



Interim report

January 1– March 31, 2021

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

The Board of Hoist Group hereby presents an interim report for the first quarter of 2021. As a result of the ongoing Covid-19 pandemic, the Board has decided that the quarterly reports will continue to include expanded information to contribute to good transparency and understanding of the Group's operations, and the board's view of the market situation.

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

Net sales for the first quarter of 2021 amounted to SEK 244.3 M (284.7), which corresponds to a decrease of 14%. Adjusted EBITDA amounted to SEK 26.1 M (31.0), which corresponds to a decrease of 16%. Earnings per share were SEK -0.13 (-0.05).

KEY FIGURES

in KSEK	Jan-Mar		Full year
	2021	2020	2020
Net Sales	244,284	284,658	1,004,682
AR R (Annual recurring revenue)	136,041	141,780	533,016
Adjusted EBITDA	26,129	30,950	152,202
EBITDA	24,084	29,903	127,877
Adjusted EBITA	10,179	14,532	84,287
EBITA	8,134	13,484	59,110
Profit before tax	- 16,109	- 6,621	- 52,731
Net profit	- 17,301	- 5,506	- 48,480
	Mar-21	Mar-20	Dec-20
Solidity %	32%	41%	41%
Debt/equity ratio	2.8	3.0	2.5

Earnings per share

	Jan-Mar		Full year
	2021	2020	2020
Profit for the period in KSEK	- 17,301	- 5,506	- 48,480
Number of shares *	129,920,064	117,902,458	120,906,860
Earnings per share	- 0.13	- 0.05	- 0.40

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

Financial summary of January-March 2021

During the period, Hoist Group has continued to be active in the market with customer contacts and internal projects, primarily within the development departments. As the easing of restrictions in most European countries has been delayed somewhat, the recovery in the market has been slower than expected during the first quarter. Hoist Group's underlying positive view of market recovery remains, however. Order intake for new projects during the period was as expected but was affected by delayed deliveries due to continued travel restrictions and partially closed hotels in some countries. Despite this, adjusted EBITDA during the first quarter was close to the level of adjusted EBITDA during the same period last year, which was largely unaffected by the pandemic.

Income statement

Net sales for the first quarter of 2021 amounted to SEK 244.3 million, which corresponds to a decrease of 14% compared with the first quarter of 2020 (284.7). The reduction is attributable to reduced project revenues.

The gross margin for the first quarter amounted to 51.1%, which means an improvement compared with 49.4% in the first quarter of 2020. The improvement is mainly the effect of an increased share of Annual Recurring Revenue ("ARR"). Hoist Group continues to focus on good cost control and increased efficiency of operations, and the Group is in a good position to take advantage of economies of scale as new customer agreements are signed.

Hoist Group's adjusted EBITDA amounted to SEK 26.1 million (31.0), and adjusted EBITA amounted to SEK 10.2 million (14.5). EBITA has been affected by non-recurring costs of SEK 2.0 million (1.0) that are attributable to restructuring costs.

The Group's depreciation of tangible fixed assets and capitalized development costs amounted to SEK 16.0 M (16.4). The Group's net profit amounted to SEK -17.3 million (-5.5) and includes planned depreciation of SEK 13.9 million regarding customer relationships.

Balance sheet

The Group's net debt as of March 31, 2021 amounted to SEK 412.6 million, compared with SEK 432.5 million on March 31, 2020. The debt/equity ratio measured as net debt in relation to adjusted EBITDA for the most recent twelve-month period amounted to 2.8x (3.0x).

Available liquidity on March 31 amounted to SEK 192.4 million, compared with SEK 176.8 million on March 31, 2020. The liquidity consists of SEK 145.2 million in cash and cash equivalents and unutilized credit facilities of SEK 47.2 million. As of March 31, payment had been received for the parent company's new corporate bond issued in March 2021. The payment was used in April to repay the parent company's existing corporate bond with a regular maturity date in June 2021, and therefore the payment for the corporate bond is excluded from available liquidity.

Equity amounted to SEK 799.4 million and has decreased by SEK 8.1 million since December 31, 2020. The equity/assets ratio was 32% (41%). The decrease in the equity/assets ratio is driven by an increase in the Group's total assets due to the new corporate bond. As mentioned above, the proceeds from the corporate bond were used to redeem the existing corporate bond in April. Adjusted for the temporarily increased total assets as of March 31, the equity/assets ratio was 40%.

Cash flow

Cash flow from operating activities amounted to SEK -14.6 million (-6.1) during the quarter, of which cash flow from changes in working capital was SEK -32.7 million (-14.6). Cash flow from investing activities was SEK -11.3 million (-12.9), of which SEK -8.1 million (-7.2) pertained to software development. Cash flow from leasing activities was SEK -0.6 million (0.8), and cash flow from financing activities was SEK 514.9 MSEK (-10.4). The quarter's total cash flow amounted to SEK 488.3 M (-28.6).

