

Interim Report

January 1 – September 30, 2020



HOISTGROUP™
hospitality innovations.

Hoist Group Holding Intressenter AB, 559094-0689, Parent Company to Hoist Group.

Due to the ongoing Covid-19 pandemic, the Board of Hoist Group has decided to expand this quarterly report with more information than usual to contribute to increased transparency and understanding of the Group's operations and the Board's view of the business and market situation. The additional information relates, among other things, to the completed acquisition of Acentic as well as the Board's view of the fourth quarter of 2020 and the outlook for 2021.

Hoist Group develops and delivers technical systems with integrated software for hotels and public operations. Hoist Group, founded in 1994, is the market leader in high-speed solutions for internet, IP TV, online booking, and back-office software as well as locking systems with mobile key functionality. Hoist Group is headquartered in Sweden and has offices in 15 countries in the EMEA region.

Net sales for the interim period January-September 2020 amounted to SEK 714.2 million (976.2), which corresponds to a decrease of 27%. Adjusted EBITDA amounted to SEK 95.4 million, which is in line with the same period last year (95.0). Reported earnings per share were SEK -0.33 (-0.54).

Key Performance Indicators

in KSEK	Jul-Sep		Jan-Sep		Full year
	2020	2019	2020	2019	2019
Net Sales	230,293	305,697	714,183	976,248	1,323,244
AR R (Annual recurring revenue)	127,737	138,199	399,378	413,234	553,677
Adjusted EBITDA	32,992	30,182	95,447	95,016	132,368
E BITDA	26,038	16,092	85,535	66,506	77,869
Adjusted EBITA	16,535	12,836	45,423	44,681	64,533
E BITA	9,581	1,254	35,511	16,171	10,034
Profit before tax	- 14,006	- 22,743	- 41,330	- 58,756	- 97,307
Net profit	- 13,632	- 23,445	- 39,202	- 58,962	- 98,927
			Sep-20	Sep-19	Dec-19
Solidity %			41%	43%	41%
Debt/equity ratio			2.9	3.0	2.9

Earnings per share	Jul-Sep		Jan-Sep		Full year
	2020	2019	2020	2019	2019
Profit for the period in KSEK	- 13,632	- 23,445	- 39,202	- 58,962	- 98,927
Number of shares	117,902,458	113,811,971	117,902,458	109,108,828	111,189,830
Earnings per share	- 0.12	- 0.21	- 0.33	- 0.54	- 0.89

Financial summary of the interim period January – September 2020

The outbreak of the Covid-19 pandemic has affected the Group's operations as of March, with an increased effect during the second quarter. During the third quarter, business volumes stabilized at higher levels than during the second quarter, albeit significantly lower than historical levels. However, the Annual Recurring Revenue ("ARR") has been maintained at the same level as the previous year. The Group has acted responsibly and forcefully and adapted costs to the lower level of new sales and can because of this continue to show good profitability and strong liquidity.

Hoist Group's diversified business model with several product areas, all business-critical for its customers, spread over 7,000 active customers across the EMEA, once again shows sustainable strength as in previous global crises.

Hoist Group's board and management have been determined to use the time with lower new sales volume to advance their positions in the market. This has been accomplished by increasing the investment in product development with a focus on business-critical software for proactive Business Intelligence reporting via the Hoist Group Dashboard, as well as by evaluating and implementing strategic acquisitions.

Income Statement

Net sales for the interim period January-September 2020 amounted to SEK 714.2 million, which corresponds to a decrease of 27% compared with the same period last year (976.2). The decrease in sales during the period is attributable to lower project sales. At the same time, the maintained ARR level testifies to strong customer relationships and the underlying strength of the Group's diversified offering.

During the interim period, the gross margin improved compared with the same period in 2019, mainly through an increased share of ARR. Over time and before the Covid-19 pandemic, Hoist Group has continuously worked with cost control and streamlining of operations, and the Group is in a good position to take better advantage of economies of scale. The third quarter of 2020 is characterized by several additional measures aimed at streamlining operations in the long term, so that even more scalable deliveries with a lasting positive effect on profitability can be expected when business volumes return to normal. In the short term, the company has focused on reducing costs through short-term layoffs and contract negotiations.

