



Year-End Report

January 1st – December 31st
2020



HOISTGROUP™
hospitality innovations.

Hoist Group Holding Intressenter AB, 559094-0689, parent company of Hoist Group.

The Board of Hoist Group is hereby pleased to present the year-end report for 2020. Due to the current Covid-19 pandemic, the Board has decided to expand this report with more information than usual to continue to provide transparency and an understanding of the Group's operations and views on the business and market situation. Among other things, the additional information relates to the integration of the completed acquisition of Acentic and the Board's view on the outlook for 2021.

Hoist Group develops software and delivers this integrated into technical systems to hotels and public institutions. Hoist Group, founded in 1994, is the market leader in high-speed solutions for internet, IPTV, online-, booking- and back office software, as well as locking systems with mobile key functionality. Hoist Group's head office is located in Sweden and the company has offices in 15 countries within the EMEA region.

Interim period October-December 2020

The net sales for the fourth quarter of 2020 amounted to SEK 290.5 million (347.0), which corresponds to a decrease of 16%. Adjusted EBITDA amounted to SEK 56.8 M (37.4), reflecting an increase of 52%. Reported earnings per share were SEK -0.07 (-0.34).

Full year 2020

The net sales for the full year 2020 amounted to SEK 1,004.7 million (1,323.2), which corresponds to a decrease of 24%. Adjusted EBITDA amounted to SEK 152.2 M (132.4), meaning an improvement of 15%. The reported earnings per share were SEK -0.4 (-0.89).

Key figures

in KSEK	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net Sales	290,501	346,996	1,004,684	1,323,244
AR R (Annual recurring revenue)	135,659	140,443	533,301	553,677
Adjusted EBITDA	56,756	37,352	152,203	132,368
E BITDA	42,343	11,363	127,878	77,869
Adjusted EBITA	38,865	19,852	84,288	64,533
E BITA	23,599	6,137	59,111	10,034
Profit before tax	- 11,401	- 38,551	- 52,731	- 97,307
Net profit	- 9,277	- 39,965	- 48,479	- 98,927
			Dec-20	Dec-19
Solidity %			41%	41%
Debt/equity ratio			2.4	2.9

Result per share

	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Period result in KSEK	- 9,277	- 39,965	- 48,479	- 98,927
Number of shares*	129,920,064	117,730,791	120,906,860	111,189,830
Result per share	- 0.07	- 0.34	- 0.40	- 0.89

* calculated based on the average number of shares for the period

Words from the CEO

"The year 2020 was a very challenging year for both Hoist Group and our customers. Apart from the general challenges we all faced as a result of the pandemic's progress, the hotel industry has been hit particularly hard due to non-existent travel and severe lockdowns. It is therefore with great joy and confidence that we now see that the hotel industry is well on its way to overcoming the crisis with improved booking modes and increased travel in the future, as a result of the existing vaccination campaigns. Also, on behalf of Hoist Group, we can now look back on 2020 as an extreme year with tough market conditions, but which also offered opportunities to make us even stronger, not least in view of the acquisition of Acentic.

The year 2020 started with a strong momentum for Hoist Group in all markets and by mid-March there was great activity in all departments with strong demand for our software and systems. Our Italian operations based in Milan were the first to be hit by the pandemic, which quickly gave us an insight into the fact that more markets would likely be affected with the spread of the virus. This early insight gave us an opportunity to act quickly and responsively to meet reduced demand, while at the same time, take advantage of the different countries' opportunities for reduced working hours. Hoist Group's innovative power was showcased in the form of an offer to customers under the name Phoenix, where we gathered several offers under one roof - all to simplify the tough everyday life for our customers. An example was our gift card solution Givito, which gained around 800 new customers during the autumn.

Despite the extremely tough conditions that our customers may have faced, we have now left 2020 as a stronger company, as all available resources have been invested in product development and innovation - an investment in becoming even better when demand returns to normal levels. Since the very beginning of our operations, Hoist Group has generated strong organic growth and made acquisitions to build the company better and stronger.

