



Fram Skandinavien AB (publ) 556760-2692

# Interim Report 2024 Q3



## General information

<b>Ticker</b>	FRAM B	<b>Sector</b>	Investments focused on publicly listed and private tech companies, as well as digital assets
<b>Market</b>	Nasdaq First North Stockholm	<b>Geography</b>	Southeast Asia
<b>Activity</b>	Investment company	<b>Date of IPO</b>	October 2017 at 20 SEK per share

# Key highlights, Q3 2024

## Continued steps towards breakeven in core holdings

- As of 31st of Oct 2024, the net asset value amounted to 131 mSEK (36 SEK per share), which was approximately +343% above the closing price of the Fram B share on the same day, and -4% vs. latest reported NAV. The main negative contributor to NAV continues to be the decrease in peer multiples of Carmudi's trading business (as tech investors continue to shift from focusing more on profits than GMV - see more below).
- Fram has made additional progress in reducing losses across ventures in the portfolio. Carmudi's EBITDA results for Q3 2024 showed a loss of -0.03 mSEK, a decrease of 94% compared to the same period last year. For the month of September, Carmudi also reached break-even for the first time. EveHR's EBITDA loss was -0.4 mSEK for Q3 2024, a decrease of 35% compared to the same period last year. Liven Technology continued to experience moderate revenue growth (+13% y-on-y), with an EBITDA loss of -0.4 mSEK for the quarter.
- Third-quarter operational losses from continuing operations were reduced to -0.9 mSEK this year, down from -3.3 mSEK in the third quarter of 2023.
- Investor sentiment has swung significantly in Southeast Asia over the past 12-24 months. Rather than putting emphasis on GMV and growth, the investors are reluctant to make investments or acquisitions in early stage companies that have not yet proven profitable growth. Profit metrics such as EBITDA is meaningfully favored above GMV and/or revenue growth. Therefore, Fram considers it unlikely to find interested buyers for its core holdings before they reach breakeven and profitable growth thereafter. As a result, the primary focus remains on driving the ventures toward profitability. As a consequence, market GMV multiples of peers have come down over past periods and it remains a medium term priority to shift out of unprofitable GMV transactions for Carmudi.

## Global VC investments remain subdued

- **The U.S. Federal Reserve cut interest rates for the first time in four years.** The Fed announced a cut of 50 basis points during the September Fed Meeting, lowering its benchmark Federal Funds Rate to between 4.75% and 5%. Investors globally are now waiting to see if the trend of easing of interest rates will continue, and at what pace.
- **Global VC activities remained sluggish** with total VC financing amounting to approximately 70 bnUSD in Q3 2024, marking a six-year low. On the other hand, the number of early-stage unicorns, valued at over 1 bnUSD, by the end of Q3 2024 has already surpassed the total for all of 2023. This surge was attributable to a growing number of early-stage AI startups obtaining unicorn valuations in their initial funding rounds, reflecting sustained standout investor interest in the AI sector.
- **SEA's VC funding followed the global slowdown.** In Q3 2024, SEA startups secured the lowest number of private funding rounds in 6 years, raising a total of approx. 980 mUSD across the region. It was the first quarter since 2019 where the deal value was below 1 bnUSD. In summary, the year-to-date funding only reached ca. 3 bnUSD, which corresponds to a decline of approximately -40% y-o-y from the already low levels in 2023.
- **SEA's economies showcased resilient growth.** Vietnam's GDP expanded by +7.4% y-o-y in Q3 2024, fueled by strong manufacturing sector contribution despite severe impact from Typhoon Yagi. Malaysia's economy grew by +5.3% y-o-y, exceeding expectations, propelled by a robust services sector. Meanwhile, Singapore posted an impressive growth of +4.1% y-o-y, much higher than the 2.9% growth in the previous quarter, supported by the recovery of the manufacturing sector. The remaining countries have not yet reported Q3 GDP growth.

# Table of Content

- 1. Significant events YTD 2024**
- 2. Investment review**
- 3. Portfolio**
- 4. Group consolidation**
- 5. Financial statements**
- 6. Further information**

# 1. Significant events YTD 2024

## Q1: January - March

31<sup>st</sup> January 2024

Fram changed its Group Finance Director role into being an outsourced resource from Mazars

20<sup>th</sup> February 2024

Fram appointed new part-time Group CEO starting from 1<sup>st</sup> March

## Q2: April - June

17<sup>th</sup> April 2024

Fram released notice to Annual General Meeting 2024

15<sup>th</sup> May 2024

Fram^ changes back to previous Group Finance Director

## 2. Investment review

### Share price and NAV as of 31<sup>st</sup> Oct 2024

Share price (SEK)

**8.2**

NAV per share (SEK)

**36**

Number of shares

**3,615,078**

% upside NAV / share price

**+343%**

Market cap (mSEK)

**30**

NAV per share vs Sep 24

**-4%**

Total NAV (Net asset value, mSEK)

