Hoist Group Holding Intressenter AB

CRN 559094-0689

ANNUAL REPORT
FOR THE
FINANCIAL YEAR 2020

HOISTGROUP
hospitality innovations.

A Word from the CEO

“2020 was a very challenging year for both Hoist Group and our customers. In addition to the general challenges we all faced as a result of the pandemic, the hotel industry has been hit particularly hard due to non-existent travel and heavy lockdowns. Therefore, it is with great pleasure and confidence that we now see the hotel industry is well on its way to overcoming the crisis with improved bookings and increased travel in the future, thanks to the 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 given the acquisition of Acentic.

2020 started with strong momentum for Hoist Group in all markets and by mid-March there was a high level of activity in all departments, with high demand for our software and systems. Our Italian operations based in Milan were hit first, and hard, by the pandemic, which quickly gave us an insight into the fact that more markets would be affected as the virus continued to spread. This early insight allowed us to act quickly and responsively to meet reduced demand, while at the same time, take advantage of opportunities for reduced working hours in each country. Hoist Group's innovative power came to the fore in the form of an offer to customers under the name Phoenix, where we gathered several offers together under one roof - all to simplify the tough everyday life for our customers. An example was our gift card solution Givito, which attracted around 800 new customers during the autumn. Despite the extremely tough conditions for our customers, we have now left 2020 as a stronger company, as all available resources have been invested in product development and innovation - an investment to become even better when demand returns to normal levels. Since its establishment, Hoist Group has generated strong organic growth year after year, and in addition, has 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 IP TV and Wi-Fi systems, gained an even stronger and broader distribution platform in Europe. Acentic will be consolidated within the Hoist Group from 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 much appreciated. In difficult times, new ties have been forged and old ones preserved. We are proud of how our staff has acted and maintained their ever so positive attitude. We are also very impressed with our customers' positive view of the future and their willingness to develop their businesses to stay ahead of the curve when the vaccine has done its job and markets reopen. Customer relationships are also formalized through our long-term agreements, which has ensured that the Group's revenues have not decreased in proportion to the hotel's occupancy rate, which has been proven in that our Annual Recurring Revenue in principle 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.”

Alfonso Tasso, CEO

Hoist Group Holding Intressenter AB hereby submits its annual report for the financial year 2020.

Management Report

Parent company

Hoist Group Holding Intressenter AB, corporate number 559094-0689, manages subsidiaries that sell technical systems with integrated software for hotels and government-controlled businesses. The company was registered in December 2016 and is the parent company of Hoist Group Holding AB with subsidiaries.

Information about the business

The consolidated financial statements include all companies owned, directly and indirectly, by Hoist Group Holding Intressenter AB, as listed in Note 17. The companies in the Hoist Group conduct development, sales, and leasing of IT systems and software, as well as related service and support specifically for the hotel industry.

The Group develops and delivers technical systems with integrated software for hotels and government-controlled businesses. 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.

Significant events in 2020

The outbreak of the Covid-19 pandemic affected the Group's operations from March onwards, 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 due to the second pandemic wave with renewed travel restrictions and closures in the EMEA region. 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. 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 to assess a business such as Hoist Group's, where software revenues represent an increasing part of our activities compared to the previous hardware-focused operations.

The Group has continued to act responsibly and vigorously, adjusting costs to a lower project sales level, and as a result, continues to show good profitability and strong liquidity, something that Hoist Group has good experience with through the number of acquisitions where restructuring and synergies have been a clear guiding light.

During the year, all the Group's employees in sales, administration, installation, and support were on short-term leave to varying degrees. However, the software development within Hoist Group has used short-term layoffs to a lesser extent, as the board and management have decided that development will continue according to the original plan, when the markets open up, to 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 occupancy increases again. The program has included several solutions, including the cloud-based gift card offer Givito and mobile check-in solutions. This offer has been well received and during the year more than 800 hotels have signed up for Givito and other services. 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 remains impressed by the hotels' faith in the future and financial sustainability. Like the Hoist Group, many hotels have taken the opportunity to improve their offerings to 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.

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 (UK), RIEO Communications Ltd (UK), 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 IP TV and Internet systems to the hotel industry. The business operates in the United Kingdom, Germany, France, Dubai, and South Africa.

From 1 October, Acentic will contribute SEK 57 million to the Group's net sales for 2020, and SEK 16 million to the Group's profit before tax. 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 Niantic Holding GmbH 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 14.

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

Comments on the group result

Net sales for the full year 2020 amounted to SEK 1004.7 million, which corresponds to a decrease of 24% compared with 2019 (1332.2). The reduction is entirely attributable to reduced project revenues.

The gross margin for 2020 amounted to 51.2%, which means an improvement compared with 43.5% 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 that

was settled against Hoist Group during the fourth quarter of 2020 and entailed a one-off cost that affects EBITA by SEK 7.6 million. Other non-recurring costs are primarily 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 million (67.8). The Group's net profit amounted to SEK -48.5 million (-98.9).

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 million (714).

Comments on depreciation and investments
Note 13 and note 14 describe the company's depreciations.

Customer relationships are amortized over 10 years and the year's depreciation charged the net result with SEK 58.7 million.

Goodwill increased by a total of SEK 115.5 million during the year. The changes in goodwill consist of acquisitions of Acentic SEK 149.6 million and exchange rate changes of SEK -34.1 million.

In 2020, SEK 26.8 million was capitalized in research and development costs.

Comments on cash flow and financing
Cash flow from operating activities amounted to SEK 70.0 million during the year, of which cash flow from changes in working capital was SEK -19.8 million. Cash flow from investing activities was SEK -28.8 million, of which SEK -28.4 million pertained 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.

Comments on the parent company
The parent company's profit before tax was SEK -11.6 million (-12.2) for the full year 2020. Interest expenses paid during the year amounted to SEK 31.0 million.

Significant events after the end of the financial year
On March 31, the company renewed its financing with the issue of a new three-year corporate bond that extends to March 2024. The previous bond has been redeemed prematurely and the interest rate for the new bond is Stibor 3M + 6.50% (6%).

Group overview

KEY FIGURE ***Amounts in SEK thousands***	**2020-01-01 2020-12-31**	**2019-01-01 2019-12-31**	**2018-01-01 2018-12-31**	**2016-12-23 2017-12-31***
Net sales	1 004 686	1 323 244	1 212 602	588 531
Operating earnings	429	-50 206	-105 468	10 068
Disposable income and expenses	*-25 177*	*-54 500*	*-36 351*	–

Adjusted EBITDA	*152 204*	*132 368*	*121 874*	
EBITDA	127 879	77 869	87 331	75 738
Adjusted EBITA	84 289	64 533	61 973	
EBITA	*59 112*	*10 034*	*25 621*	38 187
Profit before taxation	-52 730	-97 307	-168 640	-29 396
Profit or loss for the period	-48 479	-98 927	-175 569	54 740
Operating margin, %, EBITDA	13%	6%	7%	13%
Operating margin, %, EBITA	6%	1%	2%	6%
Profit margin, %	neg.	neg.	neg.	neg.
Financial situation				
Balance sheet total	1 988 824	2 001 951	1 969 441	2 255 850
Equity	807 552	817 551	768 501	212 439
Interest-bearing liabilities	593 435	610 155	690 023	1 421 612
Return on capital employed	1 400 987	1 427 706	1 458 524	1 634 050
Equity ratio, %	41%	41%	39%	9%
Employees				
Average number of employees	450	471	471	542

*Numbers for 2017 refer only to half of the year when Hoist Group Holding Intressenter acquired Hoist Group Holding AB on June 30, 2017.

At the end of the financial year, in addition to the bond loan, the group has long-term confirmed credit facilities totaling SEK 75 million, consisting of a rolling credit.

Parent company overview

KEY FIGURE	**2020-01-01 2020-12-31**	**2019-01-01 2019-12-31**	**2018-01-01 2018-12-31**	**2016-12-23 2017-12-31**
Amounts in SEK thousands				
Profit before tax	-11 592	-12 158	-28 805	-28 020
Equity	986 045	893 306	785 543	131 482
Equity ratio, %	*64%*	*62%*	*55%*	*9%*

Future development

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, which, however, only affects project sales through 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 better profitability. The increase in sales is expected to be mainly driven by cross-selling, thanks to the acquisition of Acentic, as well as increased revenues from software, such as Hoist Group's Dashboard and Givito. Thanks 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. In addition, Hoist Group's ambition remains to continue evaluating and implementing strategic acquisitions, also in 2021.

Risks and risk analysis

Customers' ability to pay and the supplier's financial position

Risks that are highlighted include 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 the suppliers' financial situation. The Group's customers' ability to pay deteriorates due to Covid-19 during the period of very low occupancy rates. These effects are not of significant effect, see Note 21. The Group maintains close dialogues with its customers and monitors accounts receivable closely.

Risk management is handled by the CFO in consultation with the CEO and the Board under guidelines established by the Board. The risk function includes identifying, evaluating, and hedging financial risks. This is performed in close collaboration with the Group's operating units.

Risks related to economic and political conditions in Europe

A negative change in the economic conditions in Europe or in the market in another country, which in turn affects the countries or markets in which the Group operates, is likely to have a negative impact on the Group's operations. Factors that can adversely affect general market conditions and reduce economic activity in Europe include changes in political situations, a reduction in employment rates, consumer and business confidence in the future, household disposable income, housing prices, foreign exchange markets, inflation, loan availability and borrowing costs, liquidity in the financial markets and market interest rates. Poorer market conditions, reduced economic activity, and changes in the general political situation in Europe can reduce demand for the Group's products and services, which has a negative impact on the Group's operations, financial position, and earnings.The UK's withdrawal from the EU, Brexit, may affect the Group's operations. Management's assessment with current knowledge is that Brexit is only expected to have a minor impact on the Group's operations.

Technological developments

The industry in which the Group operates is characterized by rapid technological development and digitalization. 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 financial risk management, please refer to the section Financial risk management, Note 3, among the additional information.

Staff
The average number of employees was 450 (471).

Ownership
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), approximately 27% by C&M Stockholm AB (reg. no. 556847-5924, with its registered office in Stockholm), approximately 10% by Hist AB (reg. no. 559181-8785, with its registered office in Gothenburg, a wholly-owned subsidiary of the Sixth AP Fund), approximately 9% by Niantic Holding GmbH (reg. no. HRB 64920, based in Hamburg, Germany) and approximately 3% by employees within the group.

Proposed allocation of earnings at the 2020 Annual General Meeting
The Board of Directors proposes that available profits, including the profit/loss for the year per 31 December 2020, SEK 984,745,561, to be carried forward to a new account.

For changes in shareholder's equity during the financial year, refer to the Group and Parent Company's report on changes in shareholders’ equity.

Group statement of comprehensive income

All amounts in KSEK	Note	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Net sales	5	1 004 686	1 323 244
Other operating income	6	5 474	-3 203
Sum of operating income		**1 010 160**	**1 320 041**
Operating expenses			
Commodities		-493 144	-746 330
Other external expenses	8	-98 134	-114 073
Payroll costs	9	-290 287	-380 495
Depreciation and amortization of tangible and intangible assets	13, 14	-127 450	-128 075
Other operating expenses	7	-717	-1 274
Sum of operating costs		**-1 009 731**	**-1 370 247**
Operating result		**429**	**-50 206**
Financial income	10	4 715	8 812
Financial expenses	10	-57 874	-55 913
Profit from financial items		**-53 159**	**-47 101**
Profit before tax		**-52 730**	**-97 307**
Deferred tax			
Income tax	11	4 252	-1 620
Net income/loss for the year		**-48 479**	**-98 927**

Group report on other comprehensive income

	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Net income/loss for the year	**-48 479**	**-98 927**
Other comprehensive income:		
Items that may be accounted for above the income statement		
Exchange rate differences	-66 529	33 056
Other comprehensive income for the year, net after tax	**-66 529**	**33 056**
Sum total profit/loss for the year	**-115 008**	**-65 871**
Profit for the year attributable:		
Parent company´s shareholders	-48 479	-98 927
Total result attributable to:		
Parent company´s shareholders	-115 008	-65 871
Earnings per share after dilution		
Net profit	-48 478 713	-98 926 575
Number of shares	120 906 860	111 189 830
Earnings per share SEK	-0,40	-0,89

Group balance sheet

All amounts in KSEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible assets	13	1 251 288	1 217 395
Tangible assets	14, 15, 16	69 535	79 674
Financial assets	3,18	58 469	73 781
Deferred tax assets	12	2 650	2 259
Total fixed assets		**1 381 942**	**1 373 109**
Working capital			
Inventories	20	85 993	87 561
Accounts receivable	3,21	246 473	295 651
Current tax assets		–	10 801
Other receivables		1 487	3 695
Prepayments and accrued income	22	111 724	78 709
Cash and cash equivalents	3,23	161 205	152 426
Total current assets		**606 882**	**628 842**
TOTAL ASSETS		**1 988 824**	**2 001 951**

Group balance sheet cont.

