

fram^

Fram Skandinavien AB (publ) 556760-2692

# Interim Report 2024 Q1



## 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, Q1 2024

## Fram continues to focus on taking steps towards breakeven in core holdings

- As of 30th of April 2024, the net asset value amounted to 262 mSEK (72 SEK per share), which was approximately +170% above the closing price of the Fram B share on the same day and an increase of +6% compared to year end 2023, or ca. -13% vs latest reported NAV.
- Fram has made additional progress in reducing losses of ventures in portfolio. Carmudi's results for Q1 2024 showed a meaningful uptrend, GMV grew by +203% y-on-y. Gross Profit increased by +345% y-on-y and number of car transactions increased by +138% compared to Q1 2023. EveHR's revenues increased by +20% compared to the same period last year. Liven technology also experienced significant growth across key metrics (revenues grew by +60% y-on-y, Gross Profit increased by +18% y-on-y, reaching positive EBITDA for the quarter). Group adj. EBIT losses were reduced by 33% y-on-y, with more cost savings flowing through in Q2.
- The negotiations for the sale of DragonLend to Gologiq is still ongoing, but as an actual transaction becomes less likely with time (also since DragonLend needs to pay back its creditors step by step as their loans mature and the loan book hence decreases in size as time goes by), for the sake of prudence, the Company has decided to fully provision the DragonLend investment in its NAV for the time being, resulting in a negative 4.6% impact vs. previously reported total NAV.
- After this adjustment, the current NAV portfolio of Fram consists of four holdings, including three private tech companies and one public tech company, with a total invested amount of 37.7 mSEK.

## Global equity markets experienced robust gains while Southeast Asia witnessed positive economic activity

- **Global stock markets registered strong gains in Q1** amid a resilient US economy and ongoing enthusiasm around Artificial Intelligence. Expectations of interest rate cuts also boosted shares although the pace of cuts is likely to be slower and start later than the market had previously hoped for.
- **IPO markets opens.** It is too early to say whether the IPO markets will make a full comeback in 2024. However, there are positive signs of green shoots - two venture-backed companies (Astera Labs and Reddit) went public within a day of one another in the latter half of March and both traded up significantly on their first day. Astera Labs has nearly doubled from its IPO price, while Reddit, still above its IPO price, has lost some of the first day gains.
- **VC investments in the Americas well ahead of Asia and Europe.** The Americas attracted the largest share of VC investments globally in Q1'24 (38.2 bnUSD across 3,205 deals), driven primarily by investments in the US (36.6 bnUSD across 2,882 deals). Asia attracted the second highest level of VC investments this quarter (18.9 bnUSD across 2,305 deals) while Europe saw VC investments increase slightly, reaching 17.9 bnUSD across 1,798 deals.
- **Southeast Asia's economy in Q1 2024 reflects a region on the rise**, with Singapore's GDP climbing by 2.7 percent, indicating a steady recovery. Indonesia's growth surpassed expectations, marking the highest in three quarters, while Vietnam's economic report showed resilience amidst global uncertainties with the GDP grew by 5.66 percent. The Philippines, despite a strong 5.7 percent expansion, faces persistent headwinds that could temper future growth.

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# 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 30<sup>th</sup> April 2024

Share price (SEK)

**26.8**

NAV per share (SEK)

**72**

Number of shares

**3,615,078**

% upside NAV / share price

**+170%**

Market cap (mSEK)

**97**

NAV per share vs Dec 23

**+6%**

Total NAV (Net asset value, mSEK)