Comments on future prospects

Hoist Group assumes that business volumes during the second quarter of 2021 are expected to increase gradually. This is based on available market data, such as reports on vaccination rates, 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 is expected to have a positive effect on project sales as customers' previously deferred investments are now expected to be implemented. 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 to continue evaluating and implementing strategic acquisitions remain in 2021.

Significant events during the interim period

As previously announced, the parent company issued a new three-year corporate bond worth SEK 500 million in March 2021, with the aim of repaying the existing corporate bond in advance in the same amount, with an ordinary maturity date in June 2021.

Significant events after the end of the period

In April 2021, the proceeds from the newly issued corporate bond were used to repay the existing corporate bond of SEK 500 million. A prospectus regarding the new corporate bond was approved by Finansinspektionen and published on 21 May 2021, and the corporate bond was listed on Nasdaq Stockholm on 25 May 2021.

Transactions with related parties

As of March 31, 2021, the shareholder loan amounted to SEK 51.3 M (51.9), including accumulated interest.

Financial summary parent company

The Parent Company's profit before tax was SEK 0.7 million (-3.0) for the interim period. Interest expenses paid during the first quarter amounted to SEK 7.5 million.

Risks and risk analysis

Customers' ability to pay and suppliers' financial position

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

Risks concerning the economic and political conditions in Europe

A negative change in the economic conditions in Europe or in the market in any other country, which in turn affects the countries or markets in which the Group operates, may have a negative impact on the Group's operations.

The UK's withdrawal from the EU, Brexit, may affect the Group's operations. Management's assessment based on current knowledge is that Brexit is only expected to affect the Group's operations to a lesser extent.

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

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

Technological development

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

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

Magnus Lindholm CFO, ir@hoistgroup.com

The next quarterly report from Hoist Group will be published on August 31, 2021.

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

Hoist Group Holding Intressenter AB (publ)

The Board of Directors and CEO,
Stockholm, May 28, 2021

Malcolm Lindblom
Chairman of the Board

Alfonso Tasso
Chief Executive Officer

Marcus Jennekvist
Board Member

Niklas Sloutski
Board Member

Vidar Andersch
Board Member

Peder Ramel
Board Member

Andreas Jacobs
Board Member

Financial report

KSEK	Jan-Mar		Full year
	2021	2020	2020
ARR (Annual recurring revenue)	136,041	141,043	533,016
Other revenue	108,542	145,121	476,015
Total Revenue	244,583	286,164	1,009,031
Costs of goods sold	- 119,588	- 144,688	- 493,143
Gross Profit	124,994	141,477	515,887
Operating expenses	- 19,302	- 23,183	- 97,724
Personnel expenses	- 81,608	- 88,391	- 290,286
EBITDA	24,084	29,903	127,877
Depreciation of tangible fixed assets and capitalized research and development expenses	- 15,950	- 16,419	- 68,767
EBITA	8,134	13,484	59,110
Amortisation of customer relationship	- 13,853	- 14,105	- 58,683
Operating Profit	- 5,718	- 621	427
Interest income and similar items	6,085	14,037	4,715
Interest expense and similar items	- 16,476	- 20,037	- 57,873
Profit from financial items	- 10,390	- 6,001	- 53,159
Profit before tax	- 16,109	- 6,621	- 52,731
Tax	- 1,193	1,116	4,252
Net profit	- 17,301	- 5,506	- 48,480

Statement of comprehensive income

Amount in KSEK	Jan-Mar		Full year
	2021	2020	2020
Net Profit	- 17,301	- 5,506	- 48,480
Other comprehensive income			
<u>Items that may be subsequently reclassified to profit or loss</u>			
Exchange rate differences	9,192	9,711	- 66,529
<u>Items that will not be reclassified to profit or loss</u>			
Income tax relating to components of other comprehensive income			-
OTHER TOTAL PROFIT FOR THE PERIOD, NET AFTER TAX	- 8,109	4,205	- 115,009
TOTAL COMPREHENSIVE INCOME OF THE YEAR	- 8,109	4,205	- 115,009
NET PROFIT ATTRIBUTABLE:			
Parent company's shareholders	- 17,301	- 5,506	- 48,480
Non-controlling interests			-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Parent company's shareholders	- 8,109	4,205	- 115,009
Non-controlling interests	-	-	-