All amounts in KSEK	Note	2020-12-31	2019-12-31
Equity			
Share capital	24	1 299	1 179
Othe rcontributed capital		1 050 999	946 109
Reserves		23 488	90 017
Retained earning including net profit for the year		-268 234	-219 755
Total equity		**807 552**	**817 551**
LIABILITIES			
Long-term debts			
Company bond	3	500 000	500 000
Other long-term liabilities	3	42 798	58 895
Deferred tax liabilities	12	50 238	60 745
Other provisions	26	25 600	14 552
Total long-term debts		**618 636**	**634 192**
Current liabilities			
Subordinated Shareholder loan	3,25	50 637	51 260
Borrowings from credit institutions	3,25	6 064	31 537
Other current financial liabilities	3,25	44 375	34 027
Advances from customers		62 088	38 765
Accounts payable	3	147 564	173 322
Current tax payables	12	2 835	0
Other liabilities	27	81 674	81 362
Prepaid income and accrued expenses	3,28	167 399	139 935
Total current liabilities		**562 636**	**550 208**
TOTAL EQUITY AND LIABILITIES		**1 988 824**	**2 001 951**

Statement of changes in equity

Changes in group equity

Year 2020

All amounts in KSEK	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance as at 2020-01-01	**1 179**	**946 109**	**90 017**	**-219 755**	**817 551**
Comprehensive income					
Profit/loss for the year				-48 479	**-48 479**
Other comprehensive income					–
Exchange rate differences			-66 529		**-66 529**
Total comprehensive income	**1 179**	**946 109**	**23 488**	**-268 234**	**702 543**
					–
Transactions with shareholders					–
New capital issue	120	58 609			**58 729**
Shareholder contributions	–	46 281			**46 281**
Share premium					**–**
Total transactions with shareholders	120	104 890	–	–	**105 010**
Closing balance 2020-12-31	**1 299**	**1 050 999**	**23 488**	**-268 234**	**807 553**

Changes in group equity

Year 2019

All amounts in KSEK	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance as at 2019-01-01	**1 000**	**831 368**	**56 961**	**-120 829**	**768 501**
Comprehensive income					
Profit/loss for the year				-98 927	**-98 927**
Other comprehensive income					–
Exchange rate differences			33 056		**33 056**
Total comprehensive income	**1 000**	**831 368**	**90 017**	**-219 755**	**702 631**
					–
Transactions with shareholders					–
New capital issue	179	60 687			**60 866**
Shareholder contributions	–	54 054			**54 054**
Share premium					**–**
Total transactions with shareholders	179	114 741	–	–	**114 920**
Closing balance 2019-12-31	**1 179**	**946 109**	**90 017**	**-219 755**	**817 551**

Group statement on cash flows

All amounts in SEK	Note	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Cash flow from operating activities			
Result before tax		-52 730	-97 307
Whereof interest paid		-31 216	-32 602
Depreciation and amortisation		127 450	128 075
Other non-cash items	32	12 980	18 898
Paid tax	10	2 178	-12 914
Cash flow from current operations before changes in working capital		**89 878**	**36 752**
Changes in working capital			
Increase/decrease in inventories and current operations	20	31 195	1 692
Increase/decrease in accounts receivables	21	48 154	-29 971
Increase/decrease in other current receivables	22	-22 515	7 113
Increase/decrease in accounts payable		-27 435	18 829
Increase/decrease in other current liabilities	25, 27, 28	-42 688	29 359
Change in assets relating to customer leasing	16	4 319	-12 643
Change in liabilities relating to customer leasing		-10 818	9 838
Total changes in working capital		**-19 788**	**24 217**
Cash flow from current operations		**70 089**	**60 969**
Cash flow from investment activities			
Investments in subsidiaries	30	22 060	-14 742
Investments in intangible fixed assets	13	-28 403	-27 516
Investments in tangible fixed assets	14, 15	-22 881	-11 317
Sale of tangible fixed assets		–	–
Change in financial fixed assets		425	-2 805
Cash flow from investment activities		**-28 799**	**-56 380**
Cash flow from financing activities			
New capital issue		–	60 867
Shareholder contributions		–	54 054
Change external loans		7 243	-78 905
Change of overdraft credit	3	-25 366	16 999
Change in lessee leasing liability		-5 165	-12 567
Cash flow from financing activities		**-23 288**	**40 447**
Cash flow for the period		**18 002**	**45 037**
Cash and cash equivalents at beginning of the period		152 425	104 720
Exchange rate differences in cash and cash equivalents		-9 222	2 669
Cash and cash equivalents at end of period	**23**	**161 205**	**152 425**

Parent company income statement

All amounts in KSEK	Note	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Operating income			
Other income		–	0
Total income		**–**	**0**
Operating expenses			
Other external expenses	8	-295	-643
Total operating expenses		**-295**	**-643**
Operating profit / loss		**-295**	**-643**
Other interest income and similar items	10	25 910	23 838
Interest expense and similar items	10	-37 207	-35 353
Result from financial items		**-11 297**	**-11 515**
Profit/Loss before tax		**-11 592**	**-12 158**
Appropriations	33	–	5 000
Income tax	11	-679	–
Profit / Loss for the year		**-12 271**	**-7 158**

Total profit corresponds to the Profit/loss for the year

Parent company balance sheet

All amounts in KSEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Financial assets			
Participations in group companies	17, 29	1 009 000	1 009 000
Receivables from group companies	19	523 042	426 872
Other financial receivables		3 607	2 652
Total financial fixed assets		**1 535 649**	**1 438 524**
Total fixed assets		**1 535 649**	**1 438 524**
Current assets			
Current receivables			
Prepayments and accrued income	22	1 741	5 059
Total current receivables		**1 741**	**5 059**
Cash and cash equivalents		158	1 087
Total current assets		**1 899**	**6 146**
TOTAL ASSETS		**1 537 548**	**1 444 670**

All amounts in KSEK	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity	24		
Share capital		1 299	1 179
Total restricted equity		1 299	1 179
Unrestricted shareholder´s equity			
Share premium		1 051 001	946 111
Retained earnings		-53 984	-46 826
Net income/loss for the year		-12 271	-7 158
Total non-restricted equity		984 746	892 127
Total equity		**986 045**	**893 306**
Long-term debt			
Other long-term debt	3	500 000	500 000
Total long-term debt		**500 000**	**500 000**

Current liabilities			
Subordinated shareholder loan	3,25	50 637	51 260
Accounts payable	3	14	20
Current tax payables		679	–
Derivatives		–	–
Accrued expenses and deferred income	3, 28	173	83
Total current liabilities		**51 503**	**51 364**
TOTAL EQUITY AND LIABILITIES		**1 537 548**	**1 444 670**

Parent company report on changes in equity

2020

All amounts in KSEK	Share capital	Share premium	Retained earnings	Net income/loss for the year	Total equity
Opening balance 2020-01-01	**1 179**	**946 110**	**-46 825**	**-7 158**	**893 306**
Comprehensive income					
Profit/loss for the year				-12 271	**-12 271**
Transactions with shareholders					
New capital issue	120	58 609			**58 729**
Shareholder´s contributions		46 281			**46 281**
- Result carried forward			-7 158	7 158	**–**
Other comprehensive income for the year					
Total comprehensive income	**1 299**	**1 051 000**	**-53 983**	**-12 271**	**986 045**

2019

All amounts in KSEK	Share capital	Share premium	Retained earnings	Net income/loss for the year	Total equity
Opening balance 2019-01-01	**1 000**	**831 368**	**-28 020**	**-18 805**	**785 543**
Comprehensive income					
Profit/loss for the year				-7 158	**-7 158**
Transactions with shareholders					
New capital issue	179	60 687			**60 866**
Shareholder´s contributions		54 054			**54 054**
- Result carried forward			-18 805	18 805	**–**
Other comprehensive income for the year					
Total comprehensive income	**1 179**	**946 110**	**-46 825**	**-7 158**	**893 306**

Parent company´s report on cash flows

All amounts in SEK	note	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Cash flow from operating activities			
Operating result		-11 592	-7 158
Of which is paid interest		-31 021	-30 583
Accrued interest income		–	3 240
Accrued interest cost		90	-6 978
Cash flow from operating activities before change in working capital		**-11 502**	**-10 896**
Changes in working capital			
Increase/decrease in other current receivables		3 318	–
Increase/decrease in accounts payable		-6	-42
Total changes in working capital		**3 312**	**-42**
Cash flow from operating activities		**-8 190**	**-10 937**
Cash flow from investment activities			
Investment securities		-955	-2 652
Cash flow from investment activities		**-955**	**-2 652**
Cash flow from financing activities			
New capital issue			60 867
Shareholder´s contributions			54 054
Change external loans		-623	-72 091
Change loan Group companies	17, 19	8 840	-28 838
Cash flow from financing activities		**8 217**	**13 992**
Cash flow for the period		**-929**	**403**
Cash and cash equivalents at beginning of the period		1 087	683
Cash and cash equivalents at end of period		**158**	**1 087**

NOTES

Note 1 General information

Hoist Group Holding Intressenter AB with subsidiaries (“Hoist Group” or the “Group”) is a complete supplier of technical systems with integrated software for hotels and government-controlled businesses. Hoist Group sells high-speed solutions for internet, TV systems, booking and back-office systems, and locking systems. The Group has offices in 15 countries in the EMEA region.

The parent company is a limited company registered in Sweden and has its registered office in Solna, Stockholm. The visiting address for the head office is Röntgenvägen 2 in Solna.

On April 29, 2021, these consolidated financial statements were approved by the Board for publication.

All amounts are reported in thousands of kronor (SEK thousand) unless otherwise stated.

This is the fourth published report under International Financial Reporting Standards (IFRS).

Note 2 Summary of important accounting principles

2.1 Basis of preparation of reports

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and RFR 1 Supplementary Accounting Rules for the Group.

Assets and liabilities are reported at historical acquisition values.

The most important accounting principles applied when preparing these consolidated financial statements are set out below.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. The areas that include a high degree of assessment, that are complex, or such areas where assumptions and estimates are of significant importance for the consolidated accounts, are stated in Note 4.

The parent company's accounts have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. In cases where the parent company applies other accounting principles than the Group, this is stated separately at the end of this accounting principle section.

New and amended standards to be applied by the Group during the current period

No new standards have entered into force in 2020 in the consolidated accounts. IFRS 9 Financial Instruments, IFRS 15 Revenues from agreements with customers and IFRS 16 Leasing Agreements were applied early in 2017.

Standards, amendments, and interpretations of existing standards that come into force in 2021 or later and that are expected to have or may have an impact on the financial statements
No significant new Standards, amendments, and interpretations of existing standards for the Group that will enter into force in 2021 or later have been identified.

2.2 Consolidated account statement
Subsidiaries
Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or entitled to a variable return from its holding in the company and has the opportunity to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used to report the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities, and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities that are a consequence of an agreement on a contingent purchase price.

Acquisition-related costs are expensed as incurred.

Identifiable acquired assets and assumed liabilities in a business combination are initially valued at fair value on the acquisition date. For each acquisition, the Group decides whether all non-controlling interests in the acquired company are reported at fair value or at the holding's proportionate share of the acquired company's net assets.

The amount by which the purchase price, any non-controlling interest, and the fair value on the acquisition date of previous shareholdings, exceeds the fair value of the Group's share of identifiable acquired net assets is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets, in the event of a so-called “Bargain purchase”, the difference is reported directly in the income statement as 'Other operating income'.

2.3 Segment reporting and earnings per share
Operating segments
Hoist Group applies IFRS 8 Operating Segments.

An operating segment is part of a company whose operating earnings are regularly reviewed by the Group's "Highest Executive Decision Makers" who make decisions about the resources to be allocated to the segment and evaluate the segment's earnings. Within the Hoist Group, the Board of Directors is the highest decision-making body.

Operations are monitored on a revenue basis by the following segments:

1. Geography
2. The Acentic Group as a company

Profit is followed up by segments at EBITA level, i.e., Operating result after amortization of fixed assets.

Earnings per share
Earnings per share are calculated by dividing the net profit attributable to the parent company's shareholders by the weighted average number of shares outstanding during the year.

2.4 Conversions of foreign currency
Functional currency and reporting currency
Items included in the financial statements of the various units in the Group are valued in the currency used in the economic environment in which the respective companies are primarily active (the functional currency). In the consolidated financial statements, Swedish kronor (SEK) is used as the reporting currency, which is also the Parent Company's functional currency and reporting currency.

Transactions and balance sheet items
Foreign currency transactions are translated into the functional currency at the exchange rates that apply to the transaction date. Exchange rate gains and losses arising from the payment of such transactions and from the conversion of monetary assets and liabilities in foreign currency at the closing date are recognized in the income statement. Exchange rate differences on lending and borrowing are reported in net financial items, while other exchange rate differences are included in Operating result.

Group companies
Income and financial position for all Group companies (none of which has a high inflation currency as the functional currency) that has a different functional currency than the reporting currency are translated into the Group's reporting currency as follows:

(a) Assets and liabilities for each of the balance sheets are translated at the closing day rate;
(b) Revenue and costs for each of the income statements are translated at the average exchange rate (unless this average rate represents a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date) and;
(c) All exchange rate differences that arise are reported as a separate part of other comprehensive income

On consolidation, exchange rate differences arising as a result of the translation of net investments in foreign operations and borrowing, and other currency instruments identified as hedges of such investments, are recognized in equity. When divesting a foreign operation, in whole or in part, the exchange rate differences recognized in equity are recognized in the income statement and are reported as part of the capital gain/loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of this business and are translated at the closing day rate.

2.5 Intangible assets
Goodwill
Goodwill is the amount by which the acquisition value exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill on the acquisition of subsidiaries is reported as intangible assets.

Goodwill, which is reported separately, is tested annually to identify any impairment needs and is reported at cost less accumulated impairment losses. The impairment of goodwill is not reversed. Gains or losses on the divestment of a unit include the remaining carrying amount of the goodwill relating to the divested unit.

Goodwill is allocated to cash-generating units when considering any need for impairment. The distribution is made to the cash-generating units or groups of cash-generating units that are expected to be favored by the business combination that gave rise to the goodwill item. Hoist Group distributes goodwill that arose when the Group was formed in 2017 to the cash-generating units that are judged to benefit from the business acquisition, which is equated with the Group's segments.

Customer relations
Customer relations and customer contracts that are reported in the consolidated financial statements have been acquired through business combinations and are reported at fair value on the acquisition date. Customer relationships are reported at cost minus accumulated depreciation. Depreciation is made on a straight-line basis to allocate the cost over its estimated period of utilization. Customer relationships are based on contractual obligations and relationships; when determining the estimated useful life, Hoist has taken into account factors, such as the repurchase frequency and termination rate (proportion of customers who terminate their contracts, so-called "churn rate"). See below for the specification of estimated depreciation time (useful life).

Capital expenditure on developments and similar work
Development costs that are directly attributable to the development and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the following criteria are met:

i. It is technically possible to complete the product so that it can be used
ii. The company intends to complete the product and to use or sell it,
iii. The prerequisites for using or selling the product are fulfilled,
iv. It can be shown how that the product generates probable future economic benefits,
v. Adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
vi. The expenses attributable to the product during its development can be reliably calculated

Directly attributable expenses that are capitalized as part of the asset include expenses for employees, materials, and a fair share of indirect costs. Activation costs take into account the portion of the expenditure that has been recognized in the income received/expected contribution. Capitalized development costs are reported as intangible assets and amortized from the time when the asset is ready for use.

Depreciation time

Goodwill	Indefinite life – tested for impairment at least annually.
Customer relations	10 years
Capital expenditure on development and similar work	5 years
Other intangible assets	5 years

2.6 Tangible fixed assets

All tangible fixed assets are reported at cost minus depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Tangible fixed assets in the Group consist of machinery, fixtures and fittings, service cars, and premises that are held under lease rights (leasing).

Additional expenses are added to the asset's declared value or reported as a separate asset, whichever is appropriate, only when it is probable that future economic benefits associated with the asset will benefit the Group and the asset's acquisition value can be measured reliably. The declared value of the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are reported as expenses in the income statement during the period in which they arise.