**262**

Share price discount to NAV per share

**-63%**

### Allocation of portfolio

Based on the portfolio NAV

by GEOGRAPHY

Vietnam  
**99%**

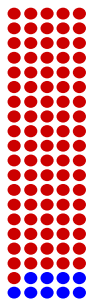
Southeast  
Asia and  
other  
**1%**



by SECTOR

Marketplace  
**91%**

HR tech  
**9%**



### 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: 124	261 (2)	80%	22	209	9.5x
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>35.6</b>	<b>242</b>	<b>6.8x</b>
SEA (SE:US)		\$63.2 (3)	2,500	2.1	2	0.8x
<b>Public tech investments</b>				<b>2.1</b>	<b>2</b>	<b>0.8x</b>
<b>Total portfolio</b>				<b>37.7</b>	<b>244</b>	<b>6.5x</b>
Interest bearing instruments					9	
Gross Cash					12	
Restricted cash					-2.7	
<b>TOTAL NAV</b>					<b>262</b>	

(1) Last 12 months revenue up to March 31, 2024

(2) The multiple used in NAV is 2.1x with a discount of 30% applied to the multiple of peer group of 3.0x

(3) Price per share

## 2. Investment review

### Portfolio at a glance

- As of the 30th of April 2024, the estimated total net asset value for Fram B shareholders amounted to **262 mSEK**, which corresponds to approximately **72 SEK per share**. The closing price for the B share was **SEK 26.8 per share**.
- The NAV per share was approximately **+170%** above the closing price of the Fram B share on the same day and represented an increase of **+6%** compared to 31st Dec 2023. The closing price per share resulted in a discount of approximately **-63%** compared to the NAV per share.
- During the last quarter, Fram has **focused on strengthening the profitability** of the companies in its portfolio, shaping up the capital efficiency and sharpening its investment readiness.
- In Q1 2024, Fram provided additional funding to **Carmudi** and **EveHR**, of 0.4 mSEK and 0.1 mSEK respectively, to support their business operations and to prepare their development trajectory for 2024 and onwards.
- 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 **37.7 mSEK**. The largest position in the portfolio is **Carmudi** representing ca. 86% of NAV, followed by **EveHR** at 9%.

### Valuation of companies in the portfolio

- During 2023, **Carmudi** changed its valuation method from EV/Revenue to EV/GMV, to better reflect Carmudi's current business model as a fully integrated marketplace for cars (sometimes acting as agent and sometimes as principal). The valuation is based on a valuation multiple derived from a new expanded group of relevant listed peer companies. The average EV/GMV multiple for the peer companies Openlane Inc, Carvana Co, Copart Inc, CarGurus Inc, Cars.com Inc, Carmax.com, ACV Auctions, SEA limited and Frontier Digital Ventures amounted to 3.0x as of 30th of April 2024. A discount of 30% has then been applied to the multiple of the peer group, resulting in a final valuation multiple of 2.1x EV/GMV applied to Carmudi. The total equity value of Fram's shares in Carmudi amounts to 209 mSEK.
- As part of its annual valuation review, Fram has deemed the previous investment round valuations in EveHR too old to be prudently used for the current NAV of this venture (especially as market valuations have changed significantly since these rounds took place). Instead, due to the lack of relevant listed peers for **EveHR**, a DCF (discounted cash flow) valuation has been used. As a result, conservatively reduced NAVs of ca. 21 mSEK for Fram's stake in EveHR has been applied in the latest portfolio valuation..
- 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 30th of April 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 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>	Q1 2024	2023	2022	2021	2020
<b>GMV</b>	41	97	74	16	13
<b>%YoY growth</b>	+203%	+30%	+366%	+26%	+168%

### Investment performance

<b>Valuation method</b>	Multiple of peer group	
<b>Enterprise value (Apr 2024)</b>	261 mSEK	
<b>Total investment</b>	22 mSEK	
<b>Total value to Fram</b>	209 mSEK	
<b>Return multiple (Value/investment)</b>	9.4x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	22 mSEK
	<b>NAV</b>	209 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 Q1 2024

Carmudi's results for Q1 2024 showed a meaningful uptrend, with growth in both car transaction volumes and GMV. The GMV increased by +203% compared to the same period last year (41 mSEK in Q1 2024 compared to 14 mSEK in Q1 2023).