Hoist Group's adjusted EBITDA amounted to SEK 95.4 M (95.0). Adjusted EBITA amounted to SEK 45.4 M (44.7). Non-recurring costs have decreased significantly – EBITDA and EBITA have been affected by non-recurring costs of SEK 9.9 million (28.5), of which SEK 4.3 million are related to customer losses due to Covid-19 and SEK 3.4 million to permanent efficiency measures, and SEK 2.0 million are related to previous years.

The Group's amortisation of tangible fixed assets and capitalized development costs amounted to SEK 50.0 M (50.3). The Group's net profit amounted to SEK -39.2 million (-59.0) and includes straight-line accounting depreciation of SEK 44.4 million regarding customer relationships.

The total order backlog for the coming twelve-month period amounts to SEK 824 million, which corresponds to an increase of 15% compared with the beginning of 2020 (SEK 714 million).

Balance Sheet

The Group's net debt on September 30 amounted to SEK 382.9 million, compared with SEK 400.0 million on September 30, 2019. The debt/equity ratio measured as net debt in relation to adjusted EBITDA for the last twelve-month period amounts to 2.9x, which means that it is unchanged since the turn of the year.

Available liquidity on September 30 amounted to SEK 206.6 million, compared with SEK 176.1 million on September 30, 2019. Liquidity consists of SEK 144.1 million in cash and cash equivalents and unutilized credit facilities of SEK 62.5 million. The expanded credit facility of SEK 40 million that the Group received during the third quarter has not been utilized and is thus not included in unutilized credit facilities.

Equity amounted to SEK 773.9 million and has decreased by SEK 43.7 million since the turn of the year. The equity / assets ratio was 41 % (43%).

Cash Flow

Cash flow from operating activities amounted to SEK 55.1 million during the interim period January-September, of which cash flow from changes in working capital was SEK 1.0 million. Cash flow from investing activities was SEK -43.7 million, of which SEK -21.2 million pertained to software development. Cash flow from leasing activities was SEK -4.8 million. Cash flow from financing activities was SEK -12.6 million. The period's total cash flow amounted to SEK -6.0 million.

Financial Summary of the Third Quarter of 2020

Net sales for the third quarter of 2020 amounted to SEK 230.3 million, which corresponds to a decrease of 25% compared with the third quarter of 2019 (305.7).

Hoist Group's adjusted EBITDA amounted to SEK 33.0 million (30.2), and adjusted EBITA amounted to SEK 16.5 million (12.8). EBITDA and EBITA were affected by non-recurring costs of SEK 7.0 million (14.1), of which SEK 2.4 million are attributable to customer losses related to the effects of Covid-19.

The Group's amortisation of tangible fixed assets and capitalized development costs amounted to SEK 16.2 M (14.7). The Group's net profit amounted to SEK -13.6 million (-23.4) and includes straight-line accounting depreciation on customer relationships of SEK 16.2 million (14.7).

Cash flow from operating activities amounted to SEK 0.1 million during the quarter, of which cash flow from changes in working capital was SEK -17.0 million. Cash flow from investing activities was SEK -10.8 million, of which SEK -5.1 million pertained to software development. Cash flow from leasing activities was SEK -5.5 million. Cash flow from financing activities was SEK -4.6 million. The quarter's total cash flow amounted to SEK -20.7 million.

Significant events during the interim period January-September 2020 and comments on future prospects

The outbreak of the Covid-19 pandemic has affected Hoist Group's market on a broad front and thus Hoist Group's new sales. The Group's growth curve with annual organic growth over the past three years of 8.0% (adjusted for the divested operations in France with sales of approximately SEK 200 million) has thus been broken.

