



Fram Skandinavien AB (publ) 556760-2692

Annual Report 2022



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	Investment organization	9 people based in Vietnam, including: — Hanh Mai, CEO — Son Ngo, Group Finance Director — Christopher B. Beselin, Chairman
Date of IPO	October 2017 at 20 SEK per share		

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1. Chairman letter

Dear Shareholders,

Yet again, after an extended patchy period of pandemic lockdowns and thereafter a global inflationary shock, the world and its largest economies find themselves in a relatively volatile place with bank failures across the US and Europe. In stormy waters you need a sturdy vessel to sustain the pressures from the outside world. In this context, it's interesting to reflect on the origins of our name – Fram. The name comes from the ship of the 19th century Norwegian polar explorer, Fridtjof Nansen, who managed to “sail” closer to the North Pole than anyone ever had done before by re-imaging and re-constructing the shape of the hull of the Fram ship into a more rounded-shaped hull instead of the classic pointy-oval shape of most ships. The round hull was able to resist the massive pressure from the North Pole pack ice much better than any other vessel ever used for polar explorations prior and was hence able to travel across the Pole, frozen into the drifting pack-ice, for months without getting crushed by the surrounding pressure.

I am pleased to present our annual report for the full year of 2022, which has been a year of significant progress for fram^. We have successfully restructured into our new investment company strategy, announced at the beginning of the year, and we have built out a full investment team to execute it.

Our investment team is now fully up to speed, and we have established robust processes for sourcing, evaluating, and investing in tech companies in Vietnam and the broader region. As global financial markets have turned sour and the going has gotten somewhat rough in the US and Swiss banking systems lately, it's easy to forget to reflect and appreciate this significant transformation that our group has completed over the past 12 months.

We are content to have made our initial four investments into the listed tech space in Southeast Asia in the form of SEA Group, Grab, Bukalapak and Abaxx Technologies. Furthermore, we are excited about a range of critical key management additions that we have been able to make both on the group level (foremost Hanh Mai as the group CEO) and in our core holdings (e.g. James Bach to head up EveHR and Keshav Rustagi to join as MD for Carmudi). Finally, our relentless investment team has already identified several promising companies across Southeast Asia that from a high level perspective align well with our investment criteria. These companies are now engaged in discussions with us in order to evaluate their detailed and full investment potential.

While we have not yet made any investments in AI or blockchain companies, given Vietnam's impressive software engineering talent pool, we expect many globally competitive companies within these sectors to spring out of the country over time. We believe that these sectors have enormous potential, and we are actively monitoring developments in these areas to identify the most promising investment opportunities.

Despite an unusually challenging environment, especially within the tech sector, the group's combined net asset value (NAV) has increased from 241 mSEK as of prior annual report to 277 mSEK as of 31st December 2022. That being said, our listed share is still trading at a deep discount to our NAV. Unfortunately, our equity research cooperation with Redeye did not render the desired results in terms of increased number of total shareholders and reducing the discount. Overall, I would consider our persistent and sizable discount to NAV (to a large part driven by a lack of proper daily trading liquidity in our share on Nasdaq First North) to be one of our main challenges going forward. My assessment is that our market capitalization is too small to attract meaningful investor interest in Sweden. Consequently, we need to find the appropriate path forward for us to significantly scale up our assets under management. This is a key area of focus for us during the year(s) ahead.

Just like our predecessor vehicle, ca. 150 years ago, stayed its course during its 18 months long journey in the pack ice, across the Pole, we remain confident in our long-term investment strategy as well as our ability to identify, build and invest in high-potential companies in this region. We are committed to supporting the development of the tech industry in Southeast Asia and to creating value for our shareholders. I can imagine few timings that would be more benign than right now in terms of deploying new capital into this sector and region. The time is now.

On behalf of the Board of Directors, I would like to express our gratitude to our shareholders, partners, and employees for their continued support and dedication to our vision. We remain focused on executing on our investment strategy and building a strong portfolio of high-potential companies. We are fram^.

Sincerely,

Christopher B. Beselin, Chairman, Fram Skandinavien AB

2. Market overview

The SEA region is amongst the fastest growing in the world

- **2022 was a year full of nuances.** The global macro environment was dominated by geopolitical tensions, rising inflation & interest rates, supply chain disruptions, energy crisis and Covid pandemic effects. Companies took steps to reduce costs in anticipation of future revenue declines. The global economy experienced the weakest growth since 2001, slowing from 6% in 2021 to 3.2% in 2022. With a GDP growth of 5%, Southeast Asia (SEA) was one of the fastest-growing regions in 2022.
- **The Southeast Asia region has risen rapidly on global investors' radars** amidst challenging and uncertain environment, for three main reasons: i) the SEA economy is benefiting from the accelerating shift of manufacturing capacity out of China since the pandemic and the intensifying tensions between US and China – already today, companies like Apple have moved the assembly of several products to Vietnam and India; ii) China's reopening early 2023 reignites the consumption demand from one of the SEA countries' most important trade partners; iii) the SEA region offers investors some of the highest economic growth rates in the world (approx. 2x the global economy), with a relatively controlled inflation rate (e.g. 5.1% vs 8.8% of global). Vietnam stands out as the region's fastest growing market, with +8% GDP growth in 2022 (also, it's one of the highest rates of growth globally) along with an inflation rate in the 3–4% range.
- **Despite the continuing macro headwinds, the global economic outlook is expected to be brighter in 2023 and 2024** with inflation pressures easing, China's borders reopening and the tourism sector recovering to 80–90% of pre-pandemic level. The Silicon Valley Bank collapse in March 2023 didn't have much direct impact on Asia and Asian startups, but there is always the potential contagion risk.
- From the investment perspective, **two trends** are likely to guide investors' behavior during 2023: **more selective** and **stronger focus on companies' fundamentals with more reasonable valuations** (as opposed to over-emphasizing revenue growth at all costs in the past) and **higher pressure to deploy capital** as SEA investors' level of 'dry powder' is now unusually high after 2022's hesitancy to invest.

Investment panorama

- **Shrinking investment activities after a record-high in fundraising in 2021:**
 - In the public markets, the global IPO volume fell by –45% during 2022 and the IPO value fell by –61% during the same period. Despite the steep decline, deal volume is still +16% higher than the pre-pandemic year of 2019.
 - The global M&A market faced a challenging 2022 with M&A volumes and values declining from record-breaking highs (65,000 deals) in 2021 – respectively by 17% and 37% – although remaining above 2020 and healthy pre-pandemic levels.
 - In the **private markets** for tech companies, **market headwinds continued to slow down** venture funding and acquisition volumes. Global venture funding reached 445 bnUSD in 2022, marking a –35% drop from 2021 (higher declines in H2 2022).
 - In SEA region, tech investment value region hit ca. 19 bnUSD and ca. 1,600 funded deals during 2022. While the average ticket size increased +20% YoY, the number of deals declined by –40% in 2022 across all investment stages.
- **Tech sector saw a significant market correction:** after over-hiring in 2021, several staff layoffs took place among global tech companies which were some of the biggest winners during the pandemic. In terms of valuation, a severe re-assessment happened, e.g. private market value for many tech-startup have declined by 30–85% and the tech stock in NASDAQ has lost almost 30% of its value since the beginning of this year, the value of acquisitions targeting Asian companies in 2022 totaled 48.7 bnUSD (considerably lower than 2021 when the market was strong).
- **VC fundraising in Southeast Asia topped pre-pandemic level in 2022:** despite the significant slowdown in H2 2022, venture capital firms closed 31 funds and raised 4.1 bnUSD, in addition to the record amount that was raised previously. In global context, "dry powder" reached a record high as 1.3 trUSD and 580 bnUSD for private equity and VC respectively. It is possibly a good opportunity for funding activities in 2023 at more attractive valuation for companies which would manage to navigate through this time.

