

Q2

INTERIM REPORT

2023



Litt mer **overskudd**

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Key figures Bond Reporting

Revenue growth (YTD Q2-23 vs. YTD Q2-22)

19%

Recurring revenue (YTD Q2 2023)

91%

EBITDA growth (YTD Q2-23² vs. YTD Q2-22)

-3%

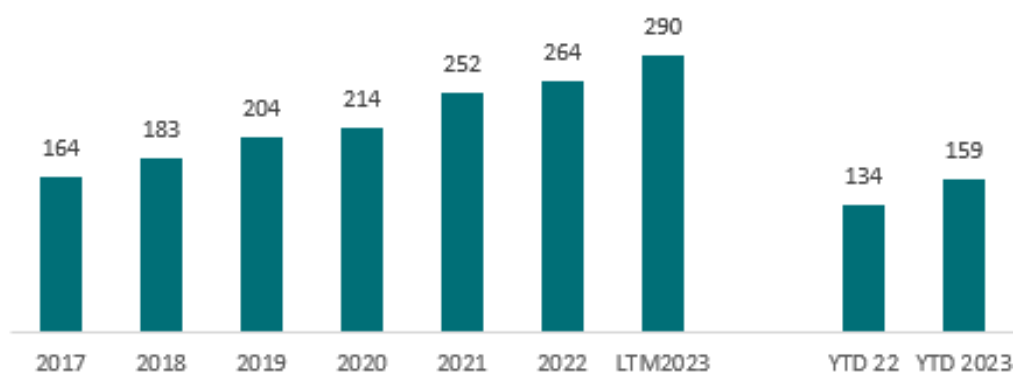
EBITDA margin (YTD Q2 2023)

25%

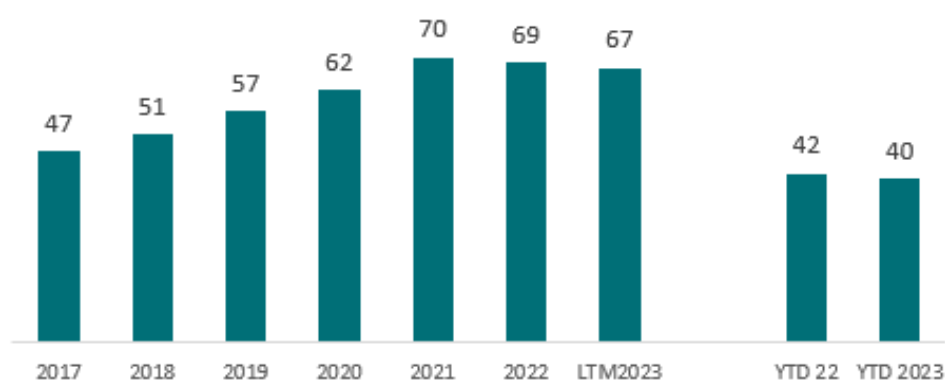
Net leverage

6,6x

Pro-forma revenues² (NOKm)



Pro-forma adjusted EBITDA² (NOKm)



1) Key figures are presented according to the bond agreement (adjusted for leasing- and one-off costs, and Skyhost ApS for 2021)

2) Pro-forma revenues/EBITDA includes Skyhost ApS for full-year-2021

Management Comments

The group increase the revenue compared to last year. 2023 is another year with focus on further product investments and release of new functionality. We are continuing to increase our workforce to facilitate for future product development.

Financial development

Revenue year to date Q2 2023 reached NOK 159 m. Revenue has grown 19% compared to the same period previous year. EBITDA (see definition in appendix) is seeing a decline of 3%.

Duett

Duett shows a steady growth in revenue and will release exciting new functionality later this year.

Skyhost ApS

Skyhost ApS shows steady growth in Denmark and continuous to maintain good margins.

Taskline AS

In June 2023 Duett Software Group expanded the company portfolio with the purchase of Taskline AS.

Significant events, principal risks and uncertainties and related parties significant transactions

No significant events has occurred in the first six months of the year. For principal risks and uncertainties we refer to the annual report for 2022.