2020 certainly meant a decline in sales, but through the acquisition of Acentic, a long-respected competitor in IPTV and Wi-Fi systems, we gained an even stronger and broader distribution platform in Europe. Acentic will be consolidated into the Hoist Group as of October

1, 2020, and is already showing significantly improved profitability.

Throughout the pandemic, Hoist Group's sales force has continued to keep in touch with its customers, which has been highly appreciated. In difficult times, new ties have been forged and old ones preserved. We are proud of how our staff have reacted and maintained their ever positive attitude. We are also very impressed with our customers' positive view of the future and their willingness to develop their businesses to be at the forefront when the vaccine has done its job and the markets reopen. Customer relationships are also formalized through our long-term agreements, which ensures that the Group's revenues have not decreased in proportion to the hotels' occupancy rate. This has been proven by the fact that our Annual Recurring Revenue basically remains at the previous year's level.

Our strong figures are the result of hard work and our closeness to customers, and it is with pride that I look back on 2020 and how we have handled the challenges."



A handwritten signature in black ink, appearing to read 'Alfonso Tasso'.

Alfonso Tasso, CEO

Financial summary of the full year 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. After business volumes stabilized at higher levels in the third quarter than in the second quarter of 2020, volumes decreased again in the fourth quarter because of the second pandemic wave that came with renewed travel restrictions and lockdowns within the EMEA region. The Group's growth curve with annual organic growth of 8.0% over the past three years (adjusted for the divested operations in France with sales of approximately SEK 200 million) has thus been broken. However, the Annual Recurring Revenue ("ARR") has been maintained at the same level as the previous year and during the fourth quarter, compared to the same period in 2019. In the management's opinion, ARR is a relevant key figure for assessing a business such as Hoist Group, where software revenue constitutes an increasing part of our business in relation to the hardware-focused business, which previously characterized the Group.

The Group has continued to act responsibly and vigorously and adjusted costs to a lower project sales level. Owing to this, the Group can continue to show good profitability and strong liquidity, which is nothing new to the Group. This is largely due to the number of acquisitions that the Group has been making, where restructuring and synergies have been a clear guiding light.

During the year, all of the Group's employees in sales, administration, installation and support were on short-term leave to varying degrees. However, the software development department within Hoist Group has only used short-term layoffs to a lesser extent, as the board and management have decided that the development will continue according to the original plan, so that when the markets open up, the company can be at the forefront and contribute to re-creating organic growth. During this period, Hoist Group has, among other things, introduced the Phoenix program, which aims to offer support for the hotels' restart and earnings when the number of reservations increase once again. The offer has included several solutions, among others a cloud-based gift card offer called Givito and mobile check-in solutions. The offer has been well received and during the year more than 800 hotels entered into agreements, among other things regarding Givito. The Group has also increased its investment in product development with a focus on business-critical software for proactive Business Intelligence reporting via the Hoist Group Dashboard. Hoist Group continues to be impressed by the hotels' faith in the future and financial sustainability. Many hotels have taken the opportunity to improve their offerings in order to, like the Hoist Group, be at the forefront when the market situation normalizes.

Hoist Group's diversified business model with several product areas, all business critical for its customers, spread over 8,000 active customers throughout the EMEA, has once again shown sustainable strength as in previous global crises.

The acquisition of Acentic was completed on October 1, 2020, and was operationally integrated as planned during the fourth quarter. No further restructuring costs regarding Acentic are expected during 2021. Acentic's EBITDA contribution during the fourth quarter was SEK 16 million. Thanks to Hoist Group's pan-European platform and scalability in software and services, synergies of approximately SEK 35 million are expected to be achieved on an annual basis, mainly through already implemented cost savings in personnel. The synergies are expected to have a lasting positive effect on profitability and increase as business volumes increase. Customer feedback has been positive and Acentic's customers can now benefit from Hoist Group's wider selection and greater presence in the market.

