

## JANUARY - MARCH 2022

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- Net sales amounted to MSEK 27.4 (24.3), rendering an all organic sales growth of 13%
- EBITDA amounted to MSEK 9.3 (8.7), rendering an EBITDA-margin of 34% (36)
- EBITA amounted to MSEK 8.0 (7.5) rendering an EBITA-margin of 29% (31)
- EBIT amounted to MSEK 6.0 (5.8) rendering an EBIT-margin of 22% (24)
- Profit after tax amounted to MSEK 4.7 (4.4). Earnings per share before and after dilution amounted to SEK 0.28 (0.30).
- Cash flow from operating activities before changes in working capital amounted to MSEK 8.5 (7.9)
- The value of contracted annualised recurring revenues with deduction for terminated contracts, CARR, at the end of the period was MSEK 83.7 rendering an increase of 29% the last 12 months

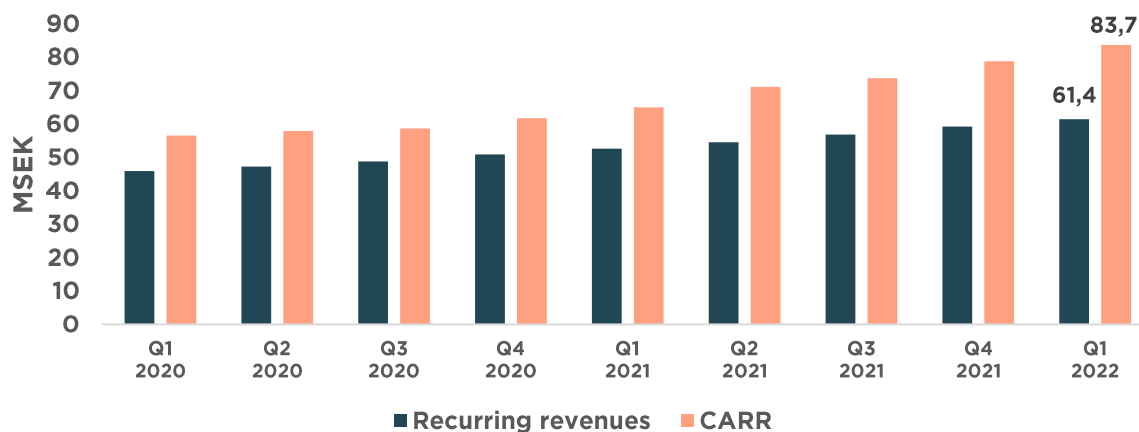
### LAST 12 MONTHS (APRIL 2021 - MARCH 2022)

**29%**  
CARR-GROWTH

**32%**  
ADJUSTED EBITDA-MARGIN

**1%**  
CHURN

### Recurring revenues last 12 months & CARR



## CEO COMMENT

### Order intake

The value of our contracted annual recurring revenue, CARR, amounted to MSEK 83.7 as per March 31, 2022, corresponding to a growth of 29 percent over the last twelve months. Order intake during the quarter amounted to a net of MSEK 4.9 as compared to MSEK 3.2 in the same period 2021. It was mainly driven by orders from existing customers and one larger new customer.

Reported recurring revenue during the last twelve months amounted to MSEK 61.4 and the value of recurring revenue yet to be implemented amounted to MSEK 19.2.

### Revenue and profitability

Organic revenue growth amounted to 13 percent during the first quarter of the year. Growth was negatively affected by the phase out of the Boplats product as of 31 December 2021, which we flagged in the previous interim report. The discontinuation decision was made in 2019 but will not have a full effect on earnings until now, as the last customer was decommissioned in December 2021. The decision to phase out legacy products was made as we chose to prioritize our two remaining platforms Property and Energy, where the focus is on developing scalable standard solutions.

Adjusted for Boplats, the organic growth in recurring revenues amounted to 20 percent, while our service revenues to some extent were affected by the onboarding of the recently hired consultants, and a slightly higher staff turnover than expected.

EBITDA in the first quarter 2022 amounted to MSEK 9.3 (margin of 34 percent) compared to MSEK 8.7 (36 percent) in the corresponding period 2021. The slightly lower margin is mainly attributable to the phase out of Boplats. The key to strengthening the EBITDA margin now lies in starting the MSEK 19.2 that have been contracted but not yet implemented.