3. Investment review

NAV overview as of 31st December 2022

Share price (SEK)

37

NAV per share (SEK)

77

Number of shares

3,615,078

% upside NAV / share price

+107%

Market cap (mSEK)

134

NAV per share vs Dec 2021

+14%

Total NAV (Net asset value, mSEK)

277

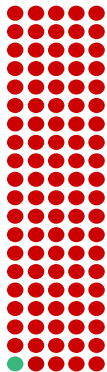
Share price discount to NAV per share

-52%

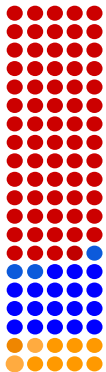
Allocation of portfolio

Based on the portfolio NAV

by GEOGRAPHY

Vietnam
99%Southeast
Asia and
other
1%

by SECTOR

Marketplace
69%HR Tech
21%Fintech
10%

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	63	227 (2)	67%	15.8	151	9.6x
EveHR	1	52	98%	7.0	51	7.3x
Dragonlend	3	34	70%	13.7	24	1.7x
Liven Technology	3	31	39%	3.5	12	3.4x
Nordic Coder	n.m	0	30%	6.8	0	0x
Private tech investments				46.8	238	5.1x
SEA (US)		\$52 (3)	2,500	2.1	1.4	0.7x
GRAB (US)		\$3.2 (3)	40,000	1.3	1.3	1.1x
Public tech investments				3.3	2.7	0.8x
Blockchain-related investments				0.1	0.0	0.7x
Total portfolio				50.1	241	4.8x
Interest bearing instruments					7.8	
Expected earn-out from IT development business					4.2	
Net cash					24.5	
TOTAL NAV					277	

(1) Last 12 months revenues up to 31st Dec 2022

(2) The multiple used in NAV is 3.6x with a discount of 40% applied to the multiple of peer group of 5.9x

(3) Price per share

3. Investment review

Portfolio at a glance

- As of the 31st of December 2022, the estimated total net asset value for Fram's shareholders amounted to **277 mSEK**, which corresponds to approximately **77 SEK per share**. The closing price for the B share was **SEK 37 per share** as of the same date.
- The NAV per share was approximately **+107%** above the closing price of the Fram B share on the same day and represents an increase of **+14%** compared to December 2021. The closing price per share results in a discount of approximately **-52%** compared to the NAV per share.
- The divestment of the IT development business to IPS Solutions was completed by mid-July 2022. Since the divestiture, Fram has **focused on strengthening the revenue and profitability** of companies in portfolio, improving the capital efficiency and sharpening its investment readiness. Fram has the ambition to become a leading pure-play tech investment companies in the SEA region.
- During the year 2022, Fram made two new investments in public tech companies: **Sea group** (e-commerce and gaming), **Grab** (super app for mobility, food delivery and financial services), with a total invested amount of 3.3 mSEK. Moreover, Fram has made additional investments into existing holdings (Carmudi, Dragonlend and EveHR) with a total amount of 9.7 mSEK in 2022.
- The portfolio as of December 2022 consists of **7 holdings**, including 5 private and 2 public tech companies, with a total invested amount of **50.1 mSEK**. The **total NAV of these companies reached 241 mSEK**, rendering a latent return multiple of **4.8x** on the invested capital. The largest position in the portfolio is **Carmudi** representing ca. 55% of the total NAV, followed by **EveHR** at 18% and **Dragonlend** at 9%.
- In Q1 2023, Fram made two new investments into public tech companies: **Abaxx Technologies** (a blockchain-based commodity exchange) with an invested amount of 0.3 mSEK and **Bukalapak** (an Indonesian ecommerce marketplace) with 1 mSEK.

Valuation of companies in the portfolio

- For **Carmudi**, the valuation has been based on a valuation multiple derived from a relevant listed peer group. The average EV/revenues multiple for the peer companies Carsales.com, Copart Inc, Acv Auctions, Kar Auction Services Inc, Frontier Digital Ventures amounted to 5.9x EV/revenues as of 31st of December 2022. A discount of 40% has then been applied to the multiple of the peer group, resulting in a final valuation multiple of 3.6x EV/revenues applied to Carmudi. The total equity value of Fram's shares in Carmudi amounts to **151 mSEK**.
- **EveHR** and **Dragonlend** have successfully gone through fundraisings and the valuations in these rounds have been used for the net asset value, resulting in values of **51 mSEK** and **24 mSEK** respectively.
- In Q2 2022, Fram developed a new ownership constellation for **Marry** where the company merged with the industry colleague **Vdes.vn** and thereby created a new group, named **Liven Technology**. Post-merger, a net asset value of **12 mSEK** is estimated for Fram's stake in Liven Technology.
- A similar solution was developed for **Nordic Coder** in Q2 2022, where the majority ownership in the company was transferred to former Vietnamese management team. Fram however retains a minority stake of 30% in the company. Given relatively modest operational progress during recent past, Fram deems it prudent to provision Nordic Coder down to 0 SEK in the NAV.
- **Wowmelo** is in the process of being liquidated and hence is fully written-off and removed from the NAV table.
- For the 2 public tech companies in the portfolio as of December 2022, **Sea group** (e-commerce and gaming) and **Grab** (super app for mobility, food delivery and financial services), the valuation is marked to market based on the closing price of these companies' listed shares.

4. 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 and Vu Anh Duy
Employees	28
Investment date	2017
Amount invested	15.8 mSEK
Ownership of Fram	67%
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>	2022	2021	2020	2019
Revenues	63	16	13	5
YoY growth %	+294%	+26%	+147%	N/A

Investment performance

Valuation method	Multiple of peer group	
Enterprise value (Dec 2022)	227 mSEK	
Total investment	15.8 mSEK	
Total value to Fram	151 mSEK	
Return multiple (Value/investment)	9.6x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	15.8 mSEK
	NAV	151 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 year

The revenues increased significantly by +294% compared to last year, amounted to 63 mSEK after a year of Covid.

Following the shift of Carmudi's development path towards positive unit economics and profitable growth rather than focusing solely on growth, Carmudi's revenues have experienced a temporary slow down over the near term, in anticipation of making it an attractive future investment opportunity for external investors.

Keshav Rustagi joined in March 2023 as a Co-MD. He has strong expertise in the car marketplace with previous experiences in Cars24 and OLX Autos in India and Saudi Arabia.

4. 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	18
Investment date	2019
Amount invested	7.0 mSEK
Ownership of Fram	98%
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

in mSEK	2022	2021	2020	2019
Revenues	0.97	2.65	1.73	0.12
Adjusted revenues (*)	0.97	0.52	0.20	0.12
YoY growth %	+86%	+161%	+64%	N/A

(*) 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	Last round valuation	
Enterprise value (Dec 2022)	52 mSEK	
Total investment	7.0 mSEK	
Total value to Fram	51 mSEK	
Return multiple (Value/investment)	7.3x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	7.0 mSEK
	NAV	51 mSEK

Key events since investment

EveHR has been developed from scratch 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 the year

The adjusted revenues increased by +86%, amounted to 0.97 mSEK for the year 2022.

The new CEO of the company, **Bach Tuan Anh** (ex-Country Head of ca. 300 ppl at Lalamove, same-day delivery & courier service provider and van hire platform) joined mid Nov 2022.

EveHR has recently updated additional features on the platform and reshaped a more competitive pricing plan. The sales team has also been strengthened and new customers (Bosch and Amanotes) recently won.

