



Trading update

Q3
2023



November 2023

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Q3 2023 presentation | Key takeaways

General update

- As previously communicated on 5 October Nordic Capital's acquisition of Foxway was successfully completed. Hence, the financial figures presented herein are on Foxway Group AB level and does not contain any balance sheet figures as the new capital structure was finalised after the end of the third quarter. The new capital structure will therefore be included in the financial reporting starting from the Q4-report

Financial performance

- Total revenue of SEK 2.1bn with a slight negative organic revenue growth of -1% compared to the same period last year driven by strong growth in the Recommerce segment, while CWS has seen a decrease in revenue
- Positive development in gross margin from 19.4% to 21.2% YoY driven by increased margin in the Recommerce segment and mix effects with Recommerce increasing its share of total revenue compared to CWS

- Adj. EBITDA (excl. back-to-back leasing) amounted to SEK 118m for Q3 2023 vs SEK 118m during the same period last year

Recommerce

- The strong development continued during the quarter with revenues increasing by 9% YoY
- Continued strong revenue growth in the mobile sector driven by high sourcing volumes from both existing and new partners
- Increased gross margin in the Recommerce segment due to favourable development in sourcing and remarketing pricing

Circular Workspace Solutions (CWS)

- CWS is reporting a relatively flat development on an LTM and YTD basis however, revenue in Q3 is down compared to the same period last year partly due to a more challenging market

Q3 23 LTM Key figures

SEK ~7,923m
Revenue

~SEK 1,663m
Gross profit

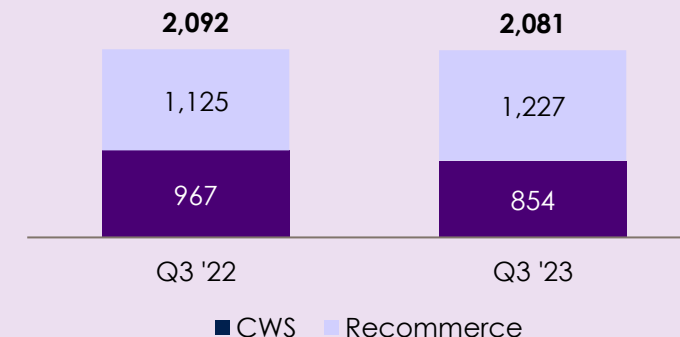
~SEK 644m
EBITDA

~SEK 373m
Back-to-back leasing
Adj. EBITDA

~4.7%
Back-to-back leasing
Adj. EBITDA margin

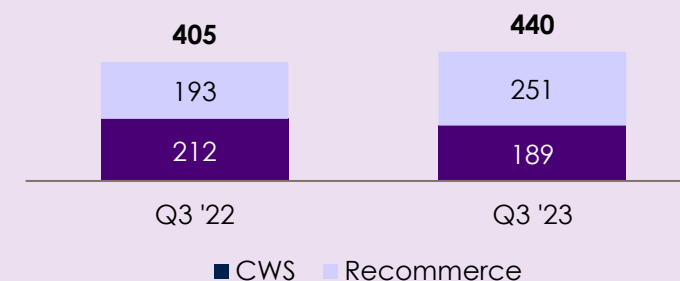
Revenues (SEKm)

(1)%



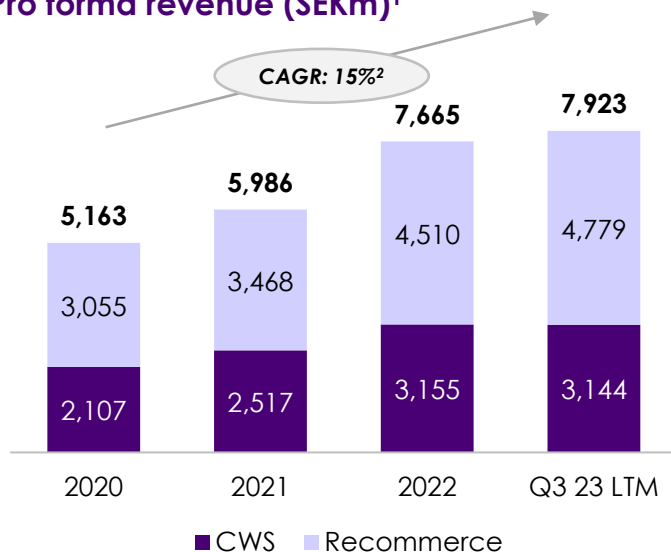
Gross Profit (SEKm)

