



Year-end report January - December 2022

24SevenOffice Group AB

October - December 2022

- Net sales increased by 21.3 % Y-O-Y
- Consolidated net sales ended at 69 611 (SEK 000s)
- EBITDA totaled to -34 715 (SEK 000s)
- Operating profit, EBIT, was -60 535 (SEK 000s)
- Profit after tax was -67 491 (SEK 000s)
- Earnings per share SEK -0.99

January - December 2022

- Net sales increased by 21.9 % Y-O-Y
- Consolidated net sales ended at 257 162 (SEK 000s)
- EBITDA totaled to -101 945 (SEK 000s)
- Operating profit, EBIT, was -190 808 (SEK 000s)
- Profit after tax was -218 299 (SEK 000s)
- Earnings per share -3.21 SEK



CEO'S COMMENTS

Concluding a challenging 2022

2022 has been a demanding yet progressing year for 24SevenOffice. I started in 24SevenOffice as a new CEO from December 2021 with an ambitious and good plan for growth and path to profitability. However, the impact from the macro environment with war in Ukraine, inflation and the challenging business environment had a reverse effect which turned some of the focus to other challenges, but also delayed the visible effect on the revenues due to the ongoing processes which 24SevenOffice initiated.

Although the journey to profitable growth has taken longer than expected and wanted for me as a CEO, I'm still eager to see the outcome of all the changes and improvements we have done in the whole organization. The full financial year results show a moderate growth of 21.9% to MSEK 257 in revenues for 2022, a MSEK 46 increase from last year. EBITDA ended negative at MSEK 102. During the fourth quarter the company had MSEK 70 in revenues, up 21.3% from last year, with a negative EBITDA of MSEK 35.

In light of the financial development throughout last year we started implementing several profitability-driving initiatives on top of the planned ones, in order to secure a sustainable cost base in the future. Starting 2023 we

have already observed early positive signs of improvement from these initiatives, the majority of the effects are also expected in 2023, and we will monitor the development of this trend closely going forward. As communicated earlier, our goal is to reach EBITDA break-even in 2023, even though we acknowledge the increased uncertainty in the world around us and the potential impact on our customers, thus our ambitions and goals have not been decreased.

During 2022 we have also been establishing the fundamental elements and correct structures necessary for future success, including an enhanced platform for increased new sales and up-sales, and necessary investments integrating the product portfolio for our customers. Even though our core ERP products account for the majority of the revenue and is expected to continue to grow in the future, our new business areas have shown good growth rates by both upsell to existing customers and new sales to new customers. The MRP-system, Pay-roll and AI-accounting, are each approaching or surpassing MSEK 10 in ARR. Whilst we have high expectations for continued growth for these product areas in 2023, we also have additionally promising plans for the newly launched payment reminder and debt collection system, already having more than 1000 customers only four months into the launch. In addition, we're planning to release our new HRM-product to the market over the next

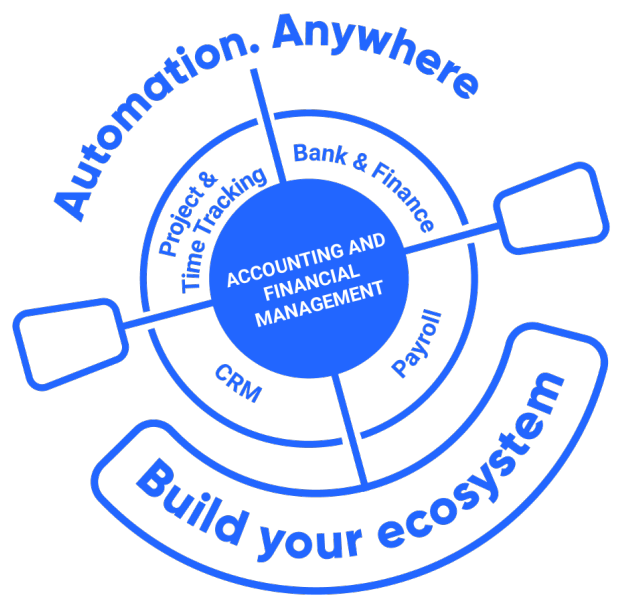
few quarters.