Segment report

Period Jan-Mar	Project Revenue		ARR		Other Revenue		Sales between segments		Total operating income	
	Amount in KSEK		Amount in KSEK		Amount in KSEK		Amount in KSEK		Amount in KSEK	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
France	15,004	14,064	18,598	20,984	0	1	121	251	33,723	35,301
Sweden	7,016	17,714	40,284	44,324	108	-	2,151	813	49,559	62,849
DACH*	14,086	9,251	10,673	9,125	-	164	1,414	176	26,172	18,716
MED**	13,215	23,905	8,844	9,813	25	29	1,462	385	23,548	34,132
Norway	9,417	11,884	13,198	14,521	39	84	93	4	22,747	26,494
UKBene***	30,895	17,529	15,156	9,286	9	-	2,512	1,513	48,572	28,329
All other****	18,611	49,268	29,288	32,989	117	1,231	-	3,144	40,262	80,344
Sum	108,243	143,615	136,041	141,043	298	1,506	-	0	244,583	286,164

Period Jan-Mar	Net sales		Adjusted EBITDA		Adjusted EBITDA %		EBITDA	
	Amount in KSEK		Amount in KSEK		Amount in KSEK		Amount in KSEK	
	2021	2020	2021	2020	2021	2020	2021	2020
France	33,723	35,300	3,964	7,148	12%	20%	3,036	7,311
Sweden	49,451	62,851	787	770	2%	1%	787	770
DACH*	26,172	18,552	2,243	30	9%	0%	592	30
MED**	23,522	34,103	834	2,923	4%	9%	834	2,923
Norway	22,708	26,409	1,303	547	6%	2%	1,303	547
UKBene***	48,563	28,329	5,966	1,878	12%	7%	6,636	756
All other****	40,144	79,113	11,032	17,654	27%	22%	12,081	17,566
Sum	244,284	284,658	26,129	30,950	11%	11%	24,084	29,903

*Including Switzerland, Germany and Austria

**Including Spain, Italy and Portugal

***Including UK, Belgium and Netherlands

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

The Group's balance sheet

KSEK	March 2021	March 2020	December 2020
ASSETS			
Fixed assets			
Capitalised research and development	64,424	65,698	60,898
Customer relationships	364,364	443,939	378,027
Goodwill	824,341	698,328	811,218
Other intangible assets	4,678	1,395	1,145
Leasing, equipment, tools and installations	59,542	77,781	69,534
Financial assets	54,746	71,164	58,469
Deferred tax asset	2,747	2,344	2,650
Total fixed assets	1,374,840	1,360,648	1,381,943
Current assets			
Inventories	104,358	106,456	85,993
Accounts receivables	223,605	280,004	246,474
Tax assets	404	2,694	784
Other receivables	4,960	2,005	703
Prepaid expenses and accrued income	113,775	100,956	111,724
Cash & bank deposits	645,218	127,712	161,205
Total current assets	1,092,319	619,828	606,882
Total Assets	2,467,160	1,980,476	1,988,825
EQUITY	799,444	821,757	807,552
LIABILITIES			
Non-current liabilities			
Shareholder loan	51,262	51,899	50,637
Other long term liabilities	575,772	587,987	87,173
Deferred tax liabilities	51,387	58,302	50,238
Other provisions	14,470	12,619	25,600
Total non-current liabilities	692,890	710,807	213,649
Current liabilities			
Bond loan	500,000	-	500,000
Utilized overdraft	27,752	26,272	6,064
Advances from customers	44,274	40,311	62,088
Accounts payable	145,198	174,126	147,564
Total income tax liability	525	16,803	2,835
Other current liabilities	90,266	66,638	81,674
Accrued cost and prepaid income	166,812	157,368	167,399
Total current liabilities	974,828	447,913	967,624
Total equity and liabilities	2,467,161	1,980,476	1,988,824

The Group's cash flow

KSEK	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after financial items	-16,108	-6,621	-52,731
Whereof interest paid	-8,454	-8,737	-31,216
Adjusted for items not included in the cash flow:			
Reversal of depreciation and amortisation	29,803	30,524	127,450
Taxes paid	-2,969	-8,173	2,241
Other items, not affecting cash	7,302	-7,223	11,977
Cash flow from operating activities before change in working capital	18,027	8,507	88,937
Working Capital			
Change in inventory	-15,698	-15,908	31,195
Change in accounts receivable - trade	30,618	27,468	48,154
Change in operating receivables	-3,148	-19,899	-22,515
Change in accounts payable - trade	-14,150	-7,400	-27,435
Change in other operating liabilities	-30,291	1,094	-30,461
CASH FLOW FROM WORKING CAPITAL	-32,669	-14,644	-1,061
CASH FLOW FROM OPERATING ACTIVITIES	-14,642	-6,137	87,876
Investing activities			
Acquisition value subsidiary	0	0	10,265
Sales value subsidiary	0	0	0
Investment in intangible fixed assets	-8,147	-7,235	-28,403
Investment in tangible fixed assets	-3,126	-5,280	-22,376
Change in financial fixed assets	0	-381	425
CASH FLOW FROM INVESTING ACTIVITIES	-11,274	-12,896	-40,089
Customer leasing activities			
Change in customer leasing	5,314	5,152	4,319
Change in leasing backed loans	-5,937	-4,384	-10,818
CASH FLOW FROM LEASING ACTIVITIES	-623	768	-6,499
Financing activities			
New share issue	0	0	0
Group contribution	0	0	0
Changes external loan	495,856	-1,772	7,243
New increase/decrease bank overdraft facility	21,664	-5,454	-25,366
Change in lessee leasing liability	-2,641	-3,155	-5,165
CASH FLOW FROM FINANCING ACTIVITIES	514,878	-10,381	-23,287
CASH FLOW FOR THE PERIOD	488,340	-28,647	18,001
CASH & CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	161,205	152,426	152,426
Cash flow for the period	488,340	-28,647	18,000
Exchange rate effects	-4,326	3,933	-9,222
CASH AT END OF PERIOD	645,218	127,712	161,204

