

Interim report

H1-2022



Key highlights of H1 2022

A strong first half-year for the group!

Management comments

The group 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 H1-2022 reached NOK 134m, of which SkyHost contributed with NOK 16,6m. H1-2022 revenue has grown 6% compared to H1-2021, 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 Ressurs³, is an ongoing project, and is expected to generate revenue in Norway for 2022.

Duett

Duett shows a steady growth in 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.

H1 2022 Highlights

Revenue growth
(H1-21 vs. H1-22)

6%

Recurring revenue
(H1 2022)

90%

EBITDA growth
(H1-21 vs. H1-22)

-2%

EBITDA margin
(H1 2022)

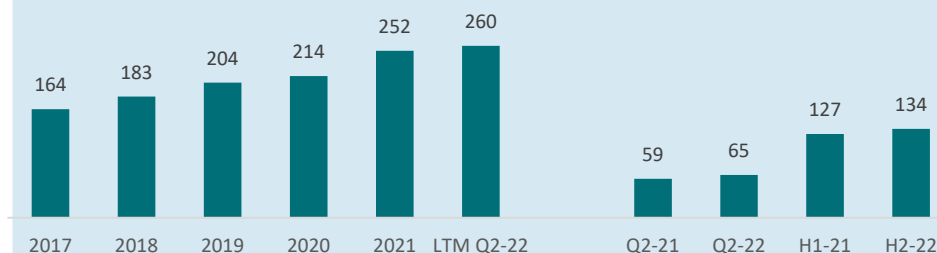
31%

Net
leverage

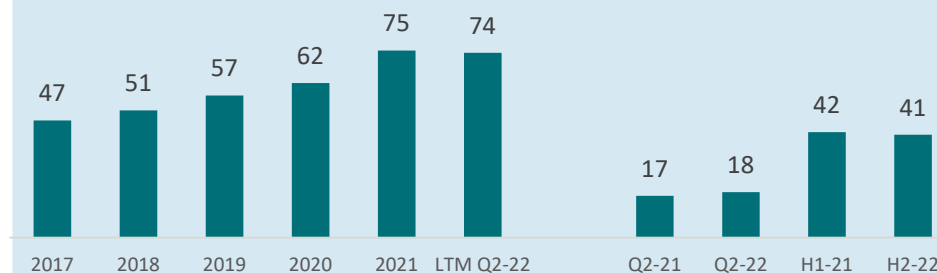
5.7x

Key figures

Pro-forma revenues¹ (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				
	NOKm	Note	Q2-2021	Q2-2022	YTD 2021	YTD 2022
Software		3	-	-	-	-
Hosting		3	-	-	-	-
Recurring Revenue		3	-	-	-	-
Consultancy software		3	-	-	-	-
Courses		3	-	-	-	-
Consultancy hosting		3	-	-	-	-
Other income		3	-	-	-	-
Hardware and software		3	-	-	-	-
Non-recurring revenue		3	-	-	-	-
Total Revenue		3	-	-	-	-
COGS Software			-	-	-	-
COGS Sky			-	-	-	-
Other COGS			-	-	-	-
COGS hardware and software			-	-	-	-
Total COGS			-	-	-	-
Gross Profit			-	-	-	-
Sales & Marketing			-	-	-	-
Research & Development			-	-	-	-
General & Administrative			0,2	0,4	0,2	2,3
Total OPEX			0,2	0,4	0,2	2,3

Consolidated Duett Software Group AS				
	Q2-2021	Q2-2022	YTD 2021	YTD 2022
	32,9	38,0	65,1	78,5
	21,7	21,0	43,9	42,2
	54,6	59,0	109,0	120,7
	1,4	1,4	2,9	3,2
	0,4	0,3	1,1	0,7
	1,0	0,9	2,6	2,1
	0,5	0,6	0,7	1,3
	3,3	2,5	6,4	6,2
	6,4	5,7	13,7	13,5
	61,1	64,7	122,7	134,2
	8,0	6,5	12,2	12,8
	19,3	19,8	37,8	39,7
	0,0	0,0	0,1	0,0
	1,7	1,0	4,6	2,8
	29,0	27,3	54,7	55,4
	32,1	37,4	68,0	78,9
	4,3	5,0	8,3	9,9
	8,2	9,9	16,7	20,9
	5,4	9,1	10,9	18,0
	17,9	24,0	35,9	48,7