**131**

Share price discount to NAV per share

**-77%**

### Allocation of portfolio

Based on the portfolio NAV

by GEOGRAPHY

Vietnam  
**100%**Southeast  
Asia and  
other  
**0%**

by SECTOR

Marketplace  
**82%**HR tech  
**18%**

### Portfolio

Portfolio	Revenues (mSEK, last 12 months) (1)	Enterprise value (mSEK)	% or # shares owned by FRAM	Invested amount (mSEK)	NAV (mSEK)	Return multiple (NAV / investment)
Carmudi	GMV: 117	106	80%	22.3	89	4.0x
EveHR	1.5	26	83%	9.8	21	2.2x
Liven Technology	n.m	31	39%	3.8	12	3.1x
<b>Private tech investments</b>				<b>35.9</b>	<b>122</b>	<b>3.4x</b>
SEA (SE:US)		\$94.1 (2)	250	0.2	0.3	1.2x
<b>Public tech investments</b>				<b>0.2</b>	<b>0.3</b>	<b>1.2x</b>
<b>Total portfolio</b>				<b>36.1</b>	<b>122.3</b>	<b>3.4x</b>
Gross cash					9.2	
Restricted cash					-0.05	
<b>Total NAV</b>					<b>131.4</b>	

(1) Last 12 months revenue up to Oct 31<sup>st</sup>, 2024

(2) Price per share

Note: the numbers are indicative and not audited.

## 2. Investment review

### Portfolio at a glance

- As of the 31st of October 2024, the estimated total net asset value for Fram B shareholders amounted to **131 mSEK**, which corresponds to approximately **36 SEK per share**. The closing price for the B share was **SEK 8.2 per share**.
- The NAV per share was approximately **+343%** above the closing price of the Fram B share on the same day, representing a decrease of **-4%** compared to 30th of September 2024. The closing price per share resulted in a discount of approximately **-77%** compared to the NAV per share. The main contributor to the month-on-month decline in NAV continues to be the decrease in peer multiples of Carmudi's trading business.
- During the last quarter, Fram has **focused on improving the profitability** of the companies in its portfolio as well as improving their capital efficiency. Carmudi reported an EBITDA loss of **-0.03 mSEK** for Q3 2024, reflecting a 94% decrease compared to the same period last year. Notably, Carmudi also recorded break-even for the first time in September. EveHR posted an EBITDA loss of **-0.4 mSEK**, a 35% reduction from the same period last year.
- The current portfolio of Fram consists of **4 holdings**, including 3 private tech companies and 1 public tech company, with a total invested amount of **36.1 mSEK**. The largest position in the portfolio is **Carmudi**, representing ca. 68% of NAV, followed by **EveHR** at 16% and **Liven** at 9%.
- The cash balance increased by approximately 1 mSEK compared to the latest NAV report, primarily due to cash collections from Carmudi dealers during the period as well as FX effects.

### Valuation of companies in the portfolio

- Fram continued to apply a sum-of-the-parts valuation for Carmudi. Under this approach, Carmudi's car trading and car media & classifieds business segments are valued separately, each with a distinct set of listed peers most relevant to its respective segment. The trading business is valued on an EV/GMV basis, while the media & classifieds business is valued on an EV/Sales basis.
- The average EV/GMV multiple, which is used for the trading business, includes the more general GMV-focused marketplace peer companies ACV Auctions, SEA, eBay, and MercadoLibre. The average peer multiple for this part of the business amounted to 0.8x GMV. Meanwhile, the average EV/Sales multiple peer group (applied to the revenues of the media & classifieds business segment) includes Frontier Digital Ventures, CarGurus, Cars.com and CAR Group, and amounted to 5.5x as of the 31st of October 2024. While Carmudi is significantly smaller than its peers, this is counterbalanced by the fact that the business is growing meaningfully faster than its peers, wherefore peer multiple discount has been applied. Based on this updated and more detailed valuation approach, the total equity value of Fram's shares in Carmudi amounts to 88.7 mSEK.
- For EveHR, Fram continues to apply a DCF (discounted cash flow), resulting in a NAV of 21.4 mSEK for its stake in the company.
- Fram holds an investment in the public company Sea Group, a leading Southeast Asian e-commerce and gaming group. The valuation of this investment is marked to market based on the closing price as of the 31st of October 2024.

## 3. Portfolio – Carmudi

### General information

<b>Business description</b>	Online car marketplace
<b>Website</b>	<a href="http://www.carmudi.vn">www.carmudi.vn</a>
<b>Location</b>	Vietnam
<b>Segment</b>	Car marketplace
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Keshav Rustagi, CEO
<b>Employees</b>	10
<b>Investment date</b>	2017
<b>Amount invested</b>	22.3 mSEK
<b>Ownership of Fram</b>	80%
<b>Governance influence</b>	Chairman of the board
<b>Investment thesis</b>	Car penetration in a country is generally driven by income per capita. Vietnam has one of the fastest growing GDP/capita ratios in the world and its car market growth hit an inflection point pre covid. Benchmarking vs other emerging economies' historical car penetrations vs GDP/capita, Vietnam is set to enjoy 15–20% car market growth p.a., for at least a decade ahead. Growth in value terms will be even higher as the consumers trade up in car price. The digital car trading sector will grow faster as it increases in penetration.

