

Q3

INTERIM REPORT

July - September 2023
SpectrumOne AB (publ) 556526-6748



SPECTRUMONE

Third quarter

- Net sales amounted to SEK 3.9 (14.0*) million
- EBITDA amounted to SEK -2.2 (-0.9) million
- EBIT amounted to SEK -18.0** (-7.1) million
- EBT amounted to SEK -18.8 (-7.8) million

Significant events after the reporting period

- Cloud Explorers Solutions AS, a Norwegian subsidiary of SpectrumOne AB, announces the signing of a formal Partnership Agreement with TietoEVRY

**including revenues from the now divested companies, Ådata Infosystems, Ampilio AB and the Trigger Company AB*

***including share of earnings from our associated company EniroGroup AB.*

About SpectrumOne AB

SpectrumOne is a leading technology company delivering an advanced Data Management, Analytics & Communications platform suite. Offered in a SaaS online service shipping with rich market data from various professional providers, SpectrumOne provides a unique solution to many leading actors across industry segments in various countries. Enabling clients with fast and easy access to data insight and visualization coupled with powerful search, segmentation, and mapping features. SpectrumOne allows data to be quickly enabled and operationalized, driving activities from customer communication to data science supporting business analysis, strategy, and growth. All of which can be enabled the same day with immediate results. SpectrumOne's headquarter is based in Stockholm, Sweden, responsible for Nordic sales and strategy, with additional sales and business development located in Norway, Finland and Belgium. SpectrumOne is listed on Nasdaq First North Growth Market in Stockholm.

www.spectrumone.com



CEO STATEMENT

Dear shareholders,

Our main priority has been to close the partner agreement with Tietoevry, announced on October 16. As you all know this agreement and partnership has been long underway, due to the need to both deliver a comprehensive POC demonstrating our ability to solve actual customer requirements. Along with an extremely thorough compliance audit involving all of our processes, documentation and operations confirming and validating as a serious and professional actor. I am truly proud of the entire team that has contributed to this win.

This achievement is significant representing an important milestone for our organization. Expanding the horizons for the scale and class of future partnerships we are now able to pursue.

Together with Tietoevry we now have the PRISM platform fully deployed in their managed secure hosting environment and are concluding several rounds of solution training for both sales and operations personnel. In addition to internal use PRISM is already being introduced to their broad customer base, I am thrilled that several customer meetings already have taken place. Initial focus will be the Nordic market starting in Norway however we already are exploring via a POC opportunities in Sweden. As the partnership with Tietoevry is global in its nature, we are positive and excited to see how the partnership will develop and expand as we move forward now and onwards into 2024.

Our decision to base our value proposition around PRISM continues to receive confirmation, we acknowledge that choosing large international partners, requires comprehensive POC activities and thorough compliance audits and activities. These require and result in extended periods of silence in order to perform these activities before we are able to confirm, conclude and announce successful partnerships. I really do appreciate your patience and it can be frustrating not being able to provide details of these processes before they are complete and our partners approve any announcements. I am confident now that with our existing partnership with Dun & Bradstreet along with the newly added partnership with Tietoevry, we are well on our way to making Prism an established product in the Nordic market. To further strengthen this achievement our main focus this and the coming quarter from a development

perspective has been on PRISM mainly around scaling of management related to adding hundreds of users, organizations and datasets easily and quickly. Features I feel are very positive indications of the future developments for PRISM. In the last report I announced our efforts to pilot the first version of a ChatGPT / AI component into the platform. I am therefore happy to share that PRISM AI is now integrated into the PRISM Platform.

As regards QbiM we proceed our good performance on our consultancy business. Means have been taken to strengthen sales and our current focus is to secure and expand the business for next year.

We continue to execute on our strategy to transform QBIM from a consultancy company to a product company. Our SaaS revenues are growing on a quarterly basis, driven by new customers and price increases.

Transforming the company, our primary focus continues to be to secure a strong SaaS offering. Our work to develop our Sales application proceeds while we are considering ways to speed up the progression. The pilot for Prism Growth is ongoing, still testing the product fit and demand for this solution.

It was pleasing to note that in today's published quarterly report, Eniro delivered an EBITDA result amounting to SEK 45 million despite the economic downturn. As for Observit, it is now a completely independent company that is listed on First North since May this year with a decent share price development considering the general bad stock market climate.

Last autumn we introduced a yearly shareholder day for our shareholders to learn more about our operations. We are planning for yet another event for our shareholders to learn more about our company to take place before Christmas. Here you will have the opportunity to meet some of our employees and get live demonstrations of our platform.

