



Interim report

July - September 2023

24SevenOffice Group AB

July - September 2023

- Net sales increased by 33 % compared to 3Q22
- Consolidated net sales ended at 81,188 (SEK 000s)
- EBITDA totaled to -6,882 (SEK 000s)
- Operating profit, EBIT, was -30,249 (SEK 000s)
- Profit after tax was -23,725 (SEK 000s)
- Earnings per share -0.35 SEK



24SevenOffice



CEO'S COMMENTS

Continued strong performance with increased growth; on-track with the profitable growth strategy

24SevenOffice Group AB continues to execute on the profitable growth-oriented strategy. This quarter's results are a clear reflection of the outcomes anticipated from our strategic growth investment strategy, especially given the substantial investments directed towards strengthening our platform, product portfolio and new growth areas. As we look at our current position - recurring revenue surpassing MSEK 300, reaching MSEK 45 ARR for our new growth modules and a continued strong growth rate ahead, 24SevenOffice is confident to reach positive EBITDA by the end of this year and excited to continue on the profitable growth journey in 2024.

The financial results for the third quarter show a particular strong year-on-year growth of 33% to MSEK 81,2 in net sales for 3Q 2023, a MSEK 20,0 increase from 3Q last year. Despite the macro-economic backdrop, 24SevenOffice is continuing to demonstrate strong and robust revenue growth.

While the 3Q EBITDA is still negative, we are pleased with the year-on-year improvement from

the corresponding period in 2022. The EBITDA ended negative at MSEK 6,9, which is nearly a 65% improvement from the corresponding period in 2022, and also a MSEK 10,7 improvement from the previous quarter this year. With the strong development in new revenue streams and overall sales pipeline and partner sales we expect the positive trend in revenue and profitability to continue. As an effect, we're confident positive EBITDA will be reached by the end of the year in line with the previous communicated ambition.

In October, we gathered several hundred of our most important customers for our annual Cloud Camp, to share our latest updates from 24SevenOffice, including the recent launches in our accounting platform such as a modernization of the back-end technology, new voucher workflow, crm ledger, payment collection and a stand alone pay-roll module. My key take-aways from this day is that the customers are happy and acknowledge the improvements we have made to our platform and service offering over the last period, and that the direction we are developing the company and our services is a good fit for our market.

In the accounting market landscape, we are ob-

serving a notable shift where 24SevenOffice is capturing increased market attention. This shift can be attributed to a synergy of our product enhancements and strategic branding efforts. Our platform has evolved to deliver an improved user experience with increased scalable functionality. Complementing this, our rebranding initiatives this spring, including a new brand identity and a comprehensive revamp of our webpage and technical infrastructure, have led to a surge in both new sales and up-sales. Our sales and marketing performance this quarter has been all time high for this year.

Furthermore, the increased interest from prominent and larger accounting firms across the Nordics is a testament to our platform's capability and appeal. We are particularly proud to announce a significant partnership with Aspia, one of the larger accounting firms in the Nordics. This agreement not only solidifies our market presence but also reinforces our commitment to delivering top-tier accounting solutions in the region.

We're also pleased to have become a weighted "rule of 40" - company this quarter. With the recurring revenues reaching all time high, a robust growth rate is manifesting, reaching a positive ebitda, and with the average market multiples observed in the market, we believe there is great potential in our company ahead.

In closing, we wish to again extend our profound gratitude to our investors and shareholders. Our commitment remains unchanged – to consistently grow with new and existing clients and partners, delivering sustained growth and profitability with our strong product portfolio. We are looking forward to updating you on the progress we are making in upcoming reports.

Eirik Aalvik Stranden
CEO



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

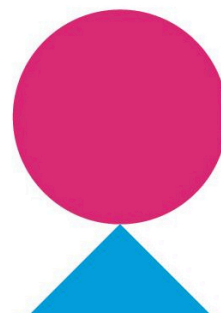
Empowering businesses for the future.

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.

VALUES

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



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. In addition, the company's growth strategy towards new sales partners and up-sale on existing partners can potentially include a temporary higher deal-split towards the partner in order to maximize the potential revenue portfolio for both parts. The company works actively to assist and ensure that 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, fin-tech, etc.