Condensed Consolidated Interim Financial Statement

Condensed consolidated statement of profit and loss

Note	Q2-2023	Q2-2022	YTD 2023	YTD 2022
Revenue	75 941 645	64 682 275	159 488 609	134 210 681
Materials, software and services	23 480 263	20 273 372	46 871 043	41 056 349
Salary and personell costs	27 923 398	18 038 303	54 174 530	36 291 161
Other operating expences	9 575 265	5 353 171	20 265 488	11 061 297
Depreciation and amortizations	17 226 107	25 514 617	34 096 884	51 068 833
Operating expenses	78 205 033	69 179 464	155 407 945	139 477 641
Operating profit/loss(-)	-2 263 388	-4 497 189	4 080 664	-5 266 960
Finance income	165 349	-928 715	443 221	13 714
Finance expenses	11 979 324	8 377 071	23 552 152	17 611 139
Net Finance	-11 813 975	-9 305 785	-23 108 931	-17 597 426
Profit/loss(-) before tax	-14 077 363	-13 802 974	-19 028 267	-22 864 386
Income tax expenses	-3 097 020	-3 217 177	-4 189 885	-5 391 210
Profit/loss(-) after tax	-10 980 343	-10 585 797	-14 838 382	-17 473 176
Attributable to:				
Equity holders of the parent company	-10 980 343	-10 585 797	-14 838 382	-17 473 176

Condensed consolidated statement of comprehensive income

Consolidated statement of other comprehensive income	Q2-2023	Q2-2022	YTD 2023	YTD 2022
Net profit/loss(-) after tax	-10 980 343	-10 585 797	-14 838 382	-17 473 176
	0	0	0	0
Items that will not be reclassified to profit and loss	0	0	0	0
Foreign currency translation differences - foreign operations	5 121 284	6 112 916	19 277 618	5 878 742
Other comprehensive income for the period, net of tax	5 121 284	6 112 916	19 277 618	5 878 742
Total comprehensive income for the period	-5 859 059	-4 472 881	4 439 236	-11 594 434
	0	0	0	0
Attributable to:	0	0	0	0
Equity holders of the parent company	-5 859 059	-4 472 881	4 439 236	-11 594 434

Condensed Consolidated Interim Financial Statement

Condensed consolidated statement of financial position 1/2

Note	30.06.2023	31.12.2022
Non-current assets		
Property and equipment	16 304 582	16 059 616
Intangible assets	347 011 987	346 648 079
Goodwill	439 758 422	429 461 301
Right of use assets	23 849 772	23 879 318
Other investments	2 501	2 501
Total non-current assets	827 523 028	816 050 815
Current assets		
Inventories	1 620 305	1 482 607
Accounts receivables	12 866 546	14 460 781
Other receivables and prepayments	9 547 793	8 635 781
Cash and deposits	53 771 530	58 844 134
Total current assets	77 806 174	83 423 303
TOTAL ASSETS	905 329 202	899 474 119

Condensed Consolidated Interim Financial Statement

Consolidated statement of financial position (IFRS) 2/2

	Note	30.06.2023	31.12.2022
Equity			
Share capital		3 493 200	3 493 200
Other paid in capital		368 770 887	368 770 887
Total paid in capital		372 264 087	372 264 087
Other equity and exchange differences			
Other equity and exchange differences		-113 153 414	-117 592 647
Total other equity		-113 153 414	-117 592 647
Total equity		259 110 673	254 671 440
Non-current liabilities			
Bonds		492 262 283	490 998 806
Lease liabilities		12 776 687	15 461 501
Deferred tax		64 770 515	66 369 115
Total non-current liabilities		569 809 485	572 829 422
Current liabilities			
Accounts payables		12 172 137	11 763 137
Lease liabilities		12 227 203	10 460 740
VAT and other public taxes		10 398 652	10 532 271
Current tax payable		3 347 072	4 581 237
Prepaid revenue		11 881 725	11 709 220
Other current liabilities		26 382 255	22 926 653
Total current liabilities		76 409 044	71 973 257
TOTAL EQUITY AND LIABILITIES		905 329 202	899 474 119

Condensed Consolidated Financial Statement

Condensed consolidated statement of cashflows

	YTD 2023	YTD 2022
Operating activities		
Profit/loss(-) before tax	-19 028 267	-22 864 386
Deprecation and amortization	34 252 803	51 068 933
Taxes Paid	165 124	-5 719 413
Net finance	23 108 931	17 597 426
Change in:		
Inventory	27 782	716 047
Trade payables	746 718	2 838 972
Trade receivables	-19 544 504	2 211 306
Prepaid revenue	-1 054 314	1 038 731
Other net working capital	22 315 158	-9 702 558
Cashflow operating activities	40 989 431	37 185 059
Investing activities		
Capitalized development costs	-11 043 957	-11 138 254
Purchase of tangible and intangible assets	-9 018 742	-930 814
Net paid in business combinations	0	0
Cashflow investing activities	-20 062 699	-12 069 068
Financing activities		
Bonds	0	0
Expences related to establishment of bond	0	0
Repayment of debt	0	0
Payment of lease	-6 143 629	-5 429 098
Paid interest	-22 301 735	-17 070 960
Net change credit facility	0	0
Cashflow financing activities	-28 445 364	-22 500 058
Net change in cash and cash equivalents	-7 518 632	2 615 933
Cash and cash equivalents in the beginning of the period	58 844 134	73 048 920
Foreign currency translation differences for cash and cash equivalents	2 446 028	113 562
Cash and cash equivalents in the end of the period	53 771 529	76 236 327

