Interim report

Q1-2022

Key highlights of Q1 2022

First quarter provides a good start to the year

Management comments

The group has experienced a strong start to the year and continues to increase the revenue compared to last year. 2022 is going to be a year with focus on further product investments and release of new functionality. We are continuing to increase our workforce!

Financial development

Revenue in Q1-2022 reached NOK 70m, of which SkyHost contributed with NOK 7m. Q1-2022 revenue has grown 13% compared to Q1-2021, mainly driven by revenue growth in the software segment. EBITDA is seeing a slight decline, mainly due to upscaling of the development department. The upscaling will continue to the end of 2022. This is the primary driver for increased costs through the year. We will not have the same upscaling in 2023, that means we will see an increase in margins in 2023.

Integration of SkyHost

On April 16th last year the acquisition of Skyhost was successfully completed, thus marks 2022 the first full year where Skyhost is part of the group. The work with implementing the software on the Norwegian market, under the name Duett Ressurs[3], is an ongoing project, and is expected to generate revenue in Norway for 2022.

Duett

Duett shows a steady growth in clients and revenue, and will release new exciting functionality later this year that will affect the revenue from 2023.

SkyHost

Skyhost shows steady growth in Denmark and keep up the margins.

Anniversary and new office

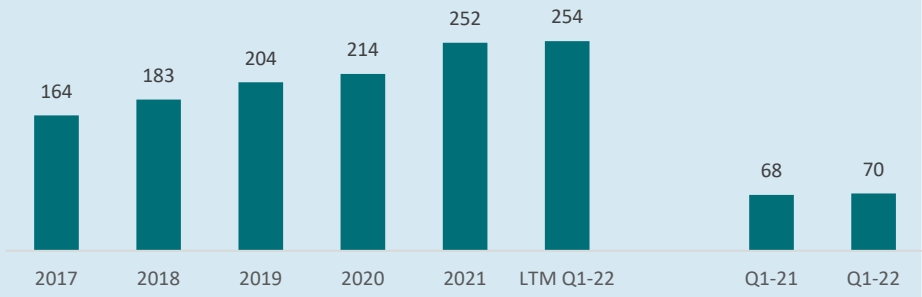
Duett AS is celebrating 40 year anniversary in 2022. In 1982 our first office in Folldal was opened, and since then we have expanded with three more offices. Later this year we open our fifth office in Trondheim which is primarily to be competitive in the labor market.

Q1 2022 Highlights

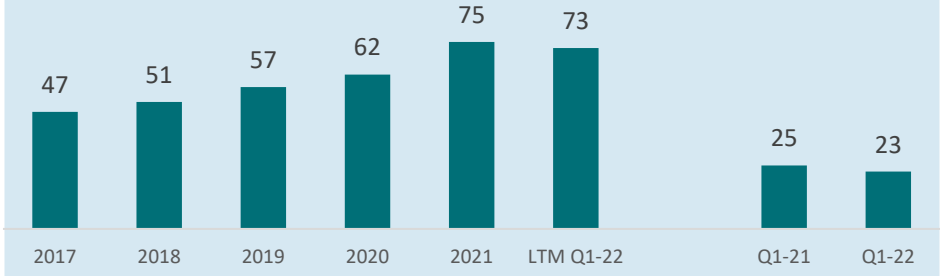
Revenue growth (Q1-21 vs. Q1-22)	Recurring revenue (Q1 2022)	EBITDA growth (Q1-21 vs. Q1-22)	EBITDA margin (Q1 2022)	Net leverage
13%	89%	-10%	33%	5.9x

Key figures

Pro-forma revenues[1] (NOKm)



Pro-forma adjusted EBITDA[1,2] (NOKm)



1) Pro-forma revenues/EBITDA includes SkyHost for full-year-2021, whereas the reported figures on the following pages only include SkyHost's financial performance from and including 16 April 2021.

2) Pro-forma adjusted EBITDA figures excludes all non-recurring costs and effects of financial leasing in accordance with IFRS.