No depreciation is made on land. Depreciation on other assets, to distribute their acquisition value down to the estimated residual value over the estimated useful life, is made linearly as follows:

Depreciation periods of tangible fixed assets

Inventories, tools, and installations	5 years
Facilities - right-of-use assets	Over the estimated duration of the contract, normally 3-8 years
Vehicles – right-of-use assets	Over the estimated duration of the contract, normally 3 years
Land	Not depreciated

Depreciation of tangible fixed assets

The residual value and useful life of the assets are tested each balance sheet date and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount.

Gains and losses on divestments are determined by comparing sales revenue with the carrying amount and are recognized in Other Operating Income and Other Operating Expenses in the income statement.

See also the following section regarding the description of impairment of non-financial fixed assets.

2.7 Impairment of non-financial fixed assets

Assets that have an indefinite useful life are not amortized but are tested annually for any impairment. At present, this is only goodwill for the Group.

Tangible fixed assets and intangible assets that are amortized are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is made by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value minus selling costs and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash- generating units).

An impairment loss is reversed if there is both an indication that the impairment requirement no longer exists and there has been a change in the assumptions that formed the basis for calculating the recoverable amount. Impairment of goodwill is never reversed, however. A reversal is made only

to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been reported, minus depreciation where applicable, if no impairment loss has been made.

2.8 Financial instruments
Hoist applies IFRS 9 as a principle for accounting for its financial instruments, as the standard is deemed to provide more reliable and relevant information to users' assessment of amounts, times, and uncertainty for Hoist's future cash flows. The standard applies to all types of financial instruments, except the following:

a) Shares in subsidiaries.
b) Rights and obligations under lease agreements to which IFRS 16 applies.
c) Financial instruments issued by the company that meet the definition of an equity instrument in IAS 32 (including options and warrants).
d) Rights and obligations in the scope of IFRS 15. Revenue from agreements with customers that are financial instruments, except for those that, according to IFRS 15, are to be recognized under this standard (model for depreciation of receivables accounted for at amortized cost).

The Group does not hold any derivative instruments and does not apply hedge accounting, which is why these parts of the standard are not applicable.

Investments and other financial assets
Classification
The Group recognizes a financial asset or financial liability in the statement of financial status when, and only when, the company becomes a party to the instrument's contractual terms.

The classification is based on the Group's business model for the management of financial instruments, and the characteristics of the contractual cash flow from the financial instrument.

The Group classifies its financial instruments into the following categories:
* Accounting at fair value, either through the income statement or other comprehensive income:
* Accounting at accrued acquisition value: Instruments whose main business objective is to ensure that the Group receives contractual cash flows that are only payments of the capital amount and outstanding interest on the capital amount.

For financial instruments recognized at fair value, gains and losses are presented either in the income statement or in the report on other comprehensive income. For investments in debt instruments, the accounting will depend on the business model that the Group applies to each instrument.

Note 3 shows the information on the categories of financial instruments the Group holds.

Valuation
On the accounting date, a financial asset or financial liability is measured at fair value plus or minus, for a financial asset or financial liability that is not measured at fair value through profit or loss, transaction costs are directly attributable to the acquisition or issue of the financial asset or financial debt.

Debt financial instruments

The subsequent valuation depends on the business model the Group has chosen for the management of financial instruments, and the characteristics of the contractual cash flow from the financial instrument.

- *Accrued acquisition value:* Assets whose main purpose means that the Group receives contractual cash flows that are only payments of principal amounts and outstanding interest on the principal amount. Assets reported in this category are financial fixed assets, accounts receivable, and cash, and cash equivalents. Debt instruments reported in this category consist of shareholder loans, corporate bonds, overdraft facilities, financial leasebacks, liabilities relating to rights-of-use assets, and accounts payable.

Changes in value, such as reductions or depreciation, are reported in the income statement. Interest from these instruments is reported in the income statement according to the effective interest method.

Depreciation
The Group recognizes loss reserves for expected credit losses on current assets, which are financial instruments and financial fixed assets. The Group values the loss reserve for a financial instrument at an amount that corresponds to the expected credit losses for the remaining term if the credit risk for the financial instrument has increased significantly since the first reporting date.

For accounts receivable for the coming 12 months period, the Group applies the simplified procedure in accordance with IFRS 9, which states that expected credit losses are recognized in connection with the first accounting period.

2.9 Inventories
Inventories are reported at the lowest cost and net realizable value. The acquisition value is determined using the first-in, first-out method (FIFU). The cost of trading goods consists of the cost of purchasing goods. Borrowing costs are not included. Inventories mainly consist of TV sets and Wi-Fi equipment. The net realizable value is the estimated sales price in the ongoing operations, less applicable sales costs. The required allocation for obsolescence has been made according to individual assessment.

2.10 Accounts Receivable and Receivables for Leases
Accounts receivable
Accounts receivable are initially reported at fair value and thereafter at accrued acquisition value with application of the effective interest method, minus any allocation for impairment. The Group applies the simplified method for assessing expected credit losses in accounts receivable, as this method is described in IFRS 9 Financial Instruments. The Group values the loss reserve at an amount corresponding to the expected credit losses for the remaining maturity of accounts receivable that fall within the framework of IFRS 15. None of the Group's accounts receivable contain any significant financing component.

The size of the allocation reflects a probability-weighted amount that is determined by the Group evaluating the range of possible outcomes. Furthermore, the model takes into account the time value of the payments. Losses relating to accounts receivable, as well as recoveries of previously impaired accounts receivable are reported in the income statement as other external costs.

The carrying amount of trade receivables, after any write-downs, is assumed to correspond to its fair value, as this item is short-term in nature.

Receivables for Leases
The Group offers leasing solutions to its customers. Receivables for financial leases are reported as financial assets and receivables are recognized at the present value of future payments from the customer.

2.11 Cash and cash equivalents
Cash and cash equivalents include cash, bank balances, and other current investments with a maturity of no more than three months from the date of acquisition. Check account credit is reported as borrowing among current liabilities.

2.12 Share capital
Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are reported, net of tax, in equity as a deduction from the issue proceeds.

Other contributed capital consists of conditional and unconditional shareholder contributions. Reserves arise when translating foreign net assets according to the current exchange rate method. Accrued earnings, including net Profit/loss for the year, consist of accrued earnings.

2.13 Accounts payable
Accounts payable are initially recognized at fair value and subsequently at amortized cost using the effective interest method. The carrying amount of accounts payable is assumed to correspond to its fair value, as this item is of a short-term nature.

2.14 Borrowing
Borrowing (borrowing from credit institutions and other long-term borrowings) is initially recognized at fair value, net after transaction costs. Borrowing is then reported at amortized cost and any difference between the amount received (net after transaction costs) and the repayment amount is recognized in the income statement distributed over the loan period, using the effective interest method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the balance sheet date.

Borrowing costs (interest costs and transaction costs) are recognized in the income statement in the period to which they relate.

As of the balance sheet date, the Group's borrowing consists of commitments to companies for leasing contracts (rights of use), borrowing from related parties (shareholder loans), borrowing from the issuance of corporate bonds, and borrowing from credit institutions.

2.15 Current and deferred tax
The current tax expense is calculated based on the tax rules that are decided on the balance sheet date or in practice decided in the countries where the parent company's subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation and, when deemed appropriate, makes allocations for amounts that are likely to be paid to the tax authority.

Deferred tax is recognized 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 financial statements. However, the deferred tax is not recognized if it arises as a result of a transaction that constitutes the first recognition of an asset or liability that is not a business

combination and which, at the time of the transaction, does not affect the reported or fiscal result. Deferred income tax is calculated by applying tax rates (and laws) that have been decided or in practice decided on the balance sheet date and which are expected to apply when the deferred tax asset concerned is realized or the deferred tax liability is settled.

Deferred tax assets are reported to the extent that future fiscal surpluses will probably be available, against which the temporary differences can be utilized.

Deferred tax is calculated on temporary differences arising on participations in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and, probably, the temporary difference will not be reversed in the foreseeable future.

2.16 Employee benefits

Pension liabilities and benefits after termination of employment

The Group only has so-called defined contribution pension plans. In France, the staff is entitled to a defined benefit one-off bonus in connection with retirement. Groups report this obligation as a pension liability.

For defined contribution pension plans, Hoist Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no additional payment obligations once the fees have been paid. The fees are reported as personnel costs as they are earned by employees performing services for the company. Prepaid fees are reported as an asset to the extent that cash repayment or reduction of future payments can benefit the Group.

Costs relating to employment in previous periods are reported directly in the income statement.

Short-term benefits

Short-term employee benefits are calculated without discounting and are accounted for as an expense when the related services are received from the employee.

Compensation upon termination

Severance pay is payable when an employee's employment is terminated by the Hoist Group before the agreed-upon retirement date or when an employee accepts voluntary retirement in exchange for such compensation. Hoist Group recognizes severance pay when the Group is demonstrably obliged to either terminate employees per a detailed formal plan without the possibility of withdrawal or to provide compensation upon termination as a result of an offer made to encourage voluntary resignation. Falling benefits due more than 12 months after the balance sheet date are discounted to present value.

Bonus plans

The Group reports a liability and a cost for bonuses, based on results or individual performance. The Group reports a provision when there is a legal obligation or an informal obligation due to previous practice.

2.17 Provisions

Provisions are reported when the Group has a legal or informal obligation as a result of previous events, it is probable that an outflow of resources will be required to settle the commitment, and the amount has been calculated reliably. Provisions in the Hoist Group mainly consist of costs for

restructuring. The restructuring mainly includes staff costs. No provisions are made for future operating losses.

The provisions are valued at the present value of the amount that is expected to be required to settle the obligation. A discount rate before tax is used that reflects a current market assessment of the time-dependent value of money and the risks associated with the provision. The increase in the provision due to the passage of time is reported as an interest expense. Most of the provisions in the Hoist Group are short-term in nature.

2.18 Revenue Accounting
Hoist Group sells goods and services either in project-based or in contract-based form.

When selling TV systems and HSIA equipment (High-Speed Internet Access), both an item and an installation service are included in the agreements and are usually priced as a unit. A separate maintenance and support service is sold for these types of products/services, for which separate pricing takes place. Revenues from these product groups are both contract-based in the form of maintenance and support services, as well as project-based in the form of goods and installation services. The delivery also includes software that is necessary for the functionality of the product and forms an integral part of the delivery TV system and HSIA.

When selling Guest Content, rights are provided in the form of program content. Revenue from Guest Content is usually contract-based and is recognized as revenue on a straight-line basis over the term of the agreement.

Property Management Systems is proprietary software used in hotel administration and can most easily be described as an ERP system for the hotel industry (room service, receipts in bars, cleaning schedules, bookings, etc.). A license is paid for this, which is usually paid in two parts. Part of the fee is project-based and pertains to installation and adaptation/integration with other systems. In addition, a contractual quarterly or monthly fee is paid for the use of the software. The fee includes upgrades to the version that is installed. If a completely new version is launched, a new price is paid according to a special agreement and a new agreement. The new version is voluntary to order for the customer.

Locks and equipment include project-based income from sales of goods and installation.
The product group also includes to a lesser extent one-off sales of goods, such as shampoos, bathrobes, irons, and the like, to hotels.

Sales of goods and services vary between different companies within the Group and also between geographical areas.

Note 5 presents information on amounts in the income statement attributable to income from agreements with customers. It states that the Group has revenues for projects and contract-based revenues over time in geographical regions and the Acentic Group as its own segment.

The business model does not include customer losses as an estimated part of the transaction but rather those that occur after an agreement has been entered into with the customer.

Project-based revenue
Project-based revenues consisting of combined goods and installation services are reported over time based on the degree of completion of the project. The degree of completion is calculated based

on time spent in relation to the total estimated time of the project. Full revenue recognition takes place when the goods have been delivered to the customer and there are no unfulfilled commitments that can affect the customer's approval of the goods. Delivery takes place when the goods have been transported to a specific location and installed. The customer has either accepted the goods per the agreement, the time limit for objections to the agreement has expired, or the Group has objective evidence that all criteria for acceptance have been met.

The assignments are performed on a fixed price basis and the income from the sale of goods is reported based on the price in the agreement, less any discounts. Contractual liability is reported for expected discounts in relation to sales up to and including the balance sheet date. These are not significant and are not reported separately in the consolidated balance sheet.

The calculation regarding revenues, costs, or the degree of completion of projects is revised if circumstances change. Increases or decreases in estimated revenues or costs that are due to a changed estimate are reported in the income statement in the period in which the circumstances that gave rise to the change became known to management.

No financing component is judged to exist as the credit period is short, usually 30 days. A claim is reported when the goods have been delivered and the customer has approved the installation, as this is the point at which the compensation becomes unconditional. As the projects run for one year, no performance commitments are reported that are not fulfilled on the balance sheet date.

Sales of software are sold as a right to use and are recognized as revenue at a certain time.

In individual cases, the Group sells goods to customers without an installation component. In these cases, revenue is reported when delivery to the customer has taken place.

Contract-based revenue
The Group enters into service and support agreements with customers. These are usually invoiced monthly or quarterly in advance. This results in a commitment 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.

Interest income
Interest income is reported as income distributed over the term using the effective interest method. Interest income that is linked to leasing agreements entered into with Hoist Group's customers is reported as part of the Group's main income and thus affects income and operating profit. Interest income received through other financial instruments, such as bank balances, is reported in net financial items.

Other operating income
Exchange rate gains related to operating profit are reported under other operating income.

2.19 Leasing

The Group as a lessee
The Group leases premises, machinery, and cars. Local contracts are usually 3 to 8 years long. Other leasing contracts vary in terms and length depending on the country and nature in general. Leased assets may not be used as collateral for borrowing.

A right-of-use contract is recognized as an asset and a corresponding liability from the date on which the leased asset is available to the Group. Lease payment is divided between amortization of debt and interest expense. The interest cost for each period is calculated according to the annuity method. Assets with a right of use are depreciated according to plan on the shorter of its economic life or the length of the leasing contract.

Assets and liabilities attributable to leasing are initially valued at fair value. Leasing liabilities include the present value of the following payments:
- Ongoing fixed payments.
- Variable payments based on an index or exchange rate.
- Amounts that are considered likely to be paid at the end of the leasing period in the form of guaranteed residual values.
- Call options that are considered likely to be exercised at the end of the leasing period.

Payments are discounted to present value with the implicit leasing interest rate, or if it cannot be determined, at the Group's borrowing rate. In cases where the leasing interest rate is not known, future cash flows have been discounted by 5%.

The assets are valued at acquisition value consisting of the following: - the present value of future payments at the initial valuation of the lease liability
- payments made on or before the start date of the contract, ex. first increased fee
- direct costs at the time of acquisition
- restoration or restoration costs

Payments attributable to shorter contracts or for contracts of lesser value are expensed on an ongoing basis in the income statement. Short-term contracts refer to contracts with a maximum duration of twelve months. Minor value is assessed by management as a contract with a total value of less than EUR 6,000 and consists primarily of simple equipment or office equipment.