Fully integrated with banking

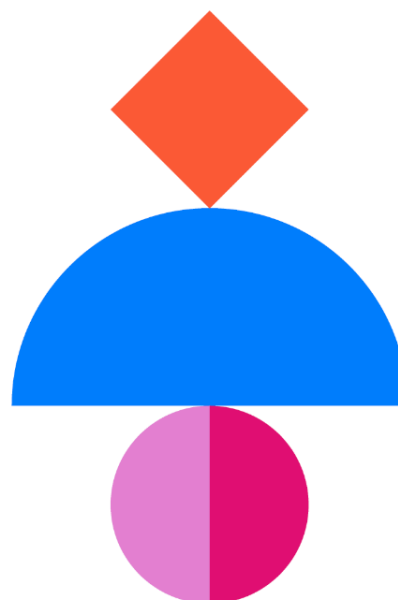
24SevenOffice can be fully integrated with your bank, enabling the user to post or administer payments directly from the business system. Deposits and withdrawals are automatically matched against ledgers in the 24SevenOffice's CRM system. With the 24SevenOffice bank module, the system reads back files 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.

July - September 2023 - Group

Net sales for Q3 amounted to MSEK 81.2. EBITDA amounted to MSEK -6.9. Operating profit amounted to MSEK -30.2 where depreciation and amortization amounted to MSEK -23.4. Profit after tax ended at MSEK -23.7 and earnings per share amounted to SEK -0.35.

Parent company

Net sales for the third quarter amounted to MSEK 3.8. Operating profit amounted to MSEK -0.2. Profit before tax was MSEK 1.0. Profit after tax amounted to MSEK 1.0.

Cash flow and financial position - Group

The Group's cash and cash equivalents amounted to MSEK 95.8 at the end of Q3.

During Q3 2023, the Group's cash flow from operating activities before changes in working capital amounted to MSEK -0.9. Cash flow from investment activities ended at MSEK -3.9. Cash flow from financing activities ended at MSEK 0.4.

Current receivables amounted to MSEK 134.5 in Q3 2023. Current liabilities at the period end were MSEK 111.5, including deferred revenue of MSEK -27.2. Ending Q3, the long-term liabilities, which is essentially a convertible loan with accumulating interest, due year end 2027, amounted to MSEK 247.0.

The equity/assets ratio was 23,64 percent.

Investments and depreciation

At the end of the quarter, the Group's capitalized R&D on the balance sheet amounted to MSEK 18.0 and capitalized concessions, patents, licenses, trademarks and similar rights amounted to MSEK 199.5. Amortization during Q3 amounted to MSEK 23.4. 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 Q3 2023, the Group's equity amounted to MSEK 122.7. The share capital was MSEK 6.8 divided into 67,962,772 shares, each with a quotient value of SEK 0.1.

Employees

Ending Q3, the number of employees and hired full-time staff in the Group was 172, of which 136 are working in Norway, 18 in Sweden, 6 in Denmark and 12 in the US. 24SevenOffice also uses external consultants for individual projects.

Significant events during the period

On July 4, CEO Eirik Aalvik Stranden acquired 240,000 shares in 24SevenOffice Group AB at a price of 5 NOK per share. Stranden has acquired the shares from R-Venture AS. The purchase of these shares represents 0.35% of the total outstanding shares of the company.

On July 5, COO Geir Beinset announced to have acquired 17 750 shares at a price of SEK 5.70 per share. Geir Beinset holds a total of 17,750 shares after the transaction.

On July 5, CMO Rebecca Paulina van Vuuren announced to have acquired 13 300 shares at a price of SEK 5.68 per share. Rebecca Paulina van Vuuren holds a total of 13,300 shares after the transaction.

Significant events after this period

On October 6, CEO, Eirik Stranden, acquired 197,760 shares in 24SevenOffice Group AB at a price of 10.13 SEK per share. Following this acquisition, Eirik Stranden now holds a total of 437,760 shares in 24SevenOffice Group AB.