Changes in the Group's equity

<u>Amount in KSEK</u>	<u>Share capital</u>	<u>Other contributed capital</u>	<u>Reserves</u>	<u>Retained earnings including profit for the period</u>	<u>Total equity</u>
Ingoing balance per 2019-12-31	1,299	1,050,999	23,489	-268,234	807,553
New share issue					-
Total result					-
Shareholder contributions					-
The result of the period				-17,301	-17,301
Other total result					
Exchange rates differences			9,192		9,192
Share premium					-
Sum Total Results	1,299	1,050,999	32,681	-285,535	799,444

Financial report, parent company

Parent company's income statement in summary

KSEK	Jan-Mar		Full year
	2021	2020	2020
Operating Profit	- 34	- 28	- 295
Interest income and similar items	9,710	6,314	25,910
Interest expense and similar items	- 8,998	- 9,238	- 37,207
Profit from financial items	712	- 2,924	- 11,297
Profit before tax	678	- 2,952	- 11,592
Appropriations			
Tax	- 263	-	- 679
Net profit	415	- 2,952	- 12,271

Parent company's balance sheet in summary

KSEK	March 2021	March 2020	December 2020
Financial assets	1,535,332	1,438,137	1,535,649
Current receivables	15,113	4,291	1,741
Cash & bank deposits	487,840	50	158
Total Assets	2,038,285	1,442,478	1,537,548
Equity	986,460	890,354	986,045
Long term interest-bearing liabilities	1,051,262	551,899	550,637
Total current liabilities	564	225	866
Total equity and liabilities	2,038,285	1,442,478	1,537,548

Company Information

Hoist Group consists of the parent company Hoist Group Holding Intressenter AB and its subsidiaries. The parent company is registered in Sweden and has its head office in Solna. The visiting address for the head office is Röntgenvägen 2, 171 54 Solna.

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

Ownership Structure

As of March 31, 2021, Hoist Group was owned approximately 50% by AccentEleven Holding Ltd (reg. No. 107941, with its registered office in Jersey, a wholly-owned subsidiary of the investment fund Accent Equity 2008 LP), to approximately 27% by C&M Stockholm AB (reg. No. 556847-5924, with its registered office in Stockholm), to approximately 10% of the Sixth AP Fund (reg. No. 855104-0721, with its registered office in Gothenburg), to approximately 9 % of Niantic Holding GmbH (reg. no. HRB 64920, based in Hamburg, Germany) and to about 3% of employees within the Group.

Accounting principles

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

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

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

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

The purchase price allocation of Acentic is preliminary and may affect the distribution between goodwill and customer relationships.

The information on pages 2-11 forms and integral part of this financial report.

Operating Segments

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

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

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

Project-based Revenue

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

Annual Recurring Revenue (ARR) - contractual income

Annual Recurring Revenue is the common name for all the Group's contractual revenue, consisting of software licenses, support and service agreements and media content. Based on these agreements, customers are usually invoiced monthly or quarterly in advance. This creates an obligation for the Group to the customer and is reported as a liability in the balance sheet. Revenues are reported on a straight-line basis over the contract period as the Group's obligation to the customer is reduced.

Testing for goodwill impairment

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

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

Deferred tax

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

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

Alternative key figures

EBITDA is calculated as operating results before depreciation.

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

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

Adjusted EBITA is calculated as operating profit after amortisation of tangible fixed assets and capitalized research and development expenses, adjusted for non-recurring items.

Solidity is calculated as total equity in relation to the balance sheet total.

Net debt is calculated as long-term liabilities (including the net of leasing assets and liabilities related to back-to-back leasing commitments) excluding shareholder loan, less cash, and cash equivalents.

Debt/equity ratio is calculated as net debt in relation to adjusted EBITDA for the last twelve-month period.