The Group as lessor
The Group sells equipment to customers via leasing agreements, both so-called operational and financial leasing agreements. The meaning of an operational leasing agreement is that the Group retains the risks and benefits associated with the ownership of the asset. In a financial leasing agreement, the Group's customer has taken over the benefits and risks associated with ownership and is equated with an instalment purchase.

If an assessment has been made that the leasing agreement with the customer is a so-called operational leasing agreement, the group maintains the leased asset in its own balance sheet and makes the current depreciation of the leased asset. Revenues are reported on a straight-line basis over the term of the agreement.

If the agreement has been deemed to constitute a financial leasing agreement, the tangible fixed asset is removed from the balance sheet on the day the asset is delivered to the customer, under the terms of the customer agreement. A long- and short-term financial receivable is reported at the beginning of the agreement with the customer and a corresponding income is reported. As payments are made from the customer, amortization of debt is reported. Interest income is reported on an ongoing basis as it is earned.

The Group offers our customers leasing as a natural part of business agreements. Thus, both current income through operational leasing agreements, as well as interest income in financial leasing agreements forms part of the Group's main income.

2.20 Dividends
Dividends to the Parent Company's shareholders are reported as a liability in the Group's financial statements in the period in which the dividend is approved by the Parent Company's shareholders. No dividends will be proposed for the 2021 Annual General Meeting for the 2020 financial year.

2.21 Accounting principles in the Parent Company
The accounting principles in the Parent Company are in all material respects consistent with the consolidated financial statements. The parent company's accounts have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. RFR 2 states exceptions to and additions to the standards issued by the IASB and statements issued by the IFRIC. The exceptions and additions shall apply from the date on which the legal entity applies the specified standard or statement in its consolidated financial statements.

The parent company uses the forms of presentation specified in the Annual Accounts Act, which means, among other things, that a different presentation of equity is applied.

Shares in subsidiaries are reported at accrued acquisition value after deductions for any write-downs. When there is an indication that shares and participations in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, a write-down is made. Impairment losses are reported in the item Profit from participations in Group companies. The acquisition value of participations in subsidiaries includes transaction costs. In the consolidated accounts, transaction expenses are expensed in the period in which they arise.

The Parent Company has chosen to apply IFRS 9 under the RFR 2 exception, which means that Financial assets and liabilities are reported at initial recognition at fair value with additions or deductions for transaction costs. In the subsequent reporting, financial liabilities and assets are valued at accrued acquisition value.

2.22 Definitions of key figures for a multi-year overview in the Administration Report

EBITDA	Operating result before depreciation and amortization
Adjusted EBITDA	EBITDA before non-recurring items
EBITA	Operating result before amortization of customer relations and write-downs due to goodwill
Adjusted EBITA	EBITA before non-recurring items
EBIT	Operating result
Operating margin EBITDA	Operating result before depreciation and write-downs divided by net sales
Operating margin EBITA	Operating result before amortization of customer relations and impairment goodwill divided by net sales
Profit margin	Profit before tax divided by net sales
Capital employed	Equity plus interest-bearing liabilities

Equity ratio	Equity plus untaxed reserves minus tax portion of untaxed reserves in relation to total assets

Amounts in SEK thousands

	EBITDA	*Adjusted EBITDA*	*EBITA*	*Adjusted EBITA*	*EBIT*
Sum of operating income	1 010 160	1 010 160	1 010 160	1 010 160	1 010 160
Sum of operating costs	-1 009 731	-1 009 731	-1 009 731	-1 009 731	-1 009 731
Operating result	**429**	**429**	**429**	**429**	**429**
Including depreciation	68 767	68 767			
Including write-downs	58 683	58 683	58 683	58 683	
Including one-off revenues and expenses		24 325		25 177	
Earnings	**127 879**	**152 204**	**59 112**	**84 289**	**429**

	Operating margin EBITDA	*Operating margin EBITA*	*Profit margin*	*Return on capital employed*	*Equity ratio*
Net sales	1 004 686	1 004 686	1 004 686		
EBITDA	127 879				
EBITA		59 112			
Earnings before tax			-52 730		
Equity				807 552	807 552
Interest-bearing liabilities				593 435	
Balance sheet total					1 988 824
Key figures	**13%**	**6%**	**negative**	**1 400 987**	**41%**

Note 3 Financial risk management

The Group is exposed to various financial risks through its operations: market risk (currency risk and interest rate risk), credit risk, and liquidity risk/financing risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on earnings and liquidity due to financial risks.

Risk management is handled by the CFO in consultation with the President and the Board, under guidelines established by the Board. The risk function includes identifying, evaluating, and hedging financial risks. This is performed in close collaboration with the Group's operating units.

The Group does not apply so-called hedge accounting under the rules in IFRS 9.

Market risk

(i) Currency risk

Hoist Group is an international group with operations in several countries. The reporting currency is the Swedish krona (SEK). This means that the Group is exposed to currency risks due to changes in exchange rates that may affect earnings and equity.

Exposure to changes in currency is usually divided into two main groups, translation exposure and transaction exposure, respectively.

Translation Exposure
The assets of the foreign subsidiaries, with deductions for liabilities, constitute a net investment in foreign currency, which on consolidation gives rise to a translation difference. Such translation differences are entered directly in the Group's equity and are reported under a separate category within Equity called Reserves. The guidelines within the Group are that net investments in foreign currency should not be hedged with financial derivatives, e.g., to avoid any undesirable liquidity effects when such derivatives are extended. A related form of translation exposure is the result that is earned during the year in the foreign subsidiaries, and which thus continuously affects foreign equity. A strengthening of the subsidiaries' currency in relation to the Swedish krona leads to higher revenues and costs in the Group.

A strengthening of EUR by 10% would affect profit before tax by SEK 2.0 million
A strengthening of GBP by 10% would affect profit before tax by SEK 1.3 million
A strengthening of NOK by 10% would affect profit before tax by SEK +1.1 million

Intra-group loans are translated at the current balance sheet date at the unit that has the receivable or the alternative debt denominated in a currency other than the functional currency that applies to each unit. Net intra-group loans do not affect equity.

Transaction exposure
Transaction exposure usually means exposure arising from commercial flows, i.e., cross-border sales and purchases.

Some of the Group's purchases are in currencies other than the country in which the Group operates. Currency risks are limited through price adjustments to customers.

See Note 18 and Note 22 for more information on the Group's currency exposure.

(ii) Interest rate risk regarding cash flows and fair values
As the Group does not hold any significant interest-bearing assets, the Group's revenues and cash flow from operating activities are essentially independent of changes in market interest rates. The Group's interest rate risk arises mainly through long-term borrowing. Borrowing with variable interest rates exposes the Group to interest rate risk regarding cash flow. Borrowing with a fixed interest rate exposes the Group to interest rate risk regarding fair value.

Borrowing in the Group consists largely of corporate bonds. A 1% unit increase in interest rates would affect the interest expense by SEK 5 million.
The Group's external loans have a variable interest rate. The Group's borrowing from related parties runs at a fixed interest rate and is thus exposed to real changes in value. In other respects, see Note 22 Borrowing for a description of significant terms for borrowing.

Credit risk

Credit risk or counterparty risk is the risk that the counterparty in a financial transaction does not fulfil its obligations on the due date. Credit risk is managed at the Group level and is linked to accounts receivable, cash and cash equivalents, financial leases and receivables from banks and financial institutions.

See Note 18 Accounts receivable, and the following paragraph, for a more detailed description of the Group's exposure to accounts receivable.

Customer credit risk

In addition to overall monitoring at the Group level, more detailed follow-up of customer credit risks takes place at the local level, close to the customer. Customer credit risk is the risk that customers do not fulfil their obligations. If customers are credit-rated by independent valuers, these assessments are used. In cases where there is no independent credit assessment, a risk assessment is made of the customer's creditworthiness where his financial position is taken into account, as well as previous experience and other factors. Risk limits are determined based on internal or external credit assessments. The use of credit limits is monitored regularly. No major concentrations of credit risks are judged to exist. The maximum exposure to credit risks in accounts receivable consists of the value reported for each given time.
The combination of the fact that no individual customer accounts for a larger share of sales than 5% and a large share of sales goes to municipalities, county councils and relatively large private companies ensures that credit risk is kept to a minimum.

Liquidity risk/Finance risk

As of December 31, 2020, the Group had available liquidity of SEK 161,205 thousand, consisting of bank deposits. In addition to reported cash and cash equivalents, the Group had an unutilized overdraft facility of SEK 68,297 thousand as of December 31, 2020.

The goal regarding the capital structure is to secure the Group's ability to continue its operations so that it can continue to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep the costs of capital down.

The table below shows the discounted cash flows that come from the Group's liabilities in the form of financial instruments, based on the earliest remaining maturities contracted on the balance sheet date. The amounts due within twelve months correspond to booked amounts, as the discounting effect is insignificant.

Amounts in foreign currency and amounts to be paid based on a variable interest rate have been estimated using the exchange rates and interest rates in force on the balance sheet date.

Note 3 cont

Group All amounts in KSEK	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 31 December 2020				
Corporate bond	31 875	32 500	516 250	
Shareholder loan	53 169			
Finance lease liabilities	14 560	8 133	15 967	–
Overdraft	6 064			
Lessee Leasing Liability	18 678	9 945	5 913	
Liabilities related to suppliers, tax and other debts	480 688			
Total	**605 035**	**50 578**	**538 130**	**–**

Group All amounts in KSEK	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 31 December 2019				
Corporate bond	30 490	515 245		
Shareholder loan	53 823			
Finance lease liabilities	15 110	12 838	21 058	–
Overdraft	31 537			
Lessee Leasing Liability	21 237	13 900	6 009	172
Liabilities related to suppliers, tax and other debts	440 010			
Total	**592 207**	**541 983**	**27 066**	**172**

Parent Company All amounts KSEK	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 31 December 2020				
Corporate bond	31 875	32 500	516 250	
Shareholder loan	53 169	0	0	
Liabilities related to suppliers, tax and other debts	187			
Total	**85 231**	**32 500**	**516 250**	**–**

Parent Company All amounts KSEK	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 31 December 2019				
Corporate bond	30 490	515 245	0	
Shareholder loan	53 823			
Liabilities related to suppliers, tax and other debts	104			
Total	**84 417**	**515 245**	**–**	**–**

Management of capital risk
The goal regarding the capital structure is to ensure the Group's ability to continue its operations, so that it can continue to generate a return to shareholders and benefit other stakeholders, and to maintain an optimal capital structure to keep costs down.

Like other companies in the industry, the Group assesses capital based on the debt/equity ratio. This key figure is calculated as net debt divided by total capital. Net debt is calculated as all interest-bearing liabilities, except for back-to-back leasing liabilities and liabilities relating to the value in use of assets minus liquid assets. Total capital is calculated as Equity in the consolidated balance sheet plus net debt.

The debt/equity ratio as of December 31 was as follows:

All amounts in KSEK	2020-12-31	2019-12-31
Corporate Bond	500 000	500 000
Other borrowing	25 192	41 696
Cash and cash equivalents	-161 205	-152 426
Net debt	363 987	389 270

The Group's goal regarding the capital structure is to ensure the Group's ability to continue its operations so that it can continue to generate a return for shareholders and benefit other stakeholders and to maintain an optimal capital structure to keep costs down.
To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group assesses capital based on the debt/equity ratio and Operating result against the Group's net debt.

	2020-12-31	2019-12-31
Net debt	363 987	389 270
Subordinated shareholder loan	50 637	51 260
Total equity	807 553	817 551
Total capital	**1 222 177**	**1 258 081**
Debt-to-equity ratio	**30%**	**31%**

	2020-12-31	2019-12-31
Net debt	**363 987**	**389 270**

The Group's financial assets are in the category of loan receivables and accounts receivable, and the Group's financial liabilities belong to the category of other financial liabilities valued at amortized cost.

Group

	Receivables at amortized cost	Receivables at amortized cost
	2020-12-31	**2019-12-31**
Assets in the balance sheet		
Financial assets	58 469	73 781
Receivables	246 473	295 651
Cash and cash equivalents	161 205	152 426
Total amount	**466 147**	**521 857**

	Liabilities at amortized cost	Liabilities at amortized cost
	2020-12-31	**2019-12-31**
Liabilities in the balance sheet		
Corporate Bond	500 000	500 000
Other non-current liabilities	42 798	58 895
Short-term liabilities shareholder loans	50 637	51 260
Other current financial liabilities	44 375	34 027
Bank overdraft	6 064	31 537
Payables	147 564	173 322
Accrued interest	173	83
Total	**791 611**	**849 125**

Parent company	Receivables at amortized cost	Receivables at amortized cost
	2020-12-31	**2019-12-31**
Financial assets	1 535 649	1 438 524
Receivables group companies	0	0
Cash and cash equivalents	158	1 087
Total	**1 535 807**	**1 439 611**

	Liabilities at amortized cost	Liabilities at amortized cost
	2020-12-31	**2019-12-31**
Liabilities in the balance sheet		
Short-term liabilities shareholder loan	50 637	51 260
Corporate Bond	500 000	500 000
Payables	14	20
Accrued interest	173	83
Total	**550 824**	**551 364**

Note 4 Important estimates and judgments in applying the Group's accounting principles

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

Important estimates and assumptions for accounting purposes
The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that pose a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are set out in the main features below.

Impairment test for goodwill
Every year, Hoist Group examines whether there is any need for impairment for goodwill, in accordance with the accounting principle described in Note 2.7 Impairment of non-financial fixed assets. Recoverable values for cash-generating units have been determined by calculating value in use. For these calculations, certain estimates must be made, the estimates are shown in Note 11. The reported values at the balance sheet date for goodwill distributed on cash-generating units are shown in Note 11. The business plan for the coming year is based on the test. The Board of Directors resolved to write down goodwill totaling SEK 71.7 million in December 2018, based on the weaker development mainly in France. The impairment test for 2020 showed that there is no need for impairment.

Deferred tax assets
Deferred tax assets are reported to the extent that future fiscal surpluses will probably be available, against which the temporary differences can be utilized. No deferred tax assets are reported attributable to the fiscal deficits in 2020, as we do not know with certainty if they can be utilized.

Tangible fixed assets
The residual value and useful life of the assets are tested each balance sheet date and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount.

Fixed-price Projects
An agreement that is based on fixed price revenue is recognized based on the proportion of the total agreed service delivered during the financial year. This is determined based on the actual cost incurred compared to the total estimated cost of the assignment.