Income statement

Net sales for the full year 2020 amounted to SEK 1,004.7 million, which corresponds to a decrease of 24% compared to 2019 (1,323.2). The reduction is entirely attributable to reduced project revenues.

The gross margin for 2020 amounted to 51.1%, which constitutes an improvement compared to 43.4% 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 remains in a good position to take better advantage of economies of scale.

Hoist Group's adjusted EBITDA amounted to SEK 152.2 million (132.4), and adjusted EBITA amounted to SEK 84.3 million (64.5). EBITA has been affected by non-recurring costs of SEK 25.2 million (54.5), of which SEK 5.0 million is attributable to customer losses related to the effects of Covid-19. In 2019, a dispute arose regarding incorrect deliveries, which led to a lawsuit in Italy, which was decided to the detriment of Hoist Group during the fourth quarter of 2020. It resulted in a non-recurring cost that affects EBITA by 7.6 MSEK. Other non-recurring costs are mainly attributable to restructuring costs. Of the total non-recurring costs, approximately SEK 9 million had a cash flow effect in 2020.

The Group's amortization of property, plant and equipment and capitalized development costs amounted to SEK 68.8 M (67.8). The Group's net profit amounted to SEK -48.5 million (-98.9) and includes planned depreciation of SEK 58.7 million regarding customer relationships.

The total order backlog for delivery during 2021 has increased by 3% compared to the beginning of 2020, despite the pandemic's market impact, and amounts to SEK 736 M (714).

Balance sheet

The Group's net debt as of December 31, 2020, amounted to SEK 364.0 million, compared to SEK 389.3 million on December 31, 2019. The debt/equity ratio, measured as net debt in relation to adjusted EBITDA for the last twelve-month period, improved significantly during the year to 2.4x (2.9x).

The available liquidity on December 31 amounted to SEK 229.5 million, compared to SEK 196.2 million on December 31, 2019. Liquidity consists of SEK 161.2 million in cash and cash equivalents and unutilized credit facilities of SEK 68.3 million. Although Hoist Group's customer segments were characterized by liquidity constraints during the period, the Group has significantly reduced the proportion of overdue accounts receivable compared to the corresponding period last year. 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 807.6 million and has decreased by SEK 10 million since December 31, 2019. The equity/assets ratio was 41% (41%).

Cash flow

The cash flow from operating activities amounted to SEK 87.9 million during the year, of which cash flow from changes in working capital was SEK -1.1 million. Cash flow from investing activities was SEK -40.1 million, of which SEK -28.4 million was related to software development. Cash flow from leasing activities was SEK -6.5 million, and cash flow from financing activities was -23.3. MSEK. The year's total cash flow amounted to SEK 18.0 million.

Financial summary of the fourth quarter of 2020

The net sales for the interim period October-December 2020 amounted to SEK 290.5 million. This corresponds to a decrease of 16% compared to the same period last year (347.0). The decrease in sales during the period is attributable to lower project revenues.

Hoist Group's adjusted EBITDA for the interim period amounted to SEK 56.8 M (37.4). Adjusted EBITA amounted to SEK 38.9 M (19.9). Non-recurring costs that affected EBITA amounted to SEK 15.3 M (26.0) during the fourth quarter. SEK 7.6 million is related to the previously mentioned dispute in Italy, SEK 0.7 million pertains to customer losses due to Covid-19 and SEK 2.9 million to permanent efficiency measures.

Cash flow from operating activities amounted to SEK 32.8 million. Cash flow from investing activities amounted to SEK 3.6 million. Total cash flow during the fourth quarter was SEK 24.0 million.

Acquisition of Acentic

On October 1, 2020, Hoist Group acquired 100 percent of the shares in Acentic Holdings Ltd through the subsidiary Hoist Group Ltd UK. The acquisition includes the wholly owned subsidiaries Acentic Ltd (England), RIEO Communications Ltd (England), Acentic S.A.R.L (France), Acentic GmbH (Germany), Acentic Proprietary Ltd (South Africa), Acentic Hospitality Technology LLC (United Arab Emirates). Acentic focuses on the development and sale of IPTV and internet systems to the hotel industry. The business is operated in England, Germany, France, Dubai and South Africa.

