The Board of Directors and CEO of

Genexis Group AB

Org. no. 559364-6002

hereby submit

The Annual Report and Consolidated Financial Statements

for 1 January – 31 December 2023

Registered office of the Board of Directors: Stockholm
Company accounting currency: EURO (EUR)

Contents

Report from the Management

Information about the business

Genexis Group AB (559364-6002), which has its registered office in Stockholm, was founded in 2022. The operations of the Company comprise the management of, and provision of advice to, its subsidiaries. Revenues comprise management fees and service charges, while operating expenses mainly consist of salaries, consultancy fees and system costs.

Otherwise, Genexis Group AB and its subsidiaries ("the Group") operate through the two wholly owned subsidiaries of the Group's subsidiary Inteno Group AB (which changed its name to Genexis International AB in 2024): Genexis Sweden AB ("*Genexis Sweden*"), org. no. 556435-0733, with its registered office in Stockholm, and IOPSYS Software Solutions AB (*"IOPSYS"*) and associated subsidiaries, org. no. 559104-0786, with its registered office in Stockholm.

As Genexis Group AB was founded during the course of 2022, the comparative figures for the year are not full-year figures.

Group
The Group operates through wholly owned subsidiaries in Sweden, the Netherlands, Norway, Finland, Denmark, Belgium, Germany, Italy the UK and Poland. The Belgian subsidiary, Genexis Belgium B.V., is a development centre for cloud and application platforms.

The Group develops and markets proprietary Customer Premises Equipment (CPE) & Residential Gateway products within Fibre to the Home (FTTH) broadband and triple play as well as certain complementary products from subcontractors. The Group is mainly oriented towards European operators, network owners, system integrators and retailers. Sales of CPE products are supplemented by the development and sale of a cloud platform (CloudSight). It also conducts software development for embedded systems and operating systems for customer-placed Customer Premises Equipment, such as Wi-Fi, where the primary product is the IOWRT operating system.

The Group's overall strategic objective is to achieve growth and profitability by producing and supplying first-class CPE products and solutions for fast fibre connections in the home, with a focus on European operators and network owners. The Group occupies a strong market position in countries such as Benelux and Germany and in the Nordic and the Baltic countries.

The vision is to establish the Group as the leading player on the European market for broadband communications by continuously developing and delivering superior access products and solutions for the connected home.

The Group's sales take place within the following areas:

- CPE (Customer Premises Equipment)
  - Fibre-to-the-Home
  - Connected Home (including IOWRT operating system)
- Software Licences
  - Connectivity Management
- Complementary products
  - Network (3rd Party) and Optic

During the year, CPE accounted for approximately 81% of the Group's total turnover. Complementary products accounted for approximately 17% of the Group's turnover and represent an important part of the business. Software Licences accounted for 2% of sales in 2023.

The Group's net sales in 2023 amounted to EUR 69.7 million compared with the previous year (EUR 28.0 million).

The Group's consolidated EBITDA amounted to EUR 7.7 million (EUR 6.5 million) and operating profit (EBIT) amounted to EUR -4.7 million (EUR 3.9 million).
Depreciation during the financial year totalled EUR 12.4 million (EUR 2.6 million).

Parent company

The parent company's revenue for 2023 amounted to EUR 1.1 million (0.2), while operating profit amounted to EUR -0.4 million (-1.4). Net financial items totalled EUR 6.7 million (-0.5).

Multi-year comparison

Group **Amounts in EUR thousand (TEUR)**	**01/01/2023** **31/12/2023**	**08/02/2022** **31/12/2022**
Net sales	69,688	28,028
Operating profit excluding depreciation,amortisation and impairment, EBITDA	7,719	6,535
Operating margin, %, EBITDA	11%	23%
Total assets	118,556	139,967
Equity	25,390	40,274
Equity ratio, %	21%	29%
Average number of employees	156	156

At the end of the financial year, the Group has credit facilities of EUR 55 million in the form of a bond with a term of four years, which will be settled on 6 September 2026. The Group also has a shareholder loan of EUR 4.4 million (3.8).

The Group's equity totalled EUR 25.4 million (40.3) as at 31 December 2023.

Parent company **Amounts in EUR thousand (TEUR)**	**01/01/2023** **31/12/2023**	**08/02/2022** **31/12/2022**
Net sales	1,144	216
Operating profit excluding depreciation,amortisation and impairment, EBITDA	-396	-1,365
Operating margin, %, EBITDA	neg	neg
Total assets	118,241	119,388
Equity	48,647	42,328
Equity ratio, %	41%	35%
Average number of employees	1	1

Significant events during the year

During the year, Genexis Group AB's bond of EUR 55 million was listed on Nasdaq Stockholm (previously the bond was listed on Frankfurt's Open Market).

The higher interest rates in 2023 compared with previous years had a negative impact on the willingness to invest of many companies, which in turn meant the fibre rollout in Continental Europe slowed during the year. Combined with the fact that many of the Group's customers began the year with well-stocked warehouses, this meant that order intake gradually decreased during the first half of the year. The order flow increased after the summer, but the full effects of this will only be seen in the longer term.

The Group underwent restructuring during the year and operations are now conducted primarily within the two business units of FTTH and Connected Home.

Internal control and financial reporting
The Group continued its internal control work during the financial year and improved regulatory compliance within the business in general. The systems and tools implemented in 2022 have now been improved with robust structures and associated processes. Work continues to further strengthen this area in 2024.

Significant events after the end of the financial year for the Group

The start-up of operations in the USA was initiated at the beginning of 2024.

Expected future developments, including significant risks and uncertainties

The Group continues to hold a market-leading position within the CPE area in Europe. The Group's presence on a major geographical market entails more opportunities for expansion, thereby reducing its risks in relation to temporary downturns on certain markets. The Group is developing a common product portfolio that will strengthen its positions on each market. The prevailing global economic turbulence prompted customers to delay placing orders in early 2023, preventing growth. For 2024, the outlook is once again positive, with increased order inflow at the beginning of the year.

The market and demand for the Group's products remain unchanged, giving the Group a positive future outlook. With greater customer diversification on more markets, the operational risks of the business for the Group are expected to continue to decrease. All in all, the Group is well equipped for the future.

Research and development

During the year, the Group continued to develop software and CPE hardware, and a total of EUR 6.9 million (2.8) was capitalised during the year. Capitalised development costs are written off over five years.

For the Group as a whole, significant investments will also be made in research and development in 2024. Over time, research and development expenses as a percentage of sales are expected to reduce.

Ownership

Genexis Group AB is wholly owned by Inteno Holding AB.

Inteno Holding AB is in turn owned 38.6% by Accent Equity 2017 AB, which is owned by Accent Equity AB. Schelp Holding B.V. owns 23.1%, Unigestion Secondary V SCS-SICAV-RAIF owns 22.2% and Simac Techniek N.V. owns 10.4% of Inteno Holding AB. The remainder is owned by senior executives within the Group.

Financial instruments

Risk management is handled by the Group's finance function and is reported to the Board of Directors. This risk management involves an assessment of the financial risks that exist at different times in close cooperation with the Group's operational entities.

For a more detailed description of the Group's financial risk management, see the section on Financial risk management, Note 2 in the additional information.

Currency risks

Exchange rate fluctuations entail a risk of having a negative impact on the Group's financial position, profitability and cash flow. The Group is affected by exchange rate fluctuations through transaction exposure and translation exposure. The Group primarily has income and expenses in EUR, USD, SEK and GBP, and to a lesser extent in other currencies. Interest rate risk refers to the risk of fluctuations in the Group's interest expenses on loans due to changes in market interest rates.

The Group takes a pro-active approach to currency risks in order to minimise its currency exposure. Portions of sales are hedged through currency clauses, or are hedged by buying and selling in the same currency. The Group has a cash pool that includes the majority of the group companies. This enables the group companies in the cash pool to utilise currency surpluses in different currencies without the need for currency exchange.

Interest rate risk is managed through active liquidity management.

Credit risk

The Group has no significant concentration of credit risks. The Group has established guidelines for securing the sales of services to customers with an appropriate credit background.

Liquidity risk

In addition to cash flow generated by operating activities, the Group's subsidiaries in the Netherlands and Germany have factoring arrangements.

Recommended appropriation of profit

The Board of Directors recommends that the available profit (EUR):

Share premium reserve	1,527,892
Retained earnings	40,690,663
Profit/loss for the year	6,319,124
	48,537,679
be appropriated so that the following is carried forward	48,537,679
	48,537,679

The financial results and position in general of the Group and the parent company are presented in the following income statements and balance sheets, as well as the cash flow statements and associated notes.

