787 | 53,076 | |
| UKBene*** | 10,629 | 32,425 | 9,717 | 7,989 | 235 | - | - | 2,199 | 406 | 22,779 | 40,820 | |
| All other**** | 24,110 | 55,989 | 30,269 | 33,411 | 48 | - | 537 | - | 3,723 | 50,705 | 85,281 | |
| Sum | 69,380 | 255,729 | 129,861 | 139,914 | 954 | - | 4,463 | - | 9 | 5 | 200,186 | 391,185 |

| Period Apr-Jun | Project Revenue | | Recurring Revenue | | Other Revenue | | Sales between segments | | Total operating income | | | |
|----------------|-----------------|----------------|-------------------|----------------|---------------|----------|------------------------|----------|------------------------|----------|----------------|----------------|
| | Amount in KSEK | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | |
| France | 20,564 | 49,466 | 40,400 | 38,701 | 1 | - | 140 | 1,087 | 5,150 | 62,052 | 93,457 | |
| Sweden | 24,432 | 59,980 | 81,543 | 87,304 | 28 | - | 721 | 963 | 13,865 | 106,966 | 160,428 | |
| DACH* | 11,306 | 25,601 | 16,018 | 15,735 | 622 | - | 446 | 285 | 1,528 | 28,231 | 43,310 | |
| MED** | 32,392 | 63,660 | 21,436 | 15,858 | 51 | - | 5,257 | 783 | 972 | 54,663 | 75,233 | |
| Norway | 22,403 | 62,756 | 29,607 | 35,133 | 244 | - | - | 27 | 107 | 52,281 | 97,996 | |
| TotUKBene*** | 28,159 | 37,032 | 19,003 | 17,479 | 235 | - | - | 3,712 | 406 | 51,108 | 54,917 | |
| All other**** | 73,002 | 97,016 | 63,634 | 64,824 | 1,278 | - | 658 | - | 6,867 | - | 22,023 | 131,048 |
| Sum | 212,258 | 395,511 | 271,641 | 275,035 | 2,460 | - | 4,735 | - | 9 | 5 | 486,350 | 665,816 |

| Period Apr-Jun | Net sales | | Adjusted EBITA | | EBITA | | EBITA % | | | | |
|----------------|----------------|----------------|----------------|----------|---------------|----------|---------------|----------|---------------|-----------|-----------|
| | Amount in KSEK | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | | |
| France | 26,751 | 56,607 | 1,312 | - | 3,928 | - | 1,263 | - | 3,971 | 5% | -7% |
| Sweden | 44,087 | 77,594 | 168 | - | 4,673 | - | 494 | - | 4,673 | -1% | 6% |
| DACH* | 9,057 | 24,417 | 1,041 | - | 1,894 | - | 295 | - | 1,894 | 3% | -8% |
| MED** | 20,509 | 58,390 | 3,463 | - | 6,504 | - | 3,463 | - | 1,246 | 17% | 2% |
| Norway | 22,545 | 40,820 | 3,701 | - | 4,677 | - | 3,722 | - | 3,578 | 17% | -9% |
| UKBene*** | 50,656 | 84,743 | 800 | - | 17,059 | - | 326 | - | 13,592 | 1% | 16% |
| Sum | 199,232 | 395,648 | 14,356 | - | 24,442 | - | 12,446 | - | 16,773 | 6% | 4% |

| Period Jan-Jun | Net sales | | Adjusted EBITA | | EBITA | | EBITA % | | | | |
|----------------|----------------|----------------|----------------|----------|---------------|----------|---------------|----------|---------------|-----------|-----------|
| | Amount in KSEK | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | | |
| France | 62,051 | 93,317 | 2,638 | - | 6,315 | - | 2,751 | - | 7,491 | 4% | -8% |
| Sweden | 106,938 | 161,149 | - | 1,045 | 7,047 | - | 1,707 | - | 7,047 | -2% | 4% |
| DACH | 27,609 | 42,864 | 708 | - | 3,355 | - | 37 | - | 3,355 | 0% | -8% |
| MED | 54,612 | 80,490 | 5,985 | - | 5,241 | - | 5,985 | - | 16 | 11% | 0% |
| Norway | 52,037 | 97,996 | 3,768 | - | 11,798 | - | 3,768 | - | 11,798 | 7% | 12% |
| UKBene | 50,874 | 54,917 | 5,567 | - | 4,021 | - | 4,466 | - | 7,174 | 9% | -13% |
| All other | 129,769 | 139,817 | 11,267 | - | 21,450 | - | 10,704 | - | 16,617 | 8% | 12% |
| Sum | 483,890 | 670,551 | 28,888 | - | 31,845 | - | 25,930 | - | 17,425 | 5% | 3% |