Best regards

Kenneth Dalquist Valbøll

CEO



OPERATIONS

REVENUE AND EARNINGS

The consolidated income statement for the third quarter of 2023 comprises the parent company SpectrumOne AB as well as the subsidiaries VMSPlay Sweden AB, BizWell Sweden AB, Qbim AB, Cloud Explorers AS and OY Cemron AB.

Third quarter

Net sales for the third quarter of the year amounted to SEK 3.9 (14.0) million, a decrease of SEK 10.3 million. The lower net sales are caused by the sale of the shares in former subsidiaries Ådata Infosystems AB, Ampilio AB, the Trigger company AB, Growth ads Europe AB and Cloudify AB, all of which were represented in the third quarter last year. The gross profit amounted to SEK 2.9 (7.7) million for the consolidated operations, with a gross margin at 75 (55) %.

Operating expenses excluding direct costs and depreciation amounted to SEK 5.6 (11.5) million. The personnel costs in the second quarter amounts to 3.5 (5.7) million SEK. Depreciation and amortizations amounts to SEK 20.8 (21.4) million including the depreciation part of share of earnings from associated companies. The share of earnings from associated companies refers to our ownership in Eniro Group AB (publ) and amounts to SEK -8.7 million of which SEK 13.7 million refers to deprecation of goodwill related to the shares in Eniro.

Operating profit (EBIT) for the period amounted to SEK -18.0 (-7.1) million. The operating margin is negative. Net financial items amounted to SEK -0.8 million. Profit before tax for the period amounted to SEK -18.8 (-7.8) million. Earnings per share before dilution amounted to SEK -0.05 (-0.02).

First nine months

Net sales for the first nine months amounted to SEK 19.7 (59.9) million. The gross profit was SEK 12.8 (30.8) million for the consolidated operations, with a gross margin at 65 (52) %. Operating expenses excluding direct costs and depreciation amounted to SEK 22.1 (37.4) million. Depreciation amounts to SEK 35.2 (36.7) million including share of earnings from associated companies. Operating profit (EBIT) for the

period amounted to SEK -80.6 (-50.9) million. Net financial items amounted to SEK -3.1 (-5.2) million. Profit before tax for the period amounted to SEK -83.6 (56.2) million. Earnings per share before dilution amounted to SEK -0.22 (-0.14).

CASH FLOW AND FINANCIAL POSITION

Third quarter

Cash flow from operating activities before changes in working capital amounted to SEK -3.8 (-1.8) million for the third quarter. Changes in working capital have affected cash flow by SEK -4.2 (0.9) million. Cash flow from operating activities after changes in working capital amounted to SEK -7.6 (-0.8) million. Investment activities had a cash flow effect of SEK 4.5 (-2.3) million during the period. Cash flow from financing activities was SEK 0.2 (6.4).

First nine months

Cash flow from operating activities before changes in working capital amounted to SEK -10.7 (-9.1) million for the first nine months. Changes in working capital had a negative effect on cash flow of SEK -0.8 (-4.1) million. Cash flow from operating activities after changes in working capital amounted to SEK -11.5 (-13.1) million. Investment activities affected cash flow during the period with SEK 8.3 (-7.5) million. Financing activities amounted to SEK 1.5 (16.4) million.

EQUITY AND SHARE

The number of registered shares at the end of the quarter amounted to 374.220.904. The company's equity ratio amounts to 21.0 (61.6) %. The quota value for the SpectrumOne AB:s shares is SEK 0.1 per share.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Cloud Explorers Solutions AS, a Norwegian subsidiary of SpectrumOne AB, announces the signing of a formal Partnership Agreement with Tietoevry

INVESTMENTS

No material investments in tangible assets was made in the third quarter.

PERSONNEL

The number of employees at the end of the quarter amounted to 18 (31) persons.

PARENT COMPANY

The operations of the parent company include group management, finance and IR / PR. The parent company's turnover for the third quarter, which in its entirety is intra-group, amounted to SEK 0.1 (0.4) million and other income to SEK 0.1 (0.4) million. Profit before tax for the period amounted to SEK -2.2 (-6.5) million.

TRANSACTIONS WITH RELATED PARTIES

Fredric Forsman, chairman of the board, has during the quarter invoiced the company for legal services amounting to SEK 0.36 million.

RISKS

Regarding risks, please refer to the Annual Report 2022.

ACCOUNTING POLICIES

From fiscal year 2014, the annual and consolidated financial statements are established by applying the Swedish Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 Annual report and consolidated (K3).

AUDIT

This report has not been reviewed by an auditor.

ANNUAL REPORT

SpectrumOne AB's annual report has been available on the website - www.spectrumone.com, from June 28, 2023.