EVE HR officially moved to a new office location end of 2022 in line with team expansion and growth projections.

4. Portfolio – Dragonlend

General information

Business description	Lending platform for SME
Website	www.dragonlend.vn
Location	Vietnam
Segment	Fintech
Asset class in portfolio	Private tech company
Management	Max Bergman, CEO
Employees	10
Investment date	2018
Amount invested	13.7 mSEK (of which 5.5 mSEK debt)
Ownership of Fram	70%
Governance influence	Chairman of the board
Investment thesis	The SME client segment is overlooked and underserved by the traditional banks in VN and SEA. The segment is often hard to analyze due to the lack & ambiguity of credit data. Focused on simplifying the client journey with the help of tech & working with non-traditional credit scoring data opens up an attractive segment accessible with a digital approach.

Financial summary

in mSEK	2022	2021	2020	2019
Revenues	3.18	3.27	0.42	0.17
Adjusted revenues (*)	3.18	1.17	0.42	0.17
YoY growth %	+172%	+181%	+151%	N/A

(*) Adjustment for supply chain revenues before 2022 have now been recorded on a net basis (revenues minus direct costs) rather than gross (only revenues).

Investment performance

Valuation method	Last round valuation	
Enterprise value (Dec 2022)	34 mSEK	
Total investment	13.7 mSEK	
Total value to Fram	24 mSEK	
Return multiple (Value/investment)	1.7x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	13.7 mSEK
	NAV	24 mSEK

Key events since investment

The company was launched through Fram's venture builder. Initially, Dragonlend operated as a broker that connected borrowers with lenders to perfect its internal credit scoring w. min. risk.

As it grew, Dragonlend established partnership with licensed banks in Vietnam, which enabled the company to expand its services and build out its own direct loan book with profitable SMEs. Dragonlend leverages its proprietary digital platform and process to offer loans to SMEs in Vietnam.

Significant events during the year

The adjusted revenues increased by +172%, amounted to 3.18 mSEK compared to last year.

The company continues to expand the credit capital to support the strong growth of its profitable SME client base.

Dragonlend has been working on new credit products based on their customers' needs and feedback, as well as building a new digital platform serving the credit analysis tasks and a smoother interaction with customers.

4. 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	43
Investment date	Sep 2019
Amount invested	3.5 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

<i>in mSEK</i>	2022	2021	2020	2019
Revenues (*)	3.50	0.26	0.52	0.15
YoY growth %	+1265%	-51%	+245%	N/A

(*) figures include only Marry's revenues before 2022

Investment performance

Valuation method	Last round valuation	
Enterprise value (Dec 2022)	31 mSEK	
Total investment	3.5 mSEK	
Total value to Fram	12 mSEK	
Return multiple (Value/investment)	3.4x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	3.5 mSEK
	NAV	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 the year

The company completed the merger with Marry.vn and officially launched 2 other brands, Your Wedding Planner and Unlock, to complete the universe of Liven Technology. The company has been leading the traffic of wedding sectors (#1 SEO keywords in all research engines).

The revenues in 2022 have increased significantly driven by post pandemic recovery of weddings and events.

4. Portfolio – SEA



General information

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

Investment thesis	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>	2022 (unaudited)	2021	2020	2019
Revenues	12.5	9.9	4.4	2.9
YoY growth %	+25%	+128%	+101%	+263%

Investment performance

Valuation method		Mark to market
Enterprise value (Dec 2022)		32.7 bnUSD
Total investment		2.1 mSEK
Total value to Fram		1.4 mSEK
Return multiple (Value/investment)		0.7x
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	2.1 mSEK
	NAV	1.4 mSEK

Key events since investment

Sea posted a positive net income in the fourth quarter of 2022 for the first time since it was founded thanks to the reduction in sales & marketing expenses.

Significant events during the year

As global growth is slowing down and stock market sentiment is deteriorating, especially within the US and European investor bases, Sea has taken rapid actions to reduce staff and cost levels (ca. 10% of its total workforce), in pursuit of profitability.

According to a survey by Ninja Van in Southeast Asia, Shopee has emerged as the top live selling platform with 27% of participant merchants using it the most, followed by Facebook and Tiktok with 25.5% and 22.5% respectively.

The group now focuses its global expansion to Brazil and Malaysia, after its recent departure from Poland.

In March 2023, Sea has announced for the first time reaching its positive net income since 2009. Q4 2022 net income came up to 423 mUSD.

4. Portfolio – Grab

General information

Business description	Leading SEA super app including mobility, food delivery and financial services
Website	www.grab.com
Location	Singapore
Segment	Mobility, food delivery and fintech
Asset class in portfolio	Public tech company (GRAB:US)
Management	Anthony Tan, founder & CEO
Employees	8,834
Investment date	Jun 2022
Amount invested	1.3 mSEK
Ownership of Fram	<0.1%
Governance influence	No

Investment thesis Valuations of public tech companies have corrected significantly (Grab is down ca 90% from peak), which presents attractive long term entry opportunity into this group that offers exposure to market leading positions in the some of the largest SEA tech verticals (mobility, food delivery and financial services). The combination of mobility / ride hailing (similar to Uber) and other digital services offers a natural hedge for swings in online-to-offline consumer behaviors (e.g. mobility GMV goes up when offline movements increases and vice-versa). The cash pile of Grab (ca. 6.5 bnUSD or 50% of market cap at entry) offers an unusually long runway to weather the current market uncertainties. Furthermore, it's interesting to note that Uber serves as a role model for proving the business model's profitability potential.

Financial summary

<i>in mUSD</i>	2022 (unaudited)	2021	2020
Revenues	1,372	675	469
YoY Growth %	+112%	+44%	+156%

Investment performance

Valuation method		Mark to market
Enterprise value (Dec 2022)		6.2 bnUSD
Total investment		1.3 mSEK
Total value to Fram		1.3 mSEK
Return multiple (Value/investment)		1.1x
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	1.3 mSEK
	NAV	1.3 mSEK

Key events since investment

Despite general macro headwinds, Grab's revenues in 2022 increased by +112% compared to 2021, mainly due to the improvement in commission rates within deliveries and financial services

Significant events during the year

In 2022, Grab focuses on capturing the rebound in mobility demand after the pandemic, optimizing the costs, reducing cost-to-serve and innovating on products and services that drive stickiness and engagement within their ecosystem.

Grab accelerates the commitment to profitability. The adjusted EBITDA breakeven guidance was brought forward to the fourth quarter of 2023 from the second half of 2024.

4. Portfolio – Abaxx Technology

General information

Business description	First mover blockchain-based commodity exchange
Website	www.abaxx.tech
Location	Canada
Segment	Fintech, commodity exchange
Asset class in portfolio	Public tech company (APXXF: CAD)
Management	Josh Crumb, Founder & CEO
Employees	42
Investment date	Jan 2023
Amount invested	0.3 mSEK
Ownership of Fram	<0.1%
Governance influence	No
Investment thesis	<p>The first blockchain-based commodity exchange which distinguishes it from conventional exchanges and clearing houses.</p> <p>The liquefied natural gas market is worth ca. 250 bnUSD and once the Singapore-based exchange and clearinghouse of Abaxx is launched, Abaxx is expected to gain up to 5% market share over the coming 5 years.</p> <p>The management team members are industry veterans who have proven track records of establishing multiple businesses, mostly within tech and commodity trading – backgrounds from Goldman Sachs, Singapore Stock Exchange and other relevant industry bodies.</p>

Financial summary

<i>in mCAD</i>	2021	2020
Total assets	29.3	17.0
Total liabilities	1.4	3.2
Total equity	27.9	13.8

(*) Abaxx is currently in pre-revenue stage. The cash balance as of 31st Dec 2021 was 19.3 mCAD

Investment performance

Valuation method	Mark to market	
Enterprise value (Mar 2023)	125 mUSD	
Total investment	0.3 mSEK	
Total value to Fram	0.3 mSEK	
Return multiple (Value/investment)	0.9x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	0.3 mSEK
	NAV	0.3 mSEK

Key events since investment

Open-source developer tools is expected to be launched during the first half of 2023.