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

Income statement (2/2)

Duett Software Group AS – Unconsolidated and consolidated

		Unconsolidated Duett Software Group AS				
	<i>NOKm</i>	<i>Note</i>	Q2-2021	Q2-2022	YTD 2021	YTD 2022
Cash EBITDA			(0,2)	(0,4)	(0,2)	(2,3)
Capitalized Software Costs			-	-	-	-
Reported EBITDA			(0,2)	(0,4)	(0,2)	(2,3)
Amortization		4	-	-	-	-
EBIT			(0,2)	(0,4)	(0,2)	(2,3)
Finance income			3,7	1,0	4,2	1,9
Finance cost			10,5	8,9	14,3	16,7
EBT			(6,9)	(8,3)	(10,3)	(17,1)
Tax			(1,5)	(1,8)	(2,3)	(3,8)
Earnings after tax			(5,4)	(6,5)	(8,0)	(13,3)
Attributable to:						
Equity holders of the parent company			(5,4)	(6,5)	(8,0)	(13,3)

Consolidated Duett Software Group AS				
	Q2-2021	Q2-2022	YTD 2021	YTD 2022
	14,2	13,4	32,2	30,1
	5,2	4,9	10,5	11,1
	19,4	18,3	42,7	41,3
	18,9	23,1	40,0	46,3
	0,4	(4,9)	2,6	(5,0)
	0,0	(0,9)	0,0	0,0
	7,8	8,1	11,5	17,0
	(7,4)	(14,5)	(8,9)	(22,0)
	(4,0)	(3,2)	(2,7)	(5,4)
	(3,4)	(11,3)	(6,2)	(16,6)
	(3,4)	(11,3)	(6,2)	(16,6)

Balance Sheet (1/2)

Duett Software Group AS – Unconsolidated and consolidated

		Unconsolidated Duett Software Group AS	
NOKm	Note	30.06.2021	30.06.2022
Non-current assets			
Property and equipment		-	-
Intangible assets		-	-
Goodwill		-	-
Right of use assets		-	-
Deferred tax asset		2	-
Receivables		-	-
Other investments		-	-
Total non-current assets		2	-
Current assets			
Inventories		-	-
Accounts receivables		-	-
Receivables group companies		321,2	65,3
Other short term receivables		0,0	0,1
Cash and deposits		36,4	1,2
Total current assets		357,6	66,7
Financial assets			
Investment in group companies		797,9	798,0
Other receivables		-	-
Total financial assets		797,9	798,0
TOTAL ASSETS			
		1157,4	864,6

Consolidated Duett Software Group AS	
30.06.2021	30.06.2022
17,9	16,1
442,6	377,8
424,9	428,0
30,9	23,0
-	-
-	-
0,0	0,0
916,4	844,9
0,2	1,1
13,3	13,0
-	-
4,8	5,7
73,1	76,2
91,4	96,1
-	-
-	-
-	-
1007,7	940,9

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

Balance Sheet (2/2)

Duett Software Group AS – Unconsolidated and consolidated

		Unconsolidated Duett Software Group AS	
NOKm	Note	30.06.2021	30.06.2022
Equity			
Share capital		3,5	3,5
Premium fund		368,8	368,8
Total paid in capital		372,3	372,3
Other equity			
Other equity		(10,3)	(10,6)
Total other equity		(10,3)	(10,6)
Total equity			
		362,0	361,7
Non-current liabilities			
Obligations	5	487,0	489,7
Lease liabilities		-	-
Deferred tax		-	2,5
Total non-current liabilities		487,0	492,2
Current liabilities			
Credit facility		-	-
Accounts payables		2,3	-
Lease liabilities		-	-
VAT and other public taxes		-	-
Current tax payable		2,2	4,0
Deferred revenue		-	-
Payable group companies		296,8	-
Other current liabilities		7,1	6,8
Total current liabilities		308,4	10,8
TOTAL EQUITY AND LIABILITIES		1157,4	864,6

