



# QUARTERLY REPORT

## Q1/2023



## Words from HHGS Group's CEO

The group has started the new year with a promising start as revenue continues to increase. It has been a busy period for the HHGS Group, with four companies undergoing CEO changes and appointing new leadership teams. These changes bring challenges such as onboarding processes and new strategic initiatives, but they have managed their responsibilities impressively.

HHGS Group increased revenue in the first quarter compared to the previous quarter. Revenue amounted to SEK 1.88 million, which corresponds to an increase of 6.33% compared to Q4 2022 (SEK 1.77 million) and 0.78% compared to Q1 2022 (SEK 1.86 million). The group's result landed at SEK 527,000, and thus we can happily say that the year began in a very strong way.

During the first quarter of 2023, the subsidiaries have had many appreciated staff activities. For example, Handels Capital Management has traveled to Stockholm to network with some of Sweden's best analysts, fund managers, and investors. In addition, several companies have hired many new consultants while making significant investments in both sales and personnel. Furthermore, the contact with our owner HHGS has been strengthened through various workshops, events, and a joint commitment to social sustainability via the Winningtemp platform.

In the next quarter, a new CEO and CFO will be appointed at HHGS Holding, which also involves comprehensive onboarding. Additionally, two of our subsidiaries will exchange premises with each other to optimize and streamline our office space. In addition, we will be hosting an open house to recruit new students. The group's joint event committee also aims to organize a dinner for all companies to end the spring semester and increase camaraderie. Of course, the work to become sustainability certified and meet the owners' directives continues. All of this gives us positive conditions to continue our growth and development going forward!

Best regards,

Gabriella Näslund, Chief Executive Officer

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Gothenburg 2023-01-20



# Q1 2023



## HHGS Group

| Income Statement                  | 2022        |             |             |             | 2023        | Annually        |               |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------|---------------|
|                                   | Q1          | Q2          | Q3          | Q4          | Q1          | R12             | 2022          |
| Revenue                           | 1 863 018   | 2 760 263   | 1 255 833   | 1 765 737   | 1 877 518   | 7 659 350       | 1 877 518     |
| Total Expenses                    | (1 575 644) | (1 553 200) | (1 217 212) | (1 869 099) | (1 350 617) | (5 990 128)     | (1 350 617)   |
| Operating Expenses                | (640 456)   | (554 060)   | (748 843)   | (934 124)   | (578 232)   | (2 815 260)     | (578 232)     |
| Personnel Expenses                | (934 731)   | (999 173)   | (468 369)   | (935 060)   | (773 232)   | (3 175 833)     | (773 232)     |
| Financial Expenses                | (457)       | 33          | -           | 86          | 728         | 847             | 728           |
| Net Income                        | 287 374     | 1 020 273   | 38 495      | (103 250)   | 527 141     | 1 482 659       | 527 141       |
| <b>Balance Sheet</b>              |             |             |             |             |             | <b>ΔQ1 2022</b> | <b>ΔQ1-Q4</b> |
| Cash                              | 12 671 806  | 13 991 152  | 13 615 978  | 13 091 618  | 12 768 514  | 96 708          | (323 104)     |
| Accounts Receivable               | 1 635 538   | 885 772     | 603 922     | 1 866 174   | 1 601 053   | (34 485)        | (265 121)     |
| Total Assets                      | 19 937 153  | 19 946 636  | 19 761 265  | 20 336 006  | 20 350 932  | 413 779         | 14 926        |
| Share Equity                      | 500 000     | 500 000     | 500 000     | 500 000     | 500 000     | -               | -             |
| Total Equity                      | 16 691 347  | 16 510 505  | 18 584 254  | 18 590 195  | 18 891 076  | 2 199 729       | 300 881       |
| Short-Term Debt                   | 2 201 832   | 1 723 282   | 1 221 947   | 2 229 123   | 1 459 856   | (741 976)       | (769 267)     |
| <b>Sales &amp; Employees</b>      |             |             |             |             |             | <b>R12</b>      |               |
| Sales                             | 1 750 719   | 2 270 059   | 1 577 992   | 2 539 661   | 1 618 364   | 8 006 076       |               |
| Employees                         | 129         | 104         | 107         | 115         | 117         | 111             |               |
| Men                               | 59          | 49          | 50          | 63          | 61          | 56              |               |
| Women                             | 72          | 55          | 57          | 52          | 56          | 55              |               |
| <b>Key Performance Indicators</b> |             |             |             |             |             | <b>R12</b>      |               |
| Profitability on Equity           | 1.7 %       | 6.2 %       | 0.2 %       | (0.6) %     | 2.8 %       | 2.2 %           |               |
| Capital Turnover Rate             | 9.3 %       | 13.8 %      | 6.4 %       | 8.7 %       | 9.2 %       | 9.5 %           |               |
| Profit Margins                    | 15.4 %      | 37.0 %      | 3.1 %       | (5.8) %     | 28.1 %      | 15.6 %          |               |
| Dupont                            | 1.4 %       | 5.1 %       | 0.2 %       | (0.5) %     | 2.6 %       | 1.8 %           |               |
| Solidity                          | 83.7 %      | 82.8 %      | 94.0 %      | 91.4 %      | 92.8 %      | 90.3 %          |               |
| Cash Liquidity                    | 649.8 %     | 863.3 %     | 1 163.7 %   | 671.0 %     | 984.3 %     | 920.6 %         |               |
| Cash Persistence                  | 20 Quarters | 25 Quarters | 18 Quarters | 14 Quarters | 22 Quarters | 20 Quarters     |               |

