

Interim Report

Q1 2023

For the period 1 January – 31 March 2023

PAGERO



THE FIRST QUARTER OF 2023

Strong start to the year with accelerating organic growth

- Net sales amounted to SEK 179.8 million (136.7), which is an increase of 32% (53%) and 27% adjusted for currency. Organic growth amounted to 32% (24%).
- Recurring revenue amounted to SEK 154.8 million (120.5), which is an increase of 28%. The increase is a result of a strong growth of both transactions and licences in the Pagero Network. Organic growth of recurring revenue amounted to 28% (19%).
- Annual Recurring Revenue (ARR) amounted to SEK 660.6 million (496.8), which is an organic growth of 33% (18%).
- Operating loss after depreciation/amortization (EBITA) amounted to SEK 21.1 million (12.8). The result is in line with the international expansion strategy.
- Cash flow from operating activities amounted to an outflow of SEK 9.7 million (inflow: 7.5) for the quarter. The company's cash and cash equivalents amounted to SEK 378.2 million.
- Earnings per share after dilution amounted to a loss of SEK 0.39 (0.28).
- Pagero's warrants programme 2020/2023 fully utilized and brings the company SEK 54 million.
- Pagero and Thomson Reuters partner to bring a new and comprehensive indirect tax compliance suite to customers.

Significant events after the end of the period

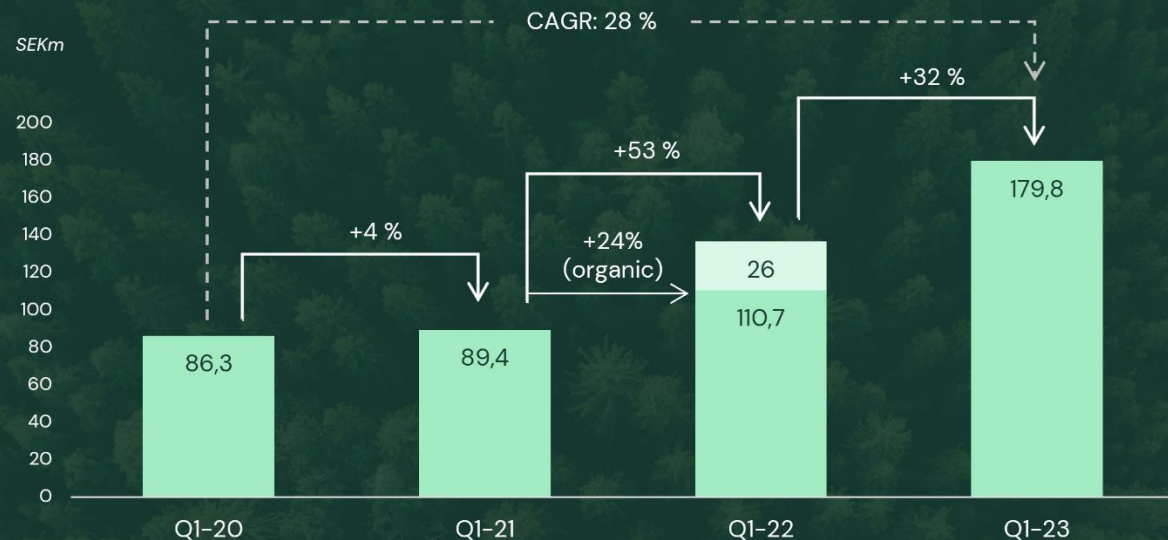
- Malaysia introduces country-wide e-invoicing mandate
- Pagero receives a EUR 4.2 million order.