UPCOMING REPORTS AND EVENTS

Interim Report Q4 2023 February 28, 2024

Stockholm, November 2023

Fredric Forsman, chairman of the board
Hosni Teque-Omeirat, member
Cecilia Hjertzell, member
Örjan Berglund, member

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INCOME STATEMENT - GROUP

SEK, thousands	Q3 23	Q3 22	YTD 23	YTD 22
Net revenue	3 868	14 049	19 673	59 853
Work performed for its own use and capitalised	196	2 806	1 489	2 987
Profit from sale of subsidiaries	-	-	-	-
Other income	344	2	739	376
Total revenue	4 408	16 857	21 901	63 216
Cost of goods	-18	-12	-89	-6 588
Cost of services	-933	-6 335	-6 766	-22 434
Other external costs	-2 081	-5 791	-7 971	-14 050
Personnel costs	-3 528	-5 698	-14 053	-23 389
Depreciation and amortization	-7 141	-7 710	-21 571	-23 016
Other expenses	-15	-	-27	-
Loss on sale of subsidiaries	-	-	-7 032	-
Share of earnings from associated companies	-8 690	1 635	-44 951	-24 596
<i>Total operating expenses</i>	<i>-22 406</i>	<i>-23 911</i>	<i>-102 460</i>	<i>-114 073</i>
Operating profit	-17 998	-7 054	-80 559	-50 857
Interest income and similar items	173	-59	389	621
Interest expenses and similar items	-1 013	-1 066	-3 475	-6 292
Profit from participation in associated companies	-	376	-	376
<i>Net financial</i>	<i>-840</i>	<i>-749</i>	<i>-3 086</i>	<i>-5 295</i>
Earnings before tax	-18 838	-7 803	-83 645	-56 152
Change deferred taxes	772	772	2 242	2 317
Tax on profit	-95	-74	-326	-154
Earnings	-18 161	-7 105	-81 729	-53 989
Earnings attributable to parent company	-18 161	-7 105	-81 729	-53 989
Earnings attributable to minority interest	-	-	-	-
Earnings	-18 161	-7 105	-81 729	-53 989
Number of shares before dilution	374 220 904	374 220 904	374 220 904	374 220 904
Number of shares after dilution	374 220 904	374 220 904	374 220 904	374 220 904
Number of shares on average before dilution	374 220 904	374 220 904	374 220 904	374 220 904
Earnings per share, before dilution	-0,05	-0,02	-0,22	-0,14
Number of shares on average after dilution	374 220 904	374 220 904	374 220 904	374 220 904
Earnings per share, after dilution	-0,05	-0,02	-0,22	-0,14



BALANCE SHEET – GROUP

SEK, thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
Subscribed but unpaid share capital			
Fixed assets			
Intangible assets			
Goodwill	17 316	39 355	31 720
Intangible assets	27 494	42 730	38 956
Capital expenditure for research and development	5 837	6 088	6 552
Total Intangible assets	50 647	88 173	77 228
Tangible assets			
Equipment, tools and installations	191	147	185
Inventory	0	34	48
Total tangible assets	191	181	233
Financial assets			
Shares in associated companies	5 648	77 053	60 692
Other financial assets	13 049	13 403	13 373
Total financial assets	18 697	90 456	74 065
Total fixed assets	69 535	178 810	151 526
Current assets			
Receivables			
Account receivables	2 772	6 297	7 779
Other receivables	2 146	2 421	6 417
Tax claims	781	2 913	843
Prepayments and accrued income	462	1 335	1 132
Total receivables	6 161	12 966	16 171
Cash and bank balance	1 765	9 620	3 548
Total current assets	7 926	22 586	19 719
TOTAL ASSETS	77 461	201 396	171 245

BALANCE SHEET - GROUP

SEK, thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Equity			
Share capital	37 422	37 422	37 422
Not registered share capital			
Other capital contribution	4 018	4 018	4 018
Other equity	-25 189	82 674	56 760
Total equity	16 251	124 114	98 200
Provisions			
Deferred taxes	5 739	9 045	8 273
Total provisions	5 739	9 045	8 273
Liabilities			
Long-term liabilities			
Other long-term liabilities	1 898	0	0
Total long-term liabilities	1 898	0	0
Short-term liabilities			
Account payables	2 989	5 147	10 424
Tax liabilities	0	8	0
Convertible loans	0	0	
Other current liabilities	48 342	57 764	50 572
Accrued expenses & deferred income	2 242	5 318	3 776
Total short-term liabilities	53 573	68 237	64 772
Total liabilities	55 471	68 237	64 772
TOTAL EQUITY AND LIABILITIES	77 461	201 396	171 245