\* All numbers are reported in SEK

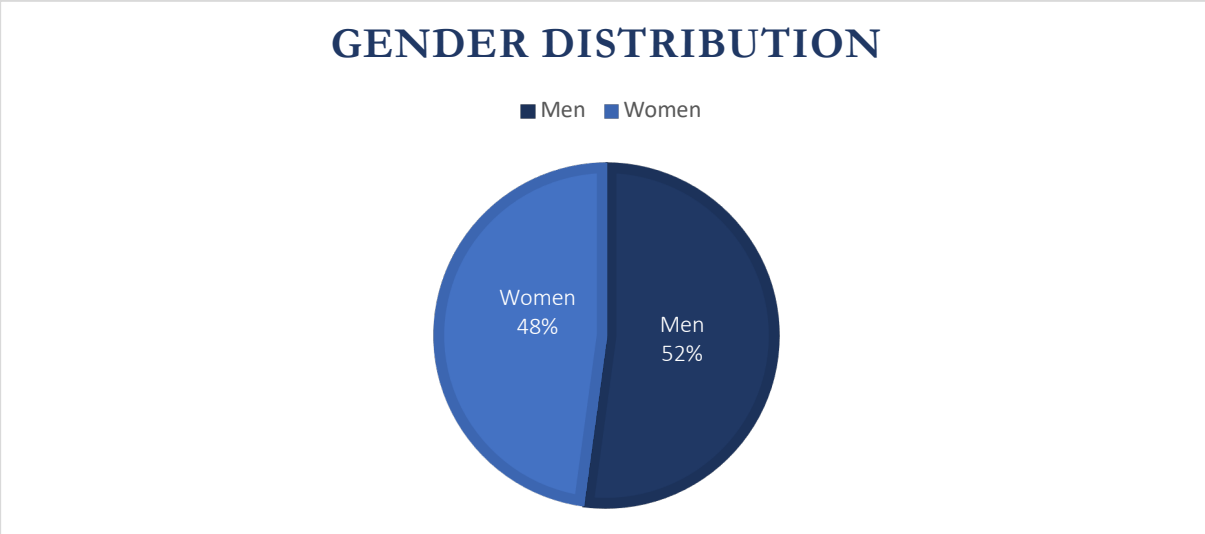
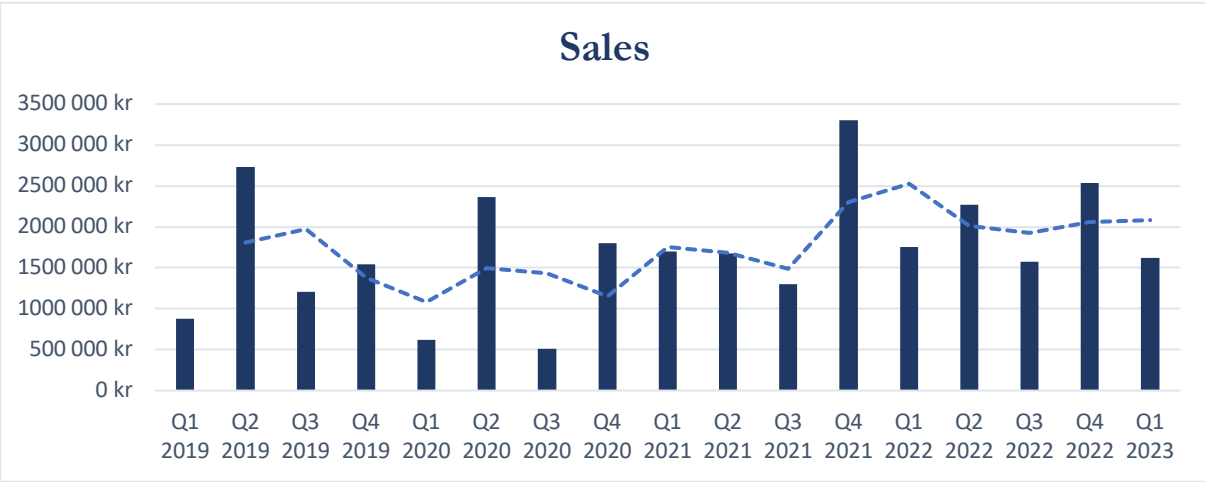
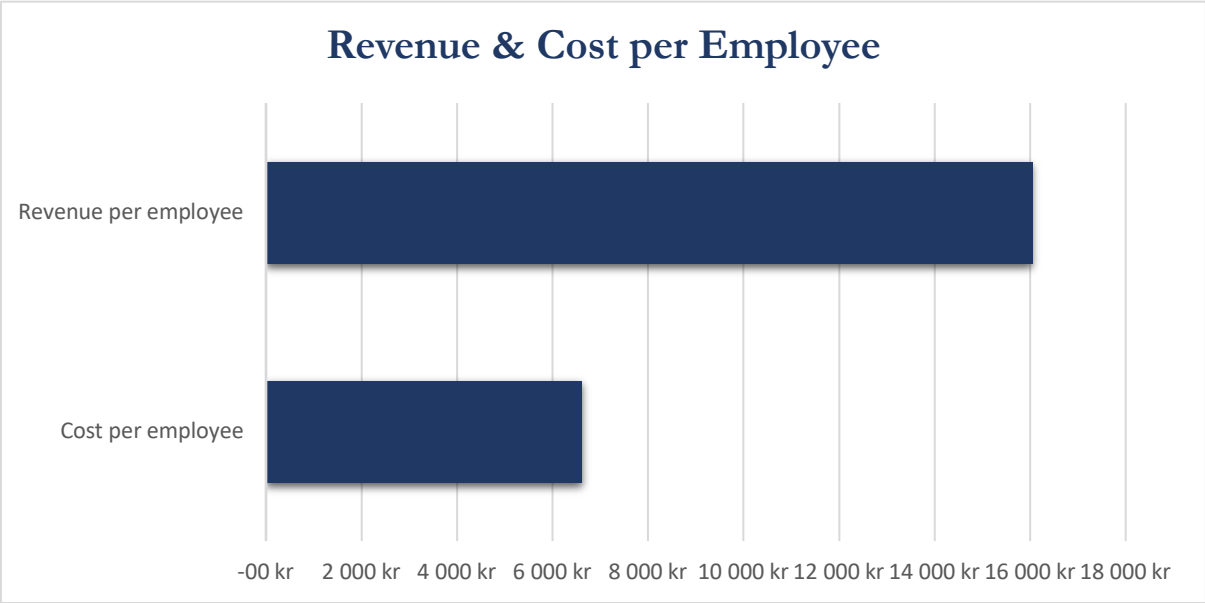
### The Income Statement is excluding HHGS Holding AB