Note 5 Segment information

2020	Geography France	Geography Sweden	Geography DACH*	Geography MED**	Geography Norway	Geography UKBene**	Geography Acentic	Geography MEA	All Others	Sum total
Project revenues	62 130	40 596	19 638	58 384	44 074	62 913	37 203	75 511	68 468	**468 918**
Contract revenues	80 360	154 036	31 028	44 709	56 939	34 161	20 165	27 175	87 178	**535 751**
Other operating income	–	580	885	282	556	–	–	544	2 629	**5 476**
Revenue from external customers	**142 490**	**195 212**	**51 551**	**103 375**	**101 569**	**97 074**	**57 368**	**103 230**	**158 275**	**1 010 145**
Sales between segments	14 435	5 675	30 021	34 576	65	9 467	875	-703	-94 395	**15**
Segment´s total revenue	**156 925**	**200 887**	**81 572**	**137 951**	**101 634**	**106 541**	**58 243**	**102 527**	**63 880**	**1 010 160**
Operating expenses	-160 962	-200 238	-74 685	-134 253	-93 215	-100 012	-41 577	-97 770	-107 018	-1 009 731
Including depreciation	*-22 155*	*-5 827*	*-1 794*	*-3 476*	*-2 581*	*-133*	*-1 606*	*-1 672*	*-29 523*	*-68 767*
Including write-downs	*-1 444*	–	–	–	–	–	–	–	*-57 238*	*-58 682*
Operating result	**-4 036**	**649**	**6 887**	**3 697**	**8 419**	**6 530**	**16 666**	**4 756**	**-43 138**	**429**
Depreciation of customer relations	1 444	–	–	–	–	–	–		57 238	58 682
Impairment of goodwill										–
EBITA	**-2 592**	**649**	**6 887**	**3 697**	**8 419**	**6 530**	**16 666**	**4 756**	**14 100**	**59 111**
Net financial	-5 559	-925	2 096	1 133	-5 861	-2 149	-4 259	-1 087	-36 548	-53 160
Profit before tax	-9 596	-275	8 983	4 830	2 558	4 381	12 407	3 669	-79 687	-52 730

The Hoist Group is organized into a number of regions. Each region is a segment. Acentic group is a separate region.
Insofar as sales of EBITA account for more than 10% of the group.
*Switzerland, Germany and Austria.
**Spain, Italy and Portugal.
***United Kingdom, Belgium and the Netherlands.

2019	Geography France	Geography Sweden	Geography DACH*	Geography MED**	Geography Norway	Geography UKBene***	All Others	**Sum total**
Project revenues	106 477	92 041	57 998	112 351	103 074	97 299	200 328	**769 568**
Contract revenues	78 961	173 841	40 108	36 041	67 400	35 263	122 062	**553 677**
Other operating income	-58	-547	780	-5 185	–	–	1 200	**-3 810**
Revenue from external customers	**185 380**	**265 335**	**98 886**	**143 207**	**170 474**	**132 562**	**323 590**	**1 319 434**
Sales between segments	22 568	5 882	32 756	47 031	263	22 367	-130 867	**0**
Segment's total revenue	**207 948**	**271 217**	**131 642**	**190 238**	**170 737**	**154 928**	**192 723**	**1 319 434**
Operating expenses	-218 986	-278 883	-138 627	-188 017	-157 842	-167 340	-219 948	-1 369 641
Including depreciation	*-25 852*	*-6 829*	*-2 959*	*-3 199*	*-2 924*	*-325*	*-25 749*	*-67 835*
Including write-downs	*-1 459*	–	–	–	–	–	*-58 781*	*-60 240*
Operating result	**-11 037**	**-7 665**	**-6 985**	**2 221**	**12 895**	**-12 411**	**-27 224**	**-50 207**
Depreciation of customer relations	1 459	–	–	–	–	–	58 781	60 240
Impairment of goodwill								–
EBITA	**-9 579**	**-7 665**	**-6 985**	**2 221**	**12 895**	**-12 411**	**31 557**	**10 033**
Net financial	-4 002	314	-118	2 298	-9 191	-2 459	-33 942	-47 101
Profit before tax	-15 040	-7 351	-7 103	4 519	3 704	-14 871	-61 165	-97 307

The Hoist Group is organized into a number of regions. Each region is a segment.

Insofar as sales of EBITA account for more than 10% of the group.

* Switzerland, Germany and Austria.

** Spain, Italy and Portugal.
*** United Kingdom, Belgium and the Netherlands.

Note 6 Other operating income

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Other operating income	3 655	-3 460
Exchange rate differences	1 819	257
Sum of other operating income	**5 474**	**-3 203**

Note 7 Other operating expenses

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Exchange rate differences	-717	-1 274
Sum of other operating expenses	**-717**	**-1 274**

Parent company	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Exchange rate differences	–	–
Sum of other operating expenses	**–**	**–**

Exchange rate differences are reported net in Other operating income/Other operating expenses

The gross effect of exchange rate differences is as follows:

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Exchange profit	1 819	257
Exchange loss	-717	-1 274
Total	**1 102**	**-1 017**

Parent company	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Exchange loss	–	–
Total	**–**	**–**

Note 8 Audit fees

Audit assignment refers to reviews of the annual report and accounts, the administration of the Board and the Managing Director, and other duties that it is incumbent upon the company's auditor to perform, and advice or other assistance prompted by observations in such an audit or the performance of such other duties. Everything else is divided into tax consultations and other assignments.

During the financial year 2020, the remuneration to the auditor-elected company Öhrlings PricewaterhouseCoopers AB amounted to 992 KSEK in audit assignments.

Group	**2020-01-01 2020-12-31**	**2019-01-01 2019-12-31**
PwC		
Audit engagements	2 659	2 725
Tax consultation	92	159
Other consultancy assignments	166	187
	–	–
	2 917	**3 071**
EY		
Audit engagements	–	–
Other consultancy assignments	–	–
	–	**–**
Other auditors		
Audit engagements	1 211	1 563
Tax consultation	15	
Other consultancy assignments	208	30
	1 434	**1 593**
Total	**4 351**	**4 664**

Parent company	**2020-01-01 2020-12-31**	**2019-01-01 2019-12-31**
PwC		
Audit engagements	–	–
Tax consultation	–	56
EY		
Audit assignments	–	–
	–	**–**
Total	**–**	**56**

Note 9 Employee benefits

Employee benefits Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Wages and salaries	214 394	279 982
Social fees	53 510	72 091
Pension costs - defined contribution plans	14 698	17 051
Pension costs - defined benefit plans	–	–
Total	**282 602**	**369 124**

Salaries, other remuneration and social security costs

	2020-01-01 2020-12-31				2019-01-01 2019-12-31			
	Salaries and other remuneration (including bonus)	**Pension costs**	**Social fees**	**Quantity**	**Salaries and other remuneration (including bonus)**	**Pension costs**	**Social fees**	**Quantity**
Group								
Board members, executive directors and other senior executives								
	5 308	794	670	2	5 082	783	1 009	2
(of which bonus)	1 233				–			
Other employees	209 085	13 904	52 840	448	274 900	16 268	71 083	469
(of which bonus)	8 418				2 580			
Total	**214 394**	**14 698**	**53 510**	**450**	**279 982**	**17 051**	**72 091**	**471**

KSEK	Basic salary/Board compensation	Variable remuneration	Other benefits	Pension cost	Sum total
2020-12-31					
Malcolm Lindblom	800		121	408	**1 329**
Alfonso Tasso	2 966	1 233	189	386	**4 774**
Total	**3 766**	**1 233**	**310**	**794**	**6 103**

KSEK	Basic salary/Board compensation	Variable remuneration	Other benefits	Pension cost	Sum total
2019-12-31					
Malcolm Lindblom	1 897		71	408	**2 376**
Alfonso Tasso	3 046		69	375	**3 490**
Total	**4 943**	**–**	**140**	**783**	**5 865**

Average number of employees

	2020-01-01 2020-12-31		2019-01-01 2019-12-31	
	Average number of employees	of which are male	Average number of employees	of which are male
Parent company				
Sweden	1	100%	–	0%
Total	1	100%	–	0%
Subsidiaries				
Sweden	71	60%	93	63%
Norway	38	70%	40	68%
Denmark	15	76%	16	73%
Finland	26	71%	18	65%
United Kingdom	53	73%	40	70%
Baltic states	0	0%	5	78%
Italy	17	70%	18	63%
Germany	13	62%	19	59%
France	69	61%	69	62%
Uniited Arab Emirates	24	77%	20	84%
Switzerland	15	87%	20	87%
Netherlands	1	100%	1	100%
Spain	4	100%	2	100%
Portugal	74	69%	77	69%
Austria	6	100%	5	100%
Ireland	26	62%	29	62%
Sum total in subsidiaries	449	68%	471	68%
Group total	**450**	**68%**	**471**	**68%**

Note 10 Financial income and financial expenses

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Financial income		
Exchange rate differences	4 036	5 081
Interest income	162	200
Other finance income	517	3 531
Sum total financial income	**4 715**	**8 812**
Financial expenses		
Exchange loss	-13 748	-8 156
Interest expenses	–	–
Borrowing	-31 111	-31 936
Other interest expenses	-3 523	-7 828
Other financial expenses	-9 492	-7 992
Sum total financial expenses	**-57 874**	**-55 913**
Profit (loss) from financial items	**-53 159**	**-47 101**

Parent company	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Other interest income and similar profit (loss) items		
Interest income, Group companies	25 910	23 838
Total other interest income and similar profit (loss) items	**25 910**	**23 838**
Interest expenses and similar profit (loss) items		
Interest expenses	-31 111	-31 936
Other	-6 096	-3 417
Total interest expenses and similar profit (loss) items	**-37 207**	**-35 353**
Profit (loss) from financial items	**-11 297**	**-11 515**

Note 11 Income tax

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Current tax for the year	-10 755	-9 134
Current tax attributable to previous years	6 153	660
Deferred tax expense/tax revenue for temporary differences	8 854	6 854
Sum total income tax	**4 252**	**-1 620**

Parent company	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Current tax on profit for the year	–	–
Deferred tax expense/tax revenue for temporary differences	–	–
Current tax attributable to previous years	-679	
Total tax on profit for the year	**-679**	**–**

The differences between income tax expense and an estimated tax expense based on current tax rates are as follows:

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Profit/loss before tax	-52 730	-96 162
Income tax calculated in accordance with the Group's current tax rate	11 284	20 579
Non-taxable income	1 763	2 540
Non-deductible expenses	-19 074	-28 494
Tax losses for which no deferred income tax asset was recognised	2 785	–
Utilisation of previously unrecognised tax losses		–
Effects of foreign tax rates	1 341	3 096
Adjustments of current tax for previous years	6 153	660
Income tax	**4 252**	**-1 620**
Weighted average tax rate in the group is:	-8,06%	1,68%

	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Parent company		
Profit/loss before tax	-11 592	-7 158
Income tax calculated in according to the applicable tax rate (21.4%)	2 481	1 532
Non-taxable income	–	–
Non-deductible expenses	-2 481	-1 532
Tax losses for which no deferred income tax asset was recognised	–	–
Utilisation of previously unrecognised tax losses	-679	–
Total tax on profit for the year	**-679**	**0**

Note 12 Deferred tax

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Deferred tax liabilities		
Customer agreements	48 865	58 720
Taxation of untaxed reserves	1 373	2 025
Sum total deferred tax liabilities	50 238	60 745
Deferred tax assets		
Transaction costs of bank loans		
Provisions	–	366
Pension commitments		
Deferred tax assets	1 627	1 539
Other	1 023	354
Sum total deferred tax assets	2 650	2 259
Net of deferred tax	-47 588	-58 486

Deferred taxes are allocated as follows: **Group**	**2020-01-01** **2020-12-31**	**2019-01-01** **2019-12-31**
Deferred tax liabilities		
- Deferred tax liabilities to be utilized after more than 12 months	42 454	52 709
- Deferred tax liabilities to be utilized within 12 months	7 784	8 036
Sum total deferred tax liabilities	50 238	60 745
Deferred tax assets		
- Deferred tax assets to be utilized after more than 12 months	2 650	2 259
- Deferred tax assets to be utilized within 12 months	–	–
Net of deferred tax assets	2 650	2 259
Net deferred tax	-47 588	-58 486

The gross change in deferred taxes is as follows:	**2020-01-01** **2020-12-31**	**2019-01-01** **2019-12-31**
Opening balance	-58 486	-64 205
Increase through business acquisitions	–	–
Accounting in the income statement	8 854	6 854
Exchange rate differences	-112	-39
Tax reported in equity	-1 096	-1 096
Closing balance	-50 840	-58 486

Deferred tax assets that are unreported
Deductible temporary differences and tax loss carryforwards for which deferred tax assets have not been reported in the financial statement report

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Tax deficits	969 163	954 380
Sum total	**969 163**	**954 380**

Parent company	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Tax deficits	–	–
Sum total	**–**	**–**

The tax effect on tax loss carryforwards is only included to the extent that there are compelling reasons for believing that these can be used in the near future. Loss history is a factor in evaluating tax loss carryforwards. Also, the tax loss carryforwards have been valued to the extent that there are also deferred tax liabilities that can be set off against losses.