### CARR and reported revenue

The difference between CARR growth and growth in reported revenue is a result of the fact that we over the last year have sold more than we have managed to implement, despite a gradually increased pace of implementation. The difference grows particularly large when the contracted revenue is mainly attributable to platform shifts, as has been the case over the



last few years. These shifts are projects of considerable magnitude that require a period of preparation. Also, the implementation process itself runs over several calendar months. As we now move towards selling more of our add-ons, where implementation is faster, the time between signed contract and started recurring revenue will become shorter.

Finally, it is important to remember that our unstarted CARR is something positive. It is an effect of high demand for our products and the fact that our customers have been willing to invest in the fairly extensive implementation projects that a platform shift entails.

### Products

During the first quarter, our business area Property launched the new add-on Momentum CRM. With our CRM solution, we support customers in their growing tenant focus. Also, in a short amount of time, many customers have chosen our solution for digital signatures that was launched at the end of 2021.

Going forward, an important focus for both business areas is the phasing out of legacy products that many customers still use. We have already come a long way and aim to have reached this goal by the end of 2023, give or take.

## **Fast rate of implementation**

To ensure we reach this target, we now implement contracted products at a high rate. When having fully rolled out our current CARR, our reported recurring revenue will increase by over MSEK 22 compared to the last 12 months. Please see the diagram on the first page.

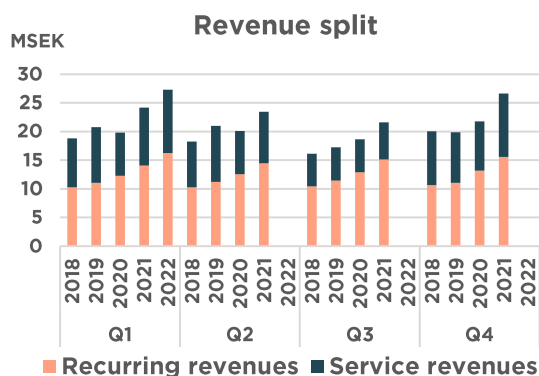
## **Stable customer segment**

Our customer base consists of property companies where rent income from Swedish rental apartments make out a dominating share of total revenue, and therefore indirectly ours. This provides stability to continue developing our business even in insecure times.

This stability is complemented by the possibilities that digitalisation provides. We see great potential in continuing to develop our customers' operations with innovative solutions and the industry's best consulting on how to maximise leverage on product investments.

Richard Durlow, CEO

## REVENUE



### Quarter

Net sales amounted to MSEK 27.4 (24.3) with an organic net sales growth of 13%. The growth rate was negatively affected by the phase out of the product Boplats.

59% (58) of the net sales consisted of recurring revenues. The first quarter has a seasonally lower share of recurring revenues as a result of higher service revenues.

### Net sales per category

MSEK	Q1 2021	Q1 2020	Q1-Q4 2021
Recurring revenues	16,2	14,1	59,3
Service revenues	11,1	10,1	36,6
Other income	0,1	0,1	0,4
<b>Total</b>	<b>27,4</b>	<b>24,3</b>	<b>96,3</b>

## CONTRACT VALUE (CARR)

CARR (Contracted Annual Recurring Revenue) or the value of contracted annualised recurring revenues at the end of the period was MSEK 83.7 rendering an increase of 29% compared to the corresponding period last year.

During the quarter CARR increased with MSEK 4.9 compared to MSEK 3.2 during the same period 2021. The increase is a result of a good order intake and low churn.

The contracted annual recurring revenues that have yet not been implemented and started invoicing by the end of the period was MSEK 19.2.

## OPERATING PROFIT

### Quarter

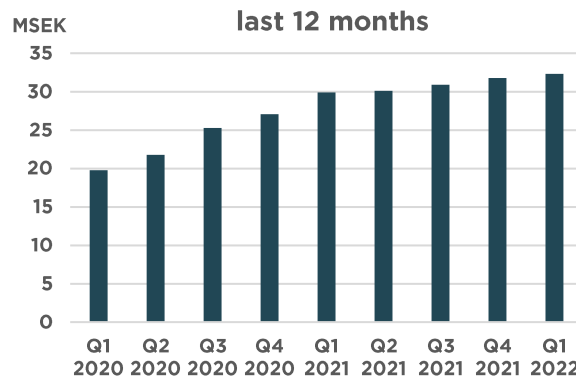
The quarter was impacted by the phase out of the product Boplats, which is part of the strategy to only develop scalable standard software and meanwhile free up resources for our remaining platforms.