*Including Switzerland, Germany and Austria

**Including Spain, Italy and Portugal

***Including UK, Belgium and Netherlands

****Including Denmark, Finland & Baltics, Ireland, Dubai and central functions

The Group's balance sheet

| KSEK | June 2020 | June 2019 | December 2019 |
|---|------------------|------------------|------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Capitalised research and development | 63,167 | 52,985 | 59,476 |
| Customer relationships | 429,204 | 479,515 | 457,336 |
| Goodwill | 695,943 | 666,271 | 695,755 |
| Other intangible assets | 1,260 | 5,999 | 4,828 |
| Leasing, equipment, tools and installations | 76,020 | 89,634 | 79,674 |
| Financial assets | 64,643 | 67,791 | 73,781 |
| Deferred tax asset | 2,238 | 3,014 | 2,259 |
| Total fixed assets | 1,332,474 | 1,365,209 | 1,373,109 |
| Current assets | | | |
| Inventories | 99,088 | 111,409 | 87,561 |
| Accounts receivables | 254,555 | 286,008 | 295,651 |
| Tax assets | 217 | 3,479 | 2,687 |
| Other receivables | 541 | 2,128 | 1,008 |
| Prepaid expenses and accrued income | 80,863 | 119,132 | 78,709 |
| Cash & bank deposits | 165,193 | 110,693 | 152,426 |
| Total current assets | 600,457 | 632,847 | 618,041 |
| Total Assets | 1,932,931 | 1,998,056 | 1,991,150 |
| Equity | 788,486 | 842,186 | 817,551 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Shareholder loan | 52,538 | 49,792 | 51,260 |
| Other long term liabilities | 594,426 | 590,160 | 592,922 |
| Deferred tax liabilities | 56,467 | 63,467 | 60,745 |
| Other provisions | 11,933 | 14,181 | 14,552 |
| Total non-current liabilities | 715,365 | 717,600 | 719,480 |
| Current liabilities | | | |
| Utilized overdraft | 15,899 | 32,481 | 31,537 |
| Advances from customers | 47,876 | 37,334 | 38,765 |
| Accounts payable | 150,460 | 164,029 | 173,462 |
| Total income tax liability | - 2,573 | - 17,025 | - 10,801 |
| Other current liabilities | 82,474 | 66,525 | 81,222 |
| Accrued cost and prepaid income | 134,945 | 154,925 | 139,935 |
| Total current liabilities | 429,081 | 438,270 | 454,120 |
| Total equity and liabilities | 1,932,932 | 1,998,056 | 1,991,150 |