### Financial summary

<i>in mSEK</i>	9M 2024	2023	2022	2021	2020
<b>GMV</b>	87	97	74	16	13
<b>%YoY growth</b>	+42%	+30%	+366%	+26%	+168%

### Investment performance

<b>Valuation method</b>	Multiple of peer group	
<b>Enterprise value (Oct 2024)</b>	106 mSEK	
<b>Total investment</b>	22.3 mSEK	
<b>Total value to Fram</b>	88.7 mSEK	
<b>Return multiple (Value/investment)</b>	4.0x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	22.3 mSEK
	<b>NAV</b>	88.7 mSEK

### Key events since investment

Fram executed a management buyout of Carmudi Vietnam from Rocket Internet end 2017.

Later the company merged with classifieds group Otos.vn.

Carmudi later transformed from a car classifieds business into an online car marketplace (similar to Carro & Carsome), leading the vertical in Vietnam.

### Significant events during Q3 2024

Carmudi continued to reduce its EBITDA losses. The Q3 2024 loss was approximately -0.03 mSEK, an 82% reduction compared to the previous quarter. The company phased out certain car trading transactions that generate GMV but are not EBITDA positive. In Sep, Carmudi recorded its first month of EBITDA-breakeven.

## 3. Portfolio – EveHR

### General information

<b>Business description</b>	Employee engagement and flexible benefit platform (SaaS)
<b>Website</b>	<a href="http://www.evehr.vn">www.evehr.vn</a>
<b>Location</b>	Vietnam
<b>Segment</b>	HR tech
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Bach Tuan Anh (James), CEO
<b>Employees</b>	15
<b>Investment date</b>	2019
<b>Amount invested</b>	9.8 mSEK
<b>Ownership of Fram</b>	83%
<b>Governance influence</b>	Chairman of the board
<b>Investment thesis</b>	Vietnam has a low penetration of SaaS in general. 98% of companies in the country are SMEs and only 5–7% of them use SaaS regularly (compared to ca. 70% in global). Global peers are Sodexo-sponsored, Adr, and Ten Lifestyle Group Plc, with valuations in the range of 10–15 bnUSD, which lends indication of what can be built as a market leader in this fast growing tech vertical in Vietnam.

### Financial summary

<i>in mSEK</i>	9M 2024	2023	2022	2021	2020
<b>Net revenues</b>	1.2	1.4	0.97	0.52	0.20
<b>%YoY growth</b>	-1% (*)	+48%	+86%	+161%	+64%

(\*) Due to the average exchange rate used for presentation, revenue presented in SEK shows a -1% decline. However, in the local currency (VND), revenue grew by +6% year-over-year for the first nine months of 2024.

### Investment performance

<b>Valuation method</b>	DCF valuation	
<b>Enterprise value (Oct 2024)</b>	26 mSEK	
<b>Total investment</b>	9.8 mSEK	
<b>Total value to Fram</b>	21.4 mSEK	
<b>Return multiple (Value/investment)</b>	2.2x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	9.8 mSEK
	<b>NAV</b>	21.4 mSEK

### Key events since investment

EveHR has been developed in Fram's venture builder. The company was launched as a SaaS platform primarily targeting enterprise clients.

Already today, EveHR manages a wide range of top tier MNC clients, such as AIA, Nestle, Pepsi, DHL, PWC and many more. The next stage of EveHR's journey will be to successfully break into the SME segment with a self-service client acquisition and interaction approach.

### Significant events during Q3 2024

Revenue in Q3 decreased by -22% compared to the same period last year (0.44 mSEK versus 0.57 mSEK), mainly due to significant custom work revenues from new clients booked in Q3 2023 while there was no such revenue in Q3 2024. Subscription revenue, increased by +18% in Q3 2024, compared to same period last year. In Q3 2024, EveHR also acquired a new client, Generali – a leading insurance company.



## 3. Portfolio - Liven

### General information

<b>Business description</b>	Leading digital marketplace for weddings and events
<b>Website</b>	<a href="http://www.liven.asia">www.liven.asia</a>
<b>Location</b>	Vietnam
<b>Segment</b>	Service marketplace
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Ngoc Nguyen, founder and CEO
<b>Employees</b>	22
<b>Investment date</b>	Sep 2019
<b>Amount invested</b>	3.8 mSEK
<b>Ownership of Fram</b>	39%
<b>Governance influence</b>	Member of the board
<b>Investment thesis</b>	<p>The Vietnamese market for weddings, private celebrations and corporate events is estimated to be worth &gt;2 bnUSD, growing at ca. +20% p.a.</p> <p>Liven Technology holds the leading market position online in this fast-growing sector that is rapidly migrating towards digital.</p>