Consolidated Duett Software Group AS	
30.06.2021	30.06.2022
3,5	3,5
368,8	368,8
372,3	372,3
(43,8)	(83,4)
(43,8)	(83,4)
328,5	288,9
487,0	489,6
23,0	15,6
83,1	73,8
593,2	579,0
-	-
9,1	15,0
9,7	9,5
11,7	5,5
12,1	(1,0)
23,5	25,3
-	-
20,0	18,8
86,1	73,0
1007,7	940,9

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

Cash flow

Duett Software Group AS – Unconsolidated and consolidated

NOKm	Duett Software Group AS				Group consolidated unaudited			
	Q2-2021	Q2-2022	YTD 2021	YTD 2022	Q2-2021	Q2-2022	YTD 2021	YTD 2022
Cash flow from operating activities								
Earnings before tax	(8,8)	(8,3)	(10,3)	(17,1)	-	(13,6)	(14,2)	(22,9)
Amortization	-	-	-	-	-	25,5	45,0	51,1
Taxes Paid	-	-	-	-	(5,2)	0,0	(9,8)	(5,7)
Inventories	-	-	-	-	(0,4)	0,4	0,1	0,7
Accounts payables	1,9	(0,2)	2,0	(0,8)	(97,8)	0,9	0,1	2,8
Accounts receivables	-	-	-	-	(103,4)	(2,6)	(4,1)	2,2
Deferred revenue	-	-	-	-	-	3,2	4,0	1,0
Net finance	10,3	14,8	10,3	14,8	-	9,3	11,2	17,6
Other NWC	0,1	0,4	1,4	1,0	500,0	(5,6)	17,2	(9,7)
Cash flow from operating activities	3,4	6,7	3,4	(2,1)	27,7	17,6	49,4	37,2
Cash flow from Investing activities	-	-	-	-	-	-	-	-
Activated development costs	-	-	-	-	(5,2)	(4,9)	(10,5)	(11,1)
(-) Purchase of fixed and intangible assets	-	-	-	-	(0,4)	(0,3)	(0,7)	(0,9)
(-) Net paid cash in business combination	(107,8)	-	(107,8)	-	(97,8)	-	(97,8)	-
Net cash flow from investing activities	(107,8)	-	(107,8)	-	(103,4)	(5,2)	(109,0)	(12,1)
Cash flow from financing activities	-	-	-	-	-	-	-	-
New longterm debt	500,0	-	500,0	-	500,0	-	500,0	-
Expences related to establishment of bond	(13,1)	-	(13,1)	-	(13,1)	-	(13,1)	-
Repayment of longterm debt	(340,0)	-	(340,0)	-	(340,0)	-	(340,0)	-
Payment lease	-	-	-	-	(2,5)	(2,5)	(5,5)	(5,4)
Interest income	-	-	-	1,9	-	-	-	-
Paid interest	(5,1)	(16,2)	(5,1)	(16,2)	1,9	(8,7)	(6,0)	(17,1)
Net change credit facility	-	2,1	-	2,1	-	-	(3,4)	-
Net change intercompany	(1,5)	0,9	(1,5)	-	-	-	-	-
Net change equity	-	-	-	-	-	-	-	-
Cash flow from financing activities	140,3	(13,1)	140,3	(12,2)	146,3	(11,1)	132,0	(22,5)
Net change in cash and cash equivalents	36,0	(4,6)	36,0	(14,3)	70,6	1,3	72,5	2,6
Cash and cash equivalents in the beginning of the period	0,4	5,8	0,4	15,5	2,5	74,4	0,6	73,0
Foreign currency translation differences for cash and cash equivalents	-	-	-	-	-	0,6	-	0,6
Cash and cash equivalents in the end of the period	36,4	1,2	36,4	1,2	73,1	76,2	73,1	76,2
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	36,4	1,2	36,4	1,2	108,1	111,2	108,1	111,2