There are no other 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 September 29, 2023, 24SevenOffice Scandinavia shares were listed at SEK 10.5, which corresponded to a market value of approximately SEK 714 million. During the quarter, the share was listed at a maximum of SEK 11.25 on September 21, and at a minimum of SEK 5.6 on July 3. The total number of registered shares on September 30, was 67,962,772.

The ten largest shareholders on September 30, 2023

Shareholders	Number of shares	Votes, %
R-VENTURE AS	40,216,737	59.17 %
MORGAN STANLEY AND CO LLC	4,362,695	6.42 %
GOLDMAN SACHS INTERNATIONAL	2,267,749	3.34 %
EBIZ AS	1,495,216	2.20 %
JEANSSON TEDDE OLOF JOHAN THEODOR	1,450,000	2.13 %
CBNY-NFS LLC	1,309,525	1.93 %
AVANZA PENSION	871,103	1.28 %
ICT GROUP AS	856,422	1.26 %
ELVEGRIS AS	842,194	1.24 %
Sparebank 1 Markets AS	760,818	1.12 %
Other shareholders	13,530,313	19.91 %
Total	67,962,772	100.00 %

Upcoming reports:

Year-end report Q4 2023	February 28, 2024
Interim report Q1 2024	May 14, 2024
Annual meeting	May 15, 2024
Interim report Q2 2024	August 28, 2024
Interim report Q3 2024	November 12, 2024

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

Stockholm November 9, 2023

24SevenOffice Group AB

CEO Eirik Aalvik Stranden

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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 November 9, 2023.

Consolidated income statement

SEK 000s

	Jul - Sept 2023	Jul - Sept 2022	Jan - Sept 2023	Jan - Sept 2022	Jan - Dec 2022
Net sales	81,188	61,168	234,746	187,551	257,193
Capitalized R&D	-	-	-	-	-
Other operating income	339	116	1,026	855	906
	81,527	61,284	235,772	188,407	258,098
Operating expenses					
Cost of goods sold	-9,789	-4,029	-22,406	-16,895	-23,197
Other external costs	-35,250	-30,806	-105,760	-101,332	-147,658
Personnel costs	-43,368	-46,426	-144,220	-137,410	-189,198
Depreciation and amortization of tangible and intangible assets	-23,367	-21,886	-67,408	-63,043	-88,863
Other operating costs	-2	-	-163	-	-
	-111,776	-103,147	-339,958	-318,680	-448,915
Operating profit, EBIT	-30,249	-41,863	-104,186	-130,273	-190,817
Profit/loss from financial items					
Shared earnings from participation in associated companies and joint ventures	-	-7	-	-3,782	-3,781
Shared earnings from other companies in which there is an minority ownership interest	-	-270	-	-270	3,913
Other financial income and similar items	647	-1,164	4,808	9,094	17,960
Loss from other securities and receivables that are fixed assets	-	-	-	-	-1
Other financial items	5,307	6,568	-9,326	-5,313	-23,041
	5,954	5,127	-4,518	-272	-4,950
Profit after financial items	-24,295	-36,736	-108,704	-130,545	-195,767
Profit before tax, EBT	-24,295	-36,736	-108,704	-130,545	-195,767
Tax on profit for the period	570	-21,232	1,672	-20,264	-122
Deferred tax	-	-	-	-	-19,397
Profit for the period	-23,725	-57,968	-107,032	-150,808	-215,286
Attributable to:					
Ordinary shareholders	-22,998	-56,311	-103,338	-145,940	-208,251
Non-controlling interests	-737	-1,657	-3,694	-4,868	-7,035
Earnings per share	-0.35	-0.85	-1.57	-2.22	-3.168

Consolidated balance sheet

SEK 000s

	Sept 30 2023	Sept 30 2022	Dec 31 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalized R&D	18,015	22,174	23,711
Intellectual property rights, patents, licenses, trade- marks and similar rights	199,481	262,866	237,639
Goodwill	2,791	12,242	7,377
	220,287	297,282	268,727
Tangible assets			
Machinery and Equipment	7,360	8,997	8,803
	7,360	8,997	8,803
Financial assets			
Shares in associated companies and joint ventures		-	-
Deferred tax assets	3,098	3,078	3,120
Other long-term investments	27,563	22,995	28,473
Other long-term receivables	30,520	33,248	31,667
	61,182	59,321	63,260
Total fixed assets	288,829	365,600	340,790
Current assets			
Current receivables			
Accounts receivable	50,680	45,398	50,890
Other receivables	70,949	7,550	13,146
Prepaid expenses and accrued income	12,826	15,121	15,186
	134,455	68,069	79,222
Cash and bank balances	95,775	236,443	207,144
Total current assets	230,230	304,511	286,366
TOTAL ASSETS	519,059	670,111	627,156