### Financial summary

<i>in mSEK</i>	9M 2024	2023	2022	2021	2020
<b>Revenues</b>	1.6	2.0	0.58	0.3	0.5
<b>%YoY growth</b>	+15%	+253%	+93%	-51%	+245%

Revenue figures include only Marry's revenues before 2022

### Investment performance

<b>Valuation method</b>	Last round valuation	
<b>Enterprise value (Oct 2024)</b>	31 mSEK	
<b>Total investment</b>	3.8 mSEK	
<b>Total value to Fram</b>	11.9 mSEK	
<b>Return multiple (Value/investment)</b>	3.1x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	3.8 mSEK
	<b>NAV</b>	11.9 mSEK

### Key events since investment

As part of its management buyout activities, Fram acquired the leading online wedding platform, Marry.vn, from the Swiss media conglomerate Ringier.

The wedding and events market came to a complete halt during the Covid lockdowns. Post covid, Fram restarted the business by merging it with Vdes.vn to create a leading online group in the sector.

### Significant events during Q3 2024

The revenues in Q3 2024 increased +13%, compared to same period last year (0.47 m SEK compared to 0.41 mSEK). The gross profit for Q3 2024 was 0.1 mSEK, a decrease compared to 0.2 mSEK in the same period last year.

## 5. Group consolidation

The Group (kSEK)	Q3		Q1-Q3	
	2024	2023	2024	2023
<b>Gross merchandise Value</b>	<b>15,556</b>	<b>26,641</b>	<b>92,915</b>	<b>68,833</b>
Total revenues	1,345	4,744	4,955	27,637
Net revenues	1,277	4,624	4,485	27,248
Gross profit	1,019	1,107	3,167	3,951
Adjusted EBIT	-1,116	-3,746	-4,768	-12,440
Adjusted EBIT-margin	-87%	-81%	-106%	-30%
<b>EBIT</b>	<b>-1,054</b>	<b>-3,627</b>	<b>-4,530</b>	<b>-12,052</b>
EBIT-margin	-78%	-76%	-91%	-44%
<b>Loss from continuing operation</b>	<b>-903</b>	<b>-3,337</b>	<b>-3,661</b>	<b>-8,073</b>
Loss from discontinued operation	-207	-	-1,070	-
<b>Loss for the period</b>	<b>-1,110</b>	<b>-3,337</b>	<b>-4,731</b>	<b>-8,073</b>
Solidity	32%	78%	32%	78%
Equity	7,049	41,797	7,049	41,797
Total assets	22,244	53,776	22,244	53,776
Number of shares	3,615,078	3,615,078	3,615,078	3,615,078
Earnings per share	-0.3	-0.9	-1.3	-2.2

EBIT-margin (%) is calculated as EBIT / total revenue while adjusted EBIT-margin (%) is calculated as adjusted EBIT / net sales. The reason is that adjusted EBIT does not take into account other operating incomes, other operating expenses and non-recurring costs.

### Significant events during Q3 2024

- The GMV for Q3 2024 was 15,556 kSEK, representing a -47% decrease compared to Q3 2023. Most of the GMV was generated by Carmudi, and the decrease aligns with its strategy to phase out certain car trading transactions that contribute to GMV but are not EBITDA positive. This pursuit is having a negative impact on GMV in the short term, while enabling further improvements in positive EBITDA mid to long term. Although this is the right long-term step for the business, it may continue to have a short-term negative effect on NAV.
- The group accounting revenue decrease was driven by a decrease in Carmudi's gross revenues (while gross profit remained relatively stable and losses reduced significantly), which is part of its ongoing shift to more profitable car trading transactions that locally in Vietnam can only be booked on a net revenue basis. As highlighted over recent years, Carmudi has gone through two significant shifts over past periods: i) shifting out of B2C car trading (as B2C comprises only very small (<5%) and highly competitive part of the local car trading market) into C2B car trading which led to the accounting effect of car transaction values being reported as GMV instead of revenues (while gross profit improved) and ii) within C2B, shifting out of the car trading transactions where Carmudi was not making generating incremental EBITDA (leading to reduced GMV but significant relative EBITDA uplift). With these changes in strategy and focus, the gross profit margin increased from ca 23% to more than 75% y-on-y. The Group's EBIT loss from continuing operation has been reduced to -903 kSEK, from -3,337 kSEK during the same period last year.
- As previously communicated, DragonLend is winding down its loan book in a controlled manner and returning cash to creditors. Hence, Fram is reporting DragonLend as "Discontinued operations". Consequently, the preference shares of Ataal in DragonLend with an amount of 8,000 kSEK, were converted into debt, reducing Group equity by the same amount and decreasing the solidity ratio to 32% for this quarter. The debtholders and the Group have agreed that the entity will be liquidated latest by the end of 2026 and at that time all remaining debt will be written down to 0.