Consolidated income statement

Amounts in EUR thousand (TEUR)	Note	01/01/2023 31/12/2023	08/02/2022 31/12/2022
Net sales	4	69,688	28,028
Capitalised work on own account		6,851	2,807
Other operating income	6	2,494	1,618
Total income		**79,033**	**32,453**
Cost of goods sold		-46,966	-16,586
Other external costs	7	-9,386	-2,508
Personnel costs	8	-14,962	-5,769
Depreciation, amortisation and impairment	11, 12	-12,425	-2,610
Other operating expenses	6	-	-1,055
Total operating expenses		**-83,739**	**-28,529**
Operating profit/loss		**-4,706**	**3,924**
Financial income	9	225	957
Financial expenses	9	-7,482	-1,961
Net financial items		**-7,257**	**-1,005**
Profit/loss before tax		**-11,964**	**2,920**
Income tax	10	355	-2,331
Profit/loss for the year		**-11,608**	**588**
Earnings per share:			
before dilution		-106.20	5.39
after dilution		-106.20	5.39
Number of shares before dilution (‘000s)		109	109
Number of shares after dilution (‘000s)		109	109

Consolidated statement of other comprehensive income

Profit/loss for the year	**2023**	**2022**
Of which profit/loss attributable to Parent Company shareholders	-11,608	588
	-11,608	588
Other comprehensive income		
Items that have been or may be reclassified to profit/loss for the year	-	-
Translation differences for the year on the translation of foreign operations	-3,279	-1,131
Total comprehensive income for the year	**-14,887**	**-543**
Comprehensive income for the year attributable to:		
Parent Company shareholders	-14,887	-543
Non-controlling interests		

Consolidated balance sheet

Amounts in EUR thousand (TEUR)	Note	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
Goodwill	11	53,324	64,111
Intangible assets	11	45,445	30,864
Right-of-use assets	12	627	1,422
Tangible fixed assets	12	2,062	1,968
Deferred tax assets	10	26	964
Financial fixed assets	13	8	8
Total fixed assets		**101,442**	**99,337**
Current assets			
Inventories	14	8,551	12,530
Accounts receivable	15	6,975	8,831
Tax assets	10	354	139
Other receivables		197	545
Prepaid expenses and accrued income	16	1,037	1,148
Cash and cash equivalents	17	-	17,437
Total current assets		**17,114**	**40,631**
TOTAL ASSETS		**118,556**	**139,967**

Consolidated balance sheet

Amounts in EUR thousand (TEUR)	Note	31/12/2023	31/12/2022
EQUITY	18		
Share capital		108	108
Other contributed capital		40,712	40,712
Other reserves		-4,354	-1,131
Retained earnings, including profit/loss for the year		-11,076	588
Total equity		**25,390**	**40,278**
LIABILITIES			
Non-current liabilities			
Borrowing from credit institutions	19	55,142	55,579
Loans from related parties	19	4,409	3,950
Deferred tax liabilities	10	8,481	1,713
Other provisions		182	132
Total non-current liabilities		**68,214**	**61,374**
Current liabilities			
Current interest-bearing liabilities	20	2,132	801
Accounts payable		9,013	12,463
Tax liabilities	10	817	844
Other liabilities	20	9,223	20,341
Accrued expenses and prepaid income	21	3,767	3,866
Total current liabilities		**24,952**	**38,316**
TOTAL LIABILITIES AND EQUITY		**118,556**	**139,967**

Consolidated statement of changes in equity

Amounts in EUR thousand (TEUR)	Note	Share capital	Other contributed capital	Other reserves	Retained earnings, including profit/loss for the year	Total equity
Equity brought forward as at 8 February 2022		**60**				**60**
Non-cash issue		49	1,528			**1,577**
Shareholder contributions			42,602			**42,602**
Transactions with shareholder base			-3,418			**-3,418**
Profit/loss for the year					588	**588**
Other comprehensive income		-1		-1,131		**-1,132**
Equity carried forward as at 31 December 2022	**18**	**108**	**40,712**	**-1,131**	**588**	**40,277**

Amounts in EUR thousand (TEUR)	Note	Share capital	Other contributed capital	Other reserves	Retained earnings, including profit/loss for the year	Total equity
Equity brought forward as at 1 January 2023		**108**	**40,712**	**-1,131**	**588**	**40,277**
Profit/loss for the year					-11,608	**-11,608**
Other comprehensive income				-3,233	-56	**-3,279**
Equity carried forward as at 31 December 2023	**18**	**108**	**40,712**	**-4,354**	**-11,076**	**25,390**

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT

Amounts in EUR thousand (TEUR)	Note	01/01/2023 31/12/2023	08/02/2022 31/12/2022
Cash flow from operating activities			
Operating profit/loss		-4,706	3,924
- Reversal of depreciation/amortisation/impairment	11, 12	12,425	2,607
- Other non-cash items	5	50	-104
Interest received		99	957
Interest paid		-7,083	-1,382
Taxes paid		-1,757	-1,505
Cash flow from operating activities before changes in working capital		**-972**	**4,497**
Changes in working capital			
Increase/decrease in inventories		3,940	-940
Increase/decrease in accounts receivable		1,777	6,719
Increase/decrease in other current receivables		447	-136
Increase/decrease in accounts payable		-3,226	-722
Increase/decrease in other current liabilities		-1,411	-9,758
Cash flow from operating activities		**555**	**-340**
Cash flow from investing activities			
Investments in intangible fixed assets	11	-8,272	-3,126
Business combinations		-12,093	-28,479
Investments in other financial fixed assets		-120	-576
Cash flow from investing activities		**-20,485**	**-32,181**
Cash flow from financing activities			
New share issue		0	33,872
New borrowings	2	1,022	58,950
Amortisation of debt		0	-33,830
Increase/decrease in current financial liabilities		-151	-5,615
Dividend paid		0	-3,418
Cash flow from financing activities		**871**	**49,959**
Non-recurring items		-95	0
Cash flow for the period		**-19,154**	**17,437**
Cash and cash equivalents at start of period		17,437	0
Exchange differences in cash and cash equivalents		-415	0
Cash and cash equivalents at end of period		**-2,132**	**17,437**

Parent company income statement

Amounts in EUR thousand (TEUR)	Note	01/01/2023 31/12/2023	08/02/2022 31/12/2022
Net sales	4	1,144	216
Other income		15	1
Total income		**1,159**	**217**
Other external costs		-1,230	-1,431
Personnel costs	8	-325	-152
Depreciation, amortisation and impairment			
Other costs		0	-6
Operating profit/loss		**-396**	**-1,372**
Income from participations in group companies		13,874	0
Other interest income and other similar income statement items	9	508	790
Interest expenses and other similar income statement items	9	-7,666	-1,332
Profit/loss before tax		**6,320**	**-1,914**
Tax on profit/loss for the year	10	0	121
Profit/loss for the year		**6,320**	**-1,793**

Parent company balance sheet

Amounts in EUR thousand	Note	31/12/2023	31/12/2022
ASSETS			
Participations in group companies	22, 26	117,518	117,518
Deferred tax assets	10	121	121
Total fixed assets		**117,639**	**117,639**
Receivables from group companies		58	85
Other current receivables		28	6
Prepaid expenses and accrued income	17	516	730
Cash and cash equivalents		0	927
Total current assets		**602**	**1,749**
TOTAL ASSETS		**118,241**	**119,388**

Parent company balance sheet

Amounts in EUR thousand	Note	01/01/2023 31/12/2023	08/02/2022 31/12/2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	18	109	109
Total restricted equity		**109**	**109**
Unrestricted equity			
Share premium reserve		1,528	1,528
Shareholder contributions		42,484	42,484
Retained earnings		-1,793	0
Profit/loss for the year		6,320	-1,793
Total unrestricted equity		**48,538**	**42,219**
Total equity		**48,647**	**42,328**
Non-current liabilities			
Debts to credit institutions	19	55,000	55,000
Debts to group companies	19	4,409	3,810
Total non-current liabilities		**59,409**	**58,810**
Current liabilities			
Overdraft		3,032	0
Debts to group companies		448	139
Accounts payable	20	87	73
Additional purchase consideration	20	6,428	17,972
Other current liabilities		60	8
Accrued expenses and prepaid income	21	130	58
Total current liabilities		**10,185**	**18,250**
TOTAL LIABILITIES AND EQUITY		**118,241**	**119,388**

Parent company statement of changes in equity

Amounts in EUR thousand (TEUR)	Note	Share capital	Shareholder contributions	Share premium reserve	Retained earnings, including profit/loss for the year	Total equity
Equity brought forward as at 8 February 2022		**60**	**0**	**0**	**0**	**60**
Non-cash issue		49	0	1,528	0	**1,577**
Profit/loss for the year		0	0	0	-1,793	**-1,793**
Shareholder contributions		0	42,484	0	0	**42,484**
Equity carried forward as at 31 December 2022		**109**	**42,484**	**1,528**	**-1,793**	**42,328**

Amounts in EUR thousand (TEUR)	Note	Share capital	Shareholder contributions	Share premium reserve	Retained earnings, including profit/loss for the year	Total equity
Equity brought forward as at 1 January 2023		**109**	**42,484**	**1,528**	**-1,793**	**42,328**
Profit/loss for the year					6,319	**6,319**
Equity carried forward as at 31 December 2023		**109**	**42,484**	**1,528**	**4,526**	**48,647**

Parent company cash flow statement

Amounts in EUR thousand (TEUR)	**Note**	**01/01/2023 31/12/2023**	**08/02/2022 31/12/2022**
Cash flow from operating activities			
Operating profit/loss		-396	-1,372
Other non-cash items	5	-268	783
Interest paid		-6,440	-1,326
Cash flow from operating activities before changes in working capital		**-7,104**	**-1,914**
Changes in working capital			
Operating receivables		219	-821
Operating liabilities		455	278
Cash flow from changes in working capital		**674**	**-543**
Cash flow from operating activities		**-6,310**	**-2,457**
Cash flow from investing activities			
Investment in shares in subsidiaries		-12,063	-84,522
Cash flow from investing activities		**-12,063**	**-84,522**
Cash flow from financing activities			
New share issue		0	60
Shareholder contributions received		0	29,096
New borrowings during the year		539	58,810
Dividend received		13,875	0
Cash flow from financing activities		**14,414**	**87,906**
Cash flow for the period		**-3,959**	**927**
Cash and cash equivalents at start of period		927	0
Cash and cash equivalents at end of period		**-3,032**	**927**

Notes, common to parent company and group

Note 1 Accounting and valuation policies

The income statement and balance sheet of the parent company and the statement of comprehensive income and balance sheet of the Group are subject to adoption at the Annual General Meeting on 29 April 2024.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as specified by the EU, as well as RFR in "Supplementary Accounting Rules for Groups" and the Swedish Annual Accounts Act. In addition, relating only to Swedish matters, the Swedish Financial Reporting Board has published the recommendation RFR 1 "Supplementary Accounting Rules for Groups" as well as other statements. This recommendation is to be applied by companies whose securities are listed on a Swedish stock exchange or authorised marketplace at the end of the reporting period and it specifies the rules and supplements to the IFRS disclosure requirements that are stipulated by the provisions of the Swedish Annual Accounts Act.