However, the continued critical geopolitical situation and the awaited economic downturn with higher interest rates and inflation, increased costs from suppliers, and increased rate in defaulted payments observed in the markets are still unknown variables that we are cautious of, and its potential long-term effects on our customers are yet to be determined.

The uncertainties may impact 24SevenOffice both directly through an increased cost base, but also possible indirectly through increased defaults, churn and downgrades due to our new pricing model. So far we have seen few signs of slow down and we remain positive in our plan for profitable growth and we're looking forward to returning value to our patient shareholders and employees throughout this upcoming year.

Summarized, while 2022 was challenging and the financial results were not satisfactory, and we are cautious of the challenging market environment, geopolitical development and tougher conditions for our customers, we remain positive observing the early optimistic signs of 2023 and the promising plans of our company. We are getting closer to hiring the new CFO, as communicated in the previous report, and I'm also glad to see that the CMO and COO that were hired last fall are starting to create a significant impact in the organization and towards our customers. We will continue taking the necessary steps to address our financial position and are confident that our strategy will result in a stronger, more efficient organization in the long run.

Eirik Aalvik Stranden
CEO



24SevenOffice

About 24SevenOffice

24SevenOffice's vision is to empower businesses for the future. On our journey to empower businesses for the future, we deliver a leading cloud-based AI-accounting/ERP platform with the product vision to automate business administration and allow for real-time data driven decision making. With 24SevenOffice we are helping companies perform better, maximize their potential, and achieve their goals.

24SevenOffice was born in the cloud and has since the beginning in 1997 developed the system for the browser as a 100% web-based application and been on the SaaS business model since the beginning.

We are an ambitious company aiming high and with focus on keeping and continuing to build the culture of the company that has taken us where we are today. Through our core values of trust, being brave and curious we work daily to create and keep active promoters from all our stakeholders whether it is our customers, partners, resellers, or investors. Our strategy of recruiting and maintaining world class employees is crucial for driving value for our customers, staying competitive in the market, and standing out as an attractive employer

By building a market leading tech & AI company we will secure relevancy and innovation, and combining our unique tech offerings into one holistic service will ensure competitiveness

The system is customizable and built with a modular approach with accounting and financial management in the core. Integrated with the core we have our own modules for Project & Time tracking, Banking & Finance, CRM, and Payroll. With our open API platform, we build an ecosystem with plug and play integrations for our customers. Larger customers can build their own ecosystem. The system is built for automation, speed, and scalability to fit customers in all sizes and industries, from SMEs to large organizations with high volumes and advanced needs.

Vision

Leverage technology, AI and integrated cloud services combined with extensive B2B knowledge to **empower businesses for the future.**

Mission

Our mission is to improve the interaction between people and technology through our focus on the user experience and the integration of all important processes in one ecosystem, through a one-stop shopping.

Values

Our values in relation to customers, partners, investors, new candidates and among our employees.



TRUST

CURIOUS

BRAVE

Target market and distribution channels

24SevenOffice is aiming its product suite and ecosystem at SMB's and larger companies, with fully automated processes built around accounting and financial management as a core, at a fraction of the price compared to traditional players in the market. 24SevenOffice deliver function rich SaaS software with advanced functionality that are customizable, built for speed, scalability, and automation.

Through apps and modules for data capture such as travel & expense, time recording, CRM, etc., the system is also used by the whole organization for input to the accounting and finance modules.

In addition to direct sales 24SevenOffice has a partner strategy where accounting firms with ambitions are the major channel. By using the 24SevenOffice technology platform, accounting firms experience all benefits of working in the cloud and delivering services to their customers with the AI accounting platform and through

best practice. With the benefits of using 24SevenOffice they can generate new revenue streams from software and finance and free up time for value added services such as consulting and advisory services to their customers.

Through strong long-term relationships, 24SevenOffice has built a network of partners that upsell 24SevenOffice modules and apps to their customers. The company works actively to assist and ensure that accounting partners reach their milestones and goals.

24SevenOffice systems and modules

24SevenOffice is becoming a true world class tech company with a full product suite. With accounting and finance as the hub, businesses can expand with core functionality such as CRM, project management, HR and payroll, hour registration, material planning systems, advanced reporting, debt collection, fintech, etc.