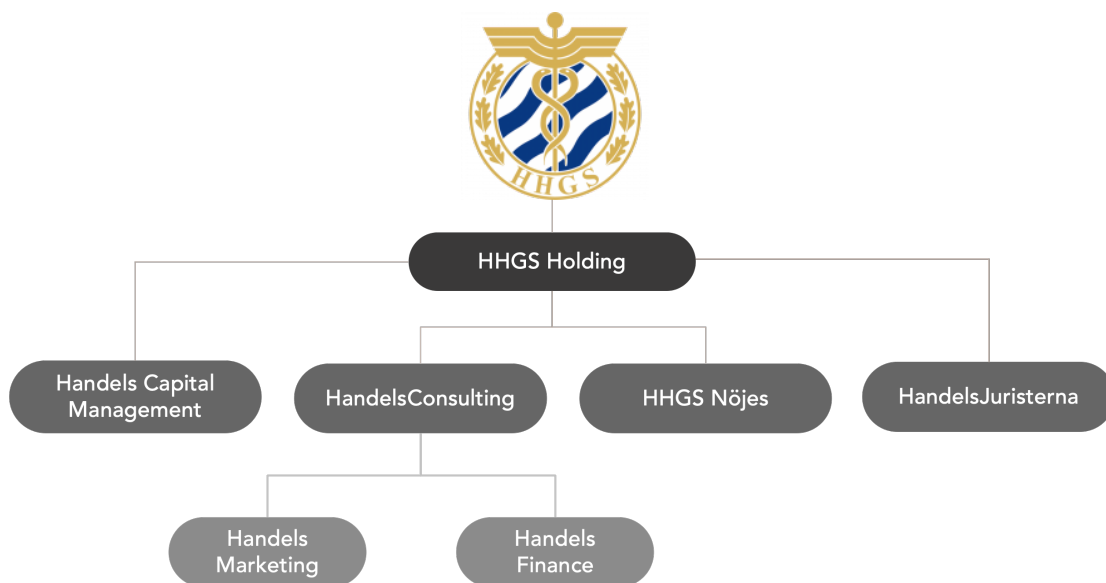
# HHGS Holding AB (Parent Company)