All of the Group's employees in sales, administration, installation, and support have to varying degrees been on short-term leave. Product development within the Hoist Group has, however, only to a lesser extent used short-term layoffs as the Board and management have decided that the development will continue according to the original plan to, when the markets open up, be at the forefront and contribute to re-creating organic growth. During this period, Hoist Group has developed the Phoenix program, which aims to offer support for the hotels' restart and earnings when occupancy increases again. The offer has included several solutions, including a cloud-based gift card offer called Givito, as well as mobile check-in solutions. The offer has been well received among the Group's customers throughout EMEA and has so far generated more than 500 active quotation requests. Hoist Group is impressed by the hotels' perseverance and positive outlook, where many hotels take the opportunity to improve their offerings during periods of lower occupancy to, like Hoist Group, be at the forefront when the market situation normalizes.

To further strengthen its offering and increase its presence in key European markets, including the United Kingdom, Germany, and the Benelux, the Hoist Group entered into a letter of intent in June regarding the acquisition of Acentic

Holdings LTD, headquartered in the United Kingdom. The acquisition was completed on October 1, and Acentic will be included in Hoist Group's financial reporting as of the fourth quarter of 2020. For further information on the acquisition, see the section "Significant events after the end of the period".

Outlook for the full year of 2020 and expected market development in 2021

During the fourth quarter, new sales are expected to be at a similar level as during the third quarter, which would mean a decrease of 43% for the full year 2020 compared to 2019. Thanks to stable ARR, total sales are expected to decrease by only about 27% for the full year. Adjusted EBITDA and adjusted EBITA for the full year 2020, excluding Acentic, are expected to be in line with the previous year, while EBITDA and EBITA (after non-recurring costs) are expected to exceed the result from 2019.

Hoist Group works on the assumption that business volumes during the first quarter of 2021 are expected to be at the same level as during the fourth quarter of 2020, with gradually increasing volumes thereafter. This is based on available market data such as reports on ongoing vaccine production and its expected delivery plans, Hoist Group's current order and quotation stock, and the Group's customers' market insights. With this view of market recovery, Hoist Group expects to be able to deliver volumes corresponding to 2019 sales in 2021, albeit with better profitability. The improved profitability is expected to be made possible thanks to a continued high and increasing share of ARR, as well as the streamlined organization for scalable deliveries within project sales.

Significant events after the end of the period

On October 1, Hoist Group completed the acquisition of Acentic Holdings LTD. Acentic delivers wifi systems and IP TV to hotels in the UK, DACH, France and Dubai. Through the acquisition, Hoist Group will receive approximately 1,000 active customer relationships, which only to a small extent overlap with Hoist Group's existing customers. Acentic's annual sales amount to approximately SEK 270 million (2019) and are expected to contribute approximately SEK 35 million in EBITDA after the implementation of the integration program. Synergies are expected to be realised by closing all of Acentic's offices and moving the operations into Hoist Group's offices, and by notifying overlapping functions. The acquisition of Acentic and the use of Hoist Group's platform throughout EMEA to extract synergies is fully in line with the Board's strategy and expectations for consolidation in the market. The transaction was financed through a new issue of shares in Hoist Group to the seller, Niantic Holding GmbH. Niantic Holding's owner Andreas Jacobs has taken a seat as a regular member of Hoist Group's board. The acquisition's financial effect on Hoist Group is significant as sales increase to SEK 1,620 million (pro forma 2019) and ARR increases to approximately SEK 640 million (pro forma 2019). The debt/equity ratio measured as net debt in relation to adjusted EBITDA (including expected synergies) is expected to improve to approximately 2.5x.

Transactions with related parties

As of September 30, 2020, the shareholder loan amounted to SEK 53.2 M (50.4) including accumulated interest.

Financial summary parent company

The parent company's profit before tax was SEK -9.3 million (-11.8) for the interim period January-September and SEK -3.2 million (-3.3) for the third quarter.

Interest expenses paid during the interim period amounted to SEK 23.4 million.