Selected financial data

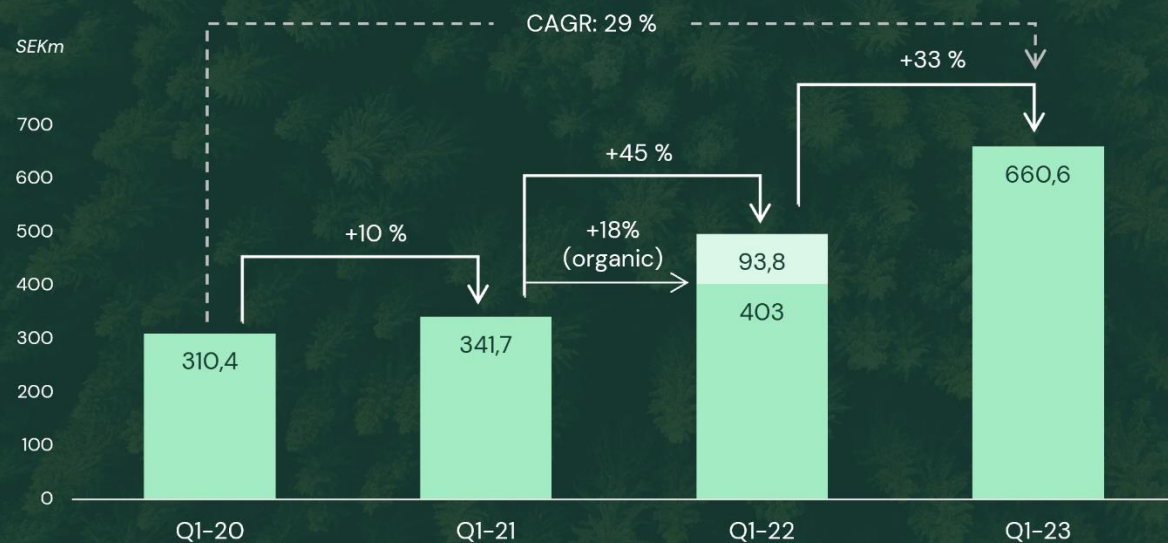
	Note	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Annual recurring revenue (ARR), SEKm	7	660.6	496.8	604.2
Growth in ARR, %		33%	45%	27%
Organic ARR, SEKm		660.6	403.0	604.2
Organic growth in ARR, %		33%	18%	27%
Net sales, SEKm	6	179.8	136.7	600.1
Net sales growth, %		32%	53%	36%
Organic net sales growth, %		32%	24%	23%
Organic growth in recurring revenue, %		28%	19%	20%
Gross margin, %		88%	87%	87%
EBITA margin, %		-11.7%	-9.4%	-17.2%
Earnings per share after dilution, SEK		-0.39	-0.28	-1.78
Cash flow from operating activities, SEKm		-9.7	7.5	-7.8
Average number of FTE		796	659	711
R&D costs as % of net sales		24%	23%	25%



CONTINUED STRONG GROWTH IN NET SALES



STRONG GROWTH IN ANNUALIZED RECURRING REVENUE (ARR)



*Increase is affected by Gosocket acquisition

RECURRING
REVENUE SHARE

86%

Q1-22: 88%

GROSS MARGIN

88%

Q1-22 : 87%

CUSTOMER CHURN

1.8%

Q1-22 : 2.8%

27x

Q1-22 : 15x

CLV/CAC

Customer Life-time Value
/Customer Acquisition
Cost

18%

Q1-22 : 29%

TRANSACTION
GROWTH*

*Exclusive of
Gosocket/LATAM

15%

Q1-22 : 47%

CUSTOMER BASE
GROWTH

BUYING AND SELLING SHOULD BE EASY

Pagero offers a *Smart Business Network* that connects buyers and sellers around the world for the automated and secure communication of business documents (orders, invoices, payment files) in accordance with local regulations.

Our open network, combined with a large range of apps, helps our customers streamline their purchase and sales processes and take advantage of accurate and reliable data – independent of business systems.



30+
OFFICES



CUSTOMERS IN
140+
COUNTRIES



A NETWORK OF
14M+
BUSINESSES

PAGERO

CEO COMMENTS

Continued accelerating growth and increasing need in the market

The stars that support our business are aligned and we continue to see a growing need across all our markets – primarily driven by legal requirements of electronic invoicing and tax reporting. During the quarter, we grew net sales by 32% and we had an increase in Annualized Recurring Revenue (ARR) of 33%. Country by country – at the time of writing more than 80 countries – have announced and are implementing legal requirements for digital business communication, which requires companies to connect to a service provider such as Pagero. Our continued focus is to position Pagero optimally to ride on this wave by offering the market's best network for digital business communication.

Our strategy is to build the world's largest network for system-to-system communication between purchasing and selling companies. Companies can become a customer directly to us or activate the Pagero Network as a value-added service at one of all the ERP or best-of-breed software partners we collaborate with around the world. We offer a unique added value to the world's leading suppliers of financial, business and tax systems and our goal is to become the network for the communication of business documents of all companies – whether they are direct customers or through partners. During the quarter, partners contributed in 23% of our new sales.