Bases of valuation and accounting policies
The consolidated financial statements have been prepared using principally historical cost. The key accounting policies applied in the preparation of the consolidated financial statements are presented below.

Amounts and dates
Unless otherwise stated, amounts are expressed in EUR thousand (TEUR) or other specified currency and refer to the period from 1 January to 31 December for items relating to the income statement and cash flows and to 31 December for items relating to financial position. There may be some discrepancies due to rounding. Any restatements of financial or operational data are disclosed where material.

Recently published accounting standards

The Genexis Group has not adopted early any of the new or amended standards that come into effect on or after 1 January 2023.

The following amendments, which will apply to the Genexis Group, are expected to have very limited or no impact on the Genexis Group's financial statements when applied for the first time:
• Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current", are effective from 1 January 2024
• Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback", are effective from 1 January 2024

Other published amendments are not deemed applicable to the Genexis Group.

Assessments and uncertainty in estimates
The preparation of reports in accordance with IFRS requires the use of a number of key estimates for accounting purposes. In addition, the management is required to make certain assessments when applying the Group's accounting policies. Areas which involve a high degree of assessment, which are complex or which involve assumptions and estimates of material significance to the consolidated financial statements are described in Note 2.

Consolidated financial statements
Subsidiaries are all enterprises (including structured companies) over which the Group has a controlling influence. The Group controls an enterprise when it is exposed to, or has the right to, variable returns from its holding in the company and is able to exert an influence on such returns through its influence in the company. Subsidiaries are recognised in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used in the accounting of the Group's business acquisitions. The purchase consideration payable in order to acquire a subsidiary consists of the fair value of the transferred assets, liabilities and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities that result from an agreement on contingent consideration. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and liabilities assumed through a business acquisition are initially valued at fair value as of the date of acquisition. For each acquisition, the Group determines whether all non-controlling interests in the acquired enterprise are valued at fair value or the proportional share of the acquired enterprise's net assets.

The amount by which the purchase consideration, any non-controlling interest and the fair value at the acquisition date of previous shareholdings exceeds the fair value of the Group’s share of identifiable net assets acquired, is recognised as goodwill if the amount is less than the fair value of the acquired subsidiary’s assets. In the event of a ‘bargain purchase’, the difference is reported directly in the statement of comprehensive income.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of Genexis Group AB has appointed a strategic steering group to evaluate the Group’s financial position and results and to take strategic decisions. The steering group, which is identified as the chief operating decision maker, comprises the CEO, the Deputy CEO and the CFO.

The segment information provided is based on the same accounting policies as those of the Group as a whole. Transactions between segments are based on market terms. Alongside Net sales and Gross profit, the key governance and reporting term is adjusted EBITDA. Operating segment assets comprise total assets less current and non-current investments, tax assets and cash and cash equivalents. Operating segment liabilities comprise total liabilities less non-operating interest-bearing liabilities, provisions for pensions and employment contracts, accrued interest and tax liabilities.

See Note 4 for further information.

Transactions and balance sheet items
Transactions in foreign currency are translated to the functional currency at the exchange rates that apply on the transaction date. Foreign exchange gains and losses arising from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognised in the income statement. Foreign exchange differences on lending and borrowing are recognised under net financial items, while other exchange differences are recognised under operating profit.

Group companies
The financial results and position of all group companies (none of which have a high inflation currency as a functional currency) with a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:
(a) assets and liabilities for each of the balance sheets are translated at the closing day rate;
(b) income and expenses for each of the income statements are translated at the mean exchange rate (provided that this mean rate represents a reasonable approximation of the cumulative effect of the rates in force on the transaction date; otherwise, income and expenses are translated at the rate applicable as at the transaction date), and
(c) all foreign exchange differences that arise are recognised as a separate part of other comprehensive income.

During consolidation, foreign exchange differences arising from the translation of net investments in foreign enterprises and of borrowing and other currency instruments identified as hedges of such investments are recognised in equity. When a foreign enterprise is divested, whether in its entirety or in part, foreign exchange differences recognised in equity are transferred to the income statement and recognised as part of the capital gain/loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign enterprise are treated as assets and liabilities of the enterprise and are translated at the closing day rate.

Intangible assets

Research and development expenditure – in-house development
The Group develops software and hardware for CPEs. Development costs are capitalised in accordance with IAS 38 'Intangible Assets' when the following criteria are met:

- The Group possesses sufficient technical competence to complete the product and its functions.
- The management intends to complete the product and the prerequisites for selling it are in place.
- The asset is expected to provide future economic benefits.
- The Group believes that the resources needed to complete development of the asset are available.
- Development costs can be reliably determined.

The Group's assessment of this principle for ongoing development projects is presented in the section entitled 'Key estimates and assessments' (Research and development costs).

Development costs for the product are recognised as an intangible fixed asset at cost from the date on which the above criteria are met. Expenses incurred before that date will continue to be recognised as costs. The cost includes direct costs for completion and product testing, including employee remuneration.

Amortisation is applied on a straight-line basis in order to allocate development costs based on estimated useful life. Amortisation commences once development is complete. The useful life is based on the underlying main earnings period. The amortisation period for capitalised development expenses for CPEs is five years.

Tangible fixed assets

Tangible fixed assets
Tangible fixed assets are recognised at cost less accumulated depreciation and impairment. The cost includes expenses that can be directly attributed to the acquisition of the asset. Additional expenditures are capitalised when it is probable that the economic benefits associated with the asset will accrue to the Group and the cost can be measured in a reliable manner. Expenditure for repairs and maintenance is expensed on an ongoing basis. The depreciable amount comprises the cost less the estimated residual value.

For other assets, the cost is depreciated over the estimated useful life, which gives the following average depreciation periods for the Group:

Machinery (Tooling and CE)	5 years
Equipment and tools	5 years
Computers	5 years

The residual value and useful life of the assets are reviewed each closing date and adjusted as necessary. Gains or losses on the disposal of tangible fixed assets are recognised in the income statement as other operating income or other operating expenses and comprise the difference between the sales revenue and the carrying amount.

Impairment of non-financial fixed assets

Goodwill that has an indeterminate useful life is tested annually for impairment. Impairment testing is carried out on tangible and intangible fixed assets that are written down whenever internal or external indications of possible impairment are identified in accordance with IAS 36.

Any impairment is implemented at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value less selling costs or its value in use, whichever is the greater. Value in use refers to the sum of the present value of expected future cash flows and the estimated residual value at the end of the useful life. When determining value in use, future cash flows are discounted at an interest rate that takes into account the market's assessment of risk-free interest rate and risk. Within the Group, the calculation is based on results achieved, forecasts and business plans. When assessing impairment, assets are grouped at the lowest levels at which separate identifiable cash flows exist (cash-generating units).

During the assessment for the year, the recoverable amount was determined by testing the value in use. The value is based on the discounted cash flows with a discount factor of 12%. The outcome shows that the business's estimated future cash flows more than justify the values on the balance sheet.

Investments in subsidiaries are recognised in the parent company at cost, and any need for impairment is evaluated as of each closing date. An important basis for assessment is the subsidiary's equity. Additional investments can be made through a new share issue or shareholder contribution.

Leasing

When a contract is concluded, an assessment must be made as to whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right of use and a corresponding lease liability are recognised for leases in which the Group is a lessee, with the exception of short-term leases (lease term of 12 months or less). For all leases, initial recognition is made from the date on which the leased asset is available for use by the Group.

Leases

The Group applies IFRS 16, the accounting standard for leases. IFRS 16 means that in principle all leases are recognised on the balance sheet, as no distinction is made between a finance lease and an operating lease, as was the case in the previous IAS 17 standard.

Under IFRS 16, the right to use an asset is recognised as an asset on the balance sheet (right-of-use asset), while the corresponding obligation to pay for that right is recognised as a liability (lease liability). Leases are expensed in the income statement through depreciation of the right-of-use asset, which affects EBIT, and an interest expense on the lease liability, which affects profit or loss before tax. The Group's leases relate mainly to office space, as well as to vehicles to a certain extent.
The Group has chosen to apply the exemption for low-value leases and for leases with a term of less than 12 months.

Financial instruments

A financial instrument is any form of contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

According to IAS 32.11, a financial asset is any asset in the form of:

- cash
- an equity instrument of another entity
- a contractual right
  - to receive cash or another financial asset from another entity
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is

  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include cash and cash equivalents, accounts receivable and other financial assets. In accordance with IFRS 9, the Group classifies financial assets in the following categories:

- financial assets measured at amortised cost
- financial assets measured at fair value through profit or loss
- financial assets measured at fair value through other comprehensive income

Financial assets measured at amortised cost

Financial assets measured at amortised cost mainly comprise accounts receivable and cash and cash equivalents. A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets in this category are initially recognised at fair value plus transaction costs directly attributable to the acquisition of the asset and thereafter at amortised cost.