Operating profit excluding amortisation, EBITDA, amounted to MSEK 9.3 (8.7) rendering an EBITDA-margin of 34% (36).

Operating profit excluding amortisation of intangible assets, EBITA, amounted to MSEK 8.0 (7.5) rendering an EBITA-margin of 29% (31).

Operating profit, EBIT, amounted to MSEK 6.0 (5.8) rendering an EBIT-margin of 22% (24).

### ADJUSTED EBITDA last 12 months



## Cash flow and investments

Cash flow from operating activities before changes in working capital amounted to MSEK 8.5 (7.9) during the quarter.

Cash flow from changes in working capital is affected by a transition to consistent quarterly invoicing of recurring revenues, which in previous years has to some extent taken place annually.

Cash flow from financing activities was during the first quarter 2021 negatively affected by an extraordinary final amortization of previous acquisition credit.

Investment in non-current intangible assets consists of investments in product development. These amounted to MSEK 3.0 (2.9) during the quarter.

Amortization of capitalized development expenses amounted to MSEK 1.1 (0.9) during the quarter.

Depreciation of acquired software amounted to MSEK 0.8 (0.8) during the quarter.

## EQUITY AND LIABILITIES

Total equity amounted to MSEK 164.2 (62.9) at the end of the period.

Excluding leasing liabilities, the Company had no interest-bearing liabilities as of 31 March.

## SHARE

Momentum Software Group AB (publ) is listed on Nasdaq First North Growth Market.

Total number of shares issued at the end of the period was 16 639 345. Historical key ratios have been restated to reflect the share split (1:300) implemented in September 2021.

## EMPLOYEES

The Company had 91 (80) employees at the end of the reporting period. The increase is almost exclusively attributable to a strengthened delivery organization where employees going forwards are expected to contribute to increased service revenues through implementations of our products. The average number of employees was 93 (80) during the reporting period.

## THE PARENT COMPANY

The parent company's activities are primarily focused on group management and financing. The company had 2 (0) employees at the end of the period.

Cash and cash equivalents amounted to MSEK 80.2 (0.1) at the end of the period.

During the first quarter 2022, operating profit amounted to MSEK -0,4 (0).

## EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

## FORWARD-LOOKING INFORMATION

This report may contain forward-looking information based on management's current expectations. Although management believes that the expectations expressed in such forward-looking information are

reasonable, no guarantee can be given that these expectations will prove to be correct. Consequently, future outcomes may vary significantly compared with what appears in the forward-looking information depending on, among other things, changed market conditions for Momentum's products and more general changed conditions such as economy, markets and competition, changes in legal requirements or other policy measures.

## FINANCIAL TARGETS

Momentum's long term financial targets are:

- Organic sales growth of around 20% per year in the medium term and total revenues in excess of MSEK 300 by 2026.
- EBITDA-margin in excess of 45% in the medium term.
- The Company's Board of Directors intends to use the cash flow generated by the business primarily for continued investments in growth, both organic and through acquisitions. Although growth is a priority, the Board of Directors will assess annually the possibility of a dividend, taking into account the development of the business, the operating profit and the financial position.

## CALENDAR

Interim report Q2 2022	19 July 2022
Interim report Q3 2022	25 October 2022

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Stockholm April 26, 2022  
Richard Durlow, CEO

This report has not been subject to review by the Company's auditor.

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## IFRS PERFORMANCE MEASURES

MSEK	Q1 2022	Q1 2021	Q1-Q4 2021
Net sales	27,4	24,3	96,3
Profit for the period	4,7	4,4	10,6
Earnings per share before dilution (SEK)	0,28	0,30	0,69
Earnings per share after dilution (SEK)	0,28	0,30	0,69
Average number of outstanding shares	16 639 345	15 000 000	15 327 869
Cash flow from operating activities	9,0	21,8	21,1

## ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS

MSEK	Q1 2022	Q1 2021	Q1-Q4 2021
Net sales growth	13%	20%	18%
Recurring revenues	16,2	14,1	59,3
Recurring revenue growth	15%	15%	16%
Percentage of recurring revenues	59%	58%	62%
Service revenues	11,1	10,1	36,6
CARR	83,7	65,0	78,8
CARR growth	29%	15%	28%
Order book	19,2	11,6	15,7
EBITDA	9,3	8,7	26,3
EBITDA-margin	34%	36%	27%
EBITA	8,0	7,5	20,8
EBITA-margin	29%	31%	22%
EBIT	6,0	5,8	13,8
EBIT-margin	22%	24%	14%
Items affecting comparability	0,0	0,0	-5,5
Adjusted EBITDA	9,3	8,7	31,8
Adjusted EBITDA-margin	34%	36%	33%
Adjusted EBITA	8,0	7,5	26,4
Adjusted EBITA-margin	29%	31%	27%
Adjusted EBIT	6,0	5,8	19,3
Adjusted EBIT-margin	22%	24%	20%
Adjusted profit after tax	4,7	4,4	14,9
Adjusted earnings per share before and after dilution (SEK)	0,28	0,30	0,98
Net cash position (excluding lease liabilities)	96,9	17,9	91,8
Average number of employees	93	80	86

Definition of the performance measures can be found at the end of the interim report

## CONSOLIDATED INCOME STATEMENT

TSEK	Q1 2022	Q1 2021	Q1-Q4 2021
Net sales	27 446	24 272	96 265
Other operating income	23	0	0
<b>Total operating income</b>	<b>27 469</b>	<b>24 272</b>	<b>96 265</b>
Operating and product costs	-1 232	-1 233	-4 680
Own work capitalised	2 996	2 933	11 327
Personnel expenses	-17 522	-15 492	-64 205
Other external expenses	-2 448	-1 733	-12 454
Depreciation	-3 226	-2 948	-12 473
<b>Total operating expenses</b>	<b>-21 432</b>	<b>-18 473</b>	<b>-82 485</b>
<b>Operating profit</b>	<b>6 037</b>	<b>5 799</b>	<b>13 780</b>
Financial items	-74	-177	-409
<b>Profit after financial items</b>	<b>5 963</b>	<b>5 622</b>	<b>13 371</b>
Tax	-1 228	-1 174	-2 820
<b>Profit for the period</b>	<b>4 735</b>	<b>4 448</b>	<b>10 551</b>
<b>Profit attributable to equity holders of the parent</b>	<b>4 735</b>	<b>4 448</b>	<b>10 551</b>
<b>Earnings per share (SEK)</b>			
Number of shares	16 639 345	15 000 000	15 327 869
Basic and diluted earnings per share	0,28	0,30	0,69

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Profit for the period</b>	<b>4 735</b>	<b>4 448</b>	<b>10 551</b>
Other comprehensive income	0	0	0
<b>Comprehensive income for the period</b>	<b>4 735</b>	<b>4 448</b>	<b>10 551</b>
<b>Comprehensive income for the period attributable to equity holders of the parent</b>	<b>4 735</b>	<b>4 448</b>	<b>10 551</b>