3) Translated: resource

Income statement (1/2)

Duett Software Group AS – Unconsolidated and consolidated

	Unconsolidated Duett Software Group AS				Consolidated Duett Software Group AS			
NOKm	Q1-2021	Q1-2022	YTD 2021	YTD 2022	Q1-2021	Q1-2022	YTD 2021	YTD 2022
Software	-	-	-	-	32,2	40,5	32,2	40,5
Hosting	-	-	-	-	22,2	21,2	22,2	21,2
Recurring Revenue	**-**	**-**	**-**	**-**	**54,4**	**61,7**	**54,4**	**61,7**
Consultancy software	-	-	-	-	1,5	1,8	1,5	1,8
Courses	-	-	-	-	0,7	0,3	0,7	0,3
Consultancy hosting	-	-	-	-	1,6	1,2	1,6	1,2
Other income	-	-	-	-	0,3	0,7	0,3	0,7
Hardware and software	-	-	-	-	3,2	3,7	3,2	3,7
Non-recurring revenue	**-**	**-**	**-**	**-**	**7,2**	**7,8**	**7,2**	**7,8**
Total Revenue	**-**	**-**	**-**	**-**	**61,7**	**69,5**	**61,7**	**69,5**
COGS Software	-	-	-	-	4,2	6,3	4,2	6,3
COGS Sky	-	-	-	-	18,5	19,9	18,5	19,9
Other COGS	-	-	-	-	0,0	0,0	0,0	0,0
COGS hardware and software	-	-	-	-	2,9	1,9	2,9	1,9
Total COGS	**-**	**-**	**-**	**-**	**25,7**	**28,1**	**25,7**	**28,1**
Gross Profit	**-**	**-**	**-**	**-**	**35,9**	**41,5**	**35,9**	**41,5**
Sales & Marketing	-	-	-	-	4,0	4,8	4,0	4,8
Research & Development	-	-	-	-	8,5	11,0	8,5	11,0
General & Administrative	0,0	1,9	0,0	1,9	5,5	8,9	5,5	8,9
Total OPEX	**0,0**	**1,9**	**0,0**	**1,9**	**18,0**	**24,7**	**18,0**	**24,7**

Note: Unaudited figures
Unconsolidated numbers reported in NGAAP, consolidated numbers reported in IFRS

DUETT – smarte løsninger

Income statement (2/2)

Duett Software Group AS – Unconsolidated and consolidated

	Unconsolidated Duett Software Group AS				Consolidated Duett Software Group AS			
NOKm	Q1-2021	Q1-2022	YTD 2021	YTD 2022	Q1-2021	Q1-2022	YTD 2021	YTD 2022
Cash EBITDA	**(0,0)**	**(1,9)**	**(0,0)**	**(1,9)**	**18,0**	**16,8**	**18,0**	**16,8**
Capitalized Software Costs	-	-	-	-	5,3	6,2	5,3	6,2
Reported EBITDA	**(0,0)**	**(1,9)**	**(0,0)**	**(1,9)**	**23,3**	**23,0**	**23,3**	**23,0**
Amortization	-	-	-	-	21,1	23,1	21,1	23,1
EBIT	**(0,0)**	**(1,9)**	**(0,0)**	**(1,9)**	**2,2**	**(0,1)**	**2,2**	**(0,1)**
Finance income	0,4	0,9	0,4	0,9	0,0	0,9	0,0	0,9
Finance cost	3,8	7,8	3,8	7,8	3,7	8,9	3,7	8,9
EBT	**(3,4)**	**(8,8)**	**(3,4)**	**(8,8)**	**(1,5)**	**(7,4)**	**(1,5)**	**(7,4)**
Tax	(0,8)	(1,9)	(0,8)	(1,9)	1,3	(2,2)	1,3	(2,2)
Earnings after tax	**(2,7)**	**(6,9)**	**(2,7)**	**(6,9)**	**(2,8)**	**(5,3)**	**(2,8)**	**(5,3)**

Note: Unaudited figures
Unconsolidated numbers reported in NGAAP, consolidated numbers reported in IFRS

DUETT – smarte løsninger

Balance Sheet (1/2)