As at the closing date, this category comprises accounts receivable and loan receivables.

Financial assets measured at fair value through other comprehensive income

A financial asset must be measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets in this category are initially recognised at fair value plus transaction costs directly attributable to the acquisition of the asset and thereafter at fair value through other comprehensive income.

As at the closing date, the Group has no financial assets in this category.

Financial assets measured at fair value through profit or loss

Financial assets that are not recognised in any of the other categories must be measured at fair value through profit or loss. Financial assets in this category are initially recognised at fair value. Transaction costs relating to financial assets recognised in this category are expensed directly in the income statement.

As at the closing date, this category comprises shares and participations.

Impairment of financial assets

The Group applies the simplified approach under IFRS 9 to the calculation of provisions for expected credit losses on accounts receivable. This method entails making a provision for expected credit losses for the full lifetime of the accounts receivable. When calculating the expected credit losses, the accounts receivable have been grouped according to the number of days overdue.

Expected credit losses on accounts receivable not yet due have not been calculated at the closing date.

The impairment losses that could apply to other financial assets that are within the scope of expected credit losses have been deemed insignificant.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other short-term investments with a maturity of not more than three months from the date of acquisition. Overdraft facilities are recognised as borrowing under current liabilities to the extent that they are utilised.

Financial liabilities

According to IAS 32.11, a financial liability is any liability in the form of:

- a contractual obligation
  - to deliver cash or another financial asset to another entity
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is

  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liabilities include additional purchase considerations, loan liabilities and accounts payable. Liabilities are recognised according to their classification. The Group classifies financial liabilities in the following categories:

- financial liabilities measured at amortised cost
- financial liabilities measured at fair value through profit or loss

Financial liabilities are initially measured at fair value less, for financial liabilities not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Following initial recognition, financial liabilities are recognised either at amortised cost or at fair value through profit or loss, depending on the classification of the financial liability.

Financial liabilities measured at fair value through profit or loss
This category includes derivatives with a negative fair value that are not used for hedge accounting and additional purchase considerations. Liabilities are measured at fair value on an ongoing basis and changes in value are recognised in profit or loss.
As at the closing date, the Group has no financial liabilities in this category.

Loan liabilities
Loan liabilities are initially measured at fair value, net of transaction costs, and subsequently at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated when the liability was incurred. This means that surpluses and deficits, as well as direct issue costs, are accrued over the life of the liability. Non-current loan liabilities have an expected maturity longer than one year, while current loan liabilities have a maturity shorter than one year.

Accounts payable
Accounts payable are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Recognition and measurement of financial assets and liabilities
Acquisitions and disposals of financial assets are recognised on the transaction date, which corresponds to the point at which the Group committed to the purchase or sale. Transaction costs are initially included in fair value for all financial instruments except for those that are recognised at fair value through profit or loss, in which case the transaction cost is recognised through profit or loss. The fair value of investments with a quoted market price is based on current bid prices. In the absence of an active market for an investment, the Group applies a range of measurement techniques to establish the fair value, including based on available information about current third-party transactions, comparison with equivalent assets and analysis of discounted cash flows.
A financial asset is derecognised from the balance sheet when the right to receive cash flows from the asset expires or is transferred to another party by transferring all the risks and rewards of ownership of the asset to the other party.
A financial liability is derecognised from the balance sheet when the obligation is discharged or cancelled or expires; see above.
Financial assets and liabilities are offset and recognised at a net amount on the balance sheet when the Group has a legal right to offset the recognised amounts and intends to settle the items as a net amount. As at the closing date, the Group has no financial assets and liabilities that have been offset against each other.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (IAS 32.11).

Derivative instruments
A derivative instrument is a financial instrument or other contract with all three of the following characteristics (Appendix A to IFRS 9):

- Its value changes in response to changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable (sometimes referred to as the underlying variable).
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts with a similar response to changes in market factors.
- It is settled at a future date.

Financial guarantees
Financial guarantees are recognised as financial liabilities when the guarantee is provided. The liability is initially recognised at fair value and subsequently at the higher of:

- the amount calculated using the expected credit loss model in accordance with IFRS 9 Financial Instruments, and
- the amount originally recognised after deduction, where applicable, for accumulated accruals.

The fair value of financial guarantee contracts is calculated as the present value of the difference between future net contractual cash flows (according to the negotiable instrument) and the payments that would be required without the guarantee. Alternatively, the guarantee contract is valued at the estimated amount that would have to be paid to a third party for the latter to assume the debt.

Assets and liabilities in a disposal group held for sale
Assets and liabilities are classified as held for sale when their carrying amounts will be recovered mainly through sale and when such a sale is considered highly probable. The assets and liabilities are recognised at the lower of carrying amount and fair value less costs to sell.
As at the closing date, the Group has no assets or liabilities classified as held for sale.

Inventories
Inventories are recognised at cost or net realisable value, whichever is lower. Cost is a mean value of all purchases based on the first in-first out method (FIFO). Net realisable value is the estimated selling price in operating activities. The necessary provision for obsolescence has been made following an individual assessment. As inventories are sold, the carrying amount is expensed in the period in which the corresponding income is recognised. Losses on inventories are recognised in the income statement in the period to which the loss relates.

Share capital
Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised, net after tax, in equity as a deduction from the proceeds.

Current and deferred tax
The current tax expense is calculated based on the tax rules in force as of the closing date or applicable in practice in the countries in which the parent company's subsidiaries operate and generate taxable revenues. The management regularly evaluates the claims made in tax returns regarding situations where the applicable tax rules are subject to interpretation and, where deemed appropriate, makes provisions for amounts likely to be paid to the tax authorities.

Deferred tax is recognised in full, according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and their recognised values in the consolidated financial statements. However, deferred tax is not recognised if it arises as a result of a transaction constituting the initial recognition of an asset or liability which is not a business acquisition and which does not affect the accounting or taxable profit at the time of the transaction. Deferred income tax is determined by applying tax rates (and laws) which have been introduced or announced as of the closing date and which are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised insofar as it is probable that future tax surpluses will be available, against which the temporary differences can be utilised.

Employee remuneration
Pension commitments
The group companies have defined contribution pension plans, which are recognised in accordance with RFR2. The pension plans are usually financed through payments to insurance companies. The Group has no additional payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due for payment.

Severance pay
Severance pay is payable when an employee's employment is terminated by the Group prior to the normal retirement date or when an employee accepts voluntary redundancy in exchange for such benefits. The Group recognises severance pay when the Group is demonstrably obligated either to terminate the employment of employees according to a detailed formal plan without the possibility of revocation, or to provide termination benefits as a result of an offer made to encourage voluntary resignation. Benefits that fall due more than 12 months after the closing date are discounted to present value.

Variable remuneration
The Group recognises a liability and a cost for bonuses, based on the results achieved and targets set by the Board of Directors. The Group recognises a provision when there is a legal obligation or a constructive obligation due to past practice.
Provisions
Provisions are recognised when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment, and the amount has been reliably calculated. Provisions in the Group consist of additional purchase considerations from acquisitions, in addition to obligations to customers that are based on the customer having the right to claim warranty compensation for a defect in a product or a function in a sold product.

Contingent liabilities
A contingent liability is recognised when there is a possible commitment arising from events which have occurred and this occurrence can be confirmed only by one or more uncertain future events.
A contingent liability is also recognised when there is a potential commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or a sufficiently reliable estimate of the amount cannot be made.

Income recognition

Net sales
Net sales consist mainly of broadband-related products, services and software in the form of CPE (Customer Premises Equipment), Residential Gateway products in the field of Fibre to the Home and Connected Home, complementary network products and software for embedded systems and operating systems for customer premises equipment (CPE). Revenue derives both from equipment and software sold separately and from bundled equipment and software.

Sales revenue is recognised using a single, principles-based five-step model to be applied to all contracts with customers. Revenue is allocated to performance obligations (products and software) relative to the standalone selling prices of the individual elements. Revenue is recognised when (at a point in time) or as (over time) the performance obligations are satisfied, which is determined based on the manner in which control is passed to the customer.
Revenue is measured based on the amount of consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The promised consideration in a contract with a customer includes fixed amounts.

Product revenue
Revenue from the sale of customer equipment is recognised when control is passed to the customer, which is usually on delivery and following approval by the customer. If the customer has the right to return the

product, the recognised revenue for expected returns is adjusted on the basis of historical data. Products are paid for immediately or over time according to the terms of the contract.

Other operating income and operating expenses

Other operating income and other operating expenses include gains and losses on the sale of shares or operations in subsidiaries and on the sale of tangible and intangible fixed assets. Goodwill impairment, government grants, operating foreign exchange differences, restructuring costs and other similar items are also recognised here. Government grants are initially recognised at fair value and are recognised as revenue at the same time as the costs they are intended to cover. Foreign exchange differences on operating transactions also include the effects of derivatives that economically hedge monetary assets and liabilities (economic hedging).

Financial income and financial expenses

Interest income and interest expenses are recognised in the period in which they arise. Interest on lease liabilities is recognised under interest expenses. Interest expenses include bank charges relating to loans, as well as fees paid to credit rating agencies.
Interest expenses are not capitalised on qualifying assets.

Dividends

Dividends distributed to parent company shareholders are recognised as liabilities in the Group's financial statements in the period in which the dividend is approved by the parent company shareholders.