Fully integrated with banking

24SevenOffice can be fully integrated with your bank, enabling the user to post or administer payments directly from the business system. Deposits and withdrawals are automatically matched against ledgers in the 24SevenOffice's CRM system. With the 24SevenOffice bank module, the system reads back files from the bank, so that the reconciliation takes place automatically. Any errors in reconciliations are notified, so that the accounting consultant and auditor can take care of these manually. From the bank module, the user has complete traceability with the drill-down function down to the verification level.

AI - automated accounting

Automation of accounting with AI is now adopted to a larger extent by customers. We are the first business system in the Nordic region to offer an AI engine in accounting built with 20 years of invoice data from digitally booked invoices. The technology has already automated up to 90% of invoice processing for customers. The AI module can be delivered as a part of the 24SevenOffice system, or it can serve as automated invoice processing on top of all accounting platforms in the market. Going forward the roll-out of the AI module to existing and new customers will be intensified.

At present, more and more accounting firms are using the AI engine together with its customers. The accounting companies that use AI and adapt their business model to the new technology will be the future winners.

Net sales and results

Previous acquisition affects the result due to increased amortization of goodwill, technology, customers and IPR which is written down over five years.

October - December 2022 - Group

Net sales for Q4 amounted to MSEK 69.6. EBITDA amounted to MSEK -34.7. Operating profit amounted to MSEK -60.5, where depreciation and amortization amounted to MSEK -25.8. Profit after tax ended at MSEK -67.5 and earnings per share amounted to SEK -0.99.

Parent company

Net sales for the fourth quarter amounted to MSEK 3.8. Operating profit amounted to MSEK -0.7. Profit before tax was MSEK -5.8. Profit after tax amounted to MSEK -5.8.

January - December 2022 - Group

Net sales for 2022 amounted to MSEK 257.2. EBITDA amounted to MSEK -101.9. Operating profit amounted to MSEK -190.8. Profit after tax amounted to MSEK -218.3. Earnings per share amounted to SEK -3.21.

Parent company

Net sales for 2022 amounted to MSEK 15.4. Operating profit amounted to MSEK -2.9. Profit before tax was MSEK -21.0. Profit after tax amounted to MSEK -21.0.

Cash flow and financial position - Group

The Group's cash and cash equivalents amounted to MSEK 207.1 at the end of Q4.

During Q4 2022, the Group's cash flow from operating activities before changes in working capital amounted to MSEK -37.9. Cash flow from investment activities ended at MSEK -12.1. Cash flow from financing activities ended at MSEK -0.1 at the end of Q4.

Current receivables amounted to MSEK 79.7 in Q4 2022. Current liabilities at the period end were MSEK 118.5, including deferred revenue of MSEK -20.7. Ending Q4, the long-term liabilities, which is essentially a convertible loan with accumulating interest, due year end 2027, amounted to MSEK 246.4. The equity/assets ratio was 35,3 percent.

Investments and depreciation

Ending Q4 2022 the Group's capitalized R&D amounted to MSEK 23.7 and capitalized concessions, patents, licenses, trademarks and similar rights amounted to MSEK 237.6. Amortization during Q4 amounted to MSEK 25.8. The write

down period is five years, while the assets from the acquisitions will have a perpetual value for the company.

Equity

At the end of Q4 2022, the Group's equity amounted to MSEK 221.3. The share capital was MSEK 6.7 divided into 67,962,772 shares, each with a quotient value of SEK 0.1.

Employees

Ending Q4, the number of employees and hired full-time staff in the Group was 205, of which 147 are working in Norway, 32 in Sweden, 6 in Denmark and 20 in the US. 24SevenOffice also uses external consultants for individual projects.

Significant events during the period

On October 17 2022, 24SevenOffice Group AB initiated the search for a new CFO, which will be conducted together with the internationally renowned executive search firm 360Leaders. Truls Kristian Hauger will continue with full commitment as CFO until a replacement is in place, and will also be available to support the new CFO in a temporary period, to ensure a smooth transition.