## 6. Financial statements

### Income Statement

The Group (kSEK)	Note	Q3		Q1-Q3	
		2024	2023	2024	2023
Net revenues	5	1,277	4,624	4,485	27,248
Other operating income		68	120	470	389
<b>Total revenues</b>		<b>1,345</b>	<b>4,744</b>	<b>4,955</b>	<b>27,637</b>
Raw materials and supplies		-	-2,845	-794	-22,042
Other external expenses		-858	-1,816	-2,453	-5,348
Personnel costs		-1,480	-3,650	-5,840	-11,115
Depreciation		-55	-59	-166	-1,183
Other operating expenses		-6	-1	-232	-1
<b>Operating result</b>		<b>-1,054</b>	<b>-3,627</b>	<b>-4,530</b>	<b>-12,052</b>
Financial income		151	422	1,061	4,792
Financial expenses		-	-132	-192	-813
<b>Profit before tax</b>		<b>-903</b>	<b>-3,337</b>	<b>-3,661</b>	<b>-8,073</b>
Taxes		-	-	-	-
<b>Loss from continuing operation</b>		<b>-903</b>	<b>-3,337</b>	<b>-3,661</b>	<b>-8,073</b>
Loss from discontinued operation		-207	-	-1,070	-
<b>Loss for the period</b>		<b>-1,110</b>	<b>-3,337</b>	<b>-4,731</b>	<b>-8,073</b>
Earning per shares		-0.3	-0.9	-1.3	-2.2

### Income statement

- Total revenues for Q3 2024 amounted to 1,345 kSEK. The decrease in group revenues was driven by Carmudi's strategy towards profitability, aimed at achieving higher gross profit and EBITDA (see comments on prior page).
- The decline in the Group's accounting revenues also drove reduction in the costs associated with raw materials, supplies, and other external expenditures. These expenses amounted to zero and 858 kSEK respectively.
- The decrease in personnel costs compared to the previous year can primarily be attributed to the change of the Group CEO and Group CFO, whose roles were subsequently filled on a part-time basis. Another reason for the reduction was the decrease in salary expenses across the entire company as part of the cost optimization strategy towards break-even.
- Financial income represented income from bank deposits during this quarter.
- Loss from discontinued operations primarily comprised operational expenses incurred in DragonLend during this quarter.

## 6. Financial statements

### Balance sheet

- Total assets as of 30th of Sep 2024 amounted to 22,244 kSEK.
- Non-current assets decreased by -58 kSEK compared to June 30th, 2024, and amounted to 1,056 kSEK. The decrease was mainly due to depreciation during the period.
- Trade receivables amounted to 4,342 kSEK. Most of the trade receivables were derived from Dragonlend (2,321 kSEK).
- Other receivables of 7,347 kSEK were mainly from Carmudi, holding 6,554 kSEK of receivables from car dealers. The remaining receivables are deposits for credit issued via partner banks, office rent and voucher suppliers.
- As of Sep 30th, 2024, the company's cash and bank balance amounted to 8,452 kSEK, while total equity amounted to 7,049 kSEK.
- Current liabilities amounted to 15,195 kSEK, mainly consisting of payables to creditors in DragonLend (12,061 kSEK) and voucher suppliers in EveHR (1,513 kSEK).

### Balance sheet

The Group (kSEK)	Note	30 Sep 2024	30 Sep 2023	30 Jun 2024	31 Dec 2023
<b>Non-current assets</b>					
<u>Intangible assets</u>					
Capitalized expenditure on development and similar works		108	652	166	683
<u>Financial assets</u>					
Investment in a associate		-	-		
Financial investments	6	948	3,250	948	1,776
<b>Total non-current assets</b>		<b>1,056</b>	<b>3,902</b>	<b>1,114</b>	<b>2,459</b>
<b>Current assets</b>					
Finished goods and merchandise		-	1,116	-	339
<u>Short-term receivables</u>					
Trade receivables	7	4,342	21,606	4,933	7,887
Current tax receivables		859	1,054	828	741
Other receivables	8	7,347	10,206	7,369	8,402
Prepaid expenses and accrued income		188	268	194	239
Cash and bank		8,452	15,624	13,491	13,291
<b>Total current assets</b>		<b>21,188</b>	<b>49,874</b>	<b>26,815</b>	<b>30,899</b>
<b>TOTAL ASSETS</b>		<b>22,244</b>	<b>53,776</b>	<b>27,929</b>	<b>33,358</b>
<u>Own capital</u>					
Share capital		1,204	1,204	1,204	1,204
Other contributed capital		77,359	86,487	85,359	85,359
Retained earnings		-71,514	-45,894	-69,183	-66,957
<b>Total equity</b>		<b>7,049</b>	<b>41,797</b>	<b>17,380</b>	<b>19,606</b>
<b>Current liabilities</b>					
Accounts payable	9	1,649	910	1,251	1,819
Liabilities to credit institutions		21	-	6	13
Advances from customers		27	600	27	435
Current tax liabilities		110	586	154	596
Other liabilities	10	12,683	8,769	8,556	10,436
Accrued expenses and deferred income		705	1,114	555	453
<b>Total current liabilities</b>		<b>15,195</b>	<b>11,979</b>	<b>10,549</b>	<b>13,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,244</b>	<b>53,776</b>	<b>27,929</b>	<b>33,358</b>