SHAREHOLDER'S EQUITY – GROUP

SpectrumOne – Report for the third quarter of 2023

Group	Share capital	Other contributed capital	Retained earnings	Total	Minority interest	Total shareholder capital
Opening balance July 1, 2023	37 422	477 470	-480 409	34 483		34 483
New share issue				-		-
Distribution of shares in subsidiary				-		-
Translation difference			-70	-70		-70
Earnings		-	-18 161	-18 161		-18 161
Closing balance Sep 30, 2023	37 422	477 470	-498 640	16 252	-	16 251

Group	Share capital	Other contributed capital	Retained earnings including this years result	Total	Minority interest	Total shareholder capital
Opening balance July 1, 2022	37 422	376 415	-283 197	130 640		130 640
New issue				-		-
Costs new issue				-		-
Distribution of shares in subsidiary				-		-
Not registered capital				-		-
Translation difference			579	579		579
Earnings			-7 105	-7 105		-7 105
Closing balance Sep 30, 2022	37 422	376 415	-289 723	124 114	-	124 114

CASH FLOW STATEMENT – GROUP

SEK, thousands	Q3 23	Q3 22	YTD 23	YTD 22
Cash flow from operating activities before working capital changes	-3 379	-1 782	-10 695	-9 069
Changes in working capital	-4 217	919	-849	-4 087
Cash flow from operating activities after working capital changes	-7 596	-863	-11 544	-13 156
Cash flow from investing activities	4 510	-2 379	8 271	-7 586
Cash flow from financing activities	199	6 388	1 490	16 387
Cash flow for the period	-2 887	3 146	-1 783	-4 355
Cash and cash equivalents at beginning	4 652	6 474	3 548	13 975
Cash and cash equivalents at end	1 765	9 620	1 765	9 620

INCOME STATEMENT – PARENT COMPANY

SEK, thousands	Q3 23	Q3 22	YTD 23	YTD 22
Net revenue	85	336	300	1 094
Other income	579	92	701	158
Total revenue	664	428	1 001	1 252
Cost of services	-	-	-	-
Other external costs	-1 454	-939	-3 994	-3 063
Personnel costs	-318	-438	-1 049	-3 145
Other expenses	-	-4 000	-	-4 000
Loss on sale of subsidiaries	-	-	-13 473	-
<i>Total operating expenses</i>	<i>-1 772</i>	<i>-5 377</i>	<i>-18 516</i>	<i>-10 208</i>
Operating profit	-1 108	-4 949	-17 515	-8 956
Share of earnings from associated companies	-	-	-	-
Interest income and similar items	20	-	21	-
Interest expenses and similar items	-1 087	-1 556	-3 484	-3 857
Profit from participation in associated companies	-	-	10 093	-
<i>Net financial</i>	<i>-1 067</i>	<i>-1 556</i>	<i>6 630</i>	<i>-3 857</i>
Earnings before tax	-2 175	-6 505	-10 885	-12 813
Group contribution	-	-	-	-
Tax on profit	-	-	-	-
Earnings	-2 175	-6 505	-10 885	-12 813

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
<i>Fixed assets</i>			
Financial assets			
Shares in subsidiaries	77 269	124 721	114 242
Shares in associated companies	153 415	186 797	186 797
Other financial assets	12 674	12 674	12 674
Total financial assets	243 358	324 192	313 713
 <i>Total fixed assets</i>	 243 358	 324 192	 313 713
 <i>Current assets</i>			
Receivables			
Account receivables	0		
Receivables from group companies	7 907	6 719	1 615
Other receivables	1 260	147	3 207
Prepayments and accrued income	120	1	46
Total receivables	9 287	6 867	4 868
 Cash and bank balance	 431	 5 581	 314
 <i>Total current assets</i>	 9 718	 12 448	 5 182
 TOTAL ASSETS	 253 076	 336 640	 318 895

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
EQUITY and LIABILITIES			
<i>Equity</i>			
Restricted equity			
Share capital	37 422	37 422	37 422
Total restricted equity	37 422	37 422	37 422
Unrestricted equity			
Not registered share capital	-	-	-
Share premium reserve	440 409	440 409	440 409
Accumulated loss	-272 609	-192 824	-192 824
Earnings	-10 885	-12 813	-26 332
Total unrestricted equity	156 915	234 772	221 253
Total equity	194 337	272 194	258 675
<i>Liabilities</i>			
Long-term liabilities			
Convertible loans	-	-	-
Total long-term liabilities	-	-	-
Short-term liabilities			
Account payables	897	326	3 289
Tax liabilities	0	8	0
Current liabilities to group companies	13 037	27 162	20 321
Convertible loans	0	-	0
Other current liabilities	44 488	36 895	36 310
Accrued expenses and deferred income	317	55	300
Total short-term liabilities	58 739	64 446	60 220
Total liabilities	58 739	64 446	60 220
TOTAL EQUITY AND LIABILITIES	253 076	336 640	318 895