Note 13 Intangible assets

2020-12-31

	Goodwill	Capital expenditures for R&D	Licensing	Customer relationships	Other intangible assets	**Sum total**
Group						
Opening acquisition cost	**767 411**	**104 925**	**11 532**	**605 124**	**4 525**	**1 493 518**
Investments	–	26 815	99	–	1 490	28 404
Acquired in corporate acquisitions	149 599	–	–	–	–	149 599
Reclassifications	–	2 648		–	-3 331	-683
Translation differences	-34 135	-8 894	-1 066	-20 626	92	-64 629
Closing accumulated acquisition cost	**882 874**	**125 494**	**10 565**	**584 498**	**2 776**	**1 606 208**
Opening depreciation	**–**	**-45 450**	**-8 886**	**-147 788**	**-983**	**-203 107**
Sales and disposals		–	–	–	–	–
This year´s depreciations	–	-24 412	-105	-58 683	-985	-84 185
Reclassifications	–	58	–	–	925	983
Translation differences		3 523	896	–	-12	4 407
Closing accumulated depreciation	**–**	**-66 281**	**-8 095**	**-206 471**	**-1 055**	**-281 902**
Impairment write-downs	**-71 656**	**0**	**-1 360**	**–**	**–**	**-73 016**
Closing write-downs	**-71 656**	**0**	**-1 360**	**–**	**–**	**-73 016**
Closing net book value	**811 218**	**59 213**	**1 109**	**378 027**	**1 721**	**1 251 289**

2019-12-31

	Goodwill	Capital expenditures for R&D	Licensing	Customer relationships	Other intangible assets	**Sum total**
Group						
Opening acquisition cost	**737 714**	**74 344**	**10 616**	**594 604**	**4 325**	**1 421 604**
Investments	14 657	26 357	416	–	743	42 173
Sales and disposals		–	-384	–	–	-384
Acquired in corporate acquisitions	–	–	–	–	–	–
Reclassifications	–	–	132	–	-132	–
Translation differences	15 040	4 224	751	10 520	-411	30 124
Closing accumulated acquisition cost	**767 411**	**104 925**	**11 532**	**605 124**	**4 525**	**1 493 518**
Opening depreciation	**–**	**-24 448**	**-5 329**	**-87 549**	**-758**	**-118 083**
Sales and disposals		–	–	–	–	–
Aquired in business combinations	–	–	–	–	–	–
This year´s depreciations	–	-20 391	-3 088	-60 240	-817	-84 536
Reclassifications	–	–	–	–	–	–
Translation differences		-611	-469	–	592	-488
Closing accumulated depreciation	**–**	**-45 450**	**-8 886**	**-147 788**	**-983**	**-203 107**
Opening depreciation	**-71 662**	**0**	**-1 268**	**–**	**–**	**-72 930**
Sales and disposals	–	–	–	–	–	–
This year´s depreciations	–		–	–	–	–
Reclassifications	–	–	–	–	–	–
Translation differences	6	–	-92	–	–	-86
Closing accumulated depreciation	**-71 656**	**0**	**-1 360**	**–**	**–**	**-73 016**
Closing net book value	**695 755**	**59 475**	**1 285**	**457 336**	**3 542**	**1 217 394**

	2020-12-31								
Geographic market	France	Sweden	DACH	MED	Norway	UKBene	MEA	Other	**Total sum**
Total goodwill per cash generating unit	11 155	105 427	107 652	87 843	51 674	210 225	103 174	134 068	**811 218**
Capital expenditures for R&D	–	3 782	–	–	–	–		55 431	**59 213**
Licencing	1 002	–		77	–	–		30	**1 109**
Customer relationships	58 500	68 906	33 622	30 236	28 949	83 947	36 616	37 251	**378 027**
Other intangible assets	–	–	36	–	–	–		1 685	**1 721**

	2019-12-31								
Geographic market	France	Sweden	DACH	MED	Norway	UKBene	MEA	Other	**Total sum**
Total goodwill per cash generating unit	3 016	110 211	43 235	188 009	57 975	66 695		226 614	**695 755**
Capital expenditures for R&D	–	1 759	0	–	–	–		57 717	**59 476**
Licencing	1 071	–	–	169	5	–		41	**1 285**
Customer relationships	48 561	65 900	27 354	107 647	35 321	40 086		132 466	**457 336**
Other intangible assets	0	–	3 542	–	–	–			**3 542**

Goodwill is distributed by geographical regions which is in line with the way the Group's operations are monitored, supervised and reviewed.

Essential assumptions used for calculating utility values:

	2020	**2019**
Growth rate 1)	16,00%	9,35%
Growth rate 2)	2%	2%
Discount rate 3)	11%	10%

1) Weighted average growth rate used to extrapolate cash flows within the budget period.

2) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

3) Discount rate after tax used in the present value calculation of estimated future cash flows.

These assumptions have been used to analyze each geographical area. The discount rates used are stated after tax and reflect specific risks that apply to the various segments.

Every year, Hoist Group examines whether there is any need for impairment for goodwill, in accordance with the accounting principle described in Note 2.7. Impairment of non-financial fixed assets. Recoverable amounts for cash-generating units has been determined by calculating value in use, which is based on future discounted cash flows. For these calculations, some estimates must be made. The discounted cash flows are based on the budget for 2021 and forecasts for 2022-2025. Beyond the forecast period, the starting point has been a growth rate of 2 percent per year.

The impairment test for 2020 showed that there is no need for impairment.

An increase of 1% in the discount rate would not imply any impairment of the Group as a whole. A decrease in growth rate by 1% unit (from 2% to 1%) would not imply any need for impairment for the Group as a whole.

Note 14 Tangible assets

31 December 2020

	Inventories, tools and equipment	Operational leasing (lessor)	Lessee (offices and cars)	**Sum total**
Group				
Opening balance acquisition value	**19 427**	**80 916**	**86 969**	**187 312**
Investments	5 866	4 617	17 015	27 498
				–
Sales and divestments	-1 941	-35	–	-1 976
Acquired in corporate acquisitions	4 411	3 710		8 121
Reclassification		7 534	–	7 534
Translation differences	-1 448	-2 952	-4 010	-8 410
Closing cost	**26 315**	**93 790**	**99 974**	**220 079**
Opening depreciation	**-11 662**	**-44 676**	**-50 988**	**-107 326**
Sales and divestments	3 015	-697	–	2 318
Acquired in corporate acquisitions	–	–	–	–
Depreciation for the year	-6 968	-15 185	-21 104	-43 257
Reclassification	–	-7 534		-7 534
Translation differences	969	1 893	2 666	5 528
Closing depreciations	**-14 646**	**-66 199**	**-69 426**	**-150 271**
Impairment write-downs	**-311**			**-311**
Acquired in corporate acquisitions	–			–
Depreciation for the year	–			–
Reclassification				–
Translation differences	37			37
Closing write-downs	**-274**			**-274**
Net closing value	**11 395**	**27 592**	**30 548**	**69 534**

31 December 2019	Inventories, tools and equipment	Operational leasing (lessor)	Lessee (offices and cars)	**Sum total**
Group				
Opening balance acquisition value	**18 097**	**83 411**	**76 441**	**177 949**
Investments	2 205	8 173	9 112	19 490
				–
Sales and divestments	192	-876	-85	-769
Acquired in corporate acquisitions				–
Reclassification	299	-10 991	–	-10 692
Translation differences	-1 366	1 199	1 501	1 334
Closing cost	**19 427**	**80 916**	**86 969**	**187 312**
Opening depreciation	**-8 824**	**-38 101**	**-29 558**	**-76 483**
Sales and divestments	169	877	–	1 046
Acquired in corporate acquisitions	–	–	–	–
Depreciation for the year	-4 572	-17 845	-21 085	-43 502
Reclassification	–	10 750		10 750
Translation differences	1 565	-357	-345	863
Closing depreciations	**-11 662**	**-44 676**	**-50 988**	**-107 326**
Impairment write-downs	**-301**			**-301**
Acquired in corporate acquisitions	–			–
Depreciation for the year	–			–
Reclassification				–
Translation differences	-10			-10
Closing write-downs	**-311**			**-311**
Net closing value	**7 454**	**36 240**	**35 981**	**79 675**

Note 14 cont.

	2020-12-31							
Geographic market								**Sum total**
	France	Sweden	DACH	MED	Norway	UKBene	Other	
Inventories, tools and equipment	1 985	2 779	1 589	280	488	1 883	2 391	**11 395**
Operational leasing (lessor)	23 712	228	1 132	–	–	2 406	114	**27 592**
Lessee (offices and cars)	6 015	2 619	1 387	845	3 286	1 110	15 286	**30 548**

	2019-12-31							
Geographic market	France	Sweden	DACH	MED	Norway	UKBene	Other	**Sum total**
Inventories, tools and equipment	2 494	970	761	700	531	89	1 908	**7 453**
Operational leasing (lessor)	35 141	874	0	1	0	0	224	**36 240**
Lessee (offices and cars)	10 816	7 620	2 183	2 621	6 121	112	6 507	**35 981**

Note 15 Right-of-use assets

Group as lessee

The consolidated income statement contains the following items related to rights-of-use assets:

Group	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Buildings	17 156	16 135
Inventories, tools and equipment	-	-
Cars	3 948	4 950
Miscellaneous	-	-
	21 104	**21 085**

Interest expenses amounted to SEK 1 637 thousand
(included in financial expenses)

The cash flow impact of the above items amounted to SEK 23,816 thousand during the financial year.

The consolidated balance sheet contains the following items related to rights-of-use assets:

Group	2020-12-31	2019-12-31
Buildings	26 050	29 612
Inventories, tools and equipment	-	-
Cars	4 498	6 368
Miscellaneous		
	30 548	**35 981**

Group	2020-12-31	2019-12-31
Short-term	17 387	19 827
Long-term	15 131	19 310
	32 518	**39 137**

The present value of liabilities relating to rights-of-use assets is as follows:

Group	2020-12-31	2019-12-31
Within 1 year	17 387	19 827
Between 2-5 years	15 131	19 141
More than 5 years		169
Present debt relating to rights-of-use assets	**32 518**	**39 137**

Note 16 Operational leasing

Leasing agreements where the company is the lessor

The Group rents out SEK 27 592 thousand according to operating leases the future non-cancellable lease payments are as follows:

Group	2020-12-31	2019-12-31
Within:		
1 year	13 463	6 112
2 years	8 783	7 130
3 years	3 985	14 050
4 years	856	7 671
5 years	505	624
Later than five years	–	652
Sum total	**27 592**	**36 240**

A rental income of SEK 15 185 thousand is reported in the income statement. For repairs and maintenance an expense of SEK 0 is reported for the leased assets.

Note 17 Shares in Group companies

Parent company	2020-12-31	2019-12-31
Opening balance acquisition cost	1 009 000	1 009 000
Investment	0	0
Closing balance	**1 009 000**	**1 009 000**

Parent companies holding of shares in subsidiaries:

Name	Company registration number	Headquarter	Capital share	Number of shares	Closing balance 2020-12-31	Closing balance 2019-12-31
Hoist Group Holding AB	556864-1293	Solna	100%	200 001	1 009 000	1 009 000

Holdings in subsidiaries

Company name	Headquarter	Ownership in %
Hoist AB	Solna	100%
Hoist Group Holding SAS	R.C.S Nanterre	100%
Hoist Group SA	Vernier	100%
Hoist Group Leasing AB	Solna	100%
Hoist Group AB	Solna	100%
Hoist Equipment AB	Solna	100%
Hoist Group AS	Oslo	100%
Hoist Group A/S	Hörsholm	100%
Hoist Group Development Ltd	London	100%
Hoist Group AB OY	Helsingfors	100%
Hoist Group OÜ	Tallinn	100%
UAB Hoist Locatel	Vilnius	100%
Hoist Group MEA AP FZCO	Dubai	100%
Hoist Group France	R.C.S Nanterre	100%
Hoist Group Leasing France	R.C.S Nanterre	100%
2M Locatel A/S	Hörsholm	100%
Hoist Group GmbH	Wien	100%
Hoist Group GmbH	Nürnberg	100%
Hoist Group Spain S.A.U	Barcelona	100%
Hoist Group Srl	Milano	100%
Hoist Group B.V.	Haag	100%
Hoist Group S.A	Bryssel	100%
Hoist Group Ireland Ltd	Kilkenny	100%
Hoist Group Portugal SA	Lissabon	100%
Hoist Group Ltd	London	100%
Hoist Hospitality Services Denmark A/S	Hörsholm	100%
Acentic Holding Ltd	Bedfordshire	100%
Acentic Ltd	Bedfordshire	100%
RIEO Communications Ltd	Bedfordshire	100%
Acentic Sarl	Chatou	100%
Acentic GmbH	Köln	100%
Acentic Proprietary Ltd	Gautent	100%

Note 18 Financial fixed assets

Group	2020-12-31	2019-12-31
At the beginning of the year	73 781	64 828
Additional items	14 974	19 517
Outgoing items	-30 286	-10 564
Closing balance financial assets	**58 469**	**73 781**

Group	2020-12-31	2019-12-31
Deposition	3 939	6 992
Leasing receivables	49 474	62 463
Miscellaneous	5 056	4 326
Closing balance financial assets	**58 469**	**73 781**

Note 19 Receivables from group companies

Parent company	2020-12-31	2019-12-31
Hoist AB	290 571	296 955
Hoist Group Holding AB	126 411	129 917
Hoist Group UK Ltd	106 060	0
Total from group companies	**523 042**	**426 872**

Note 20 Inventories

Book value inventories	2020-12-31	2019-12-31
Work in progress	39 318	24 800
Finished products	45 533	60 346
Advances to suppliers	1 142	2 414
Total book value	**85 993**	**87 561**

Note 21 Accounts receivable

Group

	2020-12-31	2019-12-31
Accounts receivables	267 403	313 413
Credit loss provision	-20 930	-17 763
Net accounts receivable	**246 473**	**295 651**

Accounts receivables by currency

Group	**2020-12-31**	**2019-12-31**
SEK	28 535	34 053
USD	22 980	15 523
EUR	136 752	166 668
NOK	9 909	22 357
GBP	27 761	20 063
Other currencies	20 538	36 988
	246 474	**295 651**

Analysis of credit risk exposure in accounts receivable	**2020-12-31**	**2019-12-31**
Accounts receivable that are neither overdue nor written down	125 907	153 247
Overdue for payment		
- 0-30 days	43 923	64 978
- 31-60 days	23 099	17 181
- 61-90 days	15 067	15 510
- more than 90 days	59 408	62 498
Completely overdue	141 496	160 166
Of which written down	-20 930	-17 763
Reported value of accounts receivable	**246 473**	**295 651**

Calculation of loss reserve	**2020-12-31**	**2019-12-31**
Accounts receivable that are neither overdue nor written down	1 959	842
- 0-30 days	1 138	477
- 31-60 days	666	1 122
- 61-90 days	955	989
- more than 90 days	16 212	14 332
Completely written down	**20 930**	**17 763**

Note 22 Prepaid expenses and accrued income

Group	2020-12-31	2019-12-31
Prepaid rent	3 820	2 221
Prepaid leasing	740	395
Prepaid insurances	1 902	2 235
Prepaid interest	1 712	5 034
Accrued income, other	87 286	53 316
Other	16 266	15 509
Prepayments and accrued income total	**111 724**	**78 709**

Parent company	2020-12-31	2019-12-31
Prepaid insurances	29	26
Prepaid interest	1 712	5 034
Prepayments and accrued income total	**1 741**	**5 060**

Note 23 Cash and cash equivalents

Group	2020-12-31	2019-12-31
Balance sheet		
Cash and bank balances	160 160	141 848
Restricted founds	1 045	10 578
Cash and cash equivalents total	**161 205**	**152 426**

Note 24 Share capital and other contributed capital

2020-12-31	Number of shares	Share capital	Other contributed capital	Total
Opening balance 01 January 2020	117 902 458	1 179	946 109	**947 288**
New capital issue	12 017 606	120	58 609	**58 729**
Shareholder´s contribution	–		46 281	**46 281**
Closing balance 31 December 2020	**129 920 064**	**1 299**	**1 050 999**	**1 052 298**

The shares have a quotient value of SEK 0,01 per share. Each share corresponds to one vote.