We also see increasing efficiency in our direct sales and were pleased to receive our largest order to date of EUR 4.2 million during the quarter. This shows that our offering and business have made it to a new level and that the deal value in the Enterprise segment is growing in size. With a continued low customer churn (1.8%), and a high share of recurring revenue (86%), we see a strong return on all investments in customer acquisition – the measure CLV / CAC shows a strong figure



of 27x for the quarter. Our investment markets, such as the United Kingdom, the United States, France and Australia, continue to show positive development and currently represent 17% of total sales compared to 10% a year ago. Sales in our investment markets increased by 124% in the quarter. We are now close to the stage of our 2025 plan where the majority of our markets contribute to the whole. As a result, we expect the EBITA margin for the group to reach our target of 20% by the end of 2025.

“ Our focus is to position Pagero optimally to ride on this wave by offering the market’s best network for digital business communication. ”

Having said that, I would like to emphasize that Pagero is in a rapidly changing market with an expected high growth rate for many years to come. The importance of investing in a continued leading product is what will make Pagero something significantly larger than we are today. During the quarter, we reinvested 24% of our sales in R&D. These investments will continue but decrease in relation to our total sales – without necessarily sacrificing the number of R&D hours.

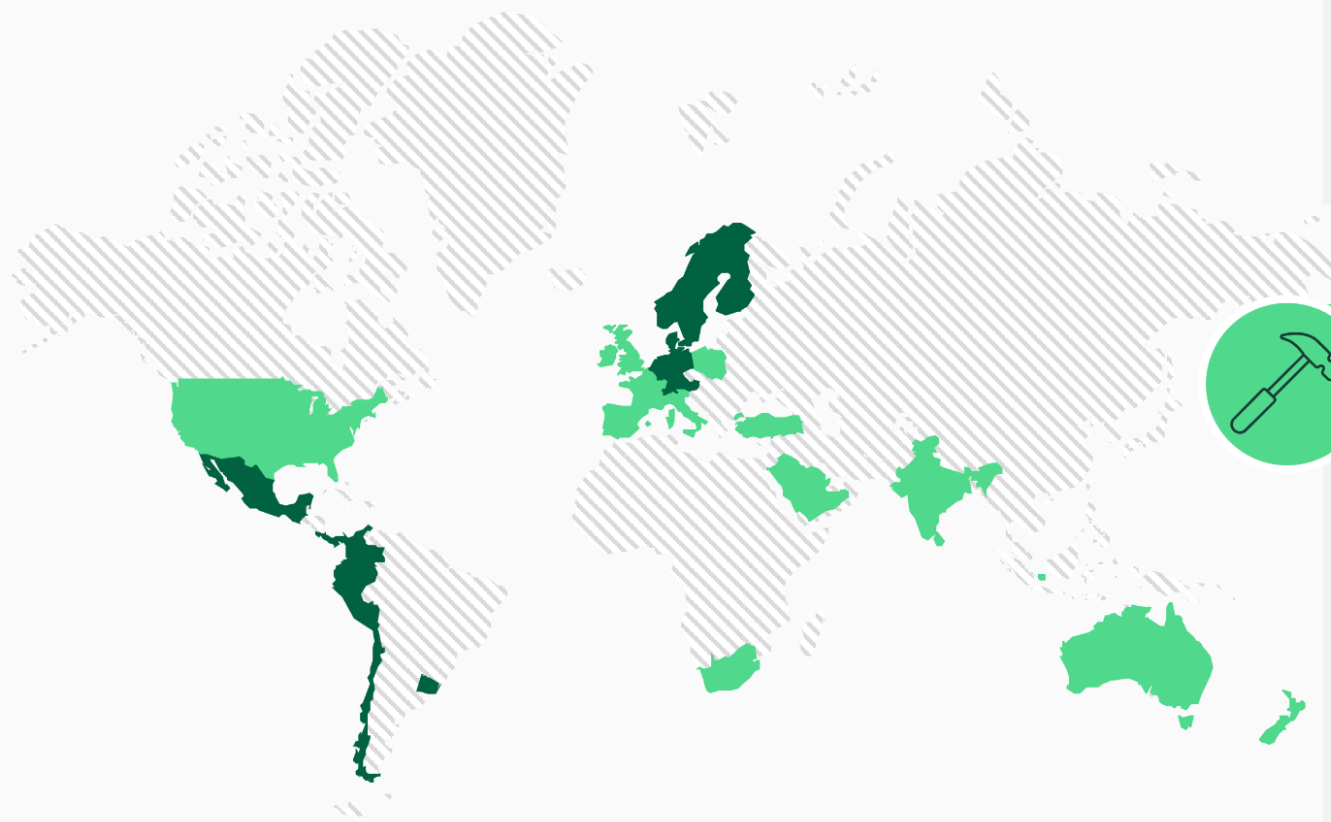
2023 has started above expectations and I look forward to continuing the year together with our customers, partners, employees and shareholders.