The Group's cash flow

| KSEK | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | Full year |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Profit after financial items | -20,702 | -12,216 | -27,323 | -36,013 | -97,307 |
| Whereof interest paid | -8,464 | -8,294 | -17,201 | -16,415 | -32,602 |
| Adjusted for items not included in the cash flow: | | | | | |
| Reversal of depreciation and amortisation | 31,240 | 30,523 | 61,764 | 60,879 | 128,075 |
| Taxes paid | 12,547 | -6,101 | 4,375 | -13,829 | -12,914 |
| Other items, not affecting cash | 5,470 | -298 | -1,753 | -2,764 | 18,898 |
| Cash flow from operating activities before change in working capital | 28,556 | 11,908 | 37,063 | 8,273 | 36,752 |
| Working Capital | | | | | |
| Change in inventory | 3,370 | 7,467 | -12,538 | -7,936 | 1,692 |
| Change in accounts receivable - trade | 11,620 | -31,976 | 39,088 | -11,472 | -29,971 |
| Change in operating receivables | 17,945 | -7,503 | -1,954 | -33,375 | 7,113 |
| Change in accounts payable - trade | -17,426 | 33,297 | -24,826 | 5,202 | 18,829 |
| Change in other operating liabilities | 17,046 | -7,261 | 18,140 | 28,181 | 29,359 |
| CASH FLOW FROM WORKING CAPITAL | 32,554 | -5,976 | 17,910 | -19,400 | 27,022 |
| CASH FLOW FROM OPERATING ACTIVITIES | 61,110 | 5,932 | 54,973 | -11,127 | 63,773 |
| Investing activities | | | | | |
| Acquisition value subsidiary | 0 | 0 | 0 | 0 | -14,743 |
| Investment in intangible fixed assets | -8,910 | -6,329 | -16,146 | -13,118 | -27,516 |
| Investment in tangible fixed assets | -11,209 | -700 | -16,489 | -1,393 | -11,317 |
| Change in financial fixed assets | 104 | -338 | -277 | -351 | -2,805 |
| CASH FLOW FROM INVESTING ACTIVITIES | -20,015 | -7,367 | -32,912 | -14,862 | -56,380 |
| Customer leasing activities | | | | | |
| Change in customer leasing | 3,387 | -4,346 | 8,539 | -5,708 | -11,606 |
| Change in leasing backed loans | -3,434 | 1,700 | -7,819 | 9,174 | 8,801 |
| CASH FLOW FROM LEASING ACTIVITIES | -48 | -2,646 | 720 | 3,466 | -2,804 |
| Financing activities | | | | | |
| New share issue | 0 | 0 | 0 | 45,946 | 60,867 |
| Group contribution | 0 | 0 | 0 | 54,054 | 54,054 |
| Changes external loan | 9,235 | -83,416 | 7,463 | -83,367 | -78,905 |
| New increase/decrease bank overdraft facility | -10,287 | 14,390 | -15,741 | 17,877 | 16,999 |
| Change in lessee leasing liability | 3,349 | -4,296 | 194 | -9,496 | -12,567 |
| CASH FLOW FROM FINANCING ACTIVITIES | 2,297 | -73,322 | -8,084 | 25,014 | 40,448 |
| CASH FLOW FOR THE PERIOD | 43,344 | -77,403 | 14,698 | 2,490 | 45,036 |
| CASH & CASH EQUIVALENTS | | | | | |
| Cash and cash equivalents at the beginning of the period | 127,712 | 187,253 | 152,426 | 104,720 | 104,720 |
| Cash flow for the period | 43,344 | -77,403 | 14,698 | 2,490 | 45,036 |
| Exchange rate effects | -5,863 | 843 | -1,930 | 3,483 | 2,669 |
| CASH AT END OF PERIOD | 165,194 | 110,693 | 165,193 | 110,693 | 152,426 |

Changes in the Group's equity

| Amount in KSEK | Share capital | Other contributed capital | Reserves | Retained earnings including profit for the period | Total equity |
|---------------------------------------|---------------|---------------------------|---------------|---|----------------|
| Ingoing balance per 2019-12-31 | 1,179 | 946,109 | 90,018 | -219,755 | 817,551 |
| New share issue | | | | | - |
| Total result | | | | | - |
| Shareholder contributions | | | | | - |
| The result of the period | | | | -25,570 | -25,570 |
| Other total result | | | | | - |
| Exchange rates differences | | | -3,496 | | -3,496 |
| Share premium | | | | | - |
| Sum Total Results | 1,179 | 946,109 | 86,522 | -245,325 | 788,485 |

Financial report, parent company

Parent company's income statement in summary

| KSEK | Apr-Jun | | Jan-Jun | | Full year |
|------------------------------------|---------|---------|----------|----------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2019 |
| Operating Profit | - 30 | - 3,537 | - 57 | - 3,584 | - 643 |
| Interest income and similar items | 6,368 | 5,924 | 12,681 | 11,895 | 23,838 |
| Interest expense and similar items | - 9,493 | - 8,433 | - 18,731 | - 16,816 | - 35,353 |
| Profit from financial items | - 3,126 | - 2,509 | - 6,050 | - 4,921 | - 11,515 |
| Profit before tax | - 3,155 | - 6,046 | - 6,107 | - 8,504 | - 12,158 |
| Appropriations | | | | | 5,000 |
| Tax | - | - | - | - | - |
| Net profit | - 3,155 | - 6,046 | - 6,107 | - 8,504 | - 7,158 |