Significant events during the year

Abaxx demonstrated the demo of its trading platform in Nov 2022 and expects the launch of its new exchange during Q1 2023, pending final approvals from the Monetary Authorities of Singapore.

4. Portfolio – Bukalapak

General information

Business description	General ecommerce marketplace (focusing on micro-retailers)
Website	https://www.bukalapak.com (BUKA)
Location	Jakarta, Indonesia
Segment	Marketplace, ecommerce, fintech
Asset class in portfolio	Public tech company (BUKA: IDX)
Management	Interim CEO – Willix Halim
Employees	2,236
Investment date	Feb 2023
Amount invested	1.0 mSEK
Ownership of Fram	<0.1%
Governance influence	No
Investment thesis	The Indonesian digital economy is approaching 77 bnUSD with the growth of ca. +22% p.a. Buka had growth of ca. +30% p.a. over past 3 years and the valuation of Buka has dropped by ca. -75% from the IPO and is currently trading at 1.5x EV/revenues. BUKA had 1.5 bnUSD of cash and liquid investments as of 30 Sep 2022, which would secure an 8-year runway for operations. The company had positive contribution margin in Q3 2022 and expected to be breakeven by the end of 2023.

Financial summary

<i>in mUSD</i>	2022 (audited)	2021	2020
Revenues	230	131	95
YoY growth %	+75%	+38%	+26%

Investment performance

Valuation method	Mark to market	
Enterprise value (Mar 2023)	430 mUSD	
Total investment	1.0 mSEK	
Total value to Fram	0.9 mSEK	
Return multiple (Value/investment)	0.9x	
Realized	Acquisition cost	N/A
	Total proceeds	N/A
Current	Acquisition cost	1.0 mSEK
	NAV	0.9 mSEK

Key events since investment

Bukalapak transforms the country's traditional stores into modern retailers and to build the ecosystem for 22 million micro-retailers and 110 million users across Indonesia from marketplaces, online to offline, gaming, e-groceries and other value-added services including finances and investments.

Bukalapak acquired iPrice – a price comparison platform. This acquisition is a part of its strategy to grow faster.

Significant events during the year

The contribution margin turned positive for the first time in Q3 2022.

Bukalapak entered the Philippines market with its service for micro-retailers which is called SmartSari.

Bukalapak together with Microsoft launched Akademi Jagoan by Bukalapak, an e-learning platform for micro-retailers to increase their digital literacy and ability to manage their business.

Bukalapak was appointed by the Indonesian Ministry of Communication and Information Technology to participate in a series of Indonesia G20 Presidency activities to share the story about initiatives to accelerate digital transformation.

5. Shareholders and corporate governance

Major shareholders

- As of December 31st, 2022, Christopher Brinkeborn Beselin owns 57,750 Class A shares and 1,020,784 Class B shares in Fram, directly and indirectly through his wholly owned holding company, Norsel Industries Ltd. This corresponds to 29.8% of the capital and 38.6% of the votes. Per Åhlgren directly and indirectly holds 10.9% of the capital and 9.6% of the votes. The remainder of the ownership is divided into stakes of less than 10%.

Board

- Fram's board consists of three ordinary members, including the Chairman of the board. The section below shows the board when they were elected to the board and whether they are independent in relation to the Company and/or the Company's major shareholders.



Christopher B. Beselin, Chairman of the board

- Christopher is an entrepreneur and investor with previous experience e.g. from Cevian Capital (one of Europe's largest hedge funds) as well as CEO and Co-founder of former Kinnevik-owned company Lazada VN / MY. Lazada Group was sold to Alibaba Group in 2017 for 3.2 bnUSD. Christopher has also founded, is a partner and CIO, at Endurance Capital Advisors Ltd, an activist fund focusing on Vietnamese listed equities.
- Education: Stockholm School of Economics, Masters Degree in Financial Economics.
- Other current positions and/or shareholdings (owns more than five percent of the company): Chairman of Intrepid e-commerce services group, Founding Partner/CIO & Chairman of Endurance Capital Advisors Ltd, Board member and shareholder in Norsel Industries Ltd. Board member of Nordstjärnan Growth. Main owner of Pangara AB (passive).
- Previous positions (past five years): CEO of Fram Skandinavien AB, Chairman of Pangara AB, CEO & Co-Founder at Recess Company Limited (Lazada Vietnam), President & Partner in Barnbutiken AB.
- Member of the board since 2014.
- Christopher owns, 57,750 A shares and 1,020,784 B shares in Fram.
- Christopher is neither independent of the Company, its company management, nor its major shareholder, Norsel Industries Ltd.



Mikael Steinbach, board member

- Mikael has a broad set of experiences from a number of leading positions within Ericsson AB. For the last 20 years, Mikael has been appointed vice president of various positions in Ericsson (e.g. Brazil, Panama, India and Russia) as well as Head of Operations for Ericsson in Thailand, Vietnam, Cambodia, Myanmar and Laos.
- Education: Educational programs at Ericsson Management Institute.
- Other current positions: Member of the management group of Ericsson AB's subsidiary in Vietnam, Ericsson AB Myanmar.
- Member of the board since 2017.
- Mikael owns 47,500 B shares in Fram. Mikael is independent of the Company and its major shareholders.



Philip Lindqvist, board member

- Philip has previous experience as a management consultant (BCG), in controlling and strategy (Bonnier Group) and as Strategy, M&A and distribution manager for Bonnier Broadcasting, before he in the autumn of 2019 became head of the Nordic streaming service C More. Today, Philip is an advisor and investor.
- Education: Stockholm School of Economics, BSc in Financial Economics.
- Other current positions: Board member of Yoik AB, KILOPOND AB and Advisory Partner at Eight Media Ventures.
- Previous positions (last five years): Managing Director of C More, Strategy, M&A and Distribution Manager for Bonnier Broadcasting (which included TV4, C More and Finnish MTV), member of the management team at Bonnier Broadcasting and member of Telia Companies' extended management team ("ELT").
- Member of the board since 2022.
- Philip owns 22,964 B shares in Fram. Philip is independent of the Company and its major shareholders.

5. Shareholders and corporate governance

Management team



Hanh Mai, CEO Fram^

- Hanh joined Fram in September 2022. Prior to joining, Hanh was active in venture capital and private equity industry in France for approx. 15 years (with Bpifrance and Eurazeo). For the past 10 years, Hanh worked for the French sovereign wealth fund, Bpifrance, one of the largest and the most active investors in Europe, where she invested in and helped scale investment funds and operations across the globe.
- Education: Paris IX Dauphine University (France), Master Degree in Finance & Economics, ICCF at HEC Paris (France)
- Previous positions (last five years): Investment Director, Bpifrance
- Hanh owns 0 share in Fram and has been employed full-time by Fram since 2022.