Bengt Nilsson

CEO

GROWTH AND PROFITABILITY

A proven business model during the global expansion phase



ESTABLISHED MARKETS



83%
OF TOTAL
NET SALES
(90%)



+21%
NET SALES
GROWTH



+34%
EBITDA
MARGIN

55%

RULE OF 40
(53%)



INVESTMENT MARKETS



17%
OF TOTAL
NET SALES
(10%)



+124%
NET SALES
GROWTH



-204%
EBITDA
MARGIN

-80%

RULE OF 40
(-264%)

GROUP DEVELOPMENT

JANUARY – MARCH 2023

Sales

Net sales amounted to SEK 179.8 million (136.7), which is an increase of 32% (53%) and 27% adjusted for currency. Organic growth amounted to 32% (24%).

Recurring revenue amounted to SEK 154.8 million (120.5), an increase of 28% (47%) and 24% adjusted for currency. The increase is a result of a strong growth of both transactions and licences in the Pagero Network. Organic growth of recurring revenue amounted to 28% (19%).

Profit/loss

Operating loss before depreciation/amortization (EBITDA) amounted to SEK 13.3 million (5.0). The change from the previous year is mainly due to continued investments in both product development and a higher number of employees for the international expansion according to the set plan.

Operating loss after depreciation/amortization (EBITA) amounted to SEK 21.1 million (12.8).

The negative net financial items of SEK -8.4 million (-5.5) in the quarter are mainly attributable to the interest expense for loans raised in Q2 2022.

The positive tax recognised in the profit/loss for the period is attributable to the tax effect of depreciation/amortization of Group surplus values from acquisitions made.

There was a loss for the period in an amount of SEK 61.2 million (43.7). Comprehensive income for the period, which includes foreign exchange differences of SEK 4.6 million, amounted to a loss of SEK 56.6 million which may later be returned to the income statement.



FINANCIAL COMMENTS

JANUARY – MARCH 2023

Cash flow

Cash flow from operating activities amounted to an outflow of SEK 9.7 million (inflow: 7.5), which is attributable to the loss and is partly offset by the positive change in working capital.

Cash flow from investing activities amounted to an outflow of SEK 44.6 million (48.9). Most of this, SEK 28.7 million, was an investment in the development of the Pagero Network.

Cash flow from financing activities amounted to an inflow of SEK 48.6 million (outflow: 16.9), which is mainly attributable to the 2020/2023 warrants programme of 4,170,000 shares at SEK 13 that was fully subscribed during the period and contributed SEK 54.2 million to the company.

Total cash flow for the period amounted to an outflow of SEK 5.7 million (58.3).

Liquidity

Liquidity amounted to SEK 378.2 million (366.3). Available liquidity including unutilized overdraft facilities amounted to SEK 380.7 million.

Liabilities

Interest-bearing liabilities amounted to SEK 330.5 million (90.0) and consist of the loan from Ture Invest, where Pagero holds a total loan facility of SEK 1,500 million. The loan runs for four years. The interest expense is added to the liability during the first 18 months of the loan.

The loan liability of SEK 195.8 million (164.7) is additional purchase considerations for the acquisitions of Gosocket and the R&D organization in Sri Lanka.

Parent Company

The Parent Company's operations consist of performing Group-wide services. Net sales for the Parent Company amounted to SEK 1.0 million (1.0) and there was a loss before tax of SEK 9.3

million (1.7). The change from the previous year is mainly attributable to the fact that previous financing and associated interest expenses were not in the Parent Company, but in subsidiaries.

Personnel

At 31 March 2023, there were 810 employees (689). The average number of employees was 796 (659).

Significant risks and uncertainties

Significant risks, such as currency, credit risk and liquidity risk, are equivalent to those in the assessment in the 2022 annual report. We still do not see that the war in Ukraine will directly affect Pagero's operations.

Related party transactions

There are no related party transactions to report in the period.

The share

At 31 March 2023, there were 155,241,596 shares. The share price on 31 March 2023 closed at SEK 15.34 per share. Earnings per share before dilution amounted to a loss of SEK 0.39. Earnings per share after dilution amounted to a loss of SEK 0.39.

Financial targets and dividend policy

- Growth: Increase ARR to at least SEK 1,500 million at the end of the 2025 financial year.
- Profitability: Achieve an EBITA margin of around 20% at the end of the 2025 financial year with retained focus on growth.
- Dividend policy: Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend.