Significant events after this period

There are no significant events after this period.

24SevenOffice Group AB share (Ticker: 247)

24SevenOffice Scandinavia AB's shares are traded on Spotlight Stock Market (spotlightstockmarket.com). On December 30, 2022, 24SevenOffice Scandinavia shares were listed at SEK 5.18, which corresponded to a market value of approximately SEK 352 million. During the quarter, the share was listed at a maximum of SEK 6.00 on October 31, and at a minimum of SEK 4.80 on December 20. The total number of registered shares on December 30, was 67,962,772.

The ten largest shareholders on December 31, 2022

Shareholders	Number of shares	Votes, %
R-VENTURE AS	39,766,737	58.51 %
MORGAN STANLEY AND CO LLC	4,403,532	6.48 %
THE NORTHERN TRUST COMPANY	2,637,061	3.88 %
BNY MELLON SA/NV	2,414,817	3.55 %
EBIZ AS	1,495,216	2.20 %
CBNY-NFS LLC	1,309,525	1.93 %
AVANZA PENSION	893,610	1.32 %
ICT GROUP AS	856,422	1.26 %
NORDEA SMÅBOLAGSFOND	845,405	1.24 %
ELVEGRIS AS	842,194	1.24 %
Other shareholders	12,498,253	18.39 %
Total	67,962,772	100.00 %

Upcoming reports:

Interim report Q1 2023	May 4, 2023
Annual meeting	May 10, 2023
Interim report Q2 2023	August 24, 2023
Interim report Q3 2023	November 9, 2023

The report has not been subject to review by the company's auditor.

Stockholm February 28, 2023

24SevenOffice Group AB

CEO Eirik Aalvik Stranden

For further information please contact:

Eirik Aalvik Stranden, CEO

Tel: +4748062383, eas@24sevenoffice.com

This information is such information as 24SevenOffice is obliged to disclose under the EU Market Abuse Regulation 596/2014. The information was submitted for publication on February 28, 2023.

Consolidated income statement

SEK 000s

	Oct - Dec 2022	Oct - Dec 2021	Jan - Dec 2022	Jan-Dec 2021
Income				
Net sales	69,611	57,404	257,162	210,985
Capitalized R&D	-	-	-	-
Other operating income	50	1,176	906	4,994
	69,661	58,580	258,067	215,979
Operating expenses				
Cost of goods sold	-5,067	-4,603	-21,962	-14,800
Other external costs	-47,521	-28,173	-148,853	-91,214
Employee benefit expenses	-51,788	-37,952	-189,198	-126,984
Depreciation and amortization of tangible and intangible assets	-25,820	-18,443	-88,863	-52,077
Other operating costs	-	-195	-	-210
	-130,196	-89,365	-448,875	-285,285
Operating profit, EBIT	-60,535	-30,786	-190,808	-69,306
Profit/loss from financial items				
Shared earnings from participation in associated companies and joint ventures	-	-657	-3,781	-2,409
Shared earnings from other companies in which there is an minority ownership interest	4,183	3,156	3,913	3,156
Loss from other securities and receivables that are fixed assets	-	-	-1	-18,041
Other financial items	-11,679	4,003	-7,898	2,694
	-7,495	6,502	-7,766	-14,600
Profit after financial items	-68,030	-24,283	-198,574	-83,906
Profit before tax, EBT	-68,030	-24,283	-198,574	-83,906
Tax on profit for the period	539	-2,603	-19,725	-90
Deferred tax	-	-	-	6,449
Profit for the period	-67,491	-26,887	-218,299	-77,547
Attributable to:				
Ordinary shareholders	65,492	-24,302	-211,432	-73,838
Non-controlling interests	-1,999	-2,585	-6,867	-3,709
Earnings per share	-0.993	-0.396	-3.212	-1.141