The parent company’s accounting policies

The accounting policies of the parent company are essentially consistent with the consolidated financial statements. The parent company’s financial statements were prepared in accordance with RFR 2 *Accounting for legal entities and the Swedish Annual Accounts Act*. RFR 2 specifies exemptions from and additions to the standards issued by IASB and statements issued by IFRIC. The exemptions and additions shall apply from the date on which the legal entity applies the specified standard or statement to its consolidated financial statements.

The parent company uses the forms of presentation set out in the Annual Accounts Act, which means, amongst other things, that a different presentation of equity is applied.

Shares in subsidiaries are recognised at amortised cost after the deduction of any impairment. When there is an indication that shares and participations in subsidiaries have fallen in value, the recoverable amount is calculated. If the recoverable amount is less than the carrying amount, impairment is implemented. Impairment is recognised under Income from participations in group companies.

In the parent company, dividends received from subsidiaries are recognised as income when it is probable that they will be received by the Company.

Definitions of key ratios, multi-year overview in the Report from the Management

Net sales	Primary operating income, invoiced costs, incidental revenue and revenue adjustments.
Operating margin, %	Operating profit excluding items affecting comparability, depreciation, amortisation and impairment of tangible and intangible fixed assets and net income from divestment of operations divided by net sales.
EBITDA	Operating profit before depreciation and amortisation and before items affecting comparability and profit from the divestment of operations.
Total assets	The Company’s total assets.
Equity ratio	Equity divided by total assets

Note 2 Financial risk management

Through its international operations, the Group is exposed to various types of financial risk – market risk (currency risk and interest rate risk), credit risk and liquidity/financing risk. The financial risk management of the Group's units takes place in accordance with the Group's finance policy, focuses on the unpredictability of the financial markets and attempts to minimise potential unfavourable effects on financial results and liquidity due to financial risks. The principles of financial risk management are described below.

Organisation and activities
The Group's finance policy, which is adopted by the Board of Directors, represents a framework of guidelines and regulations for the management of financial risks and financial activities. The Group's financial activities, including the negotiation of borrowing agreements, the use of interest rate derivatives, currency flow management, etc., are coordinated centrally.

Capital structure
The Group's capital structure is designed to secure the Group's ability to continue operating, to generate a good return for shareholders and to deliver value to other stakeholders. Maintaining an optimal capital structure keeps capital costs at a low level. The Group can adapt the capital structure as the need arises by changing the dividend paid to shareholders, repaying capital to shareholders, issuing new shares or selling assets to reduce debt. The Group assesses the need for capital based on factors such as the ratio of net debt to equity.

The Group does not apply hedge accounting in accordance with the rules of IAS 39.

Market risk

Currency risk
The Group is an international group of companies with activities in several countries, while the presentation currency is the euro (EUR). This results in the Group being exposed to currency risks, because changes in exchange rates can have a negative impact on equity. In order to reduce these risks, the Group occasionally uses forward currency contracts to manage the risk.
Exposure to currency fluctuations is usually divided into two main groups: translation exposure and transaction exposure.

Translation exposure
The foreign subsidiaries' assets minus liabilities constitute a net investment in foreign currency, which gives rise to a translation difference upon consolidation. Such translation differences are posted directly to the Group's equity and are recorded under reserves. The Group has no hedging of its net investments in foreign currency. One associated form of translation exposure is the profit that is generated during the year in the foreign subsidiaries and that therefore affects foreign equity on an ongoing basis. As in the above description of net investment in foreign subsidiaries, the profit generated during the year has not been hedged either.

Transaction exposure
Transaction exposure usually means both exposure originating from commercial flows, i.e. sales and purchases across borders, and exposure from financial flows.

The Group's operations are characterised by the fact that the majority of purchases are made in USD. To counteract the negative currency effects of this, some of the exposure from selling in other currencies is hedged. In addition, some sales are also made in USD or are contractually hedged against exchange rate fluctuations. This means that the Group's exposure to foreign exchange losses is relatively limited. The management assesses on a case-by-case basis whether, and if so when, significant commercial flows in foreign currency arise.

A general strengthening or weakening of EUR against all other currencies would not result in a significant change in net financial income based on exposures and exchange rates as at 31 December 2023.

Interest rate risk in respect of cash flows and fair values
As the Group has no significant interest-bearing assets, the Group's income and cash flow from operating activities are essentially unaffected by fluctuations in market rates. The Group's interest rate risk arises primarily through long-term borrowing. Borrowing that is arranged with a variable interest rate exposes the Group to an interest rate risk in respect of cash flow. Borrowing that is arranged with a fixed interest rate exposes the Group to an interest rate risk in respect of fair value.
The Group's borrowing from credit institutions is linked to Euribor or similar with a fixed surcharge. This does not apply, however, to the subordinated shareholder loan, which has a fixed interest rate. See also Note 19 Borrowing for a description of the key conditions for borrowing.

Credit risk
Credit risk, or counterparty risk, is the risk that the counterparty in a financial transaction fails to fulfil its obligations on the due date.

Rating
Another key variable in assessing the Group's capital structure is the credit rating allocated to the Group's liabilities by credit rating agencies. Maintaining a good credit rating is vital for securing access to both long-term and short-term financing from the capital markets as needed. The Group monitors its credit rating at both overall and local level in order to ensure a strong rating vis-à-vis stakeholders.

Customer credit risk

In addition to general monitoring at Group level, there is more detailed follow-up of customer credit risks at local level, close to the customer. Customer credit risk is the risk of customers failing to meet their commitments. If the creditworthiness of customers is assessed by independent rating agencies, these assessments are used. In cases where there is no independent credit assessment, a risk assessment is performed of the customer's creditworthiness, taking into account the customer's financial position, as well as previous experiences and other factors. No concentrations of credit risk are deemed to exist. The maximum exposure to credit risk consists of the carrying amount of financial assets.

The Group values its future expected credit losses, relating to investments in debt instruments recognised at amortised cost and fair value respectively, through changes in other comprehensive income based on forward-looking information. The provision method chosen is based on whether or not there has been a significant increase in credit risk. In accordance with the rules of IFRS 9, the Group applies a simplified method for the impairment testing of accounts receivable. The simplification means that the provision for expected credit losses is based on the loss risk for the full lifetime of the receivable and is recognised when the receivable is first recognised.
An account receivable is written off and recognised as a confirmed loss when information is received that the customer is unlikely to be able to pay an invoice, for example due to bankruptcy or failed distraint attempts.

Liquidity risk/Financing risk

The objective with regard to the capital structure is to secure the Group's ability to continue operating so that it can continue to generate a return for shareholders and value for other stakeholders, and to maintain an optimal capital structure in order to minimise the cost of capital.
The table below shows the undiscounted cash flows that originate from the Group's liabilities in the form of financial instruments, based on the earliest remaining maturities as at the closing date. The amounts which fall due within 12 months correspond to the carrying amounts, because the effect of discounting is immaterial.

Amounts in foreign currency and amounts payable based on a variable interest rate have been estimated using the exchange rates and interest rates as at the closing date.

In the same way as other companies in the industry, the Group assesses capital based on the leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (the comprehensive items Short-term borrowing and Long-term borrowing on the Consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as Equity on the Consolidated balance sheet plus net debt.

External financing
The Group's long-term loan financing consists primarily of a sustainability-linked bond of EUR 55 million (55) with a maturity of 4 years. The bond is listed on Nasdaq Stockholm. The size of the loan has not been affected by currency fluctuations.

Cash and cash equivalents amounted to EUR -2,132 million (17,437).

Factoring is applied to the invoicing of specific larger customers in Germany and the Netherlands, ensuring a more even and secure cash flow. Total factoring capacity is EUR 5 million. The factoring agreement contains a standard "Change of Control" clause. This clause gives the factoring company the right, in certain circumstances, to request renegotiation of the terms or to terminate the agreements if the control of the company changes.

Currency exposure of the Group	**EUR**	**USD**	**SEK**	**GBP**	**DKK**	**NOK**	**Total**
Amounts in EUR thousand							
As at 31 December 2023							
Accounts receivable	1,897	3,695	332	383	197	471	6,975
Accounts payable	-1,031	-7,485	-356	-32	-19	-89	-9,012
Total	**866**	**-3,790**	**-24**	**351**	**178**	**382**	**-2,037**

Currency exposure of the Group	**EUR**	**USD**	**SEK**	**GBP**	**DKK**	**NOK**	**Total**
Amounts in EUR thousand							
As at 31 December 2022							
Accounts receivable	2,784	4,308	264	181	125	1,169	8,831
Accounts payable	-1,367	-8,365	-420	-42	-13	-9	-10,216
Total	**1,417**	**-4,057**	**-156**	**139**	**112**	**1,160**	**-1,385**

Group interest rate risk		**Loans**	**Percentage of total loans**
Amounts in SEK thousand			
As at 31 December 2023			
Fixed-rate loans – interest rate adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	93%
More than 5 years	Shareholder loans	4,409	7%
Total		**59,409**	**100%**

Group interest rate risk		**Loans**	**Percentage of total loans**
Amounts in SEK thousand			
As at 31 December 2022			
Fixed-rate loans – interest rate adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	94%
More than 5 years	Shareholder loans	3,810	6%
Total		**58,810**	**100%**

Parent company interest rate risk		**Loans**	**Percentage of total loans**
Amounts in SEK thousand			
As at 31 December 2023			
Fixed-rate loans – interest rate adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	93%
More than 5 years	Shareholder loans	4,409	7%
Total		**59,409**	**100%**

Parent company interest rate risk		**Loans**	**Percentage of total loans**
Amounts in SEK thousand			
As at 31 December 2022			
Fixed-rate loans – interest rate adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	94%
More than 5 years	Shareholder loans	3,810	6%
Total		**59,409**	**100%**

Group

As at 31 December 2023	**2023**	**2022**
Total borrowing (note 19)	59,409	58,810
Cash and cash equivalents	2,132	-17,437
Net debt	**61,541**	**41,513**
Total equity	25,390	39,879
Total capital	**86,931**	**81,252**
Leverage ratio (equity)	242%	104%

Note 3 Key estimates and assessments when applying the Group's accounting policies

The Group makes estimates and assumptions concerning the future. Estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. Estimates and assumptions that pose a significant risk of material adjustments to the amounts recognised for assets and liabilities during the next financial year are outlined below. The assessment of capitalised development costs is based on what these are expected to generate in the future in terms of profit and cash flow.

