

fram^

Fram Skandinavien AB (publ) 556760-2692

Interim Report 2024 Q2



General information

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

Key highlights, Q2 2024

Continued steps towards breakeven in core holdings

- As of 31st of July 2024, the net asset value amounted to 154 mSEK (43 SEK per share), which was approximately +166% above the closing price of the Fram B share on the same day and a -16% vs. latest reported NAV.
- Fram has made additional progress in reducing losses of ventures in the portfolio. Carmudi's results for Q2 2024 showed a meaningful uptrend as GMV grew by +54% y-on-y. Gross profit increased by +5% y-on-y and number of car transactions increased by +27% compared to Q2 2023. EveHR's revenues increased by +24% compared to the same period last year. Liven technology experienced modest growth in revenues (+21% y-on-y), while gross profit increased by +210% y-on-y. Group EBIT losses were reduced by 82% y-on-y.
- Second quarter operational losses from non-discontinued operations were reduced to -0.4 mSEK this year, from -0.9 mSEK in second quarter 2023.
- The general investor appetite for unprofitable tech companies is relatively low in the current environment. Hence, Fram deems it less likely to find interested buyers for the core holdings before they have reached breakeven. Consequently, the main focus is on driving the ventures to profitability. In parallel, to further align valuations with potential acquirers' expectations and perspectives on the ventures while they remain unprofitable, Fram has decided to further develop the valuation of Carmudi into a full scale sum-of-the-parts valuation for better application of most relevant peer multiples.
- As previously communicated, DragonLend's key creditors have requested to receive back their investment principals and Fram does not expect the dialogues with GOLQ or other potential acquirers to progress further. Hence, DragonLend is winding down its loan book in a controlled manner and returning cash to creditors. Hence, Fram will from this report and onwards report DragonLend as "Discontinued operations". Fram does not expect to incur any additional cash outflow from investments into DragonLend.

Markets experiencing mixed performance in Q2 2024

- **Global central banks are starting to cut rates.** While the Federal Reserve waits for more confirmation that U.S. inflation will return to target, the trend among global central banks has shifted decisively away from tightening. More than 10 central banks have cut rates, including Canada, Switzerland, and the European Central Bank. The monetary policy environment is shifting from rate hikes to rate cuts, and this trend is expected to strengthen over the coming period.
- **Global VC investments climb to five quarter high, focused on AI.** VC investment globally rose from 75 bnUSD in Q1 2024 to 94 bnUSD in Q2 2024, driven primarily by a near-record number of 1 bnUSD+ megadeals. AI continued to be the largest ticket across jurisdictions as investors continued to place big bets on the transformative power of artificial intelligence. The largest AI investments targeted startups focused on large language models and those looking to bring the power of AI to specific industries or functions, including health and biotech.
- **Southeast Asia's economy showed mixed results in Q2 2024.** Singapore's GDP grew by +2.9%, driven by manufacturing and services. The Philippines experienced slower growth of +4.3% due to reduced spending. Thailand's growth slowed to +1.8%, despite a tourism recovery. Vietnam's GDP accelerated to +6.9%, supported by strong exports and retail sales.

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

31st January 2024

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

20th February 2024

Fram appointed new part-time Group CEO starting from 1st March

Q2:
April - June

17th April 2024

Fram released notice to Annual General Meeting 2024

15th May 2024

Fram^ changes back to previous Group Finance Director

2. Investment review

Share price and NAV
as of 31st July 2024

Share price (SEK)

16.0

NAV per share (SEK)

43

Number of shares

3,615,078

% upside NAV / share price

+166%

Market cap (mSEK)

58

NAV per share vs Jun 23

-16%

Total NAV (Net asset value, mSEK)

154

Share price discount to NAV per share

-62%

Allocation of portfolio

Based on the portfolio NAV

by GEOGRAPHY

Vietnam
100%

Southeast
Asia and
other
0%



by SECTOR

Marketplace
85%

HR tech
15%



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: 133	134	80%	22.3	111.0	5.0x
EveHR	1.7	26	83%	9.8	21.4	2.2x
Liven Technology	n.m	31	39%	3.8	11.9	3.1x
Private tech investments				35.9	144.2	4.0x
SEA (SE:US)		\$65.7 (2)	250	0.2	0.2	0.9x
Public tech investments				0.2	0.2	0.9x
Total portfolio				36.1	144.4	4.0x
Gross cash					10.6	
Restricted cash					-1.0	
Total NAV					154	