Duett Software Group AS – Unconsolidated and consolidated

	Unconsolidated Duett Software Group AS		Consolidated Duett Software Group AS	
NOKm	31.03.2021	31.03.2022	31.03.2021	31.03.2022
Non-current assets				
Property and equipment	-	-	18,5	16,3
Intangible assets	-	-	382,6	392,4
Goodwill	-	-	300,1	424,9
Right of use assets	-	-	33,0	24,8
Deferred tax asset	2	-	-	-
Receivables	-	-	-	-
Other investments	-	-	0,0	0,0
Total non-current assets	**2**	**-**	**734,2**	**858,4**
Current assets				
Inventories	-	-	0,1	1,6
Accounts receivables	-	-	20,5	10,4
Receivables group companies	47	65	4,8	-
Other short term receivables	-	-	2,5	7,3
Cash and deposits	0	6	-	74,4
Total current assets	**48**	**70**	**27,9**	**93,6**
Financial assets				
Investment in group companies	628,4	798,0	-	-
Other receivables	0,6	-	-	-
Total financial assets	**629,1**	**798,0**	**-**	**-**
TOTAL ASSETS	**678,8**	**868,4**	**762,1**	**952,1**

Note: Unaudited figures
Unconsolidated numbers reported in NGAAP, consolidated numbers reported in IFRS

DUETT – smarte løsninger

Balance Sheet (2/2)

Duett Software Group AS – Unconsolidated and consolidated

	Unconsolidated Duett Software Group AS		Consolidated Duett Software Group AS	
NOKm	31.03.2021	31.03.2022	31.03.2021	31.03.2022
Equity				
Share capital	3,0	3,5	3,0	3,5
Premium fund	307,5	368,8	307,5	368,8
Total paid in capital	**310,5**	**372,3**	**310,5**	**372,3**
Other equity				
Other equity	(1,5)	(2,3)	(48,2)	(78,9)
Total other equity	**(1,5)**	**(2,3)**	**(48,2)**	**(78,9)**
Total equity	**309,0**	**370,0**	**262,3**	**293,4**
Non-current liabilities				
Obligations	340,0	489,3	340,0	489,3
Lease liabilities	-	-	44,5	17,6
Deferred tax	-	2,5	70,0	76,7
Total non-current liabilities	**340,0**	**491,8**	**454,5**	**583,6**
Current liabilities				
Credit facility	-	-	-	-
Accounts payables	0,4	0,2	9,5	14,1
Lease liabilities	-	-	(9,5)	9,3
VAT and other public taxes	-	-	7,7	10,0
Current tax payable	2,2	0,2	8,9	(1,4)
Deferred revenue	-	-	13,9	22,1
Payable group companies	2,8	-	-	-
Other current liabilities	24,2	6,2	14,7	20,9
Total current liabilities	**29,7**	**6,6**	**45,2**	**75,1**
TOTAL EQUITY AND LIABILITIES	**678,8**	**868,4**	**762,1**	**952,1**

Note: Unaudited figures
Unconsolidated numbers reported in NGAAP, consolidated numbers reported in IFRS