Consolidated balance sheet

SEK 000s

	Dec 31 2022	Dec 31 2021
ASSETS		
Fixed assets		
Intangible assets		
Capitalized R&D	23,711	12,274
Concessions, patents, licenses, trademarks and similar rights	237,639	251,542
Goodwill	7,377	16,988
	268,726	280,804
Tangible assets		
Machinery and Equipment	8,803	8,520
	8,803	8,520
Financial assets		
Shares in associated companies and joint ventures	-	3,756
Deferred tax assets	3,120	24,279
Other long-term investments	28,473	17,737
Other long-term receivables	31,667	1,392
	63,260	47,164
Total fixed assets	340,790	336,488
Current assets		
Current receivables		
Accounts receivable	50,890	41,279
Other receivables	13,634	12,331
Prepaid expenses and accrued income	15,193	11,478
	79,717	65,088
Cash and bank balances	207,144	382,558
Total current assets	286,861	447,646
TOTAL ASSETS	627,651	784,134

Consolidated balance sheet

SEK 000s

	Dec 31 2022	Dec 31 2021
EQUITY AND LIABILITIES		
Equity		
Share capital	6,796	6,796
Other contributed capital	449,030	449,030
Other equity including profit of the period	-246,521	-58,172
Equity attributable to ordinary shareholders	209,305	397,654
Non-controlling interests	12,012	16,910
Total equity	221,317	414,564
Provisions		
Deferred tax liability	8,939	6,514
Other provisions	32,483	31,506
	41,421	38,020
Non current liabilities		
Liabilities to credit institutions	3,414	3,852
Other liabilities	243,009	237,520
	246,423	241,372
Current liabilities		
Accounts payable	24,755	11,933
Current tax liabilities	-	-
Other current liabilities	27,910	30,645
Accrued expenses and deferred revenue	65,824	47,600
	118,489	90,178
TOTAL EQUITY AND LIABILITIES	627,651	784,134

Consolidated statement of changes in equity

SEK 000s

	Share capital	Non-registered shares	Other contributed capital	Retained earnings incl. profit for the period	Equity attributable to parent company shareholders	Non-controlling interests	Total equity
Opening equity, January 1, 2022	6,796	-	449,030	-58,172	397,654	16,910	414,564
New share issue	-		-		-		-
Share issue expenditures			-		-		-
Changed ownership in subsidiaries				-3,453	-3,453		-3,453
Convertible debentures - equity				3,750	3,750		3,750
Change in the Group's composition				-	-		-
Minority acquired subsidiaries				-	-	-	-
Translation differences				22,786	22,786	1,969	24,755
Profit of the period				-211,432	-211,432	-6,867	-218,299
Closing equity, Dec. 31, 2022	6,796	-	449,030	-246,521	209,305	12,012	221,317

Consolidated statement of cash flows

SEK 000s

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Profit after financial items	-68,030	-24,283	-198,574	-83,906
Adjustments for items not included in the cash flow, etc.	30,122	15,943	97,217	69,370
Cash flow from operating activities before changes in working capital	-37,908	-8,340	-101,357	-14,536
Cash flow from changes in working capital				
Changes in accounts receivables	-5,492	-4,571	-9,611	-24,698
Changes in other current receivables	-6,156	7,420	-5,018	12,683
Changes in accounts payables	9,282	1,957	12,823	-4,947
Changes in other current liabilities	21,217	1,252	11,886	-17,014
Cash flow from operating activities	-19,057	-2,283	-91,278	-48,512
Investment activities				
Acquisition of balanced costs for development and similar work	-5,049	-	-15,917	-
Acquisitions	-244	-55,597	-17,301	-181,262
Investments in intangible assets	-	-	-	-11,482
Investments in tangible assets	-247	38	-1,903	-2,104
Investments in financial fixed assets	-6,558	21	-43,854	-14,403
Cash flow from investment activities	-12,099	-55,954	-78,976	-209,250
Financing activities				
New share issue	-	28,745	-	284,916
Loan	-	2,131	-	15,888
Amortization of loans	-70	-	-247	-
Cash flow from financing activities	-70	30,876	-247	300,804
Cash flow of the period	-31,226	-27,360	-170,501	43,041
Cash and cash equivalents at the beginning of the period	236,443	403,907	382,558	331,441
Currency differences in cash and cash equivalents	1,927	6,011	-4,913	8,076
Cash and cash equivalents at the end of the period	207,144	382,557	207,144	382,558