Son Ngo, Group Finance Director Fram^

- Son joined Fram in July 2021. Prior to joining Fram, he held various leading positions in finance, audit and investments. Son has previously worked as CFO in CIC Highlands and Heart of Darkness Brewery. Prior to that, Son was with E&Y for almost a decade. Son also has a strong investment understanding as he was previously an Associate Director at the private equity fund VOIF (Vietnam Oman Investment Fund).
- Education: University of Economics HCMC, Bachelor in Finance, ACCA
- Previous positions (last five years): Board of Director – Aikya Group, Assoc. Director – Vietnam Oman Investment Fund, CFO – CIC Highlands, CFO – Heart of Darkness Brewery, Senior Manager – E&Y.
- Son owns 0 share in Fram and has been employed full-time by Fram since 2021.

Management in Fram's core holdings



Max Bergman, CEO Dragonlend

- Max has previously worked for SEB Enskilda, within Brunswick Group and at StockWell Group in London. After that, Max worked for Rocket Internet in Kuala Lumpur, and lastly as CEO and founder of Kinnevik's portfolio company Bima in Sri Lanka, providing mobile health and accident insurance. Since 2013, Bima Sri Lanka has sold more than 3 million insurance subscriptions, has 300 employees and the company achieved profitability in 2015.
- Education: Stockholm School of Economics, Masters Degree in Economics.
- Other current positions: Board member and partner in Lakemaki AB
- Max owns 144,158 B shares in Fram.
- Max was a full-time employee of Fram from 2017 to 2022.



Duy Vu, co MD Carmudi Vietnam

- Duy has extensive experience in IT development and has previously worked in leading roles in companies such as HPT, VON, YouNet. Duy has great programming skills in XML, C, VP, Access, SQL, MySQL, Java Script, PHP, ASP and more. Duy is a co-founder of Fram and has been active in the company since its inception in Vietnam.
- Education: Bachelor's Degree in IT from HCM City University, MBA from the Maastricht School of Management.
- Other current positions: No other current positions.
- Duy owns 166,519 B shares in Fram.
- Duy was a full-time employee of Fram from 2013 to 2022.

5. Shareholders and corporate governance

Other information regarding the board and management team

- None of the board members or management team has any family ties to another board member or management team (apart from Christopher Beselin's wife Annika Beselin, being alternate board member (*swedish "suppleant"*), representing their holding company, Norsel Industries Ltd). There are no conflicts of interest or potential conflicts of interest between the board members and management team's commitments to the Company and their private interests and/or other commitments.
- No board member or management team has been convicted of fraud-related cases in the past five years. No board member or management team has been involved in any bankruptcy, or bankruptcy administration in the past five years. During the past five years, none of the Company's board member or management team has been the subject of accusations or sanctions by authorities authorized by law or regulation or prohibited by a court from being a member of an issuer's administrative, management or control body or from having senior or overall functions of an issuer.
- To the best of the board's knowledge, there have been no special agreements with major shareholders, customers, suppliers or other parties, according to which board members or management team have been appointed. All board members and management team can be reached via the Company's headquarters at TNR Building, 20th floor, 180 Nguyen Cong Tru, District 1, Ho Chi Minh City, Vietnam.

Auditor

- BDO Mälardalen AB, org.nr 556291-8473, was elected auditor at the Annual General Meeting on May 18, 2022. The auditor in charge is Patriks Nygard (born 1985). Patriks Nygard is a chartered accountant and member of FAR since 2017.

6. Board of Directors' report

Business operation

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 % Freja Ekonomi, Sollentunavägen 80, 191 40 Stockholm, Sweden. The Company's website is fram.asia. Fram operates within investments in companies that are focused on digital consumer, blockchain & other tech in Southeast Asia.

Ownership structure

Since October 2017, the Company's shares have been listed on Nasdaq First North, Stockholm, with the short name FRAM B. The Company's Certified Adviser is SKMG.

As of the balance sheet date, Fram's share capital amounted to 1,204 kSEK, divided into 3,615,078 shares and votes.

The number of shareholders at 31st December 2022 was 795. The largest shareholder in Fram is Christopher Brinkeborn Beselin (owned through personal and his related party – Norsel Industries Ltd) which represented 29.8 percent of the share capital and 38.6 percentage of votes. The ten largest shareholders in the company controlled 70.9 percent of the share capital and 74.6 percentage of votes as of December 31st, 2022.

Significant event during the year

In July, Fram divested all of the shares in its subsidiary, Fram Venture 11 AB, which in turn encompasses all operations within the business area IT development business (i.e. both Exertus IT AB and the Vietnamese IT development activities formerly known as "Standing Teams"). The purchase price, on a cash and debt-free basis is approx. 42.4 mSEK (4 mUSD). The purchase price is split into cash upfront of ca. 38.2 mSEK upon closing of the transaction and an expected earn-out of approx. 4 mSEK, based on the 2022 EBITDA for Fram Venture 11 AB.

From fram^s perspective, this is another important step towards focusing the Company's portfolio to fit within the three digital investment areas that we have clearly articulated in our new strategy as an investment company. Fram^ IT development business was the first company that our group built in Vietnam, and we are continuously impressed by the strong talent within this business unit. However, this business is ultimately a consulting business that unfortunately falls outside of our digital core areas. As the result, Fram now is able to reinvest the proceeds from this transaction for further scalable growth in our digital investment areas.

Research and development

During the year, an operation platform has been built at Dragonlend, the Group's subsidiary which operates in SME (small and medium sized enterprises) lending. The platform is expected to support the better customer relationship management and improve internal customer assessment processes. As the balance sheet date, there is no other research and development conducted by the Group.

Financial instruments

During the year, Fram made two investments in public tech companies: Sea Group (operates in e-commerce and gaming) and Grab (a super app for mobility, food delivery, and financial services). The total cost of these acquisitions was 3,306 kSEK. Additionally, Fram invested 756 kSEK in Liven Technology as part of a merger agreement, bringing the total financial asset investment to 4,062 kSEK as of December 31, 2022. As of the balance sheet date, a provision for diminution in the value of the listed shares was made for the amount of 604 kSEK.

Group subsidiaries (including foreign subsidiaries)

The subsidiary of the Group is described below:

Name	Capital shares (%)	Quantity shares	Org number	Location	Operation subsidiary (corporate number)
Fram Skata AB	81	808	559154-8077	Stockholm	Car Classifieds Joint Stock Company ("Carmudi") -0312648170
Fram Venture 7 AB	70	737,480	559165-4966	Stockholm	Dragon Wave Consultancy Co., Ltd ("Dragonlend") -0315597774
Fram Venture 9 AB	98	1,086	559165-8470	Stockholm	EveHR Ltd ("EveHR") -0315693284
Fram Investments Limited Liability	100	100	0315688943	Ho Chi Minh City	n/a

All the operating subsidiaries have their headquarters in Ho Chi Minh City, Vietnam.

6. Board of Directors' report

Appropriation of net profit & statement by the Board of Directors

Proposal for disposition of the Company's net profit. Available at the Annual General Meeting: (in kSEK)

Last year's balance	59,592
Net profit for the year	-5,865
Others	122
The board proposes to transfer to the new account	53,849

Future development

The Company continue to develop its employees and the business, target for profitability and growth both organically and through M&A activities. In addition, the Group has strong cash position without any concern about the Group's going concern in the next twelve months.

Sustainability disclosure

One of Fram's core philosophies is to create sustainable growth and through our investments contribute to a sustainable future. By focusing on innovative growth companies with sustainable business ideas, capital is added to the businesses that have a positive impact on people, the economy and the environment.

In the role of active investor, sustainability is a natural part of the work with our portfolio companies and in dialogue with new companies. By alerting companies to sustainability risks and challenges at an early stage, opportunities are created for sustainability to become a more integrated part of companies' business models.