From October 1st, Acentic will contribute SEK 56 million to the Group's net sales for 2020, and SEK 16 million to the Group's profit before tax. The cash and cash equivalents in the acquired unit amounted to SEK 22 million.

The purchase price for the shares in Acentic was paid in full by Hoist Group's parent company issuing shares to the previous owner of Acentic, Niantic Holding GmbH, and by the latter providing a conditional shareholder contribution to Hoist Group's parent company. No cash purchase price was paid. For further details, see Changes in the Group's equity on page 13.

Acquisition costs amount to SEK 2.4 million, which is charged to the Group's earnings in 2020.

Distribution of the purchase price is a complex process and Hoist Group deems that further work and analysis is required to fully assess the distribution between goodwill and other intangible fixed assets, such as customer contracts and brands. Goodwill mainly consists of staff know-how, access to new markets and expected synergies. In this report, all surplus values have been tentatively reported as goodwill. The acquisition balance sheet will be completed during the first quarter of 2021 and will be included in the consolidated financial statements for 2020.

Comments on future prospects

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, the Group's customers' market insights, and Hoist Group's current order and quotation stock. The customer occupancy rate is expected to increase significantly in 2021. However, this only affects project sales through the customers' willingness to make investments, as ARR is already contracted. With this view of market recovery, Hoist Group expects sales to increase in 2021 to a level corresponding to 2019, but with higher profitability. The increase in sales is expected to be mainly driven by cross-selling owing to the acquisition of Acentic, as well as increased revenues from software such as Hoist Group's Dashboard and Givito. Owing to increased project revenues, a continued high and increasing share of ARR, as well as the streamlined organization for scalable deliveries and the cost savings already implemented at Acentic, the Group is expected to generate a significant EBITDA increase in 2021. Hoist Group's ambition is also to continue evaluating and implementing strategic acquisitions in 2021.

Significant events after the end of the period

No significant events have occurred after the end of the period.

Transactions with related parties

As of December 31st, 2020, the shareholder loan amounted to SEK 50.6 M (51.3), including accumulated interest.

Financial summary parent company

The parent company's result after tax was SEK -12.3 million (-7.2) for the interim period October-December, and SEK -2.3 million (-0.4) for the full year 2020. The interest paid during the year amounted to SEK 31.0 million.

Risks and risk analysis

Refinancing

Refinancing risk arises from the company's secured bond loan, which expires in June 2021, and risks associated with difficulties in obtaining new financing on the spot. This results in the company having problems repaying the loan or in that new financing can only be secured at an increased cost. The company has thus mandated Pareto Securities and Swedbank to investigate the possibility of replacing the company's existing secured bond loan with a new secured bond loan.

Customers' ability to pay and suppliers' financial position

Risks that are noticed are the customers' ability to pay and the suppliers' financial position. 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 affecting economic and political conditions in Europe

A negative change in the economic conditions in Europe or in the market of another 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, may affect the Group's operations. The management's assessment with current knowledge is that Brexit is only expected to have a minor impact on the Group's operations.

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

Because of Covid-19, the Group's customers' ability to pay is negatively affected 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 digitalization. In order to remain competitive, the Group must continue to develop new services as well as increase and improve functionality, availability and functions in its existing service offerings and networks, e.g. by ensuring that its software can cope with 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 May 28th, 2021.