## 6. Financial statements

### Change in Equity

The Group (kSEK)	Q3		Q1-Q3	
	2024	2023	2024	2023
<b>Shareholders' equity at the beginning of the period</b>	<b>17,380</b>	<b>47,421</b>	<b>19,606</b>	<b>49,958</b>
Translation difference	-275	-1,159	1,120	1,040
Preferred dividend payment in a subsidiary	-	-1,128	-	-1,128
Preference share conversion into debts	-8,946	-	-8,946	-
Profit for the period	-1,110	-3,337	-4,731	-8,073
<b>Shareholders' equity at the end of the period</b>	<b>7,049</b>	<b>41,797</b>	<b>7,049</b>	<b>41,797</b>

### Cash flow

- Cash flow from operating activities before changes in working capital was -1,115 kSEK. Of this amount, -903 kSEK was due to a pre-tax loss from continuing operations, while the remaining -212 kSEK resulted from adjustments for non-cash items such as depreciation and other adjustments.
- Changes in working capital resulted in a cash inflow of +102 kSEK, while operational cash flow from continuing operations was -1,013 kSEK. The discontinued operation experienced a cash outflow of -4,019 kSEK, primarily due to lender payments made during the quarter.
- The cash flow for the period was -5,032 kSEK and cash balance at the period ending was 8,452 kSEK. The negative cash flow from discontinued operations were primarily loan re-payments to DragonLend debtholders.

### Cash flow statement

The Group (kSEK)	Q3		Q1-Q3	
	2024	2023	2024	2023
<b>Current operations</b>				
Result from continuing operation	-903	-3,337	-3,661	-8,073
Adjustments for items not included in cash flow, etc.	-212	-163	407	843
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1,115</b>	<b>-3,500</b>	<b>-3,254</b>	<b>-7,230</b>
<b>Cash flow from changes in working capital</b>				
Change in inventories	-	1,456	339	-923
Change in trade receivables	-425	-4,344	1,210	-13,311
Change in short-term receivables	2	8,547	1,065	13,902
Change in trade payables	398	-3,708	-567	-1,741
Change in current liabilities	127	-1,181	-2,676	-190
<b>Operational cash flow from continuing operation</b>	<b>-1,013</b>	<b>-2,730</b>	<b>-3,883</b>	<b>-9,493</b>
Operational cash flow from discontinued operation	-4,019	-	-2,620	-
<b>Cash flow from operating activities</b>	<b>-5,032</b>	<b>-2,730</b>	<b>-6,503</b>	<b>-9,493</b>
<b>Investment activities</b>				
Received from sale of financial assets	-	1,738	1,666	1,738
Investments in financial assets	-	-	-	-1,268
<b>Cash flow from investing activities</b>	<b>-</b>	<b>1,738</b>	<b>1,666</b>	<b>470</b>
<b>Financing activities</b>				
Others	-	-1,128	-	-1,128
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-1,128</b>	<b>-</b>	<b>-1,128</b>
<b>Cash flow for the period</b>	<b>-5,032</b>	<b>-2,120</b>	<b>-4,837</b>	<b>-10,151</b>
Cash at the beginning of the period	13,491	18,171	13,291	25,695
Exchange difference	-7	-427	-2	80
<b>Cash at end of the period</b>	<b>8,452</b>	<b>15,624</b>	<b>8,452</b>	<b>15,624</b>

## 6. Further information – Notes

### NOTE 1: COMPANY INFORMATION

Fram Skandinavien AB (publ) with registration number 556760-2692 and its subsidiaries are referred to in this report as Fram, Fram^, the Company or the Group. The Company's address is % S-Ekonomi, Sylveniusgatan 2, 754 50 Uppsala, Sweden. The Company's website is <https://fram.asia>. Fram operates within investments in companies that are focused on digital consumer & other tech in Southeast Asia.

### NOTE 2: ACCOUNTING PRINCIPLES

The quarterly report for the period 1 July to 30 September 2024 has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3), unless otherwise stated.

### NOTE 3: TRANSACTIONS WITH RELATED PARTIES

During the quarter, transactions amounting to approximately 178 kSEK were carried out with related companies. Christopher Brinkeborn Beselin, Chairman of the Board of Directors, is co-owner of Endurance Capital and Norsel Industries Ltd. The transactions were carried out on arm's length and market-based terms.

### NOTE 4: REVIEW OF THE INTERIM REPORT

This interim report has not been audited by the company's auditors.