Parent company's balance sheet in summary

| KSEK | June 2020 | June 2019 | Full year 2019 |
|--|------------------|------------------|------------------|
| Financial assets | 1,436,355 | 1,418,929 | 1,438,524 |
| Current receivables | 3,410 | 6,813 | 5,059 |
| Cash & bank deposits | 58 | 12,274 | 1,087 |
| Total Assets | 1,439,824 | 1,438,016 | 1,444,670 |
| Equity | 887,199 | 877,039 | 893,306 |
| Long term interest-bearing liabilities | 552,538 | 549,959 | 551,344 |
| Total current liabilities | 86 | 11,018 | 20 |
| Total equity and liabilities | 1,439,824 | 1,438,016 | 1,444,670 |

Company information

Hoist Group consists of the parent company Hoist Group Holding Intressenter AB and its subsidiaries. The Parent company is registered in Sweden and has its head office in Solna. The visiting address for the head office is Vretenvägen 8, 171 54 Solna.

Hoist Group is a total supplier of technical systems with integrated software for hotels and public services. With more than 20 years of experience, Hoist Group is market leading in high speed solutions for internet, TV systems, booking and back office systems, and locking systems.

The Group conducts in-house development of software such as Hotsoft (booking system), Serviator (back-office system), Fusion IPTV (TV system), Fusion Wi-Fi (wireless Wi-Fi system) and Hoist Groups Dashboard. The Group develops and integrates solutions for mobile locking systems and distribution of digital TV channels.

Ownership structure

Hoist Group is owned to approximately 55 % by AccentEleven Holding Ltd (registration number 107941, based in Jersey), to approximately 30 % by C&M Stockholm AB (registration number 556847-5924, based in Stockholm), to approximately 11 % by Sjätte AP-fonden (registration number 855104-0721, based in Gothenburg) and to approximately 4 % by employees within the Group.

Accounting principles

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

Accounting principles and calculation methods applied in this report are in essence unchanged from those used in preparation of the annual and consolidated accounts for the year 2019 and which appear in note 1 Account principles.

The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities, which mainly mean that IFRS is applied with certain exceptions and additions.

The interim report shows a fair overview of the parent company's and the Group's operations, status, results and describes all essential risks and uncertainties that the parent company and those businesses that are included face. All amounts in this report is provided in SEK unless otherwise specified. Rounding differences may occur.

The information on pages 2-12 forms and integral part of this financial report.

Operating Segments

Hoist Group has chosen to voluntarily apply IFRS 8 Operating segments.

An operating segment is a part of a company whose operating results are regularly reviewed by the Group's "Supreme Executive Managers" who decide which resource are to be allocated to the segment and evaluates the segment's results. A group within the Hoist Group, consisting of the CEO and Chairman of the Board, has been selected as "Supreme Executive Managers". The segments are divided by geography.

Results are evaluated per segment at EBITA level, i.e. operating results after depreciation of fixed assets.

Project-based Revenue

In the case of project-based revenues consisting of both product and installation service, the revenues are reported over time based on the degree of completion of the project. Full revenue report takes place when the goods have been delivered to the client and there are no unfulfilled commitments that may affect the client's approval. Delivery takes place when the goods have been transported to the specific location and installed. The client has either accepted the goods in accordance with the agreement, the time limit for objections to the agreement has expired, or the Group has objective evidence that all criteria for the acceptance have been met.

Recurring Revenue

The Group enters into service and customer support-agreements with clients. These are usually invoiced in advance, monthly or quarterly. A commitment is therefore set towards the client and is reported as a liability in the balance sheet. Revenues are reported on a straight-line basis over the contract period as the Group's obligation towards the client is reduced.

Testing for goodwill impairment

Every year, Hoist Group examines whether there is any need for impairment of goodwill.

The recoverable amount for cash-generating units has been determined by calculating the value of use. The basis for the examination is the developed business plan for coming years.

Deferred tax

Deferred tax is income tax that relates to future years as a result of previous events.

Deferred tax is reported in its entirety according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated accounts.

Alternative key figures

EBITDA is calculated as operating results before depreciation.

Adjusted EBITDA is calculated as operating results before depreciation, adjusted for non-recurring items.

EBITA is calculated as operating results after depreciation of tangible fixed assets and capitalized research and development expenses.

Adjusted EBITA is calculated as operating results after depreciation of tangible fixed assets and development expenses, adjusted for non-recurring items.

Net debt

Hoist Groups net debt is calculated as long-term liabilities (excluding back-to-back leasing commitments and shareholder loans) minus cash and cash equivalents.