(1) Last 12 months revenue up to June 30th, 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 July 2024, the estimated total net asset value for Fram B shareholders amounted to **154 mSEK**, which corresponds to approximately **43 SEK per share**. The closing price for the B share was **SEK 16.0 per share**.
- The NAV per share was approximately **+166%** above the closing price of the Fram B share on the same day, representing a decrease of **-16%** compared to 30th of June 2024. The closing price per share resulted in a discount of approximately **-62%** compared to the NAV per share.
- During the last quarter, Fram has **focused on strengthening the profitability** of the companies in its portfolio and improving their capital efficiency.
- During Q2 2024, Fram provided additional funding to **Carmudi** of 0.2 mSEK..
- Fram sold down most of the shares in SEA Group at average exit price in line with its original entry price.
- 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. 72% of NAV, followed by **EveHR** at 14% and **Liven** at 8%.

Valuation of companies in the portfolio

- As part of the group's half yearly valuation review, to further align with potential acquirers' current expectations and perspectives on not-yet-profitable tech companies, Fram has decided to further develop the valuation of Carmudi to become a full scale sum-of-the-parts valuation for better application of most relevant peer multiples. In this sum-of-the-parts valuation, Carmudi's car trading business and the car media & classifieds business segments will be valued separately with separate sets of listed peers (with most relevance for each of its two key segments respectively). The trading business will continue to be valued on EV/GMV-basis, whereas the media & classifieds business will be valued on 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, Alibaba Group, and MercadoLibre. The average peer multiple for this part of the business amounted to 1.0x 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 July 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 the peer discount has been removed. Based on this updated and more detailed valuation approach, the total equity value of Fram's shares in Carmudi amounts to 111 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 July 2024.

3. Portfolio - Carmudi

General information

Business description	Online car marketplace
Website	www.carmudi.vn
Location	Vietnam
Segment	Car marketplace
Asset class in portfolio	Private tech company
Management	Keshav Rustagi, CEO
Employees	10
Investment date	2017
Amount invested	22.3 mSEK
Ownership of Fram	80%
Governance influence	Chairman of the board
Investment thesis	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>	H1 2024	2023	2022	2021	2020
GMV	73	97	74	16	13
%YoY growth	+114%	+30%	+366%	+26%	+168%

Investment performance

Valuation method	Multiple of peer group	
Enterprise value (Jul 2024)	134 mSEK	
Total investment	22.3 mSEK	
Total value to Fram	111 mSEK	
Return multiple (Value/investment)	5.0x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	22.3 mSEK
	NAV	111 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 Q2 2024

Carmudi continued to reduce its EBITDA losses. The Q2 2024 loss was approximately -0.3 mSEK, an 80% reduction compared to the previous quarter. The company phased out certain car trading transactions that generate GMV but are not EBITDA positive. This had a negative impact on GMV, as GMV decreased by 12% compared to Q1 2024, while resulting in further improvements in EBITDA.

3. Portfolio - EveHR

General information

Business description	Employee engagement and flexible benefit platform (SaaS)
Website	www.evehr.vn
Location	Vietnam
Segment	HR tech
Asset class in portfolio	Private tech company
Management	Bach Tuan Anh (James), CEO
Employees	15
Investment date	2019
Amount invested	9.8 mSEK
Ownership of Fram	83%
Governance influence	Chairman of the board
Investment thesis	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>	H1 2024	2023	2022	2021	2020
Revenues	0.7	1.4	0.97	2.65	1.73
Adjusted revenues (*)	0.7	1.4	0.97	0.52	0.20
%YoY growth	+19%	+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

Valuation method	DCF valuation	
Enterprise value (Jul 2024)	26 mSEK	
Total investment	9.8 mSEK	
Total value to Fram	21.4 mSEK	
Return multiple (Value/investment)	2.2x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	9.8 mSEK
	NAV	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 Q2 2024

The revenues increased by +24% compared to the same period last year, mainly driven by license subscription revenues.