## 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>	Q1 2024	2023	2022	2021	2020
<b>Revenues</b>	0.27	1.4	0.97	2.65	1.73
<b>Adjusted revenues (*)</b>	0.27	1.4	0.97	0.52	0.20
<b>%YoY growth</b>	+20%	+48%	+86%	+161%	+64%

(\* Adjustment for voucher revenues before 2022 now recorded on a net basis (revenues minus direct cost) rather than gross basis (only revenues).

### Investment performance

<b>Valuation method</b>	DCF valuation	
<b>Enterprise value (Apr 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 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 Q1 2024

The revenues increased by +20% compared to the same period last year. The key revenue source, the subscription licenses, increased by +25%.



## 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>	Q1 2024	2023	2022	2021	2020
<b>Revenues</b>	1.53	4.2	3.5	0.3	0.5
<b>%YoY growth</b>	+60%	21%	+1265%	-51%	+245%

*Revenues figures include only Marry's revenues before 2022*

### Investment performance

<b>Valuation method</b>	Last round valuation	
<b>Enterprise value</b> (Apr 2024)	31 mSEK	
<b>Total investment</b>	3.8 mSEK	
<b>Total value to Fram</b>	12 mSEK	
<b>Return multiple</b> (Value/investment)	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>	12 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 Q1 2024

The revenues in Q1 2024 increased +60% compared to same period last year (1.53 mSEK in Q1 2024 compared to 1.0 mSEK in Q1 2023). The gross profit also increased by 18% to 570 kSEK and the company achieved a positive EBITDA, marking a complete turnaround from the previous year's losses. These figures underscore the success of Liven's strategic approach and the escalating demand for its services.

Liven has secured an exclusive contract with Capella for wedding planners at their upcoming wedding fair. This three-day event is expected to generate a significant GMV of 733 kSEK – 1 mSEK.

## 3. Portfolio – SEA

### General information

<b>Business description</b>	Market leader in ecommerce in SEA and global leader in mobile games.
<b>Website</b>	<a href="http://www.sea.com">www.sea.com</a>
<b>Location</b>	Singapore
<b>Segment</b>	Gaming, ecommerce, fintech
<b>Asset class in portfolio</b>	Public tech company (SE:US)
<b>Management</b>	Forrest Li, Founder & group CEO
<b>Employees</b>	60,000
<b>Investment date</b>	Jun 2022
<b>Amount invested</b>	2.1 mSEK
<b>Ownership of Fram</b>	<0.1%
<b>Governance influence</b>	No

<b>Investment thesis</b>	Valuations of public tech companies have corrected significantly (SEA Group is down ca 90% from peak in Oct 2021), which presents attractive long term entry opportunity in this group that offers exposure to market leading positions in the some of the largest SEA tech verticals. The valuation at Fram valuation implied a fair value on the cash flow from the gaming alone, while offering the rest of the group (i.e. ecommerce leader Shopee) “for free”.
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### Financial summary

<i>in bnUSD</i>	2023	2022	2021	2020
<b>Revenues</b>	13.1	12.5	9.9	4.4
<b>%YoY growth</b>	+5%	+25%	+128%	+101%

### Investment performance

<b>Valuation method</b>	Mark to market	
<b>Enterprise value (Apr 2024)</b>	35 bnUSD	
<b>Total investment</b>	2.1 mSEK	
<b>Total value to Fram</b>	1.7 mSEK	
<b>Return multiple (Value/investment)</b>	0.8x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	2.1 mSEK
	<b>NAV</b>	1.7 mSEK

### Key events since investment

Sea Group posted its first positive annual net income of US\$163 million for 2023.

### Significant events during Q1 2024

Garena Call of Duty: Mobile has partnered with leading audio technology brand JBL to introduce JBL Quantum Game Theory, a programme designed to revolutionize student engagement with educational material. This collaboration invites student participants to immerse themselves in gamified learning modules, as they take on challenges and reach milestones within the game.