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

Statement of changes in Equity

Duett Software Group AS – consolidated

	Consolidated Duett Software Group AS				
	Note	Share capital	Premium fund	Exchange differences	Other equity
Opening balance on January 1 2021		3,0	307,5	-	(32,4)
New equity		61,8	0,0	-	-
Total comprehensive income for the period		-	-	(0,1)	(39,3)
Closing balance on December 31 2021		64,8	307,5	(0,1)	(71,7)
Opening balance on January 1 2022		64,8	307,5	(0,1)	(71,7)
New equity		-	-	-	-
Total comprehensive income for the period		-	-	5,9	(17,5)
Closing balance on June 30 2022		64,8	307,5	5,8	(89,1)

Notes (1/2)

Duett Software Group AS – Unconsolidated and consolidated



1. General

The consolidated financial statements of Duett Software Group consists of the Company and its subsidiaries, Duett AS and Skyhost ApS, collectively referred to as the Group. The Group operates within markets that involve certain operational risk factors. The Group is further exposed to risk that arise from its use of financial instruments. The various companies within the Group are systematically working to mitigate and manage risks on all levels. The annual report for 2021 offers additional description of the Group's objectives, policies, and processes for managing those risk elements and the methods used to measure them.

2. Basis for preparation

The interim financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied in these interim financial statements are the same as those applied in the 2021 Annual financial statements. The interim financial statement does not include all the information required for complete annual consolidated financial statements and should be read in conjunction with the financial statements of the Group for 2021. The interim financial statements are unaudited.

3. Revenue and EBITDA by segment

The Group has identified operating segments in accordance with the reporting requirements in IFRS 8

Revenue	YTD 2022	YTD 2021
Norway	119 584 822	115 109 078
Denmark	14 625 859	7 626 513
Total Revenue	134 210 681	122 735 591
Recurring revenue	120 713 132	109 049 709
Non-recurring revenue	13 497 548	13 685 882
Total Revenue	134 210 680	122 735 591
SaaS	78 489 709	69 587 850
Other recurring revenue	42 223 423	43 908 423
Consultancy	3 247 176	2 887 463
Other revenue	10 250 372	6 351 855
Total Revenue	134 210 680	122 735 591

Notes (2/2)

Duett Software Group AS – Unconsolidated and consolidated

4. Amortization

Amortization relates to amortization of capitalized software costs and amortization of excess values in Duett AS and Skyhost ApS.

5. Loans and borrowings

Interest-bearing liabilities	Non-current receivables			Non-current receivables		
	30. june 2022	31. december 2021	1. januar 2021	30. june 2022	31. december 2021	1. januar 2021
Credit facility	-	-	-	-	-	-
Borrowings from credit institutions	-	-	340 000 000	-	-	-
Bond	489 652 904	488 560 062	-	-	-	-
Total borrowings	489 652 904	488 560 062	340 000 000	-	-	-

Interest-bearing liabilities	30. june 2022		31. december 2021		1. januar 2021	
	Currency amount	NOK amount	Currency amount	NOK amount	Currency amount	NOK amount
NOK	489 652 904	489 652 904	488 560 062	488 560 062	340 000 000	340 000 000
Total borrowings	489 652 904	489 652 904	488 560 062	488 560 062	340 000 000	340 000 000

Debt	Type	Currency	Facility limit	Interest rate	Year of maturity
Bond holders	Bond	NOK	1 500 000 000	Nibor + 5%	2026
Sparebank 1 Østlandet	Revolving credit facility	NOK	35 000 000	1,95 %	

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

Group structure