Risks and Risk Analysis

Customers ability to pay and the financial position of suppliers

Risks that are noticed are the customers' ability to pay and the financial position of suppliers. These areas are monitored on an ongoing basis in financial reporting through credit assessments, follow-up of accounts receivable and review of suppliers' financial situation.

Risks regarding the economic and political conditions in Europe

A negative change in the economic conditions in Europe or in the market in any other country, which in turn affects the countries or markets in which the Group operates, may have a negative impact on the Group's operations. The UK's withdrawal from the EU, Brexit, also might affect the Group's operations. Management's assessment with current knowledge is that Brexit is only expected to affect the Group's operations to a lesser extent.

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

The Group's customers' ability to pay is negatively affected due to Covid-19 during the period in which they have a low occupancy rate. The Group has close dialogues with its customers and monitors accounts receivable closely.

Technological development

The industry in which the Group operates is characterized by rapid technological development and digitalisation. 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 February 26, 2021.

The Board of Directors and the CEO certify that the interim 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 27th of November 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

Andreas Jacobs
Board member

Financial report

KSEK	Jul-Sep		Jan-Sep		Full year
	2020	2019	2020	2019	2019
ARR (Annual recurring revenue)	127,737	138,199	399,378	413,234	553,677
Other revenue	103,294	168,081	318,003	558,862	765,757
Total Revenue	231,031	306,281	717,381	972,096	1,319,434
Costs of goods sold	- 114,387	- 177,276	- 356,818	- 556,163	- 746,330
Gross Profit	116,645	129,005	360,563	415,933	573,104
Operating expenses	- 21,341	- 25,789	- 61,407	- 73,710	- 114,740
Personnel expenses	- 69,266	- 87,124	- 213,621	- 275,717	- 380,495
EBITDA	26,038	16,092	85,535	66,506	77,869
Depreciation of tangible fixed assets and capitalized research and development expenses	- 16,457	- 17,346	- 50,024	- 50,335	- 67,835
EBITA	9,581	- 1,254	35,511	16,171	10,034
Amortisation of customer relationship	- 16,239	- 14,721	- 44,435	- 42,611	- 60,240
Operating Profit	- 6,657	- 15,976	- 8,924	- 26,440	- 50,206
Interest income and similar items	3,390	3,852	6,847	13,958	8,812
Interest expense and similar items	- 10,739	- 10,620	- 39,253	- 46,273	- 55,913
Profit from financial items	- 7,349	- 6,768	- 32,405	- 32,315	- 47,101
Profit before tax	- 14,006	- 22,743	- 41,330	- 58,756	- 97,307
Tax	374	702	2,127	206	1,620
Net profit	- 13,632	- 23,445	- 39,202	- 58,962	- 98,927

Statement of comprehensive income

Amount in KSEK	Jul-Sep		Jan-Sep		Full year
	2020	2019	2020	2019	2019
Net Profit	- 13,632	- 23,445	- 39,202	- 58,962	- 98,927
Other comprehensive income					
<u>Items that may be subsequently reclassified to profit or loss</u>					
Exchange rate differences	- 945	3,834	- 4,441	13,035	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	- 14,577	- 19,611	- 43,643	- 45,927	- 65,871
TOTAL COMPREHENSIVE INCOME OF THE YEAR	- 14,577	- 19,611	- 43,643	- 45,927	- 65,871
NET PROFIT ATTRIBUTABLE:					
Parent company shareholders	- 13,632	- 23,445	- 39,202	- 58,962	- 98,927
Non-controlling interests	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Parent company shareholders	- 14,577	- 19,611	- 43,643	- 45,927	- 65,871
Non-controlling interests	-	-	-	-	-