To achieve the vision, Fram's sustainability work is focused on three areas: a) sustainable growth, b) good business ethics, and c) people, social and environmental aspects

a) Sustainable growth

Fram's efforts contribute to Vietnam's small and medium-sized enterprises having the opportunity to grow. The growth must be economically, environmentally and socially sustainable over time. How well Fram has succeeded is measured, among other things, by following the economic growth of the companies, as well as the companies' progress in terms of their social and environmental work.

b) Good business ethics

Fram must minimize the risk of supporting companies that conduct unethical or fraudulent activities. Furthermore, Fram's business relationships with customers and portfolio companies must be characterized by good business ethics.

Fram's companies handle and stores sensitive business information for the customer. It is incumbent on Fram's companies to ensure a high level of customer confidentiality and that information about customers or other company information is not at risk of being disclosed.

b) People, social and environmental aspects

We recognize that a diverse and inclusive workforce is crucial for sustainable growth, and we are taking proactive steps to create a welcoming and supportive environment for all employees. Additionally, we are committed to reducing our environmental impact by implementing sustainable practices such as reducing waste, conserving energy, and using eco-friendly materials in our products. We are continuously monitoring our progress towards these goals and welcome feedback from our stakeholders to ensure that we are operating in a socially and environmentally responsible manner.

6. Board of Directors' report

The Board of Directors and the CEO of Fram Skandinavien AB (publ), registration number 556760-2692 with its registered location in **Stockholm**, hereby submits the annual report and consolidated accounts for the financial year 2022.

The annual report is presented in Swedish kronor, SEK. Unless otherwise stated, all amounts are presented in thousands of SEK (kSEK).

The GROUP, kSEK	2022	2021	2020	2019	2018
Total revenues	86,205	47,774	40,123	34,805	18,864
Total revenues growth (%)	+80%	+19%	+15%	+84%	+60%
Net revenues	85,779	46,593	36,532	28,586	17,244
Net revenues growth (%)	+84%	+28%	+28%	+66%	+46%
EBITDA	-7,715	-9,624	-17,971	-16,360	-6,493
EBITDA margin	-9%	-20%	-45%	-47%	-34%
EBIT	-11,604	-12,538	-20,620	-18,655	-7,655
EBIT margin	-13%	-26%	-51%	-54%	-41%
Net profit for the year	7,612	-13,061	-19,917	-18,263	-7,653
Solidity (%)	77%	67%	86%	93%	91%
Total equity	49,958	38,982	38,351	62,638	41,977
Total assets	64,821	58,352	44,815	67,705	45,917
Earning per share	2.20	-3.54	-5.51	-5.05	-2.60
Number of shares	3,615,078	3,615,078	3,615,078	3,615,078	2,944,444

PARENT, kSEK	2022	2021	2020	2019	2018
Net revenues	0	81	104	688	0
Net profit for the year	-5,865	2,128	-14,508	-2,070	-687
Solidity (%)	99%	92%	99%	99%	100%
Total assets	55,470	65,825	59,271	73,508	36,401
Total equity	55,053	60,796	58,668	73,034	36,331

Group results

- The Group's total revenues for the year 2022 amounted to 86,205 kSEK, representing an increase of +80% compared to 2021. Net revenues increased by +84% to 85,779 kSEK. The increase was primarily due to a +294% increase in revenues from Carmudi, which amounted to 63,367 kSEK and accounted for 74% of total net revenues. In July, the Group divested its IT development business, which is no longer consolidated in the figures from July 2022 (IT development business accounted for 17,923 kSEK or 21% of total net revenues in 2022).
- EBITDA and EBIT margins improved by +11%-point and +13%-point respectively. The improvements were due to both the increase in revenues and better cost control, e.g. within personnel cost and other external expenses. The negative result in EBITDA was mainly due to continued investments in Digital brands (Carmudi, Dragonlend and EveHR).
- Total assets were 64,821 kSEK, and Fram had a strong cash position with a balance of 25,695 kSEK and net investments in financial assets worth 3,458 kSEK. Current assets increased to 59,611 kSEK, mainly due to increased lending in the Group's subsidiary, Dragonlend, compared to last year.
- Equity attributable to the parent amounted to 46,826 kSEK, and the change is primarily attributed to the current year's net profit and capital contribution in Dragonlend.
- As of December 31st, 2022, the total liabilities of the company amounted to 14,863 kSEK, reflecting a decrease of -4,507 kSEK from the previous year. The decrease was mainly due to the divestment of the IT development business.

6. Board of Directors' report – significant events during the year

Q1-2022: January – March

8 February

Fram^ Board of Directors decided on further development of the Company's strategy

9 February

Fram^ implemented changes in the management team, CFO and COO.

In February 2022, the Company repurchased 33,334 non-vested warrants from outgoing CFO, Niklas Berglund.

Q2-2022: April – June

5 April

Fram^ increased its ownership stake in Carmudi Vietnam from 67% to 82.6%

19 April

Dragonlend signed term sheet with leading fintech financier in Southeast Asia

Fram^ published annual report and consolidated accounts for 2021

15 June

Fram^ entered into an agreement to merge Marry.vn and Vdes.vn

Q3-2022: July – September

14 July

Fram^ divested the entire business area "IT development business" to IPS Solutions

23 July

Board members Christopher Beselin and Philip Lindqvist increased their holdings in Fram Skandinavien

2 September

Fram^ appointed new group CEO, Hanh Mai

Fram^ shifted its strategy towards a pure-play tech investment company

Q4-2022: October – December

11 October

Fram^ began to release monthly NAV report starting from September 2022

13 November

Fram^ appointed new CEO for EveHR, James Bach

15 November

Carmudi redirected its development path towards focus on profitability and capital efficiency

Q1-2023: January – March

6 March

Fram^ appointed Keshav Rustagi, new Co-MD for Carmudi

During March

EveHR won new customers (Bosch, Amanotes) and continued to expand

6. Board of Directors' report – 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. **Inflation in Vietnam is still at a significantly lower level than in Europe and the US – the CPI for Vietnam only increased by +3.35% for the year 2022.**

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. Board of Directors' report – significant risks and uncertainties

Ability to manage growth

As the organization grows, it needs to develop effective planning and management processes. 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 cases, the risk related to client concentration may be higher. 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 revenues 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 moves 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 changes in supply and demand, as well as economic 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 may 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. Board of Directors' report – ownership and the fram^ share

Ownership structure as per Dec 31st, 2022

NAME	NUMBER OF A-SHARES	NUMBER OF B-SHARES	CAPITAL (%)	VOTES (%)
Christopher Brinkeborn Beselin (*)	57,750	1,020,784	29.83%	38.65%
Per Åhlgren		395,597	10.94%	9.57%
Lennart Skoglund		359,000	9.93%	8.68%
Avanza Pension		184,208	5.10%	4.46%
Duy Vu		166,519	4.61%	4.03%
Max Bergman		144,158	3.99%	3.49%
Oscar Salén		69,302	1.92%	1.68%
Jan Skantze		60,000	1.66%	1.45%
Tomas Billing		59,750	1.65%	1.45%
Mikael Steinbach		47,500	1.31%	1.15%
Total top 10	57,750	2,506,818	70.94%	74.59%
Others		1,050,510	29.06%	25.41%
Total number of shareholders		795		
Total number of shares		3,615,078		

Number of votes per share between Fram A and Fram B is 10:1
 (*) direct and indirect (Source: Euroclear and fram.asia)

Share price performance in 2022 (FRAM B)



- Fram's B share has been traded on Nasdaq First North since the initial listing in October 2017. During 2022, the highest closing price was 44.4 SEK per share, which occurred on February 7th. The lowest price was 31.1 SEK per share, which occurred on October 10th. The share price closed at 37 SEK per share by the end of the year, reflecting a decrease of -6% compared to the price on December 31st, 2021 (39.3 SEK per share).