### NOTE 5: NET REVENUES

in kSEK	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Carmudi	832	3,526	2,791	23,594
DragonLend	-	526	508	2,462
EveHR	445	572	1,186	1,192
<b>TOTAL</b>	<b>1,277</b>	<b>4,624</b>	<b>4,485</b>	<b>27,248</b>

### NOTE 6: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	30 Sep 2024	30 Jun 2024
<i>Investments in listed shares:</i>		
- SEA (SE:US)	205	205
<i>Investments in other company:</i>		
- Liven Technology	756	756
<b>TOTAL</b>	<b>961</b>	<b>961</b>
<i>Provision for decrease in value of investment</i>	-13	-13
<b>NET</b>	<b>948</b>	<b>948</b>

### NOTE 7: TRADE RECEIVABLES

in kSEK	30 Sep 2024	30 Jun 2024
DragonLend	2,321	3,337
EveHR	1,153	1,032
Carmudi	863	558
Others	5	6
<b>TOTAL</b>	<b>4,342</b>	<b>4,933</b>

## 6. Further information – Notes

### NOTE 8: OTHER RECEIVABLES

in kSEK	30 Sep 2024	30 Jun 2024
Receivables from dealers, Carmudi	6,554	6,633
Others	793	736
<b>TOTAL</b>	<b>7,347</b>	<b>7,369</b>

### NOTE 9: TRADE PAYABLES

in kSEK	30 Sep 2024	30 Jun 2024
EveHR	1,513	1,118
Others	136	133
<b>TOTAL</b>	<b>1,649</b>	<b>1,251</b>

### NOTE 10: OTHER LIABILITIES

in kSEK	30 Sep 2024	30 Jun 2024
Liabilities to lenders in DragonLend	12,061	7,941
Deposits received in EveHR	333	432
Taxes and social insurance expenses	200	165
Others	89	18
<b>TOTAL</b>	<b>12,683</b>	<b>8,556</b>

### NAV VALUATION PRINCIPLES

- The main principle is to use a multiple valuation based on a group of listed comparable companies.
- Valuations are based on rolling "backward-looking" reported 12 months of turnover (i.e. a conservative approach compared to market practice of using "12 months forward-looking").
- EV/GMV, EV/Revenues or EV/EBIT(D)A are used depending on the level of maturity of the companies. For companies where no suitable listed peers can be found, alternative valuation methods such as direct cash flow (DCF) or investment cost based valuation can be applied.
- In the case of a new capital raises with market-based pricing/valuation, this valuation is used instead of multiple valuation.
- Investments that are considered to entail significant uncertainty about whether they can be realized at their full valuation can also be taken up to an additional discount in the net asset value calculation (e.g. Nordic Coder and DragonLend).

## 6. Further information – Significant risks and uncertainties

The risks described below are not ranked in any particular order. The presentation below does not claim to be comprehensive, and for natural reasons not all risk factors can be predicted or described in detail. Therefore, each investor must make an overall assessment that also includes the information in the rest of the report as well as a general external assessment. The risks and uncertainties below could have a material adverse effect on the Company's business, financial condition and results of operations. They may also cause a decrease in the value of the Company's stock, which may result in investors losing all or part of their invested capital. Additional risks that are not currently known to the Company may also have a corresponding negative effect.

### **Inflation and geopolitical developments**

Current geopolitical developments due to the Russia-Ukraine conflict and the elevated inflation rates in Europe and the United States do not directly affect the Group as the majority of the Company's activity is in Southeast Asia, centered around Vietnam.

### **The company's value development**

The Company's value is essentially dependent on the development of the investments made by the Company, as well as the result of the Company's handling of cash and cash equivalents. There is a risk that the Company's assets do not increase in value, or that the value does not remain intact, which means that there is a risk that invested capital cannot be recovered in connection with a liquidation of the Company. It should be emphasized that the Company will almost exclusively invest in investment objects that are primarily aimed at investors who are particularly familiar with the venture capital industry and that in some cases these may have a risk picture that differs from the mutual funds that private individuals usually invest in, for example in that the underlying investment objects are fewer and that there is thus a more limited risk spread. There is a risk that the Company will fail to recover the invested capital in the investment object, which could have a negative impact on the Company's business, financial condition and results of operations.

### **Market**

The investment objects may in some cases be highly dependent on the positive development of the markets in which they operate. Should these markets develop in a way that is negative for the Company, there is a risk that the value of individual investments will decrease, which could have a negative impact on the Company's operations, financial condition and results of operations.

### **Credit risk**

Credit risk is defined as the risk that the Company's counterparties cannot meet their financial obligations to the Company. If this happens, there is a risk that the Company will fail to fulfill its own commitments, such as future payments. This entails a concrete credit risk in the event that counterparties have problems fulfilling their commitments to the Company, which may have a negative impact on the Company's operations, financial position and results of operations.

### **Liquidity risk**

There is a risk that the Company will not be able to meet short-term payment commitments as a result of a lack of liquidity. Liquidity shortages could arise if, for example, one or more of the Company's customers do not pay their invoices to Fram on time or that one or more of the Company's customers suddenly terminate their long-term service agreements with Fram. Liquidity shortages could also occur in one or more of the Company's holdings. Failure by the Company or its holdings to meet short-term payment obligations could result in a negative impact on the Company's business, financial condition and results of operations.