All shares registered on the balance sheet date are fully paid

2019-12-31	Number of shares	Share capital	Other contributed capital	Total
Opening balance 01 January 2019	100 000 500	1 000	831 368	**832 368**
New capital issue	17 901 958	179	60 687	**60 866**
Shareholder´s contribution	–		54 054	**54 054**
Closing balance 31 December 2019	**117 902 458**	**1 179**	**946 109**	**947 288**

Note 25 Borrowing

The new corporate bond is valid between March 2021 to March 2024. The interest rate on the new Bond is Stibor +6.5%, and interest rate on the prior Bond was Stibor +6.0% (to 21 April 2021). If Stibor is negative the interest rate is 6.5 %. Interest rate on Shareholder loan is 5%. Group´s exposure regarding borrowing for changes in interest rates and contractual timing for interest renegotiation is as follows:

Group	2020-12-31	2019-12-31
Non-current		
Corporate Bond	500 000	500 000
Finanical Lease back	22 305	32 958
Liabilities regarding rights-to-use assets	15 131	19 311
Other long-term liabilities	5 361	6 626
	542 798	**558 895**
Current		
Shareholder Loan	50 637	51 260
Corporate Bond	–	–
Ovedraft	6 064	31 537
Other financial debt	13 767	–
Financial lease back	13 222	14 201
Liabilities regarding rights-to-use assets	17 387	19 827
	101 076	**116 824**
Total borrowings	**643 874**	**675 719**

At the end of the reporting period the Group´s exposure regarding borrowing for changes in interest rates and contractual timing for interest renegotiation is as follows:

	2020-12-31	2019-12-31
6 months or less	643 874	675 719
6-12 months	–	–
1-5 years	–	–
over 5 years	–	–
	643 874	**675 719**

The amounts reported, by currency, for the Group´s borrowing are as follows:

	2020-12-31	2019-12-31
SEK	566 416	585 986
DKK	16 186	20 136
NOK	10 099	16 922
EUR	34 984	39 498
Othe currencies	16 188	13 177

Total	**643 873**	**675 719**

The Group has the following unused credit facilities:

	2020-12-31	2019-12-31
Variable interest rate:		
- Expires after more than 1 year	68 297	43 785
	68 297	**43 785**

Note 26 Other provisions

Group	Restructuring	Pensions	Other	Total
Opening balance 2020-01-01	5 049	4 535	4 969	14 552
- Additional Provisions	3 258		- 1 716	1 542
Acquired in corporate acquisitions	24 341	783		25 124
Utilized during the year	- 15 314	-304		- 15 618
Closing balance 2020-12-31	17 334	5 014	3 253	25 600

Group	2020-12-31
Long-term	5 014
Short-term	20 587
	25 600

Group	Restructuring	Pensions	Other	Total
Opening balance 2020-01-01	8 092	4 058	4 914	17 064
- Additional Provisions	141	477	55	673
Closing balance 2019-12-31	5 049	4 535	4 969	14 552

Group	2019-12-31
Long-term	4 535
Short-term	10 018
	14 552

Note 27 Other liabilities

Group	2020-12-31	2019-12-31
Recoverable VAT	46 839	34 747
Personnel-related debt	34 442	25 718
Other	392	20 897
Total	**81 673**	**81 362**

Note 28 Accrued expenses and prepaid income

Group	2020-12-31	2019-12-31
Accrued salaries	24 487	23 172
Accrued vacation pay	19 941	21 438
Accrued social fees	500	4 992
Accrued audit costs	3 320	2 262
Accrued interest	645	115
Other accrued costs	41 051	32 861
Accrued income	77 455	55 094
Total accrued expenses and prepaid income	**167 399**	**139 935**

	2020-12-31	2019-12-31
Accrued interest	173	83
Total accrued expenses and prepaid income	173	83

Note 29 Pledged assets

Group	2020-12-31	2019-12-31
Provisions for liabilities		
Shares in subsidiaries	1 129 569	1 061 236
Floating charge	36 811	36 930
	1 166 380	**1 098 166**
Parent company		
Shares	1 009 000	1 009 000
	1 009 000	**1 009 000**

Group	2020-12-31	2019-12-31
Guarantee The Swedish Customs	300	–
	300	**–**

Note 30 Acquisitions

Acentic Holding

On October 1, 2020, Hoist Group Ltd UK acquired 100% of the outstanding shares in Acentic Holdings Ltd.
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 IP TV and Internet systems to the hotel industry. The business operates in England, Germany, France, Dubai, and South Africa.

From 1 October, 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. If Acentic had been included in the Group's earnings from 1 January 2020, the Group's net sales would have been affected by SEK 208 million and SEK 2.4 million to the Group's earnings before tax and extraordinary items. 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 Niantic Holding GmbH providing a conditional shareholder contribution to Hoist Group's parent company. No cash purchase price was paid.

Distribution of the purchase price is a complex process and Hoist Group assesses that further work with analyses 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 synergies.

All surplus values are preliminarily reported as goodwill. The acquisition balance sheet is preliminary and may be adjusted in the coming quarters.

	Acentic Holding
Date of acquisition	1 October 2020

Group	
Completed purchase price	105 010
Cash regulated purchase price	-
Additional consideration	–
Debt securities	–
Total purchase price	105 010
Fair value of net assets acquired	-44 589
Goodwill	149 599

Assets and liabilities resulting from the acquisition are as follows:

Acquired carrying amount	
Cash and cash equivalents	22 060
Short-term investments	
Intangible assets	
Customer contracts and customer relationships	
Tangible assets	8 121
Financial assets	
Inventory	
Accounts receivable and other receivables	63 191
Borrowing	-4 795
Net deferred tax liabilities	
Other provisions	
Accounts payable and other liabilities	-133 166
Fair value of net assets	**-44 589**
Minority interests	
Goodwill	149 599
Acquired net assets	**105 010**
Purchase price – cash outflow:	
Cash regulated purchase price	–
Cash and cash equivalents in subsidiaries	22 060
Net outflow of cash and cash equivalents – investment activities	**22 060**

Note 31 Related party transactions

The transactions that took place with related parties in 2020 were conducted with the company´s owner C&M Stockholm AB.

	Shareholder loan	Accrued interest	Total
Opening balance 2020-01-01	**50 000**	**1 260**	**51 260**
Repayment of shareholder loans		-3 184	**-3 184**
Interest 2020		2 561	**2 561**
Closing balance 2020-12-31	**50 000**	**637**	**50 637**

	Shareholder loan	Accrued interest	Total
Opening balance 2019-01-01	**123 351**	**6 853**	**130 204**
Repayment of shareholder loans	-73 559	-6 853	**-80 412**
Interest 2019	208	1 260	**1 468**
Closing balance 2019-12-31	**50 000**	**1 260**	**51 260**

Not 32 Non-cash items

	2020-12-31	2019-12-31
Change in accrued interest rates	90	83
Impairment of accounts receivable	3 125	8 502
Impairment stock	-3 289	10 446
Provisions	1 656	
Other con-cash items	11 398	-134
Total	**12 980**	**18 898**

Note 33 Appropriations

	2020-01-01	2019-01-01
Parent company	**2020-12-31**	**2019-12-31**
Group contribution	0	5 000
Total appropriations	**0**	**5 000**

Note 34 Appropriation of profits

Förslag till resultatdisposition vid 2020 års ordinarie stämma

The Board of Directors proposes that disposable profits, including profit/loss for the year as of 2020-12-31, SEK 984 745 561 are capitalized in the new account

Note 35 Events after the balance sheet date

After the balance sheet date, the company has renewed its financing through the issue of a new three-year corporate bond.
More about this is mentioned in Management report under the section Significant events after the end of the financial year.

Signatures

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting 2021-05-28

Stockholm, April 29, 2021

Malcolm Lindblom
Chairman of the Board

Alfonso Tasso
CEO

Niklas Sloutski
Board member

Peder Ramel
Board member

Vidar Andersch
Board member

Marcus Jennekvist
Board member

Andreas Jacobs
Board member

Our audit report was submitted on April 29, 2021
Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Chartered Accountant
Chief Auditor

Auditor’s report

To the general meeting of the shareholders of Hoist Group Holding Intressenter AB, corporate identity number 559094-0689

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Hoist Group Holding Intressenter AB for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 4-70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters	*How our audit addressed the Key audit matters*
Accounting och project revenue	
Revenue recognition and income recognition are carried out in many fixed-price projects over time according to successive profit settlement, which in turn is based on management's estimates and assessment of completion rate, margin, risks and total remaining costs. In cases where a project leads to a loss, the loss is reported as soon as it can be determined. The risk in financial reporting is that revenue and income recognition do not accurately reflect the Group´s fulfilment of performance obligations in the contracts, which in turn can lead to misallocation of revenue. A presentation of the Group's accounting principles for revenue as well as significant estimates and assessments related to project revenue in note 4.	Our audit has included, but is not limited to, the following audit measures. • We have obtained an understanding and performed a evaluation of the processes and the internal controls management apply in order to identify and evaluate completion rate and expected margin in fixed price agreements. • We have obtained agreements with the customer for a selection of the fixed price projects and reconciled relevant data such as costs incurred, profit margin and forecast for total costs against the project assessments prepared by Hoist Group. • We have obtained Hoist Group's model for calculating and accounting for revenue based on project expenses. • We have tested the allocation of costs in order to ensure they are reported to the correct project.
Valuation of goodwill and customer relations	
As of December 31, 2020, Hoist Group reports goodwill of mSEK 811 and customer relationships of mSEK 378. Reported values have arisen in connection with business acquisitions in previous fiscal years and are distributed based on geography. Valuation of goodwill and customer relationships is considered to be a key audit matter as a result of incorrect judgments and assumptions in the impairment test, such as eg. Assumptions about estimated future cash flows, gross margins and growth can have a significant impact on the Group's earnings and financial position. For further information, see the section on intangible assets in the Group's accounting principles, note 4 on significant estimates and assessments and note 13 on intangible assets.	Our audit has included, but is not limited to, the following audit measures. • We have reconciled information in Hoist Group's impairment test of goodwill and customer relationships against observable market data. We have tested the reasonability in the discount rate used in the management's calculation. This particular part has been reviewed by PwC´s valuation specialists. • We have also evaluated the input data in the model against historical outcomes and the Group´s own budgets and forecasts. • We have evaluated the Group´s analysis of the sensitivity of the valuation in the event of changes in significant parameters, which on an individual or collective basis could lead to a need for impairment.

Business Combinations

During 2020, the Acentic Group was acquired. The acquisition constitutes a significant increase in the operations of the Group and management has assessed that it is a business acquisition.

According to IFRS, the transferred compensation, ie the purchase price, must be allocated over the identifiable assets and assumed liabilities. The identification and allocation of the purchase price are areas that require managements assessments. Further information can be found in note 30 on business combinations.

For the above reasons, business combinations is considered to be a key audit matter.

Our audit has included, but is not limited to, the following audit measures.

• We have reviewed the closing balance at the acquisition date.

• We have evaluated the acquisition analysis and relevant supporting files such as purchase agreements and decision-making documents.

• We have performed samples to verify the calculated and transferred purchase price.

• We have evaluated the reasonableness of the Group´s allocation of the purchase price between identifiable net assets and the preliminary allocation of goodwill.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3 and 76-85. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Hoist Group Holding Intressenter AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Hoist Group Holding Intressenter AB by the general meeting of the shareholders on 28 May 2020 and has been the company's auditor since 15 June 2018.

Stockholm 29 April 2021

Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorized Public Accountant

Sustainability

Hoist Group is an international, customer-driven company that offers innovative solutions to thousands of hotels within the EMEA. We have more than 20 years of proven experience working with hotels and our focus is always on helping our customers deliver the best hotel experience. We are proud to work with both smaller independent hotels as well as leading, international chains and we constantly strive for our customers to grow.

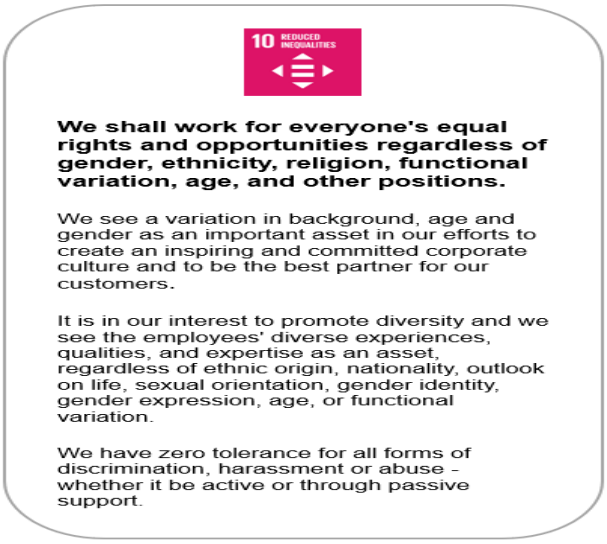
Hoist Group supports the UN's Global Goals for Sustainable Development and takes them into account in our daily operations. Our main opportunity to contribute to achieving the goals lies in the following areas;

Employees
We know that our employees are the key to our success. We have 450 committed colleagues in the EMEA who, with a solid understanding of the hotel industry, professionalism and dedication, work to serve thousands of hotels in the best possible way.

The range of products and services in our business creates space for a large variety of professional employees. Hoist Group represents an international and dynamic workplace where variation in, for example, background, age, and gender, is seen as an important asset.

Multicultural exchange is something we encourage and value highly, being a global company opens up a new world for our employees and we encourage internal mobility.

With clear guidelines, policies, and strong values, we want to create a safe, fair, and sustainable culture.



We must work for everyone's equal rights and opportunities, regardless of, for example, ethnicity, religion, gender, functional variation, age, and other differences.

It is in our interest to promote diversity and we see the employees' different experiences, qualities, and expertise as an asset regardless of ethnic origin, nationality, outlook on life, sexual orientation,

gender identity, age, or functional variation. We see variation as an important asset in our work to create a dynamic and committed corporate culture and the best partner for our customers.

We have zero-tolerance for any form of discrimination, harassment, or abuse - active or through passive support.

The organization consists of 68% men and 32% women and like many other players in our industry, we have a challenge in achieving a more even gender distribution in certain professions, such as IT and TV technicians.

We work to maintain sustainable economic growth, full employment and decent working conditions, protect workers' rights and promote security and a safe work environ-ment for all

Hoist Group has offices in 18 countries within EMEA. We strive to be a stable and respon-sible employer that offers good working conditions and opportunities to grow.

Decent work routines, the right to organize and human rights are all crucial to Hoist, our employees, suppliers and customers.

