



Profits expected to be significantly lower ahead, mainly due to the following-effects from the Optin bank situation

24SevenOffice continuously develops new business areas, products and services for our customers. The part of developing the cooperation with banks are different in the way that it has depended upon third parties and at the same time has required large costs with regards to technology, compliance and other processes that has not been within the full control of 24SevenOffice, without approval from bank partners or public authorities.

Optin bank's previous shareholders decided to vote down 24SevenOffice's rescue plan last year and not fulfil Optin's obligations to 24SevenOffice. This meant that Optin bank was placed under public administration and the invoice purchase service became inactive for a period while 24SevenOffice switched to Lea bank as a subcontractor. This clearly caused churn of the customer base and increased costs for new development and integration with Lea bank's technology and platform. As Lea bank now has decided to discontinue its B2B offering, unfortunately the same process and costs for 24SevenOffice will occur again.

Deferred payment was an important growth factor in 24SevenOffice's plan ahead. It suffers from the same implications as the invoice purchase problems and postponements due to the bankruptcy of Optin bank, as 24SevenOffice did its utmost to limit the losses by entering into an agreement with Lea bank. This service will again be further postponed as a result of Lea bank discontinuing its B2B offering.

As part of the planned ramp-up of the fintech offerings, several new full-time employees and external consultants have been hired. Therefore the postponement of the invoice purchase and deferred payment will have a significant impact on the EBITDA in the coming quarters. 24SevenOffice, which is still growing continuously, will need all of these employees and consultants for other impactful revenue initiatives going forward and the postponed fintech offerings. In addition, during the first half of this year the full marketing team has been replaced with a new, highly effective and talented team coming from renowned organizations. We are thus expecting a temporary downward trend prior to positive EBITDA impact from late next year, where the length of the downward trend depends upon what effect the said events will have on earlier anticipated synergies with the new and existing business areas.

The business development team has carried much of the effort and process associated with the Optin bank situation, and therefore had less time to prioritize the integration and launch of other important revenue-generating projects, such as the payment reminder services and debt collection platform, as well as the launch of MRP and HRM solutions in the Nordics. These initiatives have been delayed with a minimum of 1-2 quarters.

The loss of the customer base, the additional costs associated with integrating to a new credit partner, the loss of delaying the invoice purchase, deferred payment service and mentioned

postponed revenue-generating initiatives causes 24SevenOffice to consider whether we can prioritize the fintech investment prior to a potential reimbursement from Optin bank's previous board and management. In total, the additional costs associated with this situation is expected to decrease the EBITDA accordingly with approximately MSEK 40-50 across the upcoming 3-4 quarters, where the largest impact has already impacted the second quarter of 2022. The losses and additional costs will also be sought to be covered in full against the board and management of Optin Bank and their insurance company.

As a result of this unfortunate situation and a conservative precaution the board has also now decided to write off the 24SevenFinans AS investment entirely, amounting to MSEK 12.8.

As the fintech and payment market is enormous, we still have high expectations for the synergies with our accounting and ERP platform. However, given the uncertainties and risk associated with relying on external credit partners and the recent events, 24SevenOffice is considering applying for its own financing license to ensure continuity and proper quality of the service in the future.

This disclosure contains information that 24SevenOffice Group AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 10-07-2022 22:25 CET.

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24SevenOffice in brief

24SevenOffice's vision is to empower businesses for the future, through delivering world class cloud based business systems. The business system is module-based, where the modules are provided independently or packaged as complete solutions. For more information see www.24sevenoffice.com