6. Board of Directors' report – ownership and the fram^ share

Development of share capital

EVENT		NUMBER OF SHARES		PAR VALUE (SEK)	SHARE CAPITAL	
		CHANGE	TOTAL		CHANGE (SEK)	TOTAL (SEK)
2008	New formation	1,000	1,000	100	100,000.00	100,000.00
2017	Split 2:1 ¹⁾	1,000	2,000	50	100,000.00	100,000.00
2017	New issue ²⁾	8,157	10,157	50	407,850.00	507,850.00
2017	Split 750:1 share number 1–2000 ³⁾	1,408,000	1,508,157	0.34		507,850.00
2017	Split 3064:1 share number 2001–10157 ⁴⁾	16,843	1,525,000	0.33		507,850.00
2017	New issue ⁵⁾	975,000	2,500,000	0.33	324,690.60	832,540.60
2018	New issue ⁶⁾	444,444	2,944,444	0.33	148,007.07	980,547.67
2019	New issue ⁷⁾	250,000	3,194,444	0.33	83,254.06	1,063,801.73
2019	New issue ⁸⁾	420,634	3,615,078	0.33	140,077.95	1,203,879.68

¹⁾ Split with a ratio of 2:1 (one share was divided into 2 new shares).

²⁾ New issue to Johan De Geer, former member of the Company's Investment Committee, of 8,157 series B shares against the background of increasing the Company's share capital prior to conversion from a private to a public company. The new series B shares were issued at a price of 61.2970454824 SEK per B share, which corresponds to the price per share after split 3.064852275:1.

³⁾ Split with the ratio 750:1 (one share was divided into 750 new shares) in order to achieve an appropriate number of shares.

⁴⁾ Split with the ratio 3.064852275:1 (one share was divided into 3.064852275 new shares). The reason for carrying out the division of shares with different conditions as above is that the purpose of the new issue of shares directed to Johan De Geer, which is divided in the ratio 3.064852275:1, was primarily to provide the Company with sufficient share capital to be public.

⁵⁾ New issue to the public of 975,000 shares at a subscription price of 20 SEK per share, corresponding to a total issue proceeds of 19.5 mSEK.

⁶⁾ New issue to a group of qualified long-term investors of 444,444 series B shares at a subscription price of SEK 45 per share, corresponding to a total issue proceeds of 20 mSEK.

⁷⁾ Private placement to Lennart Skoglund of 250,000 series B shares at a subscription price of SEK 60 SEK per share.

⁸⁾ Fully subscribed rights issue at a subscription price of 60 SEK per share.

Shares and share capital

- According to the Company's Articles of Association, the share capital may not be less than 500,000 SEK and not more than 2,000,000 SEK, and the number of shares may not be less than 1,500,000 and not more than 6,000,000. As of December 31st, 2022, the share capital of the Company amounted to 1,203,879.68 SEK and a total of 3,615,078 shares, divided into 57,750 Class A shares and 3,557,328 Class B shares. The total number of shareholders was 795 and each share has a par value of approximately 0.33 SEK. The shares in the Company have been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable.

The parent company's profit distribution

Proposal for disposition of the Company's results. Available at the Annual General Meeting: (in kSEK)

Last year's balance	59,592
Net profit for the year	–5,865
Others	122
The board proposes to transfer to the new account	53,849

7. Financial statements – consolidated

Income statement

		Group	
kSEK	NOTE	2022	2021
Net revenues	2	85,779	46,593
Other operating income		426	1,181
Total revenues		86,205	47,774
Raw materials and supplies		-61,015	-19,535
Other external expenses		-8,896	-8,879
Personnel costs	4	-23,999	-27,978
Depreciation and amortisation of intangible and tangible fixed assets		-3,889	-2,915
Other operating expenses		-10	-1,006
Operating profit		-11,604	-12,538
<i>Profit or loss from financial items</i>			
Other interest income and similar income	5	20,513	508
Other interest expenses and similar expense	6	-1,020	-318
Profit before tax		7,889	-12,348
Tax on profit for the year	7	-277	-713
Net profit for the year		7,612	-13,061
Attributable to the parent company's shareholders		7,942	-12,787
Attributable to non-controlling interests		-330	-274
Basic earnings per shares	19	2.20	-3.54
Diluted earnings per share	19	2.05	-3.39

7. Financial statements – consolidated

Balance sheet

kSEK	NOTE	2022	2021
ASSETS			
Non-current assets			
<i>Intangible asset</i>			
Capitalized expenses for development work and similar work	8	746	1,071
Concession, patent, license, trademark and similar rights	9	1,006	3,017
Goodwill	10	-	10,305
<i>Tangible fixed asset</i>			
Equipment, tools and installations		-	115
<i>Financial assets</i>			
Investment in an associate	11	-	-
Investment in financial assets	12	3,458	-
Other long-term receivables		-	1
Total non-current assets		5,210	14,510
Current assets			
<i>Inventory</i>			
Prepared goods and goods for sale		193	294
<i>Receivables</i>			
Account receivables		8,294	11,508
Current tax receivables		694	-
Other receivables	13	24,464	8,019
Prepayments and accrued income		271	232
Cash and cash equivalent	14	25,695	23,788
Total current assets		59,611	43,842
TOTAL ASSETS		64,821	58,352

7. Financial statements – consolidated

Balance sheet (continued)

kSEK	NOTE	2022	2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the parent company's shareholder			
Share capital		1,204	1,204
Other contributed capital and share premium fund		86,487	85,611
Other equity including net profit for the year		-40,865	-48,247
Total equity attributable to the parent company's shareholders		46,826	38,568
Non-controlling interest			
Ownership of non-controlling interest		3,132	414
Total equity attributable to the non-controlling interest		3,132	414
Total equity		49,958	38,982
Non-current liabilities			
Liabilities to credit institutions		-	4,892
Other debts		-	2,197
Total non-current liabilities		-	7,089
Current liabilities			
Account payables		2,650	1,790
Advances from customers		167	1,061
Current tax liabilities		595	-
Other payables	15	10,575	5,105
Accrued expenses and deferred revenues	16	876	4,326
Total current liabilities		14,863	12,282
TOTAL EQUITY AND LIABILITIES		64,821	58,352

7. Financial statements – consolidated

Changes in equity

GROUP, kSEK	SHARE CAPITAL	CONTRIBUTED CAPITAL	OTHER EQUITY INCLUDING PROFIT FOR THE YEAR	TOTAL	NON- CONTROLLING INTEREST	TOTAL EQUITY
Previous year 2021						
Equity at beginning of year	1,204	74,870	-37,812	38,263	88	38,351
Translation difference	-	-	2,875	2,875	76	2,951
Capital contribution	-	10,741	-524	10,217	524	10,741
Net profit for the year	-	-	-12,787	-12,787	-274	-13,061
Equity at the end of year	1,204	85,611	-48,247	38,568	414	38,982
Current year 2022						
Equity at beginning of year	1,204	85,611	-48,247	38,568	414	38,982
Translation difference	-	-	-560	-560	-	-560
Capital contribution in a subsidiary	-	1,834	-	1,834	3,048	4,882
Preferred dividend payment in a subsidiary	-	-1,080	-	-1,080	-	-1,080
Others	-	122	-	122	-	122
Net profit for the year	-	-	7,942	7,942	-330	7,612
Equity at the end of year	1,204	86,487	-40,865	46,826	3,132	49,958