Segment report

Period Jul-Sep	Project Revenue		ARR		Other Revenue		Sales between segments		Total operating income		
	Amount in KSEK		2020	2019	2020	2019	2020	2019	2020	2019	
France	25,764	27,463	18,489	19,097	-	1	80	1,824	3,209	46,076	49,849
Sweden	5,574	15,453	35,892	43,244	342	-	39	247	297	42,055	58,954
DACH*	2,238	9,916	7,073	7,645	258	-	54	1,003	637	10,572	18,252
MED**	13,099	32,764	15,083	9,391	24	-	26	546	310	28,752	42,439
Norway	7,555	14,013	14,066	18,638	271	-	-	17	1,155	21,910	33,806
UKBene***	16,718	17,411	8,291	7,867	-	235	-	1,175	5,012	25,950	30,290
All other****	31,681	50,483	28,843	32,319	77	514	-	4,884	10,625	55,717	72,690
Sum	102,629	167,503	127,737	138,199	737	584	-	72	5	231,031	306,281

Period Jan-Sep	Project Revenue		ARR		Other Revenue		Sales between segments		Total operating income		
	Amount in KSEK		2020	2019	2020	2019	2020	2019	2020	2019	
France	46,328	76,929	58,889	57,798	0	220	2,911	8,359	108,128	143,306	
Sweden	30,006	75,433	117,435	130,548	371	761	1,210	14,161	149,022	219,382	
DACH*	13,544	35,517	23,091	23,380	880	500	1,287	2,165	38,803	61,562	
MED**	45,491	96,424	36,519	25,249	75	5,283	1,330	1,282	83,415	117,672	
Norway	29,958	76,769	43,674	53,771	515	-	43	1,262	74,191	131,802	
TotUKBene***	44,877	54,443	27,294	25,346	-	-	4,887	5,418	77,058	85,207	
All other****	104,683	147,498	92,477	97,143	1,355	1,172	-	11,751	32,648	186,765	213,165
Sum	314,887	563,014	399,378	413,234	3,197	4,151	-	82	0	717,381	972,096

Period Jul-Sep	Net sales		Adjusted EBITDA		Adjusted EBITDA %		EBITDA	
	Amount in KSEK		2020	2019	2020	2019	2020	2019
France	46,077	49,769	6,114	6,516	13%	13%	5,091	3,407
Sweden	41,713	58,993	2,438	3,172	6%	5%	947	3,172
DACH*	10,313	18,198	440	2,894	4%	-16%	447	2,894
MED**	28,728	42,464	7,477	2,725	26%	6%	7,477	2,700
Norway	21,638	33,806	2,179	1,765	10%	5%	1,537	1,765
UKBene***	26,184	30,290	3,215	820	12%	3%	2,218	10,135
All other****	55,640	72,176	11,130	18,077	20%	25%	10,214	18,077
Sum	230,293	305,697	32,992	30,182	14%	10%	26,038	16,092

Period Jan-Sep	Net sales		Adjusted EBITDA		Adjusted EBITDA %		EBITDA	
	Amount in KSEK		2020	2019	2020	2019	2020	2019
France	108,128	143,086	20,142	13,067	19%	9%	19,232	8,781
Sweden	148,651	220,142	5,097	13,315	3%	6%	1,051	13,315
DACH*	37,923	61,062	1,840	5,596	5%	-9%	1,102	5,596
MED**	83,340	122,955	14,250	8,725	17%	7%	14,250	3,442
Norway	73,675	131,802	7,284	15,031	10%	11%	6,643	15,031
UKBene***	77,058	85,207	8,833	3,155	11%	-4%	6,735	17,264
All other****	185,409	211,993	38,001	53,629	20%	25%	36,522	48,796
Sum	714,183	976,248	95,447	95,016	13%	10%	85,535	66,506