## CONSOLIDATED BALANCE SHEET

TSEK	2022-03-31	2021-03-31	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	32 196	24 926	30 330
Software	12 267	15 467	13 067
Goodwill	29 249	29 249	29 249
Equipment	2 986	2 296	3 241
Right-of-use assets	6 359	7 884	7 253
Deferred tax asset	636	0	636
<b>Total non-current financial assets</b>	<b>636</b>	<b>0</b>	<b>636</b>
<b>Total non-current assets</b>	<b>83 693</b>	<b>79 822</b>	<b>83 776</b>
<b>Current assets</b>			
Trade receivables	7 138	5 463	9 049
Current tax assets	2 457	0	2 789
Other receivables	3 668	4 684	4 844
Prepaid expenses and accrued income	5 417	3 494	2 577
Cash and cash equivalents	96 853	17 939	91 838
<b>Total current assets</b>	<b>115 533</b>	<b>31 580</b>	<b>111 097</b>
<b>TOTAL ASSETS</b>	<b>199 226</b>	<b>111 402</b>	<b>194 873</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	555	50	555
Other paid-in capital	132 791	42 350	132 791
Retained earnings including profit for the period	30 857	20 469	26 122
<b>Total equity</b>	<b>164 203</b>	<b>62 869</b>	<b>159 468</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	9 181	8 316	8 962
Non-current lease liabilities	969	1 847	3 522
<b>Total non-current liabilities</b>	<b>10 150</b>	<b>10 163</b>	<b>12 484</b>
<b>Current liabilities</b>			
Trade payables	2 588	1 546	1 863
Current tax liabilities	0	225	0
Current lease liabilities	5 632	6 287	3 971
Other liabilities	1 629	1 501	3 529
Accrued expenses and deferred income	15 024	28 811	13 558
<b>Total current liabilities</b>	<b>24 873</b>	<b>38 370</b>	<b>22 921</b>
<b>Total liabilities</b>	<b>35 023</b>	<b>48 533</b>	<b>35 405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>199 226</b>	<b>111 402</b>	<b>194 873</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other paid-in capital	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent
Opening equity at 2021-01-01	50	42 350	16 021	58 421
<b>Comprehensive income</b>	0	0	0	0
Net income for the period	-	-	4 448	4 448
Other comprehensive income for the period	-	-	-	-
<b>Total other comprehensive income</b>	-	-	4 448	4 448
<b>Closing balance at 2021-03-31</b>	<b>50</b>	<b>42 350</b>	<b>20 469</b>	<b>62 869</b>
<b>Comprehensive income</b>				
Net income for the period	-	-	6 103	6 103
Other comprehensive income for the period	-	-	-	-
<b>Total other comprehensive income</b>	-	-	6 103	6 103
<b>Transactions with owners</b>				
Bonus issue	450	-	-450	-
New share issue	55	99 945	-	100 000
New share issue transactions costs after tax	-	-9 504	-	-9 504
<b>Total transactions with owners</b>	<b>505</b>	<b>90 441</b>	<b>-450</b>	<b>90 496</b>
<b>Closing balance at 2021-12-31</b>	<b>555</b>	<b>132 791</b>	<b>26 122</b>	<b>159 468</b>
Opening equity at 2022-01-01	555	132 791	26 122	159 468
<b>Comprehensive income</b>				
Net income for the period	-	-	4 735	4 735
Other comprehensive income for the period	-	-	-	-
<b>Total other comprehensive income</b>	-	-	4 735	4 735
<b>Closing balance at 2022-03-31</b>	<b>555</b>	<b>132 791</b>	<b>30 857</b>	<b>164 203</b>

## CONSOLIDATED CASH FLOW ANALYSIS

TSEK	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Operating activities</b>			
Profit before tax	5 963	5 622	13 371
Adjustment for items not included in cash flow	3 226	2 948	12 473
Income tax paid	-677	-697	-2 881
<b>Cash flow from operating activities before changes in working capital</b>	<b>8 512</b>	<b>7 873</b>	<b>22 963</b>
Increase (-)/Decrease (+) in operating receivables	246	-4 439	-7 268
Increase (+)/Decrease (-) in operating liabilities	291	18 326	5 418
<b>Cash flow from changes in working capital</b>	<b>537</b>	<b>13 887</b>	<b>-1 850</b>
<b>Cash flow from operating activities</b>	<b>9 049</b>	<b>21 760</b>	<b>21 113</b>
<b>Investing activities</b>			
Investments in property, plant and equipment	-20	-175	-1 823
Investment in non-current intangible assets	-2 996	-2 933	-11 327
<b>Cash flow from investing activities</b>	<b>-3 016</b>	<b>-3 108</b>	<b>-13 150</b>
<b>Financing activities</b>			
New share issue	0	0	100 000
New share issue transactions costs	0	0	-11 970
Repayment of loans	0	-8 250	-8 250
Repayment of lease liabilities	-1 018	-1 117	-4 559
<b>Cash flow from financing activities</b>	<b>-1 018</b>	<b>-9 367</b>	<b>75 221</b>
<b>Cash flow for the period</b>	<b>5 015</b>	<b>9 285</b>	<b>83 184</b>
Cash and cash equivalents at the start of the year	91 838	8 654	8 654
Cash and cash equivalents at the end of the year	96 853	17 939	91 838
<b>Change in cash and cash equivalents</b>	<b>5 015</b>	<b>9 285</b>	<b>83 184</b>

## PARENT COMPANY INCOME STATEMENT

TSEK	Q1 2022	Q1 2021	Q1-Q4 2021
Net sales	1 020	0	1 349
<b>Total operating income</b>	<b>1 020</b>	<b>0</b>	<b>1 349</b>
Personnel expenses	-1 067	0	-1 419
Other external expenses	-318	-1	-5 570
<b>Total operating expenses</b>	<b>-1 385</b>	<b>-1</b>	<b>-6 989</b>
<b>Operating profit</b>	<b>-365</b>	<b>-1</b>	<b>-5 640</b>
Income from shareholdings in group companies	0	0	9 231
Financial expenses	0	-77	-77
<b>Financial profit</b>	<b>0</b>	<b>-77</b>	<b>9 154</b>
<b>Profit after financial items</b>	<b>-365</b>	<b>-78</b>	<b>3 514</b>
Year-end adjustments	0	0	14 600
<b>Profit before tax</b>	<b>-365</b>	<b>-78</b>	<b>18 114</b>
Tax	75	0	-1 830
<b>Profit for the period</b>	<b>-290</b>	<b>-78</b>	<b>16 284</b>

## PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Profit for the period</b>	<b>-290</b>	<b>-78</b>	<b>16 284</b>
Other comprehensive income	0	0	0
<b>Comprehensive income for the period</b>	<b>-290</b>	<b>-78</b>	<b>16 284</b>
<b>Comprehensive income for the period attributable to equity holders of the parent</b>	<b>-290</b>	<b>-78</b>	<b>16 284</b>

## PARENT COMPANY BALANCE SHEET

TSEK	2022-03-31	2021-03-31	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in subsidiaries	78 638	78 638	78 638
Deferred tax asset	636	0	636
<b>Total non-current assets</b>	<b>79 274</b>	<b>78 638</b>	<b>79 274</b>
<b>Current assets</b>			
Receivables group companies	14 600	0	14 600
Current tax assets	217	0	91
Other receivables	0	0	1 342
Prepaid expenses and accrued income	1 081	0	46
Cash and cash equivalents	80 199	118	80 272
<b>Total current assets</b>	<b>96 097</b>	<b>118</b>	<b>96 351</b>
<b>TOTAL ASSETS</b>	<b>175 371</b>	<b>78 756</b>	<b>175 625</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	555	50	555
<b>Total restricted equity</b>	<b>555</b>	<b>50</b>	<b>555</b>
<b>Non-restricted equity</b>			
Share premium reserve	90 441	0	90 441
Retained earnings	82 548	66 714	66 264
Net income for the period	-290	-78	16 284
<b>Total non-restricted equity</b>	<b>172 699</b>	<b>66 636</b>	<b>172 989</b>
<b>Total equity</b>	<b>173 254</b>	<b>66 686</b>	<b>173 544</b>
<b>Current liabilities</b>			
Trade payables	261	0	728
Liabilities group companies	0	12 070	0
Other liabilities	146	0	271
Accrued expenses and deferred income	1 710	0	1 082
<b>Total current liabilities</b>	<b>2 117</b>	<b>12 070</b>	<b>2 081</b>
<b>Total liabilities</b>	<b>2 117</b>	<b>12 070</b>	<b>2 081</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>175 371</b>	<b>78 756</b>	<b>175 625</b>

# NOTES

## 1. Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

New IFRS standards and amendments with future application are not expected to have any material effect on the Group's financial reporting.

Applied accounting principles as well as estimates and assessments are in accordance with what is stated in the annual report for the most recent financial year.

## 2. Dividend and dividend policy

The Board of Directors proposes to the annual general meeting that no dividend is paid to the shareholders for the financial year 2021.

The Company's Board of Directors intends to use the cash flow generated by the business primarily for continued investments in growth, both organic and through acquisitions. Although growth is a priority, the Board of Directors will assess annually the possibility of a dividend, taking into account the development of the business, the operating profit and the financial position.

## 3. Transactions with related parties

The nature and scope of transactions with related parties have not changed compared with the information provided in the annual report for the most recent financial year.

The parent company has invoiced the subsidiary for internal group services. In addition, no other significant transactions with related parties have taken place. Where applicable, transactions with related parties have been on market terms.

## 4. Risks and uncertainties

The Group's significant risks and uncertainties are described in the annual report for the most recent financial year. No significant changes in the Group's and the Parent Company's risk and uncertainty factors occurred during the period.

Momentum's most significant risks are reduced sales and the failure to retain and recruit competent employees.

Net sales for the most recent financial year amounted to 62 (63) percent of recurring revenues. Recurring revenues have generally increased over time. Remaining revenues mainly consist of service revenues from implementations which have a greater uncertainty factor as they are affected by short-term demand.

This uncertainty factor is reduced by the fact that these services are linked to the own products.

Momentum's employees are important to the business and access to competent employees is a critical success factor. The company meets this by offering competitive and market-based terms of employment. However, the availability of staff with the right skills varies over time, which can lead to cost increases.