9%

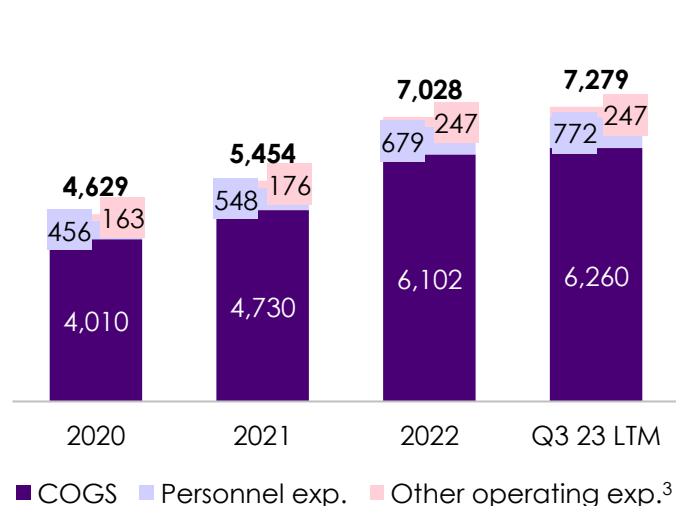


Profit and loss | Stable development in Q3 and continuation of the positive trend within Recommerce

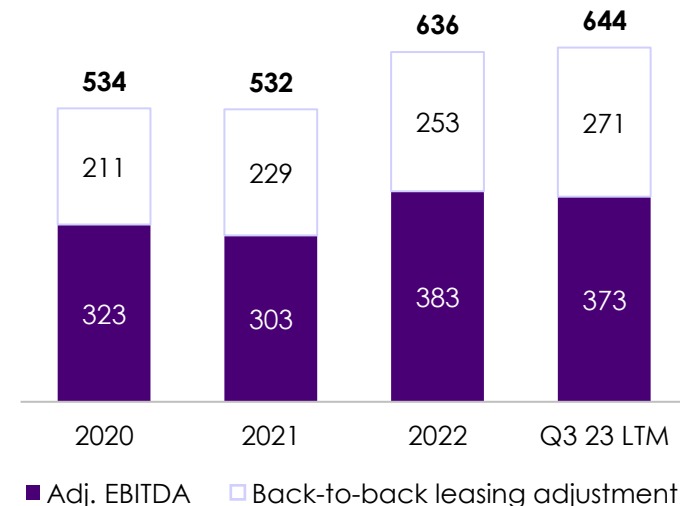
Pro forma revenue (SEKm)¹



Pro forma COGS and SG&A (SEKm)¹



Pro forma EBITDA (SEKm)¹



- Continued strong performance within the Recommerce segment with revenues increasing by 6% vs 2022 driven by high sourcing volumes from both existing and new partners
- Revenues from CWS are slightly down during the same period
- Organic CAGR growth of 15% between '20 -'Q3 23 LTM²

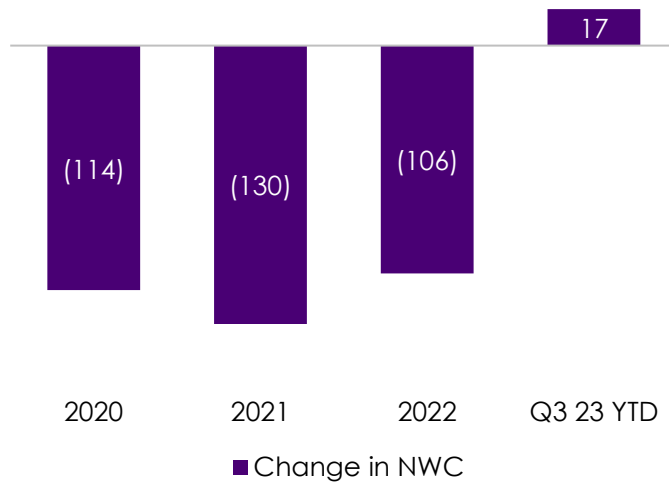
- Positive gross profit development driven primarily by an increased margin in the Recommerce segment as well as Recommerce increasing its share of total revenue
- The margin uplift in Recommerce is driven by favourable development in sourcing and remarketing pricing

- Back-to-back leasing adjustment has been made to the Adj. EBITDA in order to match (and "net-out") the leasing adjustments recorded in the P&L
- As a result of the increased investment in scale and growth, the margins has been somewhat affected in the short term, but is expected to improve going forward from realisation of synergies as well as scale benefits

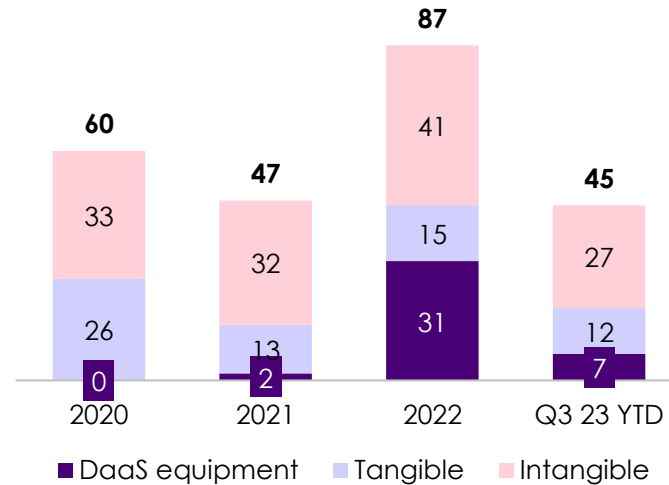
Note: 1) Teqcycle only included in the 2022 and Q3 23 LTM figures. 2) CAGR figure exclude Teqcycle revenue. 3) Other operating expenses include e.g., professional services (including contracted staff), cost of premises, IT, etc., but also include normalisation adjustments to EBITDA). Adjustments during 2022 has been redistributed throughout the year to provide a more accurate view.