During Q2, in line with the strategic direction of liquidating current holdings, Fram started to sell down part of the SEA stake at levels just below its previous entry price.

## 4. Group consolidation

The Group, kSEK	Q1	
	2024	2023
<b>Gross Merchandise Value (GMV)</b>	<b>41,181</b>	<b>14,431</b>
Total revenues	1,798	15,792
<b>Net revenue</b>	<b>1,633</b>	<b>15,661</b>
<b>Adjusted EBIT loss</b>	<b>-2,601</b>	<b>-3,860</b>
<i>Adjusted EBIT-margin</i>	-159%	-25%
EBIT loss	-2,641	-3,729
<i>EBIT-margin</i>	-162%	-24%
<b>Loss for the period</b>	<b>-3,424</b>	<b>-3,885</b>
<i>Solidity</i>	54%	70%
Equity	15,871	46,341
Total assets	29,578	66,639
Number of shares	3,615,078	3,615,078
Earnings per share	-0.95	-1.07

*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 Q1 2024

- The GMV for the Q1 2024 was 41,181 kSEK, representing an +185% increase compared to the Q1 2023. This growth in GMV can be mostly attributed to the increased trading of cars in Carmudi.
- The group accounting revenue decrease was driven by decrease in Carmudi's accounting gross revenues (while trading volume, GMV, and gross profit are moving rapidly upwards) – part of its ongoing shift to more profitable car trading transactions that locally can only be booked net. As previously highlighted, Carmudi's focus has since the 2nd half of 2023 shifted to achieving higher gross profit on each car trading transaction by focusing on car transactions that needs to be booked on a net revenue basis instead of gross basis in terms of accounting (i.e. revenues herein becomes GMV, while gross profit increases). Gross profit in Carmudi increased +345% y-on-y for the quarter.
- The Group's adj. EBIT losses have been reduced by 33% y-on-y as a result of increased focus on gross profitability and cost efficiencies. On top of the adjusted non-recurring costs, there are seasonal costs of ca. 390 kSEK booked during the quarter (primarily the 13th month salary paid annually to staff in Q1 in Vietnam). Furthermore it's important to note that the cost reductions have primarily materialized towards the end of the quarter and that most of the group's cost efficiency measures will not have full impact until Q2.

## 5. Financial statements

### Income Statement

The Group	Note	Q1	
		2024	2023
Net revenues	5	1,633	15,661
Other operating income		165	131
<b>Total revenues</b>		<b>1,798</b>	<b>15,792</b>
Raw materials and supplies		-619	-14,146
Other external expenses		-1,034	-1,311
Personnel costs		-2,526	-3,503
Depreciation and amortisation of tangible and intangible fixed assets		-55	-561
Other operating expenses		-205	-
<b>Operating result</b>		<b>-2,641</b>	<b>-3,729</b>
Financial income		2	44
Financial expenses		-785	-200
<b>Profit before tax</b>		<b>-3,424</b>	<b>-3,885</b>
Taxes		-	-
<b>Profit for the period</b>		<b>-3,424</b>	<b>-3,885</b>
Earning per shares		-0.95	-1.07
Diluted earning per shares		-0.95	-1.00