DUETT – smarte løsninger

Cash flow

Duett Software Group AS – Unconsolidated and consolidated

	Duett Software Group AS				Group consolidated unaudited			
NOKm	Q1-2021	Q1-2022	YTD 2021	YTD 2022	Q1-2021	Q1-2022	YTD 2021	YTD 2022
Cash flow from operating activities								
Earnings before tax	(1,5)	(8,8)	(1,5)	(8,8)	(2,4)	(9,3)	(2,4)	(9,3)
Amortization	-	-	-	-	21,9	25,6	21,9	25,6
Taxes Paid	-	-	-	-	-	(5,7)	-	(5,7)
Inventories	-	-	-	-	0,1	-	0,1	-
Accounts payables	0,1	(0,6)	0,1	(0,6)	0,6	-	0,6	-
Accounts receivables	-	-	-	-	(11,2)	-	(11,2)	-
Deferred revenue	-	-	-	-	(5,6)	-	(5,6)	-
Other NWC	1,3	0,6	1,3	0,6	4,5	12,9	4,5	12,9
Cash flow from operating activities	**(0,0)**	**(8,8)**	**(0,0)**	**(8,8)**	**7,8**	**23,4**	**7,8**	**23,4**
Cash flow from Investing activities	-	-	-	-	-	-	-	-
Activated development costs	-	-	-	-	(5,3)	(6,2)	(5,3)	(6,2)
(-) Purchase of fixed and intangible assets	-	-	-	-	(0,9)	(0,6)	(0,9)	(0,6)
(-) Other investing activities	-	-	-	-	0,6	-	0,6	-
Net cash flow from investing activities	**-**	**-**	**-**	**-**	**(5,6)**	**(6,9)**	**(5,6)**	**(6,9)**
Cash flow from financing activities	-	-	-	-	-	-	-	-
Net change long-term debt	-	-	-	-	-	-	-	-
Net change credit facility	-	-	-	-	(3,4)	(15,2)	(3,4)	(15,2)
Net change intercompany	-	(0,9)	-	(0,9)	-	-	-	-
Net change equity	-	-	-	-	-	-	-	-
Cash flow from financing activities	**-**	**(0,9)**	**-**	**(0,9)**	**(3,4)**	**(15,2)**	**(3,4)**	**(15,2)**
Net change in cash and cash equivalents	**(0,0)**	**(9,8)**	**(0,0)**	**(9,8)**	**(1,2)**	**1,3**	**(1,2)**	**1,3**
Cash and cash equivalents in the beginning of the period	0,4	15,5	0,4	15,5	3,6	73,0	3,6	73,0
Cash and cash equivalents in the end of the period	**0,4**	**5,8**	**0,4**	**5,8**	**2,5**	**74,4**	**2,5**	**74,4**
Beginning credit facility balance	-	-	-	-	-	-	3,4	-
Net change credit facility balance	-	-	-	-	-	-	(3,4)	-
Ending credit facility balance	-	-	-	-	-	-	-	-
Limit credit facility	-	-	-	-	35,0	35,0	35,0	35,0
Ending available liquidity	**0,4**	**5,8**	**0,4**	**5,8**	**37,5**	**109,4**	**37,5**	**109,4**

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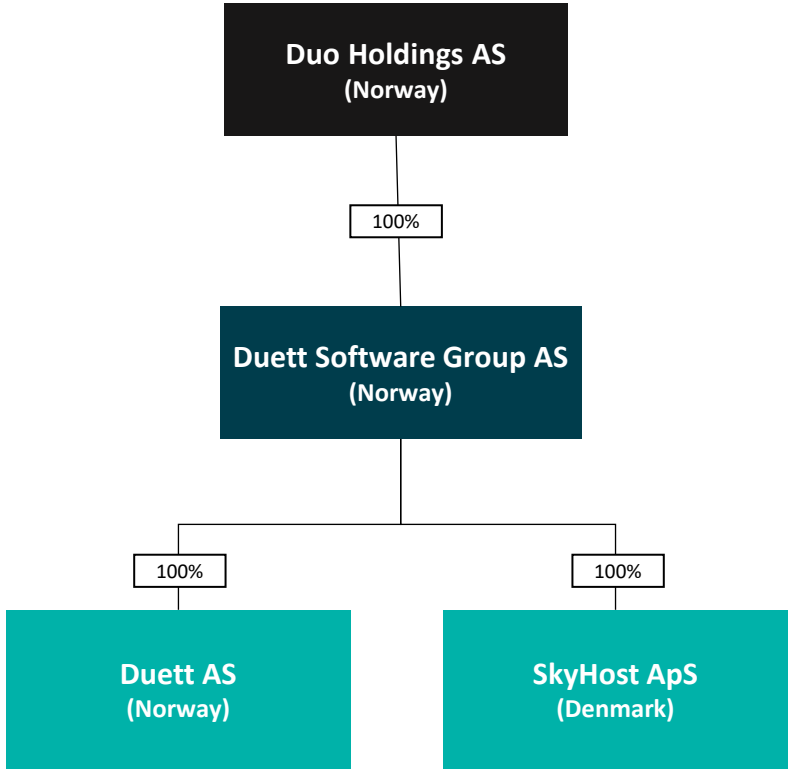
DUETT – smarte løsninger

Group structure



DUETT

– smarte løsninger