Functional currency and reporting currency
The euro (EUR) is used as the presentation currency in the consolidated financial statements.
The functional currency of the parent company is the euro (EUR), reflecting the currency in which operating activities are principally conducted.
The operations of Genexis Group AB (the parent company) comprise the management of, and provision of advice to, its subsidiaries. Revenues comprise management fees and service charges and are contracted and invoiced in EUR. Operating expenses mainly consist of salaries, consultancy fees and system costs and their inflows are in SEK (salaries, system costs and some consultancy fees) and in EUR (consultancy fees). Interest payments on the bond are in EUR. Consequently, the company has made the assessment that the functional currency is EUR.

Goodwill
Goodwill is the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill relating to acquisitions of subsidiaries is recognised as an intangible asset.

The most significant assumptions in the calculation of value in use were sales growth, Adjusted EBITDA margin trend, weighted average cost of capital (WACC), and terminal value of free cash flow growth. The calculations of value in use were based on management-approved forecasts, which they consider to reflect historical experience, as well as forecasts from industry studies and other externally available information

The Group tests goodwill for impairment every year. The recoverable amounts of cash-generating units were determined for 2023 by calculating the value in use, which requires certain assumptions to be made. These calculations are based on cash flow forecasts from the budgets established by the management for the next five years.

Cash flows after the five-year period are extrapolated using the growth rates shown below. The growth rates used are consistent with the industry forecasts for the respective industry of each cash-generating unit.

For each cash-generating unit to which a substantial amount of goodwill has been allocated, the significant assumptions used to calculate the value in use are as indicated below:

2023	**FTTH**	**Connected Home**
Sales volume (% annual growth rate)	22%	25%
Sales price (% annual growth rate)	2%	2%
Budgeted gross margin (%)	40%	43%
Other operating expenses (TEUR)	13,000	17,000
Annual investments (TEUR)	2,600	4,500
Long-term growth rate (%)	15%	15%
Discount rate before tax (%)	12%	12%

2022	**Products**	**Software**
Sales volume (% annual growth rate)	13%	27%
Sales price (% annual growth rate)	2%	0%

Budgeted gross margin (%)	30%	100%
Other operating expenses (TEUR)	19,000	5,800
Annual investments (TEUR)	4,600	4,400
Long-term growth rate (%)	15%	15%
Discount rate before tax (%)	12%	12%

The management has determined the values for the significant assumptions above as follows:

Assumption	**Method used to determine value**
Sales volume	Average growth rate over the five-year forecast; based on historical performance and the management's assessment of market trends.
Sales price	Average growth rate over the five-year forecast; based on current industry trends, taking into account long-term inflation forecasts for each country.
Budgeted gross margin	Based on historical performance and the management's future assessment.
Other operating expenses	Fixed costs for cash-generating units, which do not vary significantly with sales volumes or prices. The management assesses these costs based on the current organisational structure, adjusted for increases in inflation but not taking into account future restructuring or cost-cutting measures. The amounts stated above are average operating expenses for the budgeted five-year period.
Annual investments	Annual investment expenditure refers to improvement costs in each cash-generating unit. These are based on the Group management's previous experience and plans for necessary improvements. No additional revenue or cost savings that may result from these investment costs are taken into account in calculating the value in use.
Long-term growth rate	The average growth rate used to extrapolate the cash flows after the forecast period. The growth rate is in line with the forecasts in industry reports.
Discount rate before tax	Reflects specific risks in the relevant segments and in the countries in which they operate.

Impairment testing of goodwill

Every year, the Group examines whether there is any indication of impairment with regard to goodwill, in accordance with the accounting policy described in the section on Impairment of non-financial fixed assets. The recognised goodwill arose from the acquisition of Inteno Group on 22 September 2022.

During the assessment for the year, the recoverable amount was determined by testing against fair value. Fair value is based on the Group's discounted cash flows with a discount factor of 12%. The outcome shows that the Group's estimated future cash flows more than justify the values on the balance sheet.

Provision for additional payments for acquisitions (additional purchase considerations)

Provisions are recognised when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment, and the amount has been reliably calculated.

The Group recognises provisions for future acquisition payments at the time of acquisition.

Research and development expenses
Expenses attributable to research are recognised on an ongoing basis as costs, provided it is uncertain what the future economic benefits from these costs will be.

Software development is generally a complex and risky business and some projects will likely not generate a product for sale. Product development costs are capitalised and this takes place when the Group considers that the product can be completed and will be sellable so as to provide future economic benefits.

The Group makes estimates and assumptions concerning the future. Estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. Estimates and assumptions that pose a significant risk of material adjustments to the amounts recognised for assets and liabilities during the next financial year are outlined below. The assessment of capitalised development costs is based on what these are expected to generate in the future in terms of profit and cash flow.

Note 4 Distribution of net sales

Up to and including the year 2022, the Group's primary segments were Products and Software. In 2023, the Group moved to segment reporting by Business Unit as below. The change of segmentation means that no comparative figures between years are available.

Group	**2023**	**2022**
Sweden	14,218	5,123
Other Nordic countries	18,717	5,560
Rest of Europe	33,609	16,038
Rest of the World	3,144	1,307
Total	**69,688**	**28,028**

Parent company	**2023**	**2022**
Intra-group sales	1,144	216
Total	**1,144**	**216**

Segment information

1 January 2023 – 31 December 2023

TEUR	**Business Unit FTTH**	**Business Unit Connected Home**	**Other**	**Group**
Net sales				
Benelux	10,713	915	964	12,592
DACH	17,521	489	162	18,172
Nordics	6,017	15,784	11,133	32,935
UK	491	2,354	0	2,846
Other	400	2,033	711	3,144
Operating profit/loss	**35,142**	**21,576**	**12,970**	**69,688**
Other income	0	0	2,494	2,494
Capitalised development	2,357	4,495	0	6,851
Total income	**37,499**	**26,071**	**15,463**	**79,033**
Raw materials and goods for resale	-22,333	-12,589	-12,044	-46,966
Gross profit	**15,166**	**13,481**	**3,420**	**32,067**
Other external costs	-3,055	-6,229	-15,065	-24,349
EBITDA	**12,111**	**7,252**	**-11,645**	**7,718**
Depreciation, amortisation and impairment	-4,814	-6,534	-1,077	-12,425
EBIT	**7,297**	**718**	**-12,722**	**-4,706**
Number of employees				156

Segment assets by geographical area

TEUR	**FTTH**	**Connected Home**	**Group**
Sweden	0	39,570	97,060
Other Nordic countries	0	1,431	1,431
Netherlands	17,054	0	17,054
Rest of Europe	3,010	0	3,010
Total Segment assets	**20,064**	**41,001**	**118,556**

8 February – December 2022

TEUR	**Products**	**Software**	**Group**
Net sales	**26,620**	**1,815**	**28,028**
Other income	1,539	387	1,618
Gross profit	11,657	2,203	12,005
EBITDA	5,758	3,085	6,531
Depreciation, amortisation and impairment	-1,611	-1,272	-2,708
Operating profit/loss	**4,147**	**1,813**	**3,824**
Net financial items	-1,495	-127	-1,001
Taxes	-2,397	148	-2,331
Profit/loss for the year	**256**	**1,834**	**491**
Operating segment assets	37,124	1,466	40,634
Current and deferred tax assets	58	595	964
Other undistributed assets	19,732	13,744	98,369
Total assets	**56,913**	**15,806**	**139,967**
Operating segment liabilities	18,316	2,426	18,628
Current and deferred tax liabilities	1,384	27	844
Other undistributed liabilities	583	678	80,218
Total current and non-current liabilities	**20,283**	**3,131**	**99,690**
Number of employees			156

Segment assets by geographical area

TEUR	**Products**	**Software**	**Group**
Sweden	35,445	15,806	118,499
Other Nordic countries	2,287	-	2,287
Netherlands	4,158	-	4,158
Rest of Europe	15,024	-	15,024
Total Segment assets	**56,913**	**15,806**	**139,967**

Note 5 Non-cash items

Group	**2023**	**2022**
Adjustment and increase of commission provisions	50	214
Other items	-	-110
Total	**50**	**104**

Parent company	**2023**	**2022**
Foreign exchange losses	-268	783
Total	**-268**	**783**

Note 6 Other operating income and other operating expenses

Other operating income

Group	**2023**	**2022**
Foreign exchange differences	2,494	1,604
Gain on disposal of intangible assets	-	-10
Other income	-	24
Total	**2,494**	**1,618**

Other operating expenses

Group	**2023**	**2022**
Foreign exchange differences	-	1,055
Total	**-**	**1,055**

Note 7 Audit fees

Audit assignment refers to the examination of the annual financial statements and accounting, as well as the administration of the Board of Directors and the CEO, other duties that it is incumbent upon the Group's auditor to perform, and advice or other assistance arising from observations made during such examination or the performance of such other duties. Everything else is divided into tax consultations and other assignments.