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)

The Board of Directors and the CEO,
Stockholm, February 26th, 2021

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	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
ARR (Annual recurring revenue)	135,659	140,443	533,301	553,677
Other revenue	155,994	206,895	475,732	765,757
Total Revenue	291,652	347,338	1,009,033	1,319,434
Costs of goods sold	- 136,326	- 190,167	- 493,144	- 746,330
Gross Profit	155,326	157,171	515,890	573,104
Operating expenses	- 36,318	- 41,030	- 97,725	- 114,740
Personnel expenses	- 76,666	- 104,778	- 290,287	- 380,495
EBITDA	42,343	11,363	127,878	77,869
Depreciation of tangible fixed assets and capitalized research and development expenses	- 18,743	- 17,500	- 68,767	- 67,835
EBITA	23,599	6,137	59,111	10,034
Amortisation of customer relationship	- 14,247	- 17,628	- 58,683	- 60,240
Operating Profit	9,352	23,765	428	50,206
Interest income and similar items	- 2,133	- 5,146	4,715	8,812
Interest expense and similar items	- 18,621	- 9,640	- 57,873	- 55,913
Profit from financial items	- 20,753	- 14,786	- 53,159	- 47,101
Profit before tax	- 11,401	- 38,551	- 52,731	- 97,307
Tax	2,125	1,414	4,252	1,620
Net profit	- 9,277	- 39,965	- 48,479	- 98,927

Statement of comprehensive income

Amount in KSEK	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net Profit	- 9,277	- 39,965	- 48,479	- 98,927
Other comprehensive income				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Exchange rate differences	- 62,088	20,021	- 66,529	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	- 71,365	- 19,944	- 115,008	- 65,871
TOTAL COMPREHENSIVE INCOME OF THE YEAR	- 71,365	- 19,944	- 115,008	- 65,871
NET PROFIT ATTRIBUTABLE:				
Parent company's shareholders	- 9,277	- 39,965	- 48,479	- 98,927
Non-controlling interests	-	-	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Parent company's shareholders	- 71,365	- 19,944	- 115,008	- 65,871
Non-controlling interests	-	-	-	-

Segment report

Period Oct-Dec	Project Revenue		ARR		Other Revenue		Sales between segments		Total operating income		
	Amount in KSEK		2020	2019	2020	2019	2020	2019	2020	2019	
France	15,802	29,548	16,283	21,125	-	0	278	2,224	1,451	34,310	51,846
Sweden	10,591	16,607	36,602	43,294	346	214		381	1,505	47,919	61,621
DACH*	6,094	13,502	6,122	7,750	4	280		1,413	1,331	13,633	22,863
MED**	12,893	15,927	8,190	10,793	87	-	12	56	445	21,226	27,153
Norway	14,419	26,305	12,963	13,629	40	-		21	999	27,443	38,935
UKBene***	18,036	42,842	6,868	9,917	-	-		4,580	10,084	29,484	62,844
Acentic group	37,203	-	20,166	-	-	-		875	-	58,244	-
All other****	39,710	61,822	28,467	33,935	674	138		-	13,818	59,394	82,077
Sum	154,748	206,554	135,659	140,443	1,151	341		94	0	291,652	347,338

Period Jan-Dec	Project Revenue		ARR		Other Revenue		Sales between segments		Total operating income		
	Amount in KSEK		2020	2019	2020	2019	2020	2019	2020	2019	
France	62,130	106,477	75,172	78,923	0	-	58	5,136	9,810	142,438	195,152
Sweden	40,596	92,041	154,036	173,841	717	-	547	1,591	15,667	196,941	281,002
DACH*	19,638	49,019	29,213	31,130	885	-	780	2,700	3,497	52,436	84,425
MED**	58,385	112,351	44,709	36,041	162	-	5,295	1,386	1,727	104,641	144,825
Norway	45,271	103,074	55,742	67,400	556	-		64	263	101,633	170,737
Tot UKBene***	62,913	97,285	34,162	35,263	-	-		9,467	15,503	106,542	148,051
Acentic group	37,203	-	20,166	-	-	-		875	-	58,244	-
All other****	145,234	209,320	120,102	131,078	2,030	1,310		-	46,466	246,159	295,242
Sum	471,371	769,568	533,301	553,677	4,348	3,810		12	0	1,009,033	1,319,434