3. Portfolio - Liven

General information

Business description	Leading digital marketplace for weddings and events
Website	www.liven.asia
Location	Vietnam
Segment	Service marketplace
Asset class in portfolio	Private tech company
Management	Ngoc Nguyen, founder and CEO
Employees	22
Investment date	Sep 2019
Amount invested	3.8 mSEK
Ownership of Fram	39%
Governance influence	Member of the board
Investment thesis	<p>The Vietnamese market for weddings, private celebrations and corporate events is estimated to be worth >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

in mSEK	H1 2024	2023	2022	2021	2020
Revenues	1.2	2.0	0.58	0.3	0.5
%YoY growth	+9%	+253%	+93%	-51%	+245%

Revenues figures include only Marry's revenues before 2022

Investment performance

Valuation method	Last round valuation	
Enterprise value (Jul 2024)	31 mSEK	
Total investment	3.8 mSEK	
Total value to Fram	11.9 mSEK	
Return multiple (Value/investment)	3.1x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	3.8 mSEK
	NAV	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 Q2 2024

The revenues in Q2 2024 increased +21%, compared to same period last year (0.5 m SEK compared to 0.4 mSEK). The gross profit also increased by +210% to 0.4 mSEK.

5. Group consolidation

The Group (kSEK)	Q2		Q1-Q2	
	2024	2023	2024	2023
Gross merchandise Value	36,178	24,611	77,359	42,192
Total revenues	1,812	14,594	3,610	30,386
Net revenues	1,674	14,456	3,208	30,117
Gross profit	1,072	948	2,144	2,863
Adjusted EBIT	-1,052	-4,298	-3,653	-8,158
Adjusted EBIT-margin	-63%	-29%	-114%	-27%
EBIT	-835	-4,696	-3,476	-8,425
EBIT-margin	-46%	-32%	-96%	-28%
Loss from continuing operation	-399	-851	-2,758	-4,736
Loss from discontinued operation (*)	-863	-	-863	-
Loss for the period	-1,262	-851	-3,621	-4,736
Solidity	62%	75%	62%	75%
Equity	17,380	47,421	17,380	47,421
Total assets	27,929	63,558	27,929	63,558
Number of shares	3,615,078	3,615,078	3,615,078	3,615,078
Earnings per share	-0.35	-0.24	-1.00	-1.31

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.

(*) Some expenses in Q1-2024 at DragonLend were retrospectively adjusted due to their nature as discontinued operations

Significant events during Q2 2024

- The GMV for the Q2 2024 was 36,178 kSEK, representing a +47% increase compared to Q2 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 a decrease in Carmudi's gross revenues (while trading volume, GMV and gross profit increased), which is part of its ongoing shift to more profitable car trading transactions that locally in Vietnam can only be booked net. As previously highlighted, Carmudi's focus has since 2023 shifted to higher gross profit in its transactions by focusing on car transactions that need 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 increased by +5% and gross profit margin in Carmudi increased +49%-point y-on-y for the quarter.
- The Group's EBIT loss from continuing operation have been reduced to -399 kSEK, from -851 kSEK during the same period last year. Please note that the -851 kSEK loss number from last year is after accounting for the positive impact of the IT development business earn-out of ca. +4.3 mSEK booked during that quarter. Excluding the earnout payment, last year's operational losses would have been ca. -5.1 mSEK during the period.
- As previously communicated, DragonLend's key creditors have called on receiving back their principals and Fram does not expect the dialogues with GOLQ or other potential acquirers to progress further. Hence, DragonLend is winding down its loan book in a controlled manner and returning cash to creditors. Hence, Fram will from this report and onwards report DragonLend as "Discontinued operations". Fram does not expect to incur any additional cash outflow from investments into DragonLend.