Group	**2023**	**2022**
PwC		
Audit assignment	226	63
Other assignments	7	1
Konlus		
Audit assignment	14	13
Bourner Bullock		
Audit assignment	16	-
Total	**253**	**77**

Parent company	**2023**	**2022**
PwC		
Audit assignment	91	7
Other assignments	-	6
Total	**91**	**13**

Note 8 Personnel

Employee remuneration Group	**2023**	**2022**
Salaries and remuneration	11,532	4,315
Pension costs	1,103	866
Social security expenses	2,327	256
Total	**14,962**	**5,437**

	2023	**2022**
Employee remuneration Group		
Board members, CEOs and other senior executives	213	517
Other employees	11,319	3,798
Pension costs for CEOs and other senior executives	9	215
Pension costs for other employees	1,094	40
Total	**12,636**	**4,571**

Employee remuneration Parent company	**2023**	**2022**
Salaries and remuneration, CEO and Board of Directors	69	81
Other employees	157	-
Social security expenses	71	31
Pension costs, CEO	28	20
Total	**325**	**132**

Remuneration to board members	**2023**	**2022**
Daniel Winberg	-	-
Eric van Schagen	-	-
Victoria Scheer	-	-
Angelique Schouten	-	-
Jonas Hasselberg	23	-
Summa	23	-

	2023	**2022**
Number of board members, CEO and senior executives	**Number at the closing date Of which men ( )**	**Number at the closing date Of which men ( )**
Group		
Board members	5 (3)	3 (2)
CEO and other senior executives	8 (7)	3 (3)
Total	**13 (10)**	**6 (5)**

	2023	2022
Average number of employees		**Number**
Group		
Sweden	59	60
Norway	5	4
Finland	6	6
Denmark	2	4
Belgium	6	5
Germany	5	6
Netherlands	71	64
United Kingdom	1	1
Poland	-	6
Italy	1	-
Total	**156**	**156**

Note 9 Financial income and financial expenses

Group	**2023**	**2022**
Financial income		
Foreign exchange gains	126	841
Interest income	99	116
Total	**225**	**957**
Financial expenses		
Foreign exchange losses	-	-6
Interest expenses		
- borrowing	-6,356	-1,573
- other interest expenses	-229	-216
Interest expenses, IFRS 16	-88	-17
Other financial expenses	-809	-148
Total	**-7,482**	**-1,961**
Profit/loss from financial items	**-7,257**	**-1,005**

Parent company	**2023**	**2022**
Interest income and other similar income statement items		
Foreign exchange gains	498	783
Interest income, group companies	10	-
Total	**508**	**783**
Interest expenses and other similar income statement items		
Foreign exchange losses	-71	-
Interest expenses	-6,380	-1,149
Interest expenses, group companies	-489	-127
Other	-726	-50
Total	**-7,666**	**-1,326**

Note 10 Tax

Group	2023	2022
Current tax for the year	-810	2,203
Change in deferred tax	1,739	121
Tax adjustment for previous years	-574	8
Total	**355**	**2,331**

Group	2023	2022
Profit/loss before tax	-11,964	2,822
Income tax calculated at the parent company’s current tax rate (20.6%)	2,465	581
Effect of other tax rates for foreign subsidiaries	-111	2,794
Non-taxable income	23	-2,364
Non-deductible expenses	-1,863	1,893
Utilisation of previously non-capitalised loss carryforwards		-240
Non-capitalised loss carryforwards	-1,325	-459
Other differences	1	-2
Tax expense	**-810**	**2,203**

Group	31/12/2023	31/12/2022
Unused loss carryforwards	21,823	20,291
At year-end	**21,823**	**20,291**
Of which non-capitalised loss carryforwards	21,823	15,582

Deferred tax assets	31/12/2023	31/12/2022
Tax loss carryforwards	1,341	970
Leases	142	0
Opening value	**970**	**0**
Recognised in the income statement	371	970
Effect of change in accounting policy (IFRS 16)	142	0
Closing value of deferred tax assets	**1,483**	**970**

Deferred tax liabilities	31/12/2023	31/12/2022
Temporary differences between book and tax values of intangible fixed assets	9,939	1,713
Opening value	**1,713**	**0**
Effect of change in accounting policy (IFRS16)	-129	0
Added through acquisitions	0	1,713
Reclassification PPA	9,685	0
Recognised in the income statement	-1,368	0
Translation differences	38	0
Closing value of deferred tax liabilities	**9,939**	**1,713**

Netting of deferred tax		
Tax assets netted against deferred tax liabilities	**-1,457**	**0**
Net deferred tax liabilities	**8,482**	**1,713**
Net deferred tax assets	**26**	**970**

Parent company	**31/12/2023**	**31/12/2022**
Profit/loss before tax	6,319	-1,914
Income tax calculated at the Group's current tax rate	-1,302	394
Non-taxable income	2,858	-273
Non-deductible expenses	-1,560	-273
Effect of non-capitalised loss carry forwards	4	0
Tax expense	**0**	**121**

Note 11 Intangible fixed assets

Goodwill	**31/12/2023**	**31/12/2022**
Opening cost	64,111	–
Acquired balances	-	64,329
Reclassifications	-6,524	-
Translation difference	--4,263	-218
Closing accumulated cost	**53,324**	**64,111**

Customer relations	**31/12/2023**	**31/12/2022**
Opening cost	13,239	-
Acquired balances	-	13,872
Capitalisation for the year	-	-
Reclassifications	8,029	-
Translation difference	25	-633
Closing accumulated cost	**21,293**	**13,239**
Opening amortisation	-216	–
Amortisation for the year, customer relations	-2,325	-343
Translation difference	-606	127
Closing accumulated amortisation	**-3,147**	**-216**
Closing carrying amount	**18,146**	**13,023**

Capitalised expenses for development	**31/12/2023**	**31/12/2022**
Opening cost	17,621	-
Acquired balances	-	15,280
Reclassifications	2,565	-
Capitalisation for the year	8,272	3,126

Translation difference	-466	-785
Closing accumulated cost	**27,992**	**17,621**
Opening amortisation	-1,511	–
Amortisation for the year	-7,308	-1,977
Reclassifications	1,511	-
Translation difference	-58	466
Closing accumulated amortisation	**-7,366**	**-1,511**
Closing carrying amount	**20,626**	**16,110**

Other intangible assets	**31/12/2023**	**31/12/2022**
Opening cost	1,633	–
Acquired balances	-	1,655
Reclassifications	5,615	-
Translation difference	-259	-22
Closing accumulated cost	**6,989**	**1,633**
Opening amortisation	98	–
Amortisation	-1,289	136
Translation difference	875	-38
Closing accumulated amortisation	**-316**	**98**
Closing carrying amount	**6,673**	**1,731**
Intangible assets, closing carrying amount	**45,445**	**30,864**

Note 12 Tangible fixed assets

	31/12/2023	**31/12/2022**
Group		
Opening cost	2,112	–
Acquired balances	-	2,230
Investments for the year	429	83
Impairment	-	-11
Translation difference	425	-190
Closing accumulated cost	**2,966**	**2,112**
Opening depreciation	-144	–
Depreciation for the year	-760	-171
Impairment	-	11
Translation difference	-	15
Closing accumulated depreciation	**-904**	**-144**
Closing carrying amount	**2,062**	**1,967**

Tangible fixed assets – Leases	**31/12/2023**	**31/12/2022**

Group		
Opening cost	1,674	–
Value acquired through acquisitions	-	1,713
Investments for the year	-	–
Translation difference		-39
Closing accumulated cost	**1,674**	**1,674**
Opening depreciation	**-252**	**-**
Depreciation for the year	-743	-256
Translation difference	-52	4
Closing accumulated depreciation	-1,047	-252
Closing carrying amount	**627**	**1,422**

Note 13 Financial fixed assets

Group	31/12/2023	31/12/2022
Long-term securities holdings	4	4
Deposit for rent of premises	4	4
Total closing value	**8**	**8**

Note 14 Inventories

Group	31/12/2023	31/12/2022
Goods in transit	60	4,510
Obsolescence	-687	-1,133
Inventories of finished goods	9,178	9,153
Closing book value	**8,551**	**12,530**

Note 15 Accounts receivable

Group	31/12/2023	31/12/2022
Accounts receivable	6,993	8,850
Provision for bad debts	-18	-19
Accounts receivable – net	**6,975**	**8,831**

Group	31/12/2023	31/12/2022
SEK	332	264
USD	3,695	4,308
NOK	471	1,188
EUR	1,897	2,784
DKK	197	125
GBP	383	181
Total	**6,975**	**8,850**

Group	31/12/2023	31/12/2022
Provision for bad debts		
Opening value	-19	-
Change during the period	1	-19
Closing value	**-18**	**-19**

Group	31/12/2023	31/12/2022
Accounts receivable not overdue	5,797	6,419
Less than 3 months	960	2,144
3–6 months	-	126
More than 6 months	218	161
Total	**6,975**	**8,850**

Parent company	31/12/2023	31/12/2022
Accounts receivable not overdue	58	84
Total	**58**	**84**

As at the closing date, the Group's overdue accounts receivable amounted to TEUR1,178 (2,432), without any impairment being deemed necessary.
In addition to general monitoring at Group level, there is more detailed follow-up of customer credit risks at local level. No concentrations of credit risk are deemed to exist.