Condensed Consolidated Financial Statement

Condensed consolidated statement of changes in equity

	Note	Share capital	Premium fund	Exchange differences	Other equity	Total equity
Opening balance on January 1 2022		64 764 003	307 500 084	-102 131	-71 660 924	300 501 032
New equity		0	0	0	0	0
Total comprehensive income for the period		0	0	8 582 296	-54 411 885	-45 829 589
Closing balance on December 31 2022		64 764 003	307 500 084	8 480 165	-126 072 809	254 671 443
Opening balance on January 1 2023		64 764 003	307 500 084	8 480 165	-126 072 809	254 671 443
Total comprehensive income for the period		0	0	19 277 618	-14 838 382	4 439 236
Closing balance on June 30 2023		64 764 003	307 500 084	27 757 783	-140 911 191	259 110 679

Condensed Consolidated Financial Statement

Notes

1. General

These condensed consolidated interim financial statements of Duett Software Group consist of the Company and its subsidiaries, Duett AS and Skyhost ApS, collectively referred to as the Group.

2. Basis for preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the 2022 Annual financial statements. The condensed consolidated interim financial statement do not include all the information required for complete annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for 2022. These condensed consolidated interim financial statements are unaudited.

Condensed Interim Financial Statement of the Parent Company

Condensed statement of profit and loss (NGAAP¹)

	Note	Q2-2023	Q2-2022	YTD 2023	YTD 2022
Revenue		0	0	0	0
Other operating expenses		1 003 685	383 033	2 300 650	2 306 180
Operating expenses		1 003 685	383 033	2 300 650	2 306 180
Operating profit/loss(-)		-1 003 685	-383 033	-2 300 650	-2 306 180
Finance income		1 010 493	962 516	2 164 515	1 901 892
Finance expenses		11 702 704	8 873 704	22 832 321	16 707 405
Net Finance		-10 692 211	-7 911 188	-20 667 806	-14 805 513
		0	0	0	0
Profit/loss(-) before tax		-11 695 896	-8 294 221	-22 968 456	-17 111 693
Income tax expenses		-2 573 097	-1 824 729	-5 053 060	-3 764 572
Profit/loss(-) after tax		-9 122 799	-6 469 492	-17 915 396	-13 347 121

Condensed Interim Financial Statement of the Parent Company

Condensed statement of financial position (NGAAP¹)

	Note	30.06.2023	31.12.2022
Non-current assets			
Investment in group companies		805 469 163	797 969 163
Total non-current assets		805 469 163	797 969 163
Current assets			
Receivables group companies		49 284 963	78 197 213
Cash and deposits		20 605 895	251 763
Total current assets		69 932 893	78 550 294
TOTAL ASSETS		875 402 056	876 519 457
Equity			
Share capital		3 493 200	64 764 003
Other paid in capital		368 770 887	307 500 084
Total paid in capital		372 264 087	372 264 087
Other equity and exchange differences			
Other equity and exchange differences		-25 340 717	-2 372 262
Total other equity		-25 340 717	-2 372 262
Total equity		346 923 370	369 891 825
Non-current liabilities			
Bonds		492 262 283	491 046 294
Deferred tax		1 969 815	1 969 815
Total non-current liabilities		494 232 098	493 016 109
Current liabilities			
Accounts payables		79 640	82 435
VAT and other public taxes		-76 854	-1
Current tax payable		4 371 705	4 581 237
Intercompany		20 311 568	0
Other current liabilities		9 560 529	8 947 852
Total current liabilities		34 246 588	13 611 523
TOTAL EQUITY AND LIABILITIES		875 402 056	876 519 457

Condensed Interim Financial Statement of the Parent Company

Condensed statement of cashflows (NGAAP¹)

	YTD 2023	YTD 2022
Operating activities		
Profit/loss(-) before tax	-22 968 455	-17 111 693
Taxes Paid	-209 532	0
Net finance	20 667 806	14 805 513
Change in:		
Trade payables	-2 795	-828 247
Other net working capital	21 315 467	1 000 686
Cashflow operating activities	18 802 491	-2 133 741
Investing activities		
Purchase of shares in subsidiaries	-7 500 000	0
Cashflow investing activities	-7 500 000	0
Financing activities		
Bonds	0	0
Expences related to establishment of bond	0	0
Repayment of debt	0	0
Paid interese	2 164 515	1 901 892
Net change intercompany	28 912 250	2 101 695
Net finance	0	1 901 892
Cashflow financing activities	9 051 640	-12 177 352
Net change in cash and cash equivalents	20 354 131	-14 311 093
Cash and cash equivalents in the beginning of the period	251 763	15 524 683
Cash and cash equivalents in the end of the period	20 605 894	1 213 590

¹The condensed separate financial statements have been prepared using the same NGAAP accounting policies as in the annual financial statements for 2021, but have not been prepared in accordance with NRS 11 Delårsregnskap.