6. Financial statements

Income Statement

The Group (kSEK)	Note	Q2		Q1-Q2	
		2024	2023	2024	2023
Net revenues	5	1,674	14,456	3,208	30,117
Other operating income		138	138	402	269
Total revenues		1,812	14,594	3,610	30,386
Raw materials and supplies		-177	-12,544	-796	-26,690
Other external expenses		-559	-2,221	-1,593	-3,532
Personnel costs		-1,834	-3,962	-4,360	-7,465
Depreciation		-56	-563	-111	-1,124
Other operating expenses		-21	-	-226	-
Operating result		-835	-4,696	-3,476	-8,425
Financial income		496	4,326	910	4,370
Financial expenses		-60	-481	-192	-681
Profit before tax		-399	-851	-2,758	-4,736
Taxes		-	-	-	-
Loss from continuing operation		-399	-851	-2,758	-4,736
Loss from discontinued operation		-863	-	-863	-
Loss for the period		-1,262	-851	-3,621	-4,736
Earning per shares		-0.35	-0.24	-1.00	-1.31

Income statement

- Total revenues for Q2 2024 amounted to 1,812 kSEK. The decrease in group revenues was driven by Carmudi's strategy towards profitability, aimed at achieving higher gross profit 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 also drove reduction in the costs associated with raw materials, supplies, and other external expenditures. These expenses amounted to 177 kSEK and 559 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, leading to a reduction of ca. 0.44 mSEK per quarter. 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 the sale of listed shares in SEA group, including the reversal of the devaluation of listed shares, in this quarter
- Loss from discontinued operations primarily comprised operational expenses incurred at DragonLend. Some expenses in Q1-2024 at DragonLend were retrospectively adjusted due to their nature as discontinued operations.

6. Financial statements

Balance sheet

- Total assets as of 30th of June 2024 amounted to 27,929 kSEK.
- Non-current assets decreased by -1,711 kSEK compared to March 31st, 2024, and amounted to 1,114 kSEK. The decrease was mainly due to divestiture of SEA shares.
- Trade receivables amounted to 4,933 kSEK. Most of the trade receivables were derived from Dragonlend (3,337 kSEK), accounting for 68% of the total trade receivables of the Group.
- Other receivables of 7,369 kSEK was mainly in Carmudi, holding 6,633 kSEK of receivables from car dealers. The remaining receivables are deposits for credit issued via partner banks, office rent and voucher suppliers.
- As of June 30th, 2024, the company's cash and bank balance amounted to 13,491 kSEK, while total equity amounted to 17,380 kSEK.
- Current liabilities amounted to 10,549 kSEK, mainly consisting of payables to creditors in DragonLend (7,941 kSEK) and voucher suppliers in EveHR (1,118 kSEK).

Balance sheet

The Group (kSEK)	Note	30 Jun 2024	30 Jun 2023	31 Mar 2024	31 Dec 2023
Non-current assets					
<u>Intangible assets</u>					
Capitalized expenditure on development and similar works		166	689	637	683
<u>Financial assets</u>					
Investment in a associate		-	-		
Financial investments	6	948	4,790	2,188	1,776
Total non-current assets		1,114	5,479	2,825	2,459
Current assets					
Finished goods and merchandise		-	2,572	342	339
<u>Short-term receivables</u>					
Trade receivables	7	4,933	17,261	6,536	7,887
Current tax receivables		828	796	636	741
Other receivables	8	7,369	19,085	7,279	8,402
Prepaid expenses and accrued income		194	194	275	239
Cash and bank		13,491	18,171	11,685	13,291
Total current assets		26,815	58,079	26,753	30,899
TOTAL ASSETS		27,929	63,558	29,578	33,358
<u>Own capital</u>					
Share capital		1,204	1,204	1,204	1,204
Other contributed capital		85,359	86,487	85,359	85,359
Retained earnings		-69,183	-40,270	-69,426	-66,957
Total equity		17,380	47,421	17,137	19,606
Current liabilities					
Accounts payable	9	1,251	4,617	1,465	1,819
Liabilities to credit institutions		6	-	28	13
Advances from customers		27	246	378	435
Current tax liabilities		154	543	330	596
Other liabilities	10	8,556	9,477	9,955	10,436
Accrued expenses and deferred income		555	1,254	285	453
Total current liabilities		10,549	16,137	12,441	13,752
TOTAL EQUITY AND LIABILITIES		27,929	63,558	29,578	33,358