Cash flow items | Cash conversion in line with historical performance

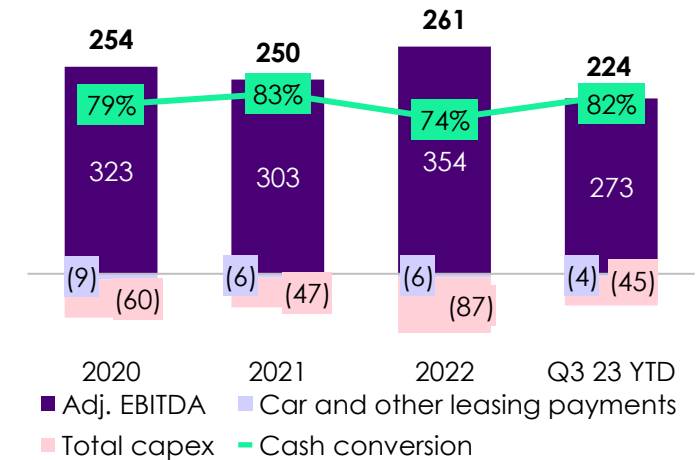
Change in net working capital (SEKm)¹



Capital expenditure (SEKm)¹



Cash flow (SEKm) and cash conversion^{1,2}



- Negative change in net working capital over the last years stemming from organic growth with relatively stable working capital to revenue ratio
- The working capital tends to be rather stable throughout the year – peaks in working capital are generally driven by larger customer roll-outs in CWS and seasonal effects in Recommerce
- Positive effect from change in NWC of SEK 17m Q3 23 YTD

- Foxway continues to have limited capex requirements (excluding leasing) with total capex of SEK 45m year to date
- DaaS-capex of SEK 7m is attributable to hardware financing for specific customer not financed via leasing

- The positive cash conversion trend continues with cash conversion year to date at 82% - returning to previous seen levels
- The positive trend vs 2022 is primarily driven by lower capex related to specific customer roll-outs

Note: 1) Teacycle only included in Q3 23 YTD. 2) Cash conversion defined as (Adj. EBITDA - car and other leasing payments - capex) / Adj. EBITDA.

Income statement

Pro forma income statement

SEKm	2020PF ¹	2021PF ¹	2022PF ¹	Q3 '22PF ¹	Q3 '23PF ¹	Q3 23 LTMPF ¹
CWS	2,107	2,517	3,155	967	854	3,144
Recommerce	3,055	3,468	4,510	1,125	1,227	4,779
Total income	5,163	5,986	7,665	2,092	2,081	7,923
COGS	(4,010)	(4,730)	(6,102)	(1,687)	(1,641)	(6,260)
Gross Profit	1,153	1,256	1,563	405	440	1,663
Margin, %	22.3%	21.0%	20.4%	19.4%	21.2%	21.0%
Personnel expenses	(456)	(548)	(679)	(157)	(192)	(772)
Other operating expenses	(211)	(243)	(344)	(78)	(95)	(358)
Adjustments	48	67	97	10	24	111 ²
Adjusted EBITDA	534	532	636	180	177	644
Back-to-back leasing adjustment (K3)	(211)	(229)	(253)	(63)	(60)	(271)
Adjusted EBITDA (excluding back-to-back K3 leasing)	323	303	383	118	118	373
Margin, %	6.3%	5.1%	5.0%	5.6%	5.7%	4.7%
Fixed assets & IT and non-leasing depreciation	(26)	(35)	(45)	(12)	(24)	(61) ³
Adjusted EBITA	297	267	338	106	94	313

Note: Based on management accounts. 1) Teqcycle only included in 2022, Q3 '22, Q3 '23, and Q3 23 LTM figures. 2) Adjustments during 2022 has been redistributed throughout the year to provide a more accurate view. 3) Includes additional write-downs of approx. SEK 5m made in connection with the merger of two former completed acquisitions in Germany.

Adjusted pro-forma operating cash flow

PF adjusted operating cash flow

SEKm	2020PF	2021PF	2022PF	Q3 23 YTD
Adjusted EBITDA including back-to-back leasing adjustment	534	532	607	471
Back-to-back leasing adjustment (K3)	(211)	(229)	(253)	(197)
Adjusted EBITDA excluding back-to-back K3 leasing	323	303	354	273
Car and other leasing payments	(9)	(6)	(6)	(4)
DaaS equipment capex	0	(2)	(31)	(7)
Tangible capex	(26)	(13)	(15)	(12)
Intangible capex	(33)	(32)	(41)	(27)
Simplified cash flow before change in working capital	254	250	261	224
Change in NWC	(114)	(130)	(106)	17
Adjusted pro-forma operating cash flow	140	120	155	241

Note: Teqcycle only included in Q3 23 YTD.