### Income statement

- Total revenues for Q1 2024 amounted to 1,743 kSEK and net revenues to 1,616 kSEK. The decrease in group revenues was driven by Carmudi's strategy towards profitability, focusing on achieving higher gross profit on each car trading transaction by focusing on car transactions that needs to be booked on a net revenue basis instead of gross basis in terms of accounting (i.e. revenues herein becomes GMV, while gross profit increases).
- The decline in the Group's accounting revenues drove reduction in the costs associated with raw materials, supplies, and other external expenditures. These expenses amounted to 619 kSEK and 1,162 kSEK respectively. Gross profit in Carmudi increased +345% y-on-y during the quarter.
- The decrease in personnel costs compared to the previous year can be primarily attributed to the change of the Group CEO and Group CFO, whose roles were subsequently filled on a part-time basis. Assuming the proposals of the AGM are approved, Fram will have reduced the combined annual costs for CEO, Finance Director and Chairman roles by ca. -66% (or ca. 1.75 mSEK) year over year, as of June 2024
- Financial expenses amounted to 758 kSEK which was due to interest expenses for DragonLend's lenders during the period. These costs are set to go down as DragonLend's loans are paid back over the coming quarters. Accounting loss for the period was -3,424 kSEK (whereas the cash flow for the period was -1.6 MSEK).

## 5. Financial statements

### Balance sheet

- Total assets as of 31st of March 2024 amounted to 29,578 kSEK.
- Non-current assets increased by +366 kSEK compared to Dec 31st, 2023, and amounted to 2,825 kSEK. The increase was mainly due to higher market price of SEA shares.
- Trade receivables amounted to 6,536 kSEK. Most of the trade receivables were derived from Dragonlend (4,539 kSEK), accounting for 69% of the total trade receivables of the Group.
- Other receivables of 7,279 kSEK sat mainly with Carmudi by 6,391 kSEK for receivables from dealers. The remaining receivables are deposits for credits issued by partner banks, office rent and voucher suppliers.
- As of March 31st, 2024, the company's cash and bank balance amounted to 11,685 kSEK, while total equity amounted to 15,193 kSEK.
- Current liabilities amounted to 13,707 kSEK, mainly consisting of payables to credit capital raised in Dragonlend (9,280 kSEK) and voucher suppliers in EveHR (1,152 kSEK).

### Balance sheet

The Group	Note	31 Mar 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Capitalized expenditure on development and similar works		637	683
<i>Financial fixed assets</i>			
Financial investments	6	2,188	1,776
<b>Total non-current assets</b>		<b>2,825</b>	<b>2,459</b>
<b>Current assets</b>			
Finished goods and merchandise		342	339
<i>Short-term receivables</i>			
Trade receivables	7	6,536	7,887
Current tax receivables		636	741
Other receivables	8	7,279	8,402
Prepaid expenses and accrued income		275	239
Cash and bank		11,685	13,291
<b>Total current assets</b>		<b>26,753</b>	<b>30,899</b>
<b>TOTAL ASSETS</b>		<b>29,578</b>	<b>33,358</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Own capital</i>			
Share capital		1,204	1,204
Other contributed capital		85,359	85,359
Retained earnings		-71,370	-67,635
<b>Total equity</b>		<b>15,193</b>	<b>18,928</b>
<b>Current liabilities</b>			
Accounts payable	9	2,730	1,819
Liabilities to credit institutions - short-term		28	13
Advances from customers		378	435
Current tax liabilities		330	596
Other liabilities	10	9,955	10,436
Accrued expenses and deferred income		286	453
<b>Total current liabilities</b>		<b>13,707</b>	<b>13,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,578</b>	<b>33,358</b>

## 5. Financial statements

### Change in Equity

	Q1	
The Group	2024	2023
Shareholders' equity at the beginning of the period	19,606	49,958
Translation difference	-311	268
Profit for the period	-3,424	-3,885
Shareholders' equity at the end of the period	15,871	46,341

### Cash flow

- Cash flow from operating activities before changes in working capital was -3,132 kSEK. Of this amount, -3,424 kSEK was due to the pre-tax loss, while the remaining 292 kSEK was due to adjustments for non-cash items such as depreciation and amortization.
- Changes in working capital amounted to a cash inflow of 1,513 kSEK and total cash flow from operating activities hence amounted to -1,619 kSEK.
- The cash flow for the period was -1,606 kSEK and cash balance at the period ending was 11,685 kSEK.