*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	September 2020	September 2019	December 2019
ASSETS			
Fixed assets			
Capitalised research and development	62,795	54,677	59,476
Customer relationships	413,021	464,990	457,336
Goodwill	696,181	666,714	695,755
Other intangible assets	1,214	5,409	4,828
Leasing, equipment, tools and installations	71,644	86,321	79,674
Financial assets	64,169	69,364	73,781
Deferred tax asset	2,247	3,046	2,259
Total fixed assets	1,311,271	1,350,520	1,373,109
Current assets			
Inventories	89,459	112,134	87,561
Accounts receivables	268,310	281,975	295,651
Tax assets	1,036	3,987	2,687
Other receivables	825	1,090	1,008
Prepaid expenses and accrued income	92,307	88,745	78,709
Cash & bank deposits	144,123	120,824	152,426
Total current assets	596,059	608,756	618,041
Total Assets	1,907,330	1,959,276	1,991,150
Equity	773,908	835,744	817,551
LIABILITIES			
Non-current liabilities			
Shareholder loan	53,184	50,415	51,260
Other long term liabilities	88,891	590,809	592,922
Deferred tax liabilities	54,583	61,613	60,745
Other provisions	12,014	13,451	14,552
Total non-current liabilities	208,672	716,287	719,480
Current liabilities			
Bond loan	500,000	-	-
Utilized overdraft	12,310	20,403	31,537
Advances from customers	40,601	47,711	38,765
Accounts payable	148,590	152,744	173,462
Total income tax liability	- 1,892	- 22,007	- 10,801
Other current liabilities	83,593	55,958	81,222
Accrued cost and prepaid income	141,549	152,436	139,935
Total current liabilities	924,750	407,245	454,120
Total equity and liabilities	1,907,330	1,959,276	1,991,150

The Group's cash flow

KSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year
	2020	2019	2020	2019	2019
Profit after financial items	-14,006	-22,743	-41,330	-58,756	-97,307
Whereof interest paid	-8,406	-8,614	-25,606	-25,029	-32,602
Adjusted for items not included in the cash flow:					
Reversal of depreciation and amortisation	32,695	32,067	94,459	92,947	128,075
Taxes paid	-1,539	-5,922	2,836	-19,751	-12,914
Other items, not affecting cash	-82	-3,203	-1,834	-5,967	18,898
Cash flow from operating activities before change in working capital	17,069	199	54,131	8,472	36,752
Working Capital					
Change in inventory	10,159	515	-2,379	-7,421	1,692
Change in accounts receivable - trade	-13,947	8,252	25,141	-3,220	-29,971
Change in operating receivables	-12,013	32,258	-13,968	-1,118	7,113
Change in accounts payable - trade	-4,472	-16,695	-29,298	-11,493	18,829
Change in other operating liabilities	3,333	-3,096	21,474	25,085	29,359
CASH FLOW FROM WORKING CAPITAL	-16,939	21,233	971	1,833	27,022
CASH FLOW FROM OPERATING ACTIVITIES	129	21,432	55,102	10,305	63,773
Investing activities					
Acquisition value subsidiary	0	0	0	0	-14,743
Investment in intangible fixed assets	-5,063	-7,049	-21,209	-20,168	-27,516
Investment in tangible fixed assets	-5,725	-4,350	-22,214	-5,744	-11,317
Change in financial fixed assets	22	-2	-255	-352	-2,805
CASH FLOW FROM INVESTING ACTIVITIES	-10,767	-11,401	-43,678	-26,264	-56,380
Customer leasing activities					
Change in customer leasing	-3,298	-3,164	5,241	-8,872	-11,606
Change in leasing backed loans	-2,208	516	-10,026	9,691	8,801
CASH FLOW FROM LEASING ACTIVITIES	-5,506	-2,647	-4,785	819	-2,804
Financing activities					
New share issue	0	13,170	0	59,116	60,867
Group contribution	0	0	0	54,054	54,054
Changes external loan	147	1,641	7,610	-81,725	-78,905
New increase/decrease bank overdraft facility	-3,544	-12,077	-19,285	5,800	16,999
Change in lessee leasing liability	-1,163	-1,961	-969	-11,457	-12,567
CASH FLOW FROM FINANCING ACTIVITIES	-4,560	774	-12,644	25,787	40,448
CASH FLOW FOR THE PERIOD	-20,704	8,157	-6,006	10,647	45,036
CASH & CASH EQUIVALENTS					
Cash and cash equivalents at the beginning of the period	165,193	110,693	152,426	104,720	104,720
Cash flow for the period	-20,704	8,157	-6,006	10,647	45,036
Exchange rate effects	-367	1,974	-2,297	5,457	2,669
CASH AT END OF PERIOD	144,122	120,824	144,122	120,824	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				-39,202	-39,202
Other total result					-
Exchange rates differences			-4,441		-4,441
Share premium					-
Sum Total Results	1,179	946,109	85,577	-258,957	773,908