CONSOLIDATED INCOME STATEMENT

(SEK 000s)

	Note	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
<u>Operating income</u>				
Net sales	6	179,786	136,663	600,127
Capitalized work on own behalf		28,738	21,375	105,406
Customer acquisition expenses		3,093	2,449	30,627
Other operating income		790	2,458	5,277
		212,408	162,945	741,437
<u>Operating costs</u>				
Direct sales costs		-22,429	-17,910	-80,558
Other external expenses		-53,372	-35,817	-184,505
Personnel costs		-149,870	-114,216	-533,219
Other operating costs		0	0	-16,917
Operating profit/loss before depreciation (EBITDA)		-13,264	-4,998	-73,762
Depreciation of tangible assets		-7,819	-7,787	-29,250
Operating profit/loss after depreciation (EBITA)		-21,083	-12,784	-103,012
Amortization of intangible assets		-32,412	-25,043	-114,137
Operating profit/loss (EBIT)		-53,495	-27,632	-217,149
<u>Profit/loss from financial items</u>				
Financial income		514	198	7,938
Financial expenses		-8,914	-5,741	-64,761
Financial items		-8,400	-5,543	-56,823
Profit/loss after financial items		-61,894	-43,370	-273,972
Income tax		720	-317	-1,850
Net profit/loss for the period		-61,174	-43,687	-275,822
Attributable to:				
Shareholders of the Parent Company		-61,174	-43,687	-275,822

Consolidated statement of comprehensive income (SEK 000s)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net profit/loss for the period	-61,174	-43,687	-275,822
Items that may subsequently be reclassified to profit or loss			
Foreign exchange differences	4,557	4,682	59,275
Other comprehensive income for the period	4,557	4,682	59,275
Comprehensive income for the period	-56,618	-39,005	-216,547
Attributable to:			
Shareholders of the Parent Company	-56,618	-39,005	-216,547

CONSOLIDATED BALANCE SHEET

Assets (SEK 000s)	Note	31 March 2023	31 March 2022	31 December 2022
Fixed assets				
Capitalized development expenditures		292,309	230,653	277,734
Technology		35,573	39,765	38,943
Customer relationships		127,192	124,000	130,137
Trade marks		20,203	22,152	21,138
Goodwill		377,666	344,937	376,485
Customer acquisition expenses		20,171	9,878	23,325
Intangible assets		873,115	771,385	867,762
Rights of use		32,512	48,939	37,906
Equipment, computers and installations		27,241	25,717	27,574
Financial assets		8,958	7,998	8,857
Deferred tax assets		20,219	19,842	20,179
Total fixed assets		962,045	873,881	962,278
Current assets				
Accounts receivable		175,171	115,053	200,079
Current tax assets		7,530	4,727	2,021
Other receivables		4,046	2,053	3,985
Prepaid expenses and accrued income		32,776	23,106	32,627
Total current receivables		219,522	144,939	238,711
Cash and cash equivalents		378,220	366,313	383,921
Total current assets		597,742	511,252	622,632
Total assets		1,559,788	1,385,133	1,584,910

CONSOLIDATED BALANCE SHEET

Liabilities and equity (SEK 000s)

	Note	31 March 2023	31 March 2022	31 December 2022
Equity				
Share capital		1,584	1,542	1,542
Other contributed capital		1,374,842	1,320,672	1,320,672
Reserves		88,920	29,770	84,363
Retained earnings including profit/loss for the year		-889,141	-595,832	-827,966
Equity		576,205	756,152	578,611
<u>Non-current liabilities</u>				
Liabilities to credit institutions		330,532	0	323,030
Leasing liability		14,373	28,914	19,021
Non-current liabilities		195,843	164,689	196,064
Deferred tax		53,259	52,140	56,181
Total non-current liabilities		594,007	245,742	594,295
<u>Current liabilities</u>				
Liabilities to credit institutions		0	90,022	0
Leasing liability		18,789	20,469	19,505
Accounts payable		59,258	43,970	68,382
Other liabilities		45,392	38,813	49,518
Accrued expenses and deferred income		266,137	189,964	274,600
Total current liabilities		389,576	383,239	412,004
Total equity and liabilities		1,559,788	1,385,133	1,584,910

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK 000s)