Period Oct-Dec	Net sales		Adjusted EBITDA		Adjusted EBITDA %		EBITDA	
	Amount in KSEK		2020	2019	2020	2019	2020	2019
France	34,310	52,124	7,549	8,889	22%	17%	987	6,436
Sweden	47,573	61,407	5,808	361	12%	1%	5,416	1,430
DACH*	13,628	22,583	3,015	402	22%	2%	3,009	1,506
MED**	21,139	27,165	1,002	2,535	-5%	9%	8,649	4,599
Norway	27,403	38,935	4,704	788	17%	2%	4,357	788
UKBene***	29,484	62,844	686	4,341	2%	7%	71	4,886
Acentic	58,244	-	14,916	-	26%	N/A	18,273	-
All other****	58,720	81,939	21,081	20,036	36%	24%	19,020	6,788
Sum	290,501	346,996	56,756	37,352	20%	11%	42,343	11,363

Period Jan-Dec	Net sales		Adjusted EBITDA		Adjusted EBITDA %		EBITDA	
	Amount in KSEK		2020	2019	2020	2019	2020	2019
France	142,438	195,210	27,690	21,956	19%	11%	20,220	15,217
Sweden	196,224	281,549	10,905	13,676	6%	5%	6,467	11,885
DACH*	51,551	83,646	4,855	5,194	9%	-6%	4,111	7,101
MED**	104,479	150,119	13,249	11,260	13%	8%	5,601	1,157
Norway	101,078	170,737	11,988	15,819	12%	9%	11,000	15,819
UKBene***	106,542	148,051	9,519	1,186	9%	1%	6,664	12,378
Acentic group	58,244	-	14,916	-	26%	N/A	18,273	-
All other****	244,129	293,933	59,082	73,665	24%	25%	55,542	55,584
Sum	1,004,684	1,323,244	152,203	132,368	15%	10%	127,878	77,869

*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	December 2020	December 2019
ASSETS		
Fixed assets		
Capitalised research and development	60,898	59,476
Customer relationships	378,027	457,336
Goodwill	811,218	695,755
Other intangible assets	1,145	4,828
Tangible assets	69,534	79,674
Financial assets	58,469	73,781
Deferred tax asset	2,650	2,259
Total fixed assets	1,381,943	1,373,109
Current assets		
Inventories	85,993	87,561
Accounts receivables	246,474	295,651
Tax assets	784	2,687
Other receivables	703	1,008
Prepaid expenses and accrued income	111,724	78,709
Cash & bank deposits	161,205	152,426
Total current assets	606,882	618,041
Total Assets	1,988,825	1,991,150
EQUITY	807,553	817,551
LIABILITIES		
Non-current liabilities		
Shareholder loan	50,637	51,260
Other long term liabilities	87,173	592,922
Deferred tax liabilities	50,238	60,745
Other provisions	25,600	14,552
Total non-current liabilities	213,649	719,480
Current liabilities		
Bond loan	500,000	-
Utilized overdraft	6,064	31,537
Advances from customers	62,088	38,765
Accounts payable	147,564	173,462
Total income tax liability	2,835	10,801
Other current liabilities	81,674	81,222
Accrued cost and prepaid income	167,399	139,935
Total current liabilities	967,624	454,120
Total equity and liabilities	1,988,825	1,991,150