Consolidated balance sheet

SEK 000s

	Sept 30 2023	Sept 30 2022	Dec 31 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	6,796	6,796	6,796
Other contributed capital	449,030	449,030	449,030
Other equity including profit of the period	-341,005	-170,118	-242,828
Equity attributable to ordinary shareholders	114,822	285,708	212,998
Non-controlling interests	7,862	14,869	11,915
Total equity	122,684	300,577	224,913
Provisions			
Deferred tax liability	6,489	9,281	8,733
Other provisions	31,345	32,048	32,483
	37,833	41,329	41,216
Non current liabilities			
Liabilities to credit institutions	2,891	3,514	3,414
Other liabilities	244,153	240,520	243,009
	247,045	244,034	246,423
Current liabilities			
Accounts payable	7,152	15,473	20,819
Other current liabilities	39,186	20,791	31,925
Accrued expenses and deferred revenue	65,160	47,907	61,860
	111,497	84,171	114,604
TOTAL EQUITY AND LIABILITIES	519,059	670,111	627,156

Consolidated statement of changes in equity

SEK 000s

	Share capital	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, 2023	6,796	449,030	-242,827	212,998	11,915	224,914
Translation differences			133	133	-359	-225
Group company changes			5,028	5,028		5,028
Profit of the period			-103,338	-103,338	-3,694	-107,032
Closing equity, Sept. 30, 2023	6,796	449,030	-341,004	114,821	7,862	122,684

Consolidated statement of cash flows

SEK 000s

	Jul - Sept 2023	Jul - Sept 2022	Jan - Sept 2023	Jan - Sept 2022	Jan - Dec 2022
Operating activities					
Profit after financial items	-24,295	-36,736	-108,704	-130,545	-195,767
Adjustments for items not included in the cash flow, etc.	23,367	22,164	67,408	67,095	88,731
Cash flow from operating activities before changes in working capital	-928	-14,572	-41,296	-63,449	-107,036
Cash flow from changes in working capital					
Changes in accounts receivables	-328	-1,308	210	-4,119	-9,611
Changes in other current receivables	1,386	4,013	-55,443	1,138	-4,523
Changes in accounts payables	-9,487	-4,811	-13,667	3,540	8,886
Changes in other current liabilities	-6,079	-17,244	5,561	-9,331	11,936
Cash flow from operating activities	-15,436	-33,923	-104,635	-72,221	-100,348
Investment activities					
Acquisition of balanced costs for development and similar work	-2,584	-3,816	-8,053	-10,868	-
Acquisitions	-	19	-67	-17,058	-17,301
Investments in intangible assets	-	-	-	-	-18,957
Investments in tangible assets	-246	-1,363	-704	-1,656	-1,924
Investments in financial fixed assets	-1,106	-31,023	2,057	-37,296	-40,403
Cash flow from investment activities	-3,936	-36,184	-6,767	-66,877	-78,585
Financing activities					
Amortization of loans	391	-61	-210	-177	-
Cash flow from financing activities	391	-61	-210	-177	-
Cash flow of the period	-18,981	-70,167	-111,612	-139,275	-178,933
Cash and cash equivalents at the beginning of the period	109,390	307,850	207,144	382,558	382,558
Currency differences in cash and cash equivalents	5,366	-1,240	243	-6,840	3,519
Cash and cash equivalents at the end of the period	95,775	236,443	95,775	236,443	207,144