| Income Statement                  | 2022        |             |             |             | 2023        | Annually         |               |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|------------------|---------------|
|                                   | Q1          | Q2          | Q3          | Q4          | Q1          | R12              | 2022          |
| Revenue                           | 567 122     | 9 388       | 589 180     | 300 831     | 588 875     | 1 488 274        | 588 875       |
| Operating Expenses                | (267 052)   | (244 151)   | (278 125)   | (224 829)   | (525 515)   | (1 272 620)      | (525 515)     |
| Personnel Expenses                | (24 204)    | (31 020)    | (23 425)    | (42 997)    | (23 865)    | (121 307)        | (23 865)      |
| Financial Expenses                | 67 860      | 112 278     | 55 893      | (25 531)    | 59 809      | 202 449          | 59 809        |
| Net Income                        | 343 726     | (153 505)   | 343 523     | 7 474       | 99 304      | 296 796          | 99 304        |
| <b>Balance Sheet</b>              |             |             |             |             |             | <b>ΔQ1 2022</b>  | <b>ΔQ1-Q4</b> |
| Cash & Cash Equivelent            | 7 398 123   | 7 608 602   | 7 633 408   | 7 324 757   | 6 150 099   | (1 248 024)      | (1 174 658)   |
| Accounts Receivable               | 300 130     | (10 474)    | (1 636)     | 309 039     | 369 898     | 69 768           | 60 859        |
| Total Assets                      | 11 607 039  | 11 224 453  | 11 380 693  | 11 356 365  | 11 368 169  | (238 870)        | 11 804        |
| Share Equity                      | 100 000     | 100 000     | 100 000     | 100 000     | 100 000     | -                | -             |
| Total Equity                      | 11 531 574  | 10 925 875  | 11 269 238  | 11 276 676  | 11 249 249  | (282 325)        | (27 427)      |
| Short-Term Debt                   | 75 465      | 298 577     | 111 454     | 79 689      | 118 920     | 43 455           | 39 231        |
| <b>Employees</b>                  |             |             |             |             |             | <b>R12</b>       |               |
| Employees                         | 2           | 2           | 2           | 2           | 2           | 2                |               |
| Men                               | 2           | 2           | 1           | 1           | 1           | 1,25             |               |
| Women                             | 0           | 0           | 1           | 1           | 1           | 0,75             |               |
| <b>Key Performance Indicators</b> |             |             |             |             |             | <b>Snitt R12</b> |               |
| Profitability on Equity           | 3,0 %       | (1,4) %     | 3,0 %       | 0,1 %       | 0,9 %       | 0,6 %            |               |
| Capital Turnover Rate             | 4,9 %       | 0,1 %       | 5,2 %       | 2,6 %       | 5,2 %       | 3,3 %            |               |
| Profit Margins                    | 60,6 %      | (1 635,1) % | 58,3 %      | 2,5 %       | 16,9 %      | (389,4) %        |               |
| Dupont                            | 3,0 %       | (1,4) %     | 3,0 %       | 0,1 %       | 0,9 %       | 0,6 %            |               |
| Solidity                          | 99,3 %      | 97,3 %      | 99,0 %      | 99,3 %      | 99,0 %      | 98,7 %           |               |
| Cash Liquidity                    | 10 201,1 %  | 2 544,8 %   | 6 847,5 %   | 9 579,5 %   | 5 482,7 %   | 6 113,6 %        |               |
| Cahs Persistence                  | 25 Quarters | 28 Quarters | 25 Quarters | 27 Quarters | 11 Quarters | 23 Quarters      |               |
| <b>Overview</b>                   |             |             |             |             |             | <b>Acc. R12</b>  |               |
| Revenue                           | 567 122     | 9 388       | 589 180     | 300 831     | 588 875     | 1 488 274        |               |
| Expenses                          | (223 396)   | (162 893)   | (245 657)   | (293 357)   | (489 571)   | (1 191 478)      |               |
| Net Income                        | 343 726     | (153 505)   | 343 523     | 7 474       | 99 304      | 296 796          |               |

**HHGS Holding's revenues includes internally billed management fee, office rent and WiFi for the subsidiaries. Operational expenses consist of office rent, WiFi and other operational activities.**

# HHGS Group's KPIs





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