Note 16 Prepaid expenses and accrued income

Group	31/12/2023	31/12/2022
Prepaid rent	175	163
Prepaid leases	-	-126
Prepaid insurance expenses	18	9
Other items	844	1,103
Total	**1,037**	**1,148**

Parent company	31/12/2023	31/12/2022
Prepaid rent	-	1
Prepaid insurance expenses	2	-
Accrued income	514	729
Total	**516**	**730**

Note 17 Cash and cash equivalents

Group	31/12/2023	31/12/2022
Balance sheet		
Cash and bank deposits	-2,132	17,437
Cash flow statement		

Cash and bank deposits	-2,132	17,437

Parent company	**31/12/2023**	**31/12/2022**
Balance sheet		
Cash and bank deposits	-3,032	927
Cash flow statement		
Cash and bank deposits	-3,032	927

Note 18 Share capital and other contributed capital

Parent company	Number of shares	Share capital (TEUR)	Other contributed capital	Total
As at 8 February 2022	**60,000**	**60**	**–**	**60**
New share issue	49,282	49	1,528	1,577
Shareholder contributions			42,484	42,484
As at 31 December 2022	**109,282**	**109**	**44,012**	**44,121**

Parent company	Number of shares	Share capital (TEUR)	Other contributed capital	Total
As at 1 January 2023	**109,282**	**109**	**44,012**	**44,121**
As at 31 December 2023	**109,282**	**109**	**44,012**	**44,121**

Note 19 Borrowing

Group 2023	**Current**	**Non-current**	**Total**
Bond loans	–	55,000	55,000
Debts to group companies	–	4,409	4,409
Other loans	-	142	142
Total borrowing	**–**	**59,551**	**59,551**

Group 2022	**Current**	**Non-current**	**Total**
Bond loans	–	55,000	55,000
Debts to group companies	–	3,810	3,810
Other loans	-	140	140
Total borrowing	**–**	**58,810**	**58,810**

Parent company 2023	**Current**	**Non-current**	**Total**
Bond loans	–	55,000	55,000
Debts to group companies	–	4,409	4,409
Total borrowing	**–**	**59,409**	**59,409**

Parent company 2022	Current	Non-current	Total
Bond loans	–	55,000	55,000
Debts to group companies	–	3,810	3,810
Total borrowing	**–**	**58,810**	**58,810**

Note 20 Other liabilities

Group	31/12/2023	31/12/2022
Accounts payable	9,013	12,463
VAT payable	1,241	1,952
Employee-related liabilities	17	346
Other	4,486	1,717
Liability for additional purchase considerations	6,428	17,972
Total other liabilities	**21,185**	**34,450**

Parent company	31/12/2023	31/12/2022
Accounts payable	87	73
Payroll withholding tax	10	11
Liability for additional purchase considerations	6,428	17,972
Total other liabilities	**6,525**	**18,056**

Note 21 Accrued expenses and prepaid income

Group	31/12/2023	31/12/2022
Accrued employee-related costs	1,107	1,312
Other	2,660	2,554
Total accrued expenses and prepaid income	**3,767**	**3,866**

Parent company	31/12/2023	31/12/2022
Accrued employee-related costs	41	42
Other	89	16
Total accrued expenses and prepaid income	**130**	**58**

Note 22 Pledged assets

	31/12/2023	31/12/2022
Pledged shares in subsidiaries	**113,726**	**113,726**

Note 23 Contingent liabilities

Group	31/12/2023	31/12/2022
Guarantee commitments in favour of Swedish Customs, SEK	100,000	100,000
Total	**100,000**	**100,000**

Note 24 Transactions with related parties

For a description of salaries and other remuneration to senior executives, see Note 8 Employee remuneration.

We have defined related parties as the Group management, the Board of the parent company, Genexis Group AB, the owners of the ultimate parent company Inteno Holding AB and the company management of the subsidiaries that are part of the Group.

Shares in subsidiaries and transactions between group companies are eliminated in the consolidated financial statements, therefore no further statement is given concerning these amounts.

There are no receivables from related parties.

Note 25 Significant events after the end of the financial year

The start-up of operations in the USA was initiated at the beginning of 2024.

Note 26 Participations in group companies

Parent company	**31/12/2023**	**31/12/2022**
Opening carrying amount	**117,518**	**-**
Cost	-	46,292
Additional purchase consideration	-	17,972
Shareholder contributions	-	53,254
Closing carrying amount	**117,518**	**117,518**

Name	**Organisation number**	**Registered office**	**Share of ownership**
Genexis International AB (formerly Inteno Group AB)	559058-0634	Stockholm	100%

Note 27 Leases

The Group leases space primarily for office and warehouse premises. Other leases relate mostly to cars, work vehicles, office equipment and IT equipment. Leases are negotiated on an individual basis and involve different terms and lease periods. The lease terms do not contain any variable fee elements. Leases often contain extension options of different lengths, to be determined at the discretion of the management. Lease liabilities (and right-of-use assets) include the non-cancellable lease period as well as both extension periods and cancellable periods.

Other than short-term leases, the estimated lease periods, including estimated extension periods and cancellable periods, vary between 2 and 39 years. The average useful life of right-of-use assets in 2023 varies between 5 and 13 years.

The following amounts relating to leases are recognised in the income statement:	**31/12/2023**	**31/12/2022**
Other external costs	747	266
Depreciation, amortisation and impairment	-743	-257
Financial expenses	-88	-17
Income tax	14	2
Total	**-70**	**-6**

The following amounts relating to leases are recognised on the balance sheet:	**31/12/2023**	**31/12/2022**
Assets		
Tangible fixed assets	628	1,422
Prepaid expenses and accrued income	-	-126
Deferred tax assets	15	-
Equity		
Retained earnings, including profit/loss for the year	49	6
Non-current liabilities		
Other liabilities	-	-579
Deferred tax liabilities	-	2
Current liabilities		
Other liabilities	-692	-732
Accrued expenses and prepaid income	-	7
Total	**0**	**0**

The following amounts relating to leases are recognised in the cash flow statement:	**31/12/2023**	**31/12/2022**
Cash flow from operating activities		
Operating profit/loss	4	-266
Interest paid	88	24
Cash flow from operating activities before changes in working capital	**92**	**-242**
Changes in working capital		
Operating receivables	111	-16
Operating liabilities	9	-8
Cash flow from operating activities	**120**	**-24**
Cash flow from financing activities		
Amortisation	619	266
Cash flow from financing activities	**266**	**266**
Cash flow for the period	**0**	**0**

Note 28 Business combinations

On 22 September 2022, GC 100876 BidCo AB, subsequently Genexis Group AB, acquired 100% of the shares in Inteno Group AB, comprising Inteno Group AB (org. no.: 559058-0634 with its registered office in Stockholm), and its wholly owned subsidiaries with the parent companies Genexis Sweden AB (org. no.: 556435-0733 with its registered office in Stockholm) and IOPSYS Software Solutions AB (org. no.: 559104-0786 with its registered office in Stockholm).

The fair value of the purchase consideration paid amounts to EUR 42,520 thousand plus additional purchase consideration. The purchase consideration comprises a cash payment of EUR 32,013 thousand, the offsetting of liabilities of EUR 4,518 thousand, a non-cash issue of EUR 1,577 thousand and an offset share issue of EUR 13,447 thousand. There was also an additional purchase consideration of EUR 17,972 thousand (SEK 200 million), which was conditional on Inteno Group AB's EBITA level for 2022.
The acquisition costs total EUR 3,792 thousand and have been charged to the Group's earnings in 2022.
Details of the purchase consideration, net assets acquired, and goodwill are provided below.

Group	**Provisional acquisition analysis**	**Final acquisition analysis**
Purchase consideration 22 Sep 2022 (TEUR)		
Cash and cash equivalents	32,014	32,014
Offset share issue	8,929	8,929
Non-cash issue	1,577	1,577
Additional purchase consideration	17,972	17,972
Total purchase consideration	**60,492**	**60,492**
The assets and liabilities recognised as a result of the acquisition are as follows:		
Cash and cash equivalents	3,534	3,534
Accounts receivable	15,550	15,550
Inventories	11,597	11,597
Financial instruments	574	574
Other current receivables	1,557	1,557
Machinery	2,230	2,230
Right-of-use assets	1,713	1,713
Intangible assets	16,935	0
Intangible assets: customer contracts	13,872	21,901
Intangible assets: technology	0	19,500
Intangible assets: brand	0	5,615
Deferred tax liabilities	0	-9,685
Accounts payable	-13,185	-13,185
Long-term loans	-31,017	-31,017
Other bank liabilities	-9,229	-9,229
Other current liabilities	-14,254	-14,254
Right-of-use liabilities	-1,600	-1,600
Provisions	-2,114	-2,114
Total net assets acquired	**-3,837**	**2,687**
Provisionally allocated goodwill	64,329	57,805
Total	**60,492**	**60,492**

Note 29 Recommended appropriation of profit

Parent company
The Board of Directors recommends that the available profit:

Share premium reserve	1,527,892
Retained earnings	40,690,663
Profit/loss for the year	6,319,124
	48,537,679
be appropriated so that the following is carried forward	48,537,679
	48,537,679

The income statements and balance sheets will be presented to the Annual General Meeting for adoption on 29 April 2024.

Stockholm, 29 April 2024

Gerlas van den Hoven
CEO

Daniel Winberg
Chair

Victoria Scheer
Director

Eric van Schagen
Director

Angelique Schouten
Director

Johan Hasselberg
Director

Our audit report was submitted on
Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorised Public Accountant