The Group's cash flow

KSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2020	2019	2020	2019
Profit after financial items	-11,401	-38,551	-52,731	-97,307
Whereof interest paid	-5,610	-7,573	-31,216	-32,602
Adjusted for items not included in the cash flow:				
Reversal of depreciation and amortisation	32,990	35,128	127,450	128,075
Taxes paid	-595	6,837	2,241	-12,914
Other items, not affecting cash	13,812	24,866	11,977	18,898
Cash flow from operating activities before change in working capital	34,806	28,280	88,937	36,752
Working Capital				
Change in inventory	33,575	9,113	31,195	1,692
Change in accounts receivable - trade	23,013	-26,751	48,154	-29,971
Change in operating receivables	-8,547	8,231	-22,515	7,113
Change in accounts payable - trade	1,863	30,322	-27,435	18,829
Change in other operating liabilities	-51,935	4,274	-30,461	29,359
CASH FLOW FROM WORKING CAPITAL	-2,032	25,189	-1,061	27,022
CASH FLOW FROM OPERATING ACTIVITIES	32,774	53,468	87,876	63,773
Investing activities				
Acquisition value subsidiary	10,265	-14,743	10,265	-14,743
Investment in intangible fixed assets	-7,194	-7,348	-28,403	-27,516
Investment in tangible fixed assets	-162	-5,573	-22,376	-11,317
Change in financial fixed assets	679	-2,453	425	-2,805
CASH FLOW FROM INVESTING ACTIVITIES	3,589	-30,116	-40,089	-56,380
Customer leasing activities				
Change in customer leasing	-922	-3,771	4,319	-11,606
Change in leasing backed loans	-792	147	-10,818	8,801
CASH FLOW FROM LEASING ACTIVITIES	-1,714	-3,624	-6,499	-2,804
Financing activities				
New share issue	0	1,751	0	60,867
Group contribution	0	0	0	54,054
Changes external loan	-367	2,820	7,243	-78,905
New increase/decrease bank overdraft facility	-6,081	11,199	-25,366	16,999
Change in lessee leasing liability	-4,195	-1,110	-5,165	-12,567
CASH FLOW FROM FINANCING ACTIVITIES	-10,642	14,660	-23,287	40,447
CASH FLOW FOR THE PERIOD	24,007	34,388	18,001	45,036
CASH & CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	144,123	120,824	152,426	104,720
Cash flow for the period	24,007	34,388	18,001	45,036
Exchange rate effects	-6,925	-2,786	-9,222	2,669
CASH AT END OF PERIOD	161,205	152,426	161,205	152,426

Changes in the Group's equity

<u>Amount in KSEK</u>	<u>Share capital</u>	<u>Other contributed capital</u>	<u>Reserves</u>	<u>Retained earnings including profit for the period</u>	<u>Total equity</u>
Ingoing balance per 2019-12-31	1,179	946,109	90,018	-219,755	817,551
News share issue	120	58,609			58,729
Shareholder contributions		46,281			46,281
The result of the period				-48,479	-48,479
Other total result					
Exchange rates differences			-66,529		-66,529
Share premium					-
Sum Total Results	1,299	1,050,999	23,489	-268,234	807,553

Financial report, parent company

Parent company's income statement in summary

KSEK	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Operating Profit	- 133	3,025	- 295	- 643
Interest income and similar items	7,059	5,972	25,910	23,838
Interest expense and similar items	- 9,191	- 9,382	- 37,207	- 35,353
Profit from financial items	- 2,132	- 3,410	- 11,297	- 11,515
Profit before tax	- 2,265	- 386	- 11,592	- 12,158
Appropriations				5,000
Tax	-	-	- 679	-
Net profit	- 2,265	- 386	- 12,271	- 7,158

Parent company's balance sheet in summary

KSEK	December 2020	December 2019
Financial assets	1,535,649	1,438,524
Current receivables	1,741	5,059
Cash & bank deposits	158	1,087
Total Assets	1,537,548	1,444,670
Equity	986,045	893,306
Long term interest-bearing liabilities	550,637	551,344
Total current liabilities	866	20
Total equity and liabilities	1,537,548	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 December 31, 2020, Hoist Group was owned approximately 50% 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 27% by C&M Stockholm AB (reg. No. 556847-5924, with its registered office in Stockholm), to approximately 10% of the Sixth AP Fund (reg. No. 855104-0721, with its registered office in Gothenburg), 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 Year-End 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 purchase price allocation of Acentic is preliminary and may affect the distribution between goodwill and customer relationships.

The information on pages 2-14 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 items.</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.