### *Impact from major events in the outside world*

Russia's invasion of Ukraine has caused concern in many economies around the world. Momentum has no direct exposure to Ukraine, Russia, or the immediate effects of the war.

The spread of Covid-19 has not caused any significant impact on the company.

The events in the outside world have not caused any significant impact on the development of the company's operations, position and results. Momentum's business model, which consists of a high proportion of recurring revenues, provides a good basis for dealing with external risk factors.

## 5. Financial risk management

The Group has an overall low risk profile, however, the company's earnings and cash flow are affected both by changes in the rest of the world and by the Group's own actions. The Group's overall risk management policy, which is established by the Board, aims to clarify and analyse the risks that the Group faces and, as far as possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed to various financial risks, the most significant of which are considered to be market risk, credit risk and liquidity risk. These are described in more detail in the annual report for the most recent financial year.

## 6. Operating segment reporting

The company's internal reporting is primarily based on cash-generating units and currently has no overall segment reporting, as all units operate in sales and system development. The company has offices in three different locations, but the business is conducted as an integrated unit and within Sweden as a whole, which is why no segment reporting is provided.

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Performance measure	Definition	Reason for using the performance measure
Net sales growth	The percentage increase in net sales compared with the corresponding period of the previous year	This performance measure is used to compare growth between different periods and against the overall market
Recurring revenues	Annual recurring revenues, meaning SaaS revenues and support and maintenance revenues	This performance measure is useful for industry benchmarking and gives an indication of the proportion of the company's revenues that are recurring
Recurring revenue growth	Percentage increase in subscription revenues compared with the same period of the previous year	This performance measure is used to compare growth between different periods and against the overall market
Percentage of recurring revenues	Recurring revenues as a percentage of net sales	This performance measure gives an indication of the proportion of the Company's revenues that are recurring
Service revenues	Revenues from consultancy services, meaning implementation and ongoing work	This performance measure mainly gives an indication of the implementation rate for the period
CARR	Contracted Annual Recurring Revenue is the value of the contracted annualised recurring subscription revenues with deduction for terminated contracts	This performance measure is useful for industry benchmarking and indicates the total amounts for all the customer contracts signed
CARR growth	The percentage increase in the CARR compared with the same period of the previous year	This performance measure is useful as it indicates the increase in the total amounts for all the customer contracts signed between different points in time
Order book	Contracted annual subscription revenues from SaaS contracts that have not yet been implemented	This performance measure gives an indication of future recurring revenues and service revenues from implementations
EBITDA	Operating profit excluding the depreciation and amortisation of property, plant and equipment and non-current intangible assets	This measure is used to assess the Company's operating activities. The EBITDA supplements the information provided by the operating profit as it indicates the Company's cash profit from operating activities.
EBITDA-margin	EBITDA as a percentage of net sales	This performance measure is useful for providing an overall assessment of profitability in relation to revenue
EBITA	Operating profit excluding amortisation of intangible assets	This measure is used to assess the Company's operating activities. EBITA supplements the information provided by the operating profit as it indicates the Company's cash profit from operating activities less amortisation of intangible assets
EBITA-margin	EBITA as a percentage of net sales	This performance measure is useful for providing an overall assessment of profitability in relation to sales
EBIT	Operating profit	The purpose of this performance measure is to provide an indication of the Company's underlying profit generated by its operating activities
EBIT-margin	EBIT as a percentage of net sales	The EBIT margin is a measure that is useful, together with net sales growth, for the overall assessment of profitability in relation to sales
Items affecting comparability	Refers to items that are reported separately as they are of a significant nature, affect comparison and are considered foreign from the ordinary core business. Examples are acquisition-related items, expenses relating to public listing of shares, and restructuring costs.	The performance measure items affecting comparability is used to obtain a fair comparison of the underlying development in the operating activities