We work actively with training, instructions, work environment, and safety issues and equipment in line with the mission to minimize safety risks.

We do not accept any form of child labor or forced labor.

We work to maintain sustainable economic growth, full employment, and decent working conditions, to protect workers' rights and promote security, and to create a safe working environment for all.

Hoist Group has offices in 15 EMEA countries. We strive to be a stable and responsible employer that offers good working conditions and opportunities to grow. Decent working conditions, the right to organize and human rights are a matter of course for Hoist, our employees, customers, and suppliers. We work actively with training, instructions, work environment and safety issues, as well as equipment in line with the assignment to minimize safety risks.

We want to promote good health for our employees and their ability to reach their full potential and to contribute to the development of society

We want to create the best possible conditions for our employees to thrive, perform well and develop in their role with our core values as a starting point.

An individual development plan that may include training, mentoring and participation in networks or projects is developed for each employee.

We work actively with preventive health care and carry out various team activities on a local level, such as step competitions, "Stafesten for UNICEF" etc.

A global employee survey is scheduled to be conducted during the second quarter, with the aim of capturing employees' perceptions of working conditions, leadership and cooperation

We want to work for good health, for our employees' opportunity to reach their full potential and to contribute to the development of society. We want to create the best possible conditions for our employees to thrive, perform well and develop in their role with our values as a starting point.

Every year, at least one individual employee interview is conducted with all employees where goals, action plans and development areas are followed up. An individual development plan that can include training, mentorship and participation in networks or projects is prepared for each employee.

We work actively with preventive health care and to create a healthy and safe workplace. During the autumn, our HR team worked to develop a global HR tool to, among other things, improve real-time insight into employees' well-being and measure the results of the measures taken for preventive purposes.

Beginning in April 2021, we will conduct a global so-called ‘Happy Index’ in three parts. This is to primarily get a general picture of how one experiences the work climate after a long period of teleworking. This will be followed later in the year by a comprehensive employee survey.

Covid-19

The pandemic that hit Europe in early 2020 changed the work situation for many. Several of the countries in which we operate have for long periods been subject to closures, and in all countries most of our employees have worked from home to a large extent during the past year. This has meant a major change for many, both professionally and personally.

The hotel market has been hit hard by the pandemic and as a result, short-term work was introduced in all countries, mainly during the period April-October, but in some cases, this has been extended to the first half of 2021.

All meetings, local and international, have been held digitally via Teams. Communication with employees has been important, both weekly information emails containing current Covid-19 updates, product and training information but also increased interactivity to maintain positivity and commitment and counteract the feeling of isolation.

During the late autumn, a hotline was established for employees in need of conversation and support in a time that is too difficult for many.

Environment
Hoist Group complies with the environmental legislation in force in the country in question and the relevant business sector. We will continuously work to reduce our negative environmental impact.

We strive to reduce climate impact in three main areas;

Own business

Reduced travel
Even though we operate in an international environment, we advocate virtual meetings. Internal meetings have, since 2017, taken place almost exclusively via Teams under Hoist's meeting policy. We will need to travel to secure installations and when doing business with our customers. As far as we can, we choose trains over flights, but many trips are made with the employees' own cars.

Conduct our business from climate-efficient offices
Where possible, we will choose offices in properties with sustainable management. We will choose renewable electricity where possible, even where electricity is included in the lease.

Reduce waste through recycling and reuse
We take it for granted to recycle and reuse materials. In our offices, paper, corrugated cardboard, glass, and plastic are sorted and recycled. In collaboration with our suppliers, we offer in several countries where we operate, our customers to take care of, recycle and where it is possible to reuse packaging and end-of-life products in connection with the installations we make.

Reduce carbon dioxide emissions during transport
We work to reduce the number of transports by transporting goods directly from the supplier to the final destination, without intermediate storage. We will choose environmentally friendly transports in collaboration with our product suppliers.

Supply chain
Influence our suppliers to act consciously and responsibly
All suppliers and subcontractors must follow our code of conduct. In many product areas, we choose suppliers who communicate a code of conduct that complies with ours. In 2021, focus will be placed on supplier follow-up as we have set up a Global Purchasing Team. The goal is, in addition to the framework agreements signed for the Group, to reduce the number of suppliers and systematize compliance audits at both the international and local level.

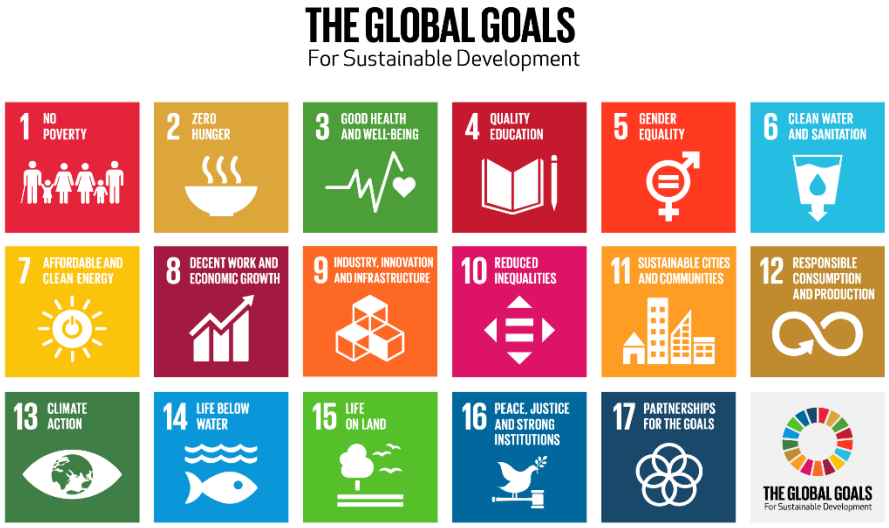
Customers
Many of our customers are far ahead in their sustainability work and we want to be the supplier they choose. We deliver solutions that enable our customers to reduce their climate impact through better planning and more efficient management.

Corporate Social Responsibility (CSR)

At Hoist Group, we think it is important to get involved in the development of society and to contribute as much as possible.

We are proud partners of Hand in Hand, a non-profit association registered in Sweden, with partner organizations in each country and since 2013 we have been involved in several projects to fight poverty through entrepreneurship.

Through our work with Hand in Hand, we contribute to several of the Global Goals for Sustainable Development 2030.



We have been involved in projects focusing on entrepreneurship education for women so that they can learn to run their own micro-businesses, to take children out of child labor, and let them go to school to complete their education and contribute to better health and clean water.

Our projects run for 2.5 years and are followed up every quarter with reports from Hand in Hand. We want to encourage the commitment of our employees and every year two employees get the opportunity to pay a visit on site. The visits are planned and carried out together with Hand in Hand.

Community Uplift Program. **Ngwata and Kinyambu Village, Kenya** (2017–2020)

"After intensive business training and business development, the villages of Ngwata and Kinyambu have been transformed into a hive of business"

It is with joy and pride that we read the final report after 2.5 years of training and coaching of 705 residents who can now call themselves entrepreneurs. We once again receive confirmation that education is important for self-esteem, that it is easier to achieve success if you work together (32 created self-help groups) and that you can change a society with determination and commitment. Hand in Hand has trained 705 inhabitants, 498 new or improved companies have been developed and the village has created 736 new jobs. 81% of those educated are women.

The types of businesses vary greatly; poultry business, shop keeping, beekeeping, detergent manufacturing, livestock farming, vegetable production and hotels. Entrepreneurs' income provides a better life for the 3525 people that the members take care of directly, their children can go to school; they can afford three meals a day and they lift the community when they hire others and spend money in the local market.

A village development committee, consisting of village leaders and community members, has been appointed to monitor the progress of the entrepreneurs and the continued work of the self-help groups.

Members who run the same type of business are encouraged to form a community-based organization (CBO) to reap greater success together with others operating within a 5 km radius.

We are happy and proud to have been able to contribute to the positive development in Ngwata and Kinyambu Village.

Hoist Group has chosen to continue working with Hand in Hand, and we will start a new village project in Kenya in 2021.

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in Hoist Group Holding Intressenter AB, corporate identity number 559094-0689

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 on pages 76-81 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 29 April 2021
Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorised Public Accountant

Corporate governance report Hoist Group Holding Intressenter

Hoist Group Holding Intressenter AB (publ) ("The Company" with subsidiaries) is a public limited company whose corporate bond is listed on Nasdaq Stockholm. The company complies with the Swedish Companies Act, the Articles of Association, Nasdaq's regulations, and internal rules and regulations. As the Company does not have listed shares, the Swedish Code of Corporate Governance is not applied.

Annual General Meeting
The Annual General Meeting is the Company's highest decision-making body, and it is through participation in the Annual General Meeting that the shareholders exercise their influence in the Company. The Annual General Meeting is held annually within six months after the end of the financial year. The income statement and balance sheet are approved at the Annual General Meeting, and the disposition of the result is discussed. In addition, issues concerning discharge from liability for the members of the Board and the President, election of the Board and auditor as well as remuneration to the Board and the auditor are also dealt with. In 2021, the Annual General Meeting is expected to be held in May.

Share and Shareholders
As of December 31, 2020, the share capital amounted to SEK 1,299,200 and the number of shares was 129,920,064.

The ownership distribution is as follows: Accent Equity 2008 50%; C&M Stockholm AB 27%; The Sixth AP Fund 10%, Niantic Holding 9%; and employees within the Group 3%.

The Board and Their Responsibilities
The Board is the highest decision-making body after the Annual General Meeting (AGM), and the highest executive body. The Board's responsibilities are regulated in the Swedish Companies Act, the Articles of Association, the Annual Accounts Act, guidelines from the Annual General Meeting and the rules of procedure for the Company's Board.
The board shall consist of a minimum of three and a maximum of ten board members with a maximum of five deputies. The members are elected annually at the Annual General Meeting for the period until the end of the next AGM.

The Board is responsible for the Company's organization and administration and shall consider and make decisions in matters of material importance and of an overall nature, which concern the Company's operations. The board shall, among other things, establish overall goals for the business and strategies for achieving the goals. The Board of Directors shall establish an appropriate organization for the business and continuously evaluate the Company's operational management and, if necessary, appoint or dismiss the CEO. The Board is responsible for issuing instructions to clarify the division of responsibilities between the Company's various bodies and executives. The Board shall ensure that there are effective systems for monitoring and controlling the Company's operations and financial position against the established goals.

The Board shall continuously keep itself informed of the Company's development to continuously assess the Company's financial situation. This is done, among other things, through financial reporting and regular board meetings. The Board shall ensure that there is satisfactory control of the Company's compliance with laws and other rules that apply to the Company's operations. The Board shall ensure that the necessary ethical guidelines are established and followed regarding the Company's conduct. External disclosure must be characterized by openness and objectivity as well as high relevance for the audience it targets. In its work, the Board shall pay special attention to any conflicts of interest that may arise between the Company's Board and other stakeholders, such as bondholders, suppliers, or customers. The Board shall ensure that its members take into account the interests of the Company and do not represent the interests of several parties that conflict with each other.

The chairman shall lead the board's work and ensure that the board fulfils its tasks. The chairman shall ensure that the board meets when necessary, that the members are allowed to attend the meetings and receive satisfactory information and basis for decisions, and that the working method is otherwise appropriate, and that an open and constructive discussion is encouraged. The chairman shall receive comments from the owners and convey these to the board and check that the board's decisions are implemented effectively. The Chairman shall continuously co-operate with the President to keep himself informed of significant events and the Company's development even between Board meetings and to support the President in his work. After consultation with the CEO, the chairman shall establish the agenda for the Board's meetings. The Company's Board meetings deal with, among other things, strategy and business plan, evaluation of the Company's operations and financial situation, acquisition-related issues, and other relevant issues. The Board of Directors makes decisions when more than half of the members are present. The board currently consists of six members and one deputy. In October 2020, Andreas Jacobs was elected to the Board. The board already consists of Malcolm Lindblom who is chairman of the board, Niklas Sloutski, Peder Ramel, Marcus Jennekvist, Vidar Andersch who are board members and Niklas Rohdin as deputy board member. In 2020, ten board meetings were held in the Company. In the future, the Board will conduct annual evaluations of its work where the members are allowed to give their views on, among other things, working methods, board materials, their own and other members' efforts, and the scope of the assignment.

Audit
At the 2020 Annual General Meeting, Öhrlings PricewaterhouseCoopers AB (PwC) was re-elected as an auditing firm until the next Annual General Meeting, with Tobias Stråhle as the principal auditor. Fees to the auditor are paid as agreed.
The auditor's task is to examine the Company's annual report and consolidated accounts, the Board of Directors and the CEO's administration, and the corporate governance report. The company's auditor attends and reports to at least one board meeting per year, and in addition when necessary.

CEO and management team
The Chief Executive Officer is responsible for the Company's day-to-day management per instructions for the CEO as determined by the Board of Directors.
When meeting with the Company's Board of Directors, the CEO shall be the rapporteur and report on, among other things, the Company's financial situation, ongoing operations and significant events that have occurred in accordance with reporting instructions established by the Board.
The CEO shall continuously inform the Chairman of the Board of material issues in the business and together with the Chairman ensure that the members of the Board receive such factual, detailed, and relevant information in good time for all matters required for the Board to make well-founded decisions.

The CEO shall manage the day-to-day administration per the Board's guidelines and instructions and in his work to ensure that the business is conducted following sound financial principles and good corporate standards and business practice in general. The business shall be conducted with solvency, liquidity and control over all risks that are satisfactory for the scope and nature of the business, so that the commitments to customers, employees, other beneficiaries, and creditors can be fulfilled.
The company has a management team that is continuously responsible for various parts of the business. The management team consists of the CEO, CFO, sales manager, development manager, technical manager, and operations manager. The management team meets regularly to follow up on the Company's activities and prepare short- and long-term plans.

Internal control
According to the Swedish Companies Act, the Board is responsible for ensuring that internal control mechanisms are prepared and communicated. To maintain a well-functioning control environment, the Board has established several basic documents such as the Board's rules of procedure, instructions for the CEO, and reporting instructions. Additional policies used in the business include a

certificate policy, ESG policy, IT policy, insider policy, emergency preparedness plan and personnel handbook. Management personnel at all levels are responsible for ensuring that routines for internal control are established within their respective areas and that the controls lead to the desired result. The Company's CEO has the overall responsibility for the daily work of maintaining the control environment and reports regularly to the Company's Board.

Risk assessment
The company annually identifies internal and external risks that threaten the Group's vision, business concept, goals, and strategy. The management team then works actively with the identified risks to establish control activities and counteract the risks.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Hoist Group Holding Intressenter AB, corporate identity number 559094-0689

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2020 on pages 83-85 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 29 April 2021
Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorized Public Accountant