	Share capital	Other contributed capital	Reserves	Retained earnings including profit or loss for the year	Total equity
Opening balance at 1 January 2022	1,542	1,320,851	25,088	-552,145	795,336
Profit/loss for the year	0	0	0	-275,822	-275,822
Other comprehensive income for the year	0	0	59,275	0	59,275
Total comprehensive income	0	0	59,275	-275,822	-216,546
Transaction costs, new share issue	0	-179	0	0	-179
Total transactions with shareholders, recognized directly in equity	0	-179	0	0	-179
Closing balance at 31 December 2022	1,542	1,320,672	84,363	-827,966	578,611
Opening balance at 1 January 2023	1,542	1,320,672	84,363	-827,966	578,611
Profit/loss for the year	0	0	0	-61,174	-61,174
Other comprehensive income for the year	0	0	4,557	0	4,682
Total comprehensive income	0	0	4,557	-61,174	-56,618
New share issue, warrants programme	42	54,170	0	0	54,212
Total transactions with shareholders, recognized directly in equity	42	54,170	0	0	54,212
Closing balance at 31 March 2023	1,584	1,374,842	88,920	-889,141	576,205

CONSOLIDATED CASH FLOW STATEMENT

(SEK 000s)

	Note	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Operating profit/loss		-53,495	-37,828	-217,149
Non-cash items		40,231	32,830	143,387
Interest received		514	198	7,938
Interest paid		-164	-2,537	-7,461
Income tax paid		-4,479	-3,034	-7,922
Cash flow from operating activities before changes in working capital		-17,392	-10,371	-81,208
Increase (-)/decrease (+) in accounts receivable		24,908	10,084	-74,941
Increase(-)/decrease(+) in operating receivables		-6,235	-6,207	-8,079
Increase (+)/decrease (-) in accounts payable		-9,123	1,317	25,729
Increase(+)/decrease(-) in operating liabilities		-1,828	12,720	130,657
Cash flow from changes in working capital		7,722	17,914	73,365
Cash flow from operating activities		-9,670	7,544	-7,843
<u>Investing activities</u>				
Investments in intangible assets		-36,956	-27,946	-151,857
Investments in tangible assets		-7,755	-6,320	-34,882
Acquisition of subsidiaries, less acquired cash and cash equivalents		0	-14,413	-14,219
Change in financial assets		118	-244	-1,130
Cash flow from investing activities		-44,593	-48,922	-202,088
<u>Financing activities</u>				
Loans raised		0	0	741,855
Amortization of loans		-5,650	-16,693	-572,387
New share issues for the period		54,212	-179	-179
Cash flow from financing activities		48,562	-16,872	169,289
<u>Cash flow for the period</u>		-5,701	-58,250	-40,642
Cash and cash equivalents at the beginning of the period		383,921	424,563	424,563
Cash and cash equivalents at the end of the period		378,220	366,313	383,921

GROUP KEY PERFORMANCE INDICATORS

(SEKm)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Number of customers, thousands	89.6	78.2	85.9
Growth in number of customers, %	15%	47%	14%
Number of transactions, million	17.7	15.0	64.4
Growth in number of transactions, %	18%	29%	20%
Net sales growth, %	32%	53%	36%
Organic net sales growth, %	32%	24%	23%
Recurring revenue, SEKm	154.8	120.5	520.7
Recurring revenue's share of net sales, %	86%	88%	87%
Growth in recurring revenue, %	28%	47%	33%
Customer turnover (churn)	1.8%	2.8%	1.8%
Customer lifetime value/customer acquisition cost (CLV/CAC), times	27.0	14.9	26.2
Rule of 40 in established markets (pro forma)	55%	53%	53%
Gross profit	157.4	118.8	519.6
Gross margin, %	88%	87%	87%
EBITDA	-13.3	-5.0	-73.8
EBITDA margin, %	-7.4%	-3.7%	-12.3%
EBITA	-21.1	-12.8	-103.0
EBITA margin, %	-11.7%	-9.4%	-17.2%
Adjusted EBITA	-21.1	-12.8	-86.1
Adjusted EBITA margin, %	-11.7%	-9.4%	-14.3%
Net working capital	-151.3	-127.8	-153.8
Net working capital as a share of net sales, %	-21%	-23%	-26%
Net debt	-47.7	-276.3	-60.9

PARENT COMPANY INCOME STATEMENT

(SEK 000s)

Operating income

Net sales

Operating costs

Other external expenses

Personnel costs

Other operating costs

Operating profit/loss (EBIT)

Profit/loss from financial items

Financial income

Financial expenses

Profit/loss after financial items

Profit/loss before tax

Net profit/loss for the period

Jan-Mar 2023	Jan-Mar 2022	Full year 2022
989	1,016	3,703
989	1,016	3,703
-1,245	-1,183	-3,497
-1,146	-1,550	0
0	0	-16,715
-1,403	-1,717	-23,308
492	0	7,712
-8,358	-14	-27,566
-9,269	-1,731	-43,162
-9,269	-1,731	-43,162
-9,269	-1,731	-43,162