Parent company Income statement

SEK 000s

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Income				
Net sales	3,841	3,841	15,363	15,364
Operating expenses				
Other external costs	-3,911	-2,491	-17,910	-16,843
Employee benefit expenses	-	-75	-302	-75
	-3,911	-2,566	-18,212	-16,918
Operating profit, EBIT	-71	1,275	-2,850	-1,555
Net financial items	-5,698	13,207	-18,145	-9,009
Profit after financial items	-5,769	14,482	-20,995	-10,563
Profit before tax, EBT	-5,769	14,482	-20,995	-10,563
Tax	-	-	-	-
Profit for the period	-5,769	14,482	-20,995	-10,563

Parent company Balance sheet

SEK 000s

Dec 31
2022

Dec 31
2021

ASSETS

Fixed assets

Financial assets

Shares in Group companies	514,989	342,445
Receivables from Group companies	195,931	342,591
Shares in associated companies and joint ventures	-	12,794
Other long-term investments	100	100
Total fix assets	711,020	697,930

Current assets

Current receivables

Accounts receivable	-	-
Receivables from Group companies	12,128	9,207
Other receivables	-72	26
Prepaid expenses and accrued income	5,429	6,429
Total current receivables	17,485	15,662

Cash and bank balance **66,506** **101,659**

Total current assets **83,992** **117,321**

TOTAL ASSETS **795,012** **815,250**

Parent company Balance sheet

SEK 000s

	Dec 31 2022	Dec 31 2021
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	6,796	6,796
	6,796	6,796
Other unrestricted equity		
Share premium	519,530	519,530
Balanced loss	-13,640	-3,077
Profit of the period	-20,995	-10,563
	484,895	505,890
Total equity	491,691	512,686
Non current liabilities		
Liabilities to Group companies	17,655	17,142
Other liabilities	257,500	257,693
	275,155	274,835
Current liabilities		
Accounts payable	-	449
Liabilities to Group companies	22,844	23,983
Other liabilities	1,136	3,081
Accrued expenses and prepaid income	4,185	216
Total current liabilities	28,165	27,729
TOTAL EQUITY AND LIABILITIES	795,012	815,250

Parent company Statement of changes in equity

SEK 000s

	Share capital	Non-registered shares	Other unrestricted equity	Retained earnings incl. profit for the period	Total unrestricted equity
Opening equity, January 1, 2022	6,796	-	516,454	-10,563	505,891
New share issue					
Share issue expenditures					
Results as decided by the AGM			-10,563	10,563	-
Profit of the period				-20,995	-20,995
Closing equity, Dec. 31, 2022	6,796	-	505,891	-20,995	484,895

Parent company Statement of cash flows

SEK 000s

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Profit after financial items	-5,769	14,482	-20,995	-10,563
Adjustments for items not included in the cash flow, etc.	7,138	-1,510	22,746	4,499
Cash flow from operating activities before changes in working capital	1,368	12,971	1,751	-6,064
Cash flow from changes in working capital				
Change in accounts receivables	-	-	-	-
Change in other current receivables	-1,214	251,741	-1,823	998
Change in accounts payables	-6	433	-449	-7,920
Change in other current liabilities	824	6,711	-495	2,865
Cash flow from operating activities	972	271,857	-1,017	-10,121
Investment activities				
Acquisitions	-284	-43,042	-21,423	-
Changes in financial fixed assets	-2,833	-261,856	-12,712	-428,617
Cash flow from investment activities	-3,117	-304,898	-34,135	-428,617
Financing activities				
New share issue	-	28,745	-	284,916
Loan	-	-6,735	-	-
Cash flow from financing activities	-	22,010	-	284,916
Cash flow of the period	-2,145	-11,031	-35,152	-153,822
Cash and cash equivalents at the beginning of the period	68,652	112,634	101,659	255,481
Currency differences in cash and cash equivalents	-	56	-	56
Cash and cash equivalents at the end of the period	66,507	101,659	66,507	101,659



24SevenOffice Group AB (publ)

Döbelnsgatan 24
113 52 Stockholm

+46 8 510 60 450

info@24SevenOffice.com

Organization number 559120-8870

24SevenOffice.com



24SevenOfficeSE

24SevenOffice_SWE