Financial report, parent company

Parent company's income statement in summary

KSEK	Jul-Sep		Jan-Sep		Full year
	2020	2019	2020	2019	2019
Operating Profit	- 105	- 84	- 162	- 3,667	- 643
Interest income and similar items	6,170	5,972	18,851	17,867	23,838
Interest expense and similar items	- 9,285	- 9,156	- 28,016	- 25,971	- 35,353
Profit from financial items	- 3,116	- 3,184	- 9,165	- 8,105	- 11,515
Profit before tax	- 3,220	- 3,268	- 9,327	- 11,772	- 12,158
Appropriations					5,000
Tax	- 679	-	- 679	-	-
Net profit	- 3,899	- 3,268	- 10,006	- 11,772	- 7,158

Parent company's balance sheet in summary

KSEK	September 2020	September 2019	Full year 2019
Financial assets	1,434,525	1,424,901	1,438,524
Current receivables	2,622	5,927	5,059
Cash & bank deposits	103	8,829	1,087
Total Assets	1,437,249	1,439,656	1,444,670
Equity	883,299	886,941	893,306
Long term interest-bearing liabilities	553,184	550,415	551,344
Total current liabilities	766	2,301	20
Total equity and liabilities	1,437,249	1,439,656	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 Röntgenvägen 2, 171 54 Solna.

Hoist Group develops and delivers technical systems with integrated software for hotels and public operations. Hoist Group, founded in 1994, is the market leader in high-speed solutions for internet, IP TV, online booking and back-office software as well as locking systems with mobile key functionality. Hoist Group is headquartered in Sweden and has offices in 15 countries in the EMEA region.

Ownership Structure

As of September 30, 2020, Hoist Group was owned approximately 55% by AccentEleven Holding Ltd (reg. No. 107941, with its registered office in Jersey, a wholly-owned subsidiary of the investment fund Accent Equity 2008 LP), to approximately 30% by C&M Stockholm AB (reg. No. 556847-5924, with its registered office in Stockholm), to approximately 11% of the Sixth AP Fund (reg. No. 855104-0721, with its registered office in Gothenburg), and approximately 4% of employees within the Group.

Following the completion of the acquisition of Acentic in October 2020 and the new share issue to Acentic's former owner, Hoist Group is owned to approximately 50% by AccentEleven Holding Ltd, to approximately 27% by C&M Stockholm AB, to approximately 10% by the Sixth AP Fund, to approximately 9% of Niantic Holding GmbH (reg. no. HRB 64920, based in Hamburg, Germany), and to about 3% of 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 2-13 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.

Annual Recurring Revenue (ARR) - contractual income

Annual Recurring Revenue is the common name for all the Group's contractual revenue, consisting of software licenses, support and service agreements and media content. Based on these agreements, customers are usually invoiced monthly or quarterly in advance. This creates an obligation for the Group to the customer 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 to the customer 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

<i>EBITDA</i>	is calculated as operating results before depreciation.
<i>Adjusted EBITDA</i>	is calculated as operating results before depreciation, adjusted for non-recurring items.
<i>EBITA</i>	is calculated as operating results after depreciation of tangible fixed assets and capitalized research and development expenses.
<i>Adjusted EBITA</i>	is calculated as operating profit after amortisation of tangible fixed assets and capitalized research and development expenses, adjusted for non-recurring items.
<i>Solidity</i>	is calculated as total equity in relation to the balance sheet total.
<i>Net debt</i>	is calculated as long-term liabilities (excluding back-to-back leasing commitments and shareholder loans), less cash, and cash equivalents.
<i>Debt/equity ratio</i>	is calculated as net debt in relation to adjusted EBITDA for the last twelve-month period.