Appendix

Additional information required by the bond agreement

The Bonds were listed on Oslo Stock Exchange (Oslo Børs) in April 2022.

According to the bond agreement, we are required to make certain corrections when calculating EBITDA. The relevant corrections for Duett Software Group are leasing and one-off items. Below is the calculation of EBITDA according to the agreement. In addition, we have calculated the proforma EBITDA for Skyhost for the period of 2021 before the acquisition.

	Calculation of EBITDA	
	YTD 2023	YTD 2022
Operating profit	4 080 664	-5 266 960
Depreciation and amortizations	34 096 884	51 068 833
Leasing	-6 781 968	-6 055 987
One-off	8 852 353	1 854 780
Pro-forma adjustment EBITDA Skyhost 1.1-31.3.2021	0	0
EBITDA	40 247 933	41 600 666



Declaration by the Board of Directors

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2023 has been prepared in accordance with current accounting standards and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety. Furthermore, that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, a description of the principal risks and uncertainties for the business in the following accounting period and related parties' significant transactions.

Tynset, 29 August 2023

The Board of Duett Software Group AS

Adam Malinowski
Adam Malinowski (Aug 14, 2023 22:44 GMT+1)

Adam Dawid Malinowski

Chairman of the board

Maurice Hernandez
Maurice Hernandez (Aug 17, 2023 11:13 GMT+1)

Maurice Andre Hernandez

Board Member

Rachel Spasser
Rachel Spasser (Aug 17, 2023 07:25 EDT)

Rachel Lee Spasser

Board member

Björn
Håkensmoen Bjørnar (Aug 17, 2023 14:36 GMT+2)

Bjørnar Håkensmoen

Board member

Erik Harrell
Erik Harrell (Aug 18, 2023 09:22 GMT+2)

Erik Harrell

CEO
















DSG AS - Q2 2023 w declaration


Final Audit Report


2023-08-18


Created:	2023-08-14
By:	Halvor Hektoen (hh@duett.no)
Status:	Signed
Transaction ID:	CBJCHBCAABAAYjIDRIGHzZYBwETsAfcPyLQDe3fCF47U


"DSG AS - Q2 2023 w declaration" History


-  Document created by Halvor Hektoen (hh@duett.no)
2023-08-14 - 9:01:33 AM GMT
-  Document emailed to adam@accel-kkr.com for signature
2023-08-14 - 9:03:58 AM GMT
-  Email viewed by adam@accel-kkr.com
2023-08-14 - 9:43:42 PM GMT
-  Signer adam@accel-kkr.com entered name at signing as Adam Malinowski
2023-08-14 - 9:44:06 PM GMT
-  Document e-signed by Adam Malinowski (adam@accel-kkr.com)
Signature Date: 2023-08-14 - 9:44:08 PM GMT - Time Source: server
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2023-08-17 - 10:12:57 AM GMT
-  Signer maurice@accel-kkr.com entered name at signing as Maurice Hernandez
2023-08-17 - 10:13:17 AM GMT
-  Document e-signed by Maurice Hernandez (maurice@accel-kkr.com)
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-  Document emailed to rspasser@accel-kkr.com for signature
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 Email viewed by bh@duett.no
2023-08-17 - 12:36:11 PM GMT


 Signer bh@duett.no entered name at signing as Håkensmoen Bjørnar
2023-08-17 - 12:36:56 PM GMT


 Document e-signed by Håkensmoen Bjørnar (bh@duett.no)
Signature Date: 2023-08-17 - 12:36:58 PM GMT - Time Source: server

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2023-08-17 - 12:36:59 PM GMT

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2023-08-18 - 7:22:30 AM GMT

 Signer ech@duett.no entered name at signing as Erik Harrell
2023-08-18 - 7:22:47 AM GMT

 Document e-signed by Erik Harrell (ech@duett.no)
Signature Date: 2023-08-18 - 7:22:49 AM GMT - Time Source: server

 Agreement completed.
2023-08-18 - 7:22:49 AM GMT