### Cash flow statement

	Q1	
The Group	2024	2023
<b>Current operations</b>		
Result after financial items	-3,424	-3,885
Adjustments for items not included in cash flow, etc.	292	629
<b>Cash flow from operating activities before changes in working capital</b>	<b>-3,132</b>	<b>-3,256</b>
<b>Cash flow from changes in working capital</b>		
Change in inventories	-3	-1,005
Change in trade receivables	1,351	-6,552
Change in short-term receivables	1,193	2,334
Change in trade payables	854	4,031
Change in current liabilities	-1,882	1,603
<b>Cash flow from operating activities</b>	<b>-1,619</b>	<b>-2,845</b>
<b>Investment activities</b>		
Investments in intangible assets	-2	-
Investments in financial assets	-	-1,331
<b>Cash flow from investing activities</b>	<b>-2</b>	<b>-1,331</b>
<b>Financing activities</b>		
Others	15	-
<b>Cash flow from financing activities</b>	<b>15</b>	<b>-</b>
<b>Cash flow for the period</b>	<b>-1,606</b>	<b>-4,176</b>
Cash at the beginning of the period	13,291	25,695
Exchange difference	0	0
<b>Cash at end of the period</b>	<b>11,685</b>	<b>21,519</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 C/O 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, blockchain & other tech in Southeast Asia.

### NOTE 2: ACCOUNTING PRINCIPLES

The quarterly report for the period 1 January to 31 March 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 129 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	Q1 2024	Q1 2023
Carmudi	757	14,431
Dragonlend	508	991
EveHR	252	239
Fram Investment	99	–
<b>TOTAL</b>	<b>1,616</b>	<b>15,661</b>

### NOTE 6: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	31 Mar 2024	31 Dec 2023
<i>Investments in listed shares:</i>		
– SEA (SE:US)	2,051	2,051
<i>Investments in other company:</i>		
– Liven Technology	756	756
<b>TOTAL</b>	<b>2,807</b>	<b>2,807</b>
Provision for decrease in value of investment	-619	-1,031
<b>NET</b>	<b>2,188</b>	<b>1,776</b>

### NOTE 7: TRADE RECEIVABLES

in kSEK	31 Mar 2024	31 Dec 2023
Dragonlend	4,539	5,483
EveHR	1,589	1,829
Carmudi	388	504
Others	20	71
<b>TOTAL</b>	<b>6,536</b>	<b>7,887</b>

## 6. Further information – Notes

### NOTE 8: OTHER RECEIVABLES

in kSEK	31 Mar 2024	31 Dec 2023
Bank deposits for lending collaterals in Dragonlend	-	1,366
Receivables from dealers at Carmudi	6,391	6,153
Others	888	883
<b>TOTAL</b>	<b>7,279</b>	<b>8,402</b>

### NOTE 9: TRADE PAYABLES

in kSEK	31 Mar 2024	31 Dec 2023
EveHR	1,152	1,814
Fram Venture 7 AB	1,266	-
Carmudi	18	1
Others	294	4
<b>TOTAL</b>	<b>2,730</b>	<b>1,819</b>

### NOTE 10: OTHER LIABILITIES

in kSEK	31 Mar 2024	31 Dec 2023
Taxes and social insurance expenses	209	227
Liabilities to lenders in Dragonlend	9,280	9,311
Deposits received in EveHR	443	305
Others	23	593
<b>TOTAL</b>	<b>9,955</b>	<b>10,436</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.
- Fram applies a discount of 30% compared to the valuation multiples that the listed comparison companies have because the companies Fram invests in are at an early stage (as long as they have a turnover of less than 250 mSEK) and an additional discount in relevant cases. This also constitutes a relatively conservative approach, as private companies in early phases are usually valued at significantly higher valuation multiples than their listed benchmarks.
- 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).



## 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 Digital brands. 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.

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<https://www.skmg.se>

### The report is certified by:

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**Christopher B. Beselin**  
**Chairman**

16 May 2024