### **Tax risk**

The Company's operations, as well as transactions between group companies, are conducted in accordance with the Company's interpretation of tax laws. There is a risk that the Company's interpretation of applicable laws, regulations or of the relevant authorities' interpretation of these or of administrative practices is incorrect, which may adversely affect the Company's operations, financial condition and results of operations.

### **Dependence on key personnel**

The company is dependent on a handful of key personnel in any given subsidiary within the Group. If key employees leave or cannot be employed by the Company in a satisfactory manner, this in turn could adversely affect the Company's operations, financial position and results of operations.

### **Risk related to the residence of senior executives**

As parts of the Board of Directors resident outside the EEA, the Company has received an exemption from the Swedish Companies Registration Office regarding the requirements for the residence of the Board of Directors. A change in this could have a negative impact on the Company.



## 6. Further information – Significant risks and uncertainties

### Ability to manage growth

As the organization grows, effective planning and management processes need to be developed. This risk is even higher in the early operations that the Company invests in. There is a risk that the Company will fail to manage a rapid growth rate, which could have a negative impact on the Company's business, financial condition and results of operations.

### Client risk

The company's customer relationships are long-term and generate stable recurring monthly cash flows. It is common for companies in early phases, like the businesses in which the Group invests within the framework of its business area, to have a higher concentration in one or a couple of important clients. In such contexts, the client risk can be considered to be elevated. There is a risk that a customer for some reason chooses to terminate an agreement with the Company, which may have a negative impact on the Company's operations, financial position and results of operations.

### Currency risk

The majority of the Group's revenue and cost base is in Vietnamese Dong (VND). The Vietnamese Dong is partly pegged against a basket of currencies where the USD is dominant. If the USD/VND currency ratio develops in an unfavorable direction for the Company (i.e., a strengthening of the VND against the USD), it could have an adverse effect on the Company's operations, financial condition and results of operations.

### Economic developments

External factors such as supply and demand as well as recessions and booms can have an impact on operating expenses, selling prices and stock valuation. There is a risk that the Company's future revenues and share valuation may be affected by these factors, which are beyond the Company's control, which could have a negative impact on the Company's business, financial condition and results of operations.

### Competition

In addition to this, there is the risk that the Company may have misjudged competition in one or more markets in which it becomes active in. A difficult competitive situation could result in the Company not achieving growth targets due to, among other things, price pressure or reduced order intake, which could have a negative impact on the Company's operations, financial position and earnings.

### Political risks

The company's operations are managed and coordinated in Vietnam. Risks may arise from changes in legislation, taxation, duties and fees, exchange rates and other conditions that apply to companies operating in international markets. Government decisions can also have an impact on the Company's operations. The Company will also be affected by factors associated with the political and economic climate of the countries in which it conducts its business, primarily Vietnam, which may adversely affect the Company's operations, financial condition and results of operations.

### Disputes

There is a risk that the Company will in the future be involved in court proceedings and/or arbitrations. These types of legal processes can be time- and cost-intensive and there is a risk that they cannot be resolved in a way that is beneficial to the Company. There is also a risk that, in the event of a loss in legal proceedings, the Company will be forced to reimburse the counterparty for litigation costs, which may have a negative impact on the Company's operations, financial position and results of operations.

### Risk with the business model

The company has a business model based on cooperation with external actors and business partners. In the event of delays in market launch, or if market acceptance is lower than expected, there is a risk of adverse effects on the Company's or the Company's subsidiaries' operations, financial position and results of operations. Since many of the business models developed within the Group are relatively new and unproven in the markets addressed, there is an increased risk in the market acceptance of these business models during the early phases of the business's development.

### Acquisition and sale of holdings

The company's operations mean that potential acquisitions and sales are evaluated on an ongoing basis. It cannot be ruled out that the Company will fail to find suitable acquisition targets in the future or to obtain the necessary financing for future acquisition targets on acceptable terms. Nor can it be ruled out that the Company will fail to divest individual holdings in the future or, if divestments are carried out, to receive a favorable purchase price. The above factors could have a negative impact on the Company's operations, financial condition and results of operations.

## 6. Further information

This report, as well as additional information, is available on the Fram's website: [investors.fram.asia](https://investors.fram.asia)

This information is information that Fram Skandinavien AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was provided, through the agency of the contact person set out below, at the time indicated in the press release.

### Contacts for further information

**Per Rundblom, CEO**

Phone: +46-708 44 59 00

Email: [per.rundblomi@fram.asia](mailto:per.rundblomi@fram.asia)

**Son Ngo, Group Finance Director**

Phone: +84 91 815 76 80

Email: [son.ngo@fram.asia](mailto:son.ngo@fram.asia)

**Christopher B. Beselin, Chairman**

Phone: +84 34 712 73 14

Email: [christopher.beselin@fram.asia](mailto:christopher.beselin@fram.asia)

**SKMG, Certified Advisor**

<https://www.skmg.se>

### The report is certified by:

**Christopher B. Beselin  
Chairman**

12 November 2024