Performance measure	Definition	Reason for using the performance measure
Adjusted EBITDA	EBITDA adjusted for the effect of items affecting comparability	The purpose is to show EBITDA excluding items that interfere with the comparison with other periods
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted EBITA	EBITA adjusted for the effect of items affecting comparability	The purpose is to show EBITA excluding items that interfere with the comparison with other periods
Adjusted EBITA-margin	Adjusted EBITA as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted EBIT	Operating profit, EBIT, adjusted for the effect of items affecting comparability	The purpose is to provide an indication of the Company's underlying profit generated by operating activities excluding items that interfere with the comparison with other periods
Adjusted EBIT-margin	Adjusted EBIT as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted profit after tax	Profit after tax according to the income statement adjusted for the effect of items affecting comparability, including tax effects	The measure is a complement to adjusted EBIT with the aim of showing profit after tax without items that affect comparison with other periods
Adjusted earnings per share before and after dilution (SEK)	Profit for the period after deductions for items affecting comparability, including tax effects, per share before and after dilution	Adjusted earnings per share show the underlying operating profit-generating ability per share
Net cash position (excluding lease liabilities)	Cash and cash equivalents and interest-bearing receivables less interest-bearing liabilities (excluding lease liabilities)	This performance measure indicates the Company's indebtedness
Average number of employees	Average number of full-time employees over the period	This performance measure is indicated to show the change in the number of employees over time
Organic growth	The percentage increase in net sales in relation to the corresponding period last year adjusted for, for example, effects of acquisitions, divestments and changed accounting principles	The measure shows growth in net sales adjusted for acquisitions during the past twelve months. Acquired businesses are included in organic growth when they have been part of the Group for four quarters. The measure is used to analyse underlying net sales growth in existing businesses.
Churn	The value of terminated revenue from customers who have terminated contracts in the last twelve months divided by contracted annual recurring revenue at the beginning of the period	Relevant for showing the percentage of terminated values of customer contracts between different times, the key figure is also relevant for industry benchmarking

## RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

	Q1 2022	Q1 2021	Q1-Q4 2021
<b>Net sales growth (MSEK)</b>			
Net sales, the period	27,4	24,3	96,3
Net sales, same period previous year	24,3	20,2	81,3
<b>Net sales growth</b>	<b>13%</b>	<b>20%</b>	<b>18%</b>
<b>Recurring revenue growth and percentage (MSEK)</b>			
Net sales, the period	27,4	24,3	96,3
Recurring revenues, the period	16,2	14,1	59,3
Recurring revenues, same period prev. year	14,1	12,3	50,9
<b>Recurring revenue growth</b>	<b>15%</b>	<b>15%</b>	<b>16%</b>
<b>Percentage of recurring revenues</b>	<b>59%</b>	<b>58%</b>	<b>62%</b>

Reconciliation EBIT/EBITA/EBITDA and adjusted EBIT/EBITA/EBITDA (MSEK)	Q1 2022	Q1 2021	Q1-Q4 2021
Net sales	27,4	24,3	96,3
EBIT (Operating profit)	6,0	5,8	13,8
EBIT-margin	22%	24%	14%
Amortisation of intangible assets	2,0	1,7	7,0
EBITA	8,0	7,5	20,8
EBITA-margin	29%	31%	22%
Amortisation of property, plant and equipment and non-current intangible assets	1,3	1,3	5,4
EBITDA	9,3	8,7	26,3
EBITDA-margin	34%	36%	27%
Items affecting comparability	0,0	0,0	5,5
Adjusted EBIT	6,0	5,8	19,3
Adjusted EBIT-margin	22%	24%	20%
Adjusted EBITA	8,0	7,5	26,4
Adjusted EBITA-margin	29%	31%	27%
Adjusted EBITDA	9,3	8,7	31,8
Adjusted EBITDA-margin	34%	36%	33%

Adjusted profit after tax (MSEK) and adjusted earnings per share (SEK)	Q1 2022	Q1 2021	Q1-Q4 2021
Profit after tax	4,7	4,4	10,6
Items affecting comparability after tax	0,0	0,0	4,4
Adjusted profit after tax	4,7	4,4	14,9
Average number of outstanding shares	16 639 345	15 000 000	15 327 869
Adjusted earnings per share before and after dilution (SEK)	0,28	0,30	0,98

CARR growth (MSEK)	2022-03-31	2021-03-31	2021-12-31
CARR att the end of the period	83,7	65,0	78,8
CARR at the same period previous year	65,0	56,6	61,8
CARR growth	29%	15%	28%

Net cash position excluding lease liabilities (MSEK)	2022-03-31	2021-03-31	2021-12-31
Cash and cash equivalents	96,9	17,9	91,8
Interest-bearing non-current liabilities	-1,0	-1,8	-3,5
- Less non-current lease liabilities	1,0	1,8	3,5
Interest-bearing current liabilities	-5,6	-6,3	-4,0
- Less current lease liabilities	5,6	6,3	4,0
Net cash position (excluding lease liabilities)	96,9	17,9	91,8