Parent company Income statement

SEK 000s

	Jul - Sept 2023	Jul - Sept 2022	Jan - Sept 2023	Jan - Sept 2022	Jan - Dec 2022
Income					
Net sales	3,841	3,841	11,522	11,522	15,363
Operating expenses					
Other external costs	-4,062	-4,224	-12,423	-13,999	-17,910
Personnel costs	-	-	-302	-302	-302
	-4,062	-4,224	-12,726	-14,301	-18,212
Operating profit, EBIT	-222	-383	-1,204	-2,779	-2,849
Net financial items	1,231	601	3,443	-12,447	-18,146
Profit after financial items	1,009	218	2,239	-15,226	-20,995
Profit before tax, EBT	1,009	218	2,239	-15,226	-20,995
Tax	-	-	-	-	-
Profit for the period	1,009	218	2,239	-15,226	-20,995

Parent company Balance sheet

SEK 000s

	Sept 30 2023	Sept 30 2022	Dec 31 2022
ASSETS			
Fixed assets			
Financial assets			
Shares in Group companies	520,056	361,533	514,989
Receivables from Group companies	248,755	352,470	195,931
Shares in associated companies and joint ventures	-	-	-
Other long-term investments	100	100	100
Total fix assets	768,911	714,103	711,020
Current assets			
Current receivables			
Accounts receivable		-	-
Receivables from Group companies	12,868	10,648	12,128
Other receivables	5,542	74	-
Prepaid expenses and accrued income	4,663	5,697	5,429
Total current receivables	23,074	16,271	17,557
Cash and bank balance	12,534	68,653	66,506
Total current assets	35,608	84,923	84,063
TOTAL ASSETS	804,519	799,026	795,083

Parent company Balance sheet

SEK 000s

	Sept 30 2023	Sept 30 2022	Dec 31 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	6,796	6,796	6,796
	6,796	6,796	6,796
Other unrestricted equity			
Share premium	519,530	519,530	519,530
Balanced loss	-34,635	-13,640	-13,640
Profit of the period	2,239	-15,226	-20,995
	487,135	490,664	484,895
Total equity	493,931	497,460	491,691
Non current liabilities			
Liabilities to Group companies	17,037	17,124	17,655
Other liabilities	260,313	260,505	257,500
	277,349	277,629	275,155
Current liabilities			
Accounts payable	90	6	-
Liabilities to Group companies	32,791	22,646	23,980
Other liabilities	107	1,048	4,014
Accrued expenses and prepaid income	251	236	243
Total current liabilities	33,239	23,937	28,237
TOTAL EQUITY AND LIABILITIES	804,519	799,026	795,083

Parent company Statement of changes in equity

SEK 000s

	Share capital	Other unrestricted equity	Retained earnings incl. profit for the period	Total unrestricted equity
Opening equity, January 1, 2023	6,796	505,891	-20,995	484,896
Results as decided by the AGM		-20,995	20,995	-
Profit of the period			2,239	2,239
Closing equity, Sept 30, 2023	6,796	484,896	2,239	487,135

Parent company Statement of cash flows

SEK 000s

	Jul - Sept 2023	Jul - Sept 2022	Jan - Sept 2023	Jan - Sept 2022	Jan - Dec 2022
Operating activities					
Profit after financial items	1,009	218	2,239	-15,226	-20,995
Adjustments for items not included in the cash flow, etc.	-	939	200	15,608	18,996
Cash flow from operating activities before changes in working capital	1,009	1,157	2,439	382	-1,999
Cash flow from changes in working capital					
Change in accounts receivables	-	-	-	-	-
Change in other current receivables	-5,232	-150	-5,517	-609	-1,895
Change in accounts payables	-10	-3,767	90	-443	-449
Change in other current liabilities	1,113	3,681	1,907	-1,319	3,325
Cash flow from operating activities	-3,121	921	-1,081	-1,989	-1,018
Investment activities					
Acquisitions	-	-	-67	-21,139	-
Changes in financial fixed assets	-19,440	-3,972	-52,824	-9,879	-34,135
Cash flow from investment activities	-19,440	-3,972	-52,891	-31,018	-34,135
Financing activities					
New share issue	-	-	-	-	-
Loan	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-
Cash flow of the period	-22,561	-3,051	-53,971	-33,007	-35,153
Cash and cash equivalents at the beginning of the period	35,095	71,703	66,506	101,659	101,659
Currency differences in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the period	12,535	68,652	12,535	68,652	66,506



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