6. Financial statements

Change in Equity	Q2		Q1-Q2	
	2024	2023	2024	2023
The Group (kSEK)				
Shareholders' equity at the beginning of the period	17,137	46,341	19,606	49,958
Translation difference	1,506	1,931	1,395	2,199
Profit for the period	-1,262	-851	-3,621	-4,736
Shareholders' equity at the end of the period	17,380	47,421	17,380	47,421

Cash flow

- Cash flow from operating activities before changes in working capital was -778 kSEK. Of this amount, -399 kSEK was due to a pre-tax loss from continuing operations, while the remaining -379 kSEK resulted from adjustments for non-cash items such as depreciation, net gain from the sale of listed shares (including the reversal of devaluation of listed shares), and other adjustments.
- Changes in working capital resulted in a cash inflow of 111 kSEK, and operational cash flow from continuing operations was -667 kSEK. As the DragonLend loan book is starting to wind down, discontinued operations generated a cash inflow of 788 kSEK, resulting in a total cash flow from operating activities of 121 kSEK.
- Cash flow from investment activities generated 1,666 kSEK, representing the amount received from the sale of SEA shares during the quarter.
- The cash flow for the period was +1,787 kSEK and cash balance at the period ending was 13,491 kSEK.

Cash flow statement

The Group (kSEK)	Q2		Q1-Q2	
	2024	2023	2024	2023
Current operations				
Result from continuing operation	-399	-851	-3,621	-4,736
Adjustments for items not included in cash flow, etc.	-379	377	-180	1,006
Cash flow from operating activities before changes in working capital	-778	-474	-3,801	-3,730
Cash flow from changes in working capital				
Change in inventories	342	-1,374	339	-2,379
Change in trade receivables	289	-2,415	2,867	-8,967
Change in short-term receivables	-115	3,021	1,078	5,355
Change in trade payables	-607	-2,064	-1,006	1,967
Change in current liabilities	202	-549	-962	1,054
Operational cash flow from continuing operation	-667	-3,855	-1,485	-6,700
Operational cash flow from discontinued operation	788	-	-	-
Cash flow from operating activities	121	-3,855	-1,485	-6,700
Investment activities				
Received from sale of financial assets	1,666	-	1,666	-
Investments in financial assets	-	-	-	-1,331
Cash flow from investing activities	1,666	-	1,666	-1,331
Financing activities				
Others	-	-	-	-
Cash flow from financing activities	-	-	-	-
Cash flow for the period	1,787	-3,855	181	-8,031
Cash at the beginning of the period	11,685	21,519	13,291	25,695
Exchange difference	19	507	19	507
Cash at end of the period	13,491	18,171	13,491	18,171

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 April to 30 June 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 44 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	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
Carmudi	1,202	13,130	1,959	27,561
DragonLend	-	945	508	1,936
EveHR	472	381	741	620
TOTAL	1,674	14,456	3,208	30,117

NOTE 6: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	30 Jun 2024	31 Mar 2024
<i>Investments in listed shares:</i>		
- SEA (SE:US)	205	2,051
<i>Investments in other company:</i>		
- Liven Technology	756	756
TOTAL	961	2,807
Provision for decrease in value of investment	-13	-619
NET	948	2,188

NOTE 7: TRADE RECEIVABLES

in kSEK	30 Jun 2024	31 Mar 2024
DragonLend	3,337	4,539
EveHR	1,032	1,589
Carmudi	558	388
Others	6	20
TOTAL	4,933	6,536

6. Further information - Notes

NOTE 8: OTHER RECEIVABLES

in kSEK	30 Jun 2024	31 Mar 2024
Receivables from dealers, Carmudi	6,633	6,391
Others	736	888
TOTAL	7,369	7,279

NOTE 9: TRADE PAYABLES

in kSEK	30 Jun 2024	31 Mar 2024
EveHR	1,118	1,152
Carmudi	7	9
Others	126	294
TOTAL	1,251	1,465

NOTE 10: OTHER LIABILITIES

in kSEK	30 Jun 2024	31 Mar 2024
Liabilities to lenders in DragonLend	7,941	9,280
Deposits received in EveHR	432	443
Taxes and social insurance expenses	165	209
Others	18	23
TOTAL	8,556	9,955

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 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

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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15 Aug 2024