PARENT COMPANY BALANCE SHEET

Assets (SEK 000s)	31 March 2023	31 March 2022	31 December 2022
Fixed assets			
Financial assets	2,054,754	1,596,327	2,000,780
Total fixed assets	2,054,754	1,596,327	2,000,780
Current receivables			
Receivables from Group companies	70,441	77,779	0
Other receivables	130	131	48
Prepaid expenses and accrued income	7,032	568	7,271
Total current receivables	77,603	78,478	7,319
Cash and cash equivalents	129,399	223,900	201,655
Total current assets	207,002	302,377	208,974
Total assets	2,261,756	1,898,704	2,209,754
Equity and liabilities (SEK 000s)	31 March 2023	31 March 2022	31 December 2022
Equity			
Share capital	1,584	1,542	1,542
Share premium reserve	1,799,589	1,745,420	1,745,420
Profit or loss brought forward	-43,107	55	55
Comprehensive income for the period	-9,269	-1,731	-43,162
Total equity	1,748,796	1,745,287	1,703,855
Non-current liabilities			
Liabilities to credit institutions	329,972	0	322,424
Non-current liabilities	181,459	152,189	181,696
Total non-current liabilities	511,431	152,189	504,120
Current liabilities			
Accounts payable	994	509	1,153
Other liabilities	0	97	
Accrued expenses and deferred income	534	623	625
Total current liabilities	1,528	1,229	1,778
Total equity and liabilities	2,261,756	1,898,704	2,209,754

NOTES

NOTE 1 GENERAL INFORMATION

The consolidated financial statements cover the parent company, Pagero Group AB (“the Parent Company”), with corp. ID no. 559189-9173, and its subsidiaries (“the Group”). The Parent Company is a limited liability company registered in Sweden with its registered office in Gothenburg at the address Västra Hamngatan 1, SE-411 17 Gothenburg, Sweden.

All amounts are presented in SEK thousands (SEK 000s) unless otherwise stated. Information in parentheses refers to the same period in the previous year unless otherwise stated.

NOTE 2 ACCOUNTING PRINCIPLES

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with RFR 2 and the Swedish Annual Accounts Act’s Chapter 9, Interim reports. For the Group, accounting principles and calculation principles were applied in an equivalent manner as for the 2022 annual report, which was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The IASB issued amended accounting standards and interpretations that were approved by the EU, effective on 1 January 2023. None of these have had any material impact on the Pagero Group’s financial statements.

The information on every page constitutes an integral part of the financial statement.

For a more complete presentation of accounting principles, refer to the notes in the 2022 annual report.

NOTE 3 WARRANTS

The Annual General Meeting on 22 April 2021 resolved to issue 500,000 warrants to the Board, management and employees of the Group with the aim of creating long-term commitment, which can be expected to increase interest in the business and the development of the company. The warrants were acquired at market value, which was calculated according to the Black & Scholes valuation model. The redemption period is May 2024 to July 2024. The warrant will be split 1:10 at redemption due to the share split of 1:10 that was carried out on 21 September 2021.

Each warrant entitles the holder to subscribe for one share at a predetermined exercise price three years after its issue. The warrants are acquired by those entitled to subscription against cash payment.

Warrants programme overview	Warrants Number	Exercise price SEK	Warrants after split 1:10 Number	Exercise price after split 1:10 SEK
Warrants programme 2021/2024	500,000	250	5,000,000	25.00
Total/weighted exercise price	500,000	250	5,000,000	25.00

NOTE 4 EARNINGS PER SHARE

SEK	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Earnings per share before dilution (SEK)	-0.39	-0.28	-1.79
Earnings per share after dilution (SEK)	-0.39	-0.28	-1.78
Measurements of earnings used in calculating earnings per share before and after dilution (SEKm)			
Net profit/loss for the period	-61.2	-43.7	-275.8
The profit/loss above is attributable to the Parent Company's shareholders in its entirety			
Weighted average number of shares before and after dilution			
<i>Before dilution</i>			
Weighted average number of shares when calculating earnings per share before dilution	155,241,596	154,222,263	154,222,263
<i>Warrants</i>			
Adjustments for calculation of earnings per share after dilution for warrants	-	633,167	335,039
<i>After dilution</i>			
Weighted average number of shares and potential shares used as the denominator in calculating earnings per share after dilution	155,241,596	154,855,430	154,557,302

NOTE 5 SEGMENTS

Pagero only works within the Digital messaging services segment. Revenue is distributed by revenue type below:

Analysis of revenues by revenue type	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Licence sales	72.8	55.9	239.8
Transaction sales	82.1	64.7	280.9
Service sales	24.9	16.2	79.5
Net sales	179.8	136.7	600.1

NOTE 6 ANNUAL RECURRING REVENUE (ARR)

	31 March 2023	31 March 2022	31 December 2022
Net new and extended customer contracts	412.6	303.2	390.0
Running transactions, rolling 12	210.1	181.6	199.7
Order book, new customer contracts	38.0	12.0	14.5
Total ARR	660.6	496.8	604.2
Total ARR development %	33%	45%*	27%

*The pro forma growth for 2022 amounts to 17%.

DEFINITIONS

Key performance indicators	Definition
<i>Annualized recurring revenue (ARR)</i>	Contracted recurring revenue and R12 transaction revenue (SAAS). Historical figures are adjusted for comparability.
<i>Net revenue growth</i>	Net sales of current year/net sales of the previous period.
<i>Recurrent revenues</i>	Revenues of an annual nature and refer to income from licence and transaction sales.
<i>Direct sales costs</i>	Third party costs incurred in the provisioning of the company's sold services.
<i>Gross profit</i>	Net sales less direct sales costs.
<i>Gross profit margin</i>	Gross profit as a percentage of net sales.
<i>EBITDA margin</i>	Operating profit/loss before depreciation/net sales.
<i>EBITA</i>	Operating profit/loss after depreciation of tangible assets.
<i>EBITA margin</i>	EBITA as a percentage of net sales.
<i>EBITA (Adjusted)</i>	Operating profit/loss after depreciation of tangible assets, adjusted for Other non-recurring operating expenses.
<i>EBITA margin (adjusted)</i>	Adjusted EBITA as a percentage of net sales.
<i>Operating margin</i>	Profit/loss for the period after financial items/net sales.
<i>Equity/assets ratio</i>	Adjusted equity/total assets.
<i>Number of e-transactions, millions</i>	E-transactions in the Pagero Network platform, excluding transactions through Gosocket's platform.
<i>Organic growth</i>	Growth calculated without acquisitions.
<i>FTE</i>	Full-time equivalents.
<i>Customer turnover</i>	Rolling 12-month sales value of customers who have terminated their contracts in relation to rolling 12-month recurring sales.
<i>CLV/CAC</i>	Customer lifetime value/customer acquisition cost. CLV is calculated as a new annual contract over a rolling period of 12 months multiplied by the gross margin and divided by customer turnover. CAC is calculated as sales and marketing expenses during the previous rolling 12 months.
<i>Net working capital</i>	Current assets, excluding cash and cash equivalents, less non-interest-bearing current liabilities.
<i>Net debt</i>	Current and non-current interest-bearing liabilities to credit institutions less financial assets.
<i>Established markets</i>	Pagero companies that are well established in a geographic market where they serve and invoice customers in the geography in which they are registered and in other geographic markets and generate positive results.
<i>Investment markets</i>	Pagero companies in the build-up phase that have not yet reached maturity according to the established market definition.
<i>Rule of 40</i>	Net sales growth (pro forma) plus EBITDA margin.

BOARD CERTIFICATION

The Board of Directors and CEO provide their assurance that this interim report provides an accurate overview of the operations, position and performance of the Group and the Parent Company, and that it also describes the material risks and uncertainties faced by the Parent Company and the companies within the Group.

GOTHENBURG, 11 May 2023

Birger Steen
Chairman of the Board

Fredrik Vom Hofe
Deputy Chairman of the Board

Jonas Edlund
Board Member

Christian Melby
Board Member

Karin Sandsjö
Board Member

Mats Ryding
Board Member

Bengt Nilsson
CEO and Board Member

ADDITIONAL INFORMATION

CALENDAR

Annual General Meeting 2023 – 11 May 2023

Interim Report Q2 2023 – 24 August 2023

Interim Report Q3 2023 – 2 November 2023

FINANCIAL STATEMENTS

Financial statements can be downloaded from www.pagero.com

This interim report has not been reviewed by the company's auditors.

CERTIFIED ADVISER

The company's certified advisor is Erik Penser Bank.

CONTACT PERSONS

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Jan-Olof Ohlsson

CFO

Jan-olof.ohlsson@pagero.com



An aerial photograph of a multi-lane highway cutting through a dense, lush green forest. The road is straight and stretches from the bottom of the frame towards the top. Several vehicles, including cars and a large red truck, are visible on the road. The forest is thick with trees, creating a textured green canopy on either side of the highway.

PAGERO

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