7. Financial statements – consolidated

Cash flow

	Group	
kSEK	2022	2021
Operating activities		
Profit after financial items	7,889	-12,348
Adjustments for items not included in cash flow, etc.	3,473	3,192
Cash flow from operating activities before changes in working capital	11,362	-9,156
Cash flow from changes in working capital		
Change in inventories	102	-23
Change in trade receivables	637	-6,731
Change in short-term receivables	-18,521	-1,230
Change in trade payables	-963	1,000
Change in current liabilities	-7,375	1,947
Cash flow from operating activities	-14,758	-14,192
Investment activities		
Disposal of subsidiaries (minus net cash at subsidiaries)	22,901	-
Investments in subsidiaries	-	-9,201
Investments in intangible assets	-747	-991
Investments in tangible fixed assets	-	-136
Investments in financial assets	-4,062	135
Cash flow from investing activities	18,092	-10,193
Financing activities		
New issue of shares in subsidiaries	-	10,217
Loans from credit institutions	-	5,200
Preferred dividend payment at a subsidiary	-1,080	-
Repayment of loans	-675	-312
Right issues and others	122	-
Cash flow from financing activities	-1,633	15,105
Cash flow for the year	1,701	-9,281
Cash at the beginning of the year	23,788	30,968
Exchange difference	206	2,101
Cash at the end of the year	25,695	23,788

7. Financial statements – parent

Income statement

kSEK	NOTE	Parent	
		2022	2021
Net revenues		-	81
Other operating income		0	576
Total revenues		0	657
Other external expenses		-2,276	-1,624
Personnel costs		-162	-1,237
Other operating expenses		-	-314
Operating profit		-2,438	-2,518
<i>Profit or loss from financial items</i>			
Other interest income and similar income	22	23,137	2,389
Other interest expenses and similar expense	23	-26,564	1,640
Profit after financial items		-5,865	1,511
Group contribution		-	617
Profit before tax		-5,865	2,128
Tax on profit for the year		-	-
Net profit for the year		-5,865	2,128

7. Financial statements – parent

Balance sheet

kSEK	NOTE	2022	2021
ASSETS			
Non-current assets			
Financial assets			
Receivables from group companies	24	23,709	54,806
Shares in group companies	25	10,880	8,322
Investment in an associate	26	–	–
Investment in financial assets	27	3,458	–
Total non-current assets		38,047	63,128
Current assets			
Receivables			
Current tax receivables		531	–
Other receivables		49	173
Prepayments and accrued income		33	24
Cash and cash equivalent	28	16,810	2,499
Total current assets		17,423	2,697
TOTAL ASSETS		55,470	65,825

7. Financial statements – parent

Balance sheet (continued)

Balance sheet (continued)		Parent	
kSEK	NOTE	2022	2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1,204	1,204
Unrestricted equity			
Other contributed capital and share premium fund		59,714	57,464
Other equity including net profit for the year		-5,865	2,128
Total equity		55,053	60,796
Current liabilities			
Debts to group companies		-	4,341
Account payables		114	15
Current tax liabilities		44	-
Other payables	29	135	171
Accrued expenses and deferred revenues	30	124	501
Total current liabilities		417	5,029
TOTAL EQUITY AND LIABILITIES		55,470	65,825

7. Financial statements – parent

Changes in equity

kSEK	SHARE CAPITAL	UNRESTRICTED EQUITY	TOTAL EQUITY
Previous year 2021			
Equity at beginning of year	1,204	57,464	58,668
Net profit for the year	–	2,128	2,128
Equity at the end of year	1,204	59,592	60,796
Current year 2022			
Equity at beginning of year	1,204	59,592	60,796
Net profit for the year	–	–5,865	–5,865
Others	–	122	122
Equity at the end of year	1,204	53,849	55,053

7. Financial statements – parent

Cash flow

	Parent	
kSEK	2022	2021
Operating activities		
Profit after financial items	-5,865	1,511
Adjustments for items not included in cash flow, etc.	604	-
Cash flow from operating activities before changes in working capital	-5,261	1,511
Cash flow from changes in working capital		
Change in short-term receivables	5,273	-185
Change in trade payables	-4,242	4,325
Change in current liabilities	-369	101
Cash flow from operating activities	-4,599	5,752
Investment activities		
Disposal of subsidiaries	30,689	-
Investments in subsidiaries	-7,839	-9,201
Investments in financial assets	-4,062	-
Cash flow from investing activities	18,788	-9,201
Financing activities		
Right issues and others	122	-
Cash flow from financing activities	122	-
Cash flow for the year	14,311	-3,449
Cash at the beginning of the year	2,499	5,948
Exchange difference	0	0
Cash at the end of the year	16,810	2,499

8. Further information & notes

NOTE 1: ACCOUNTING PRINCIPLES

General information

The annual report and consolidated accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). Receivables have been valued at the lower of acquisition value and the amount by which they are expected to be settled. Other assets, liabilities and provisions have been valued at acquisition value unless otherwise stated. Receivables and liabilities in foreign currency have been valued at the exchange rate on the balance sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items. The accounting principles are unchanged compared with the previous year. The parent company and the group apply the same accounting principles unless otherwise stated below.

Revenue recognition

In the balance sheet, reported income is compared with the amounts invoiced to the customer during the same period. If the invoiced amounts exceed the reported income, the difference constitutes a liability, which is reported as deferred income. If the income exceeds the invoiced amounts, the difference constitutes a receivable which is reported as accrued but not invoiced income. Compensation in the form of interest, royalties or dividends is reported as income when it is probable that the company will receive the financial benefits associated with the transaction and when the income can be calculated in a reliable manner.

Revenue recognition for voucher (at EveHR)

The revenue of voucher is presented on the Net basic between the voucher revenue and its cost in the consolidated statement.

Revenue recognition for lendings under supply chain model (at Dragonlend)

The revenue of lending activities under supply chain model is presented on the Net basic between the sale of goods minus cost of purchase for the same products in the consolidated statement.

Interest is reported as income according to the effective interest method. Royalty is accrued in accordance with the economic meaning of the current agreement. Dividends are reported as income when the company's right to collection is secured. If it is not probable that collection will be received for amounts that have already been reported as income, the amount that is unlikely to be received is reported as an expense.

Income tax

Current tax is income tax for the current financial year that refers to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been reported. Deferred tax is income tax for taxable profit for future financial years as a result of previous transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax value. Temporary differences are not taken into account in differences attributable to investments in subsidiaries, branches, associated companies or joint ventures if the company can control the timing of reversal of the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future. Differences arising from the first recognition of goodwill or in the first recognition of an asset or liability unless the attributable transaction is a business combination or affects tax or reported profit also do not constitute temporary differences. Deferred tax assets relating to loss carry forwards or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future tax surplus.

Consolidated financial statements

Consolidation method

The consolidated financial statements have been prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of acquired operations are reported at market value in accordance with the prepared acquisition analysis. If the acquisition value of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.

8. Further information & notes

NOTE 1: ACCOUNTING PRINCIPLES (CONTINUED)

Subsidiary

The consolidated financial statements include, in addition to the parent company, all companies in which the parent company directly or indirectly has more than 50% of the voting rights or otherwise holds the controlling influence and thus has a right to formulate the company's financial and operational strategies. A subsidiary's revenues and expenses are included in the consolidated financial statements from the time of the acquisition up to and including the time when the parent company no longer has a controlling influence over the subsidiary.

Non-controlling interest is the part of the subsidiary's net profit and net assets in the consolidated accounts attributable to equity instruments that are not, directly or indirectly through subsidiaries, owned by the parent company. Non-controlling interest is reported in the consolidated balance sheet as a separate item within the group's equity. The report is based on the Group as a unit according to the so-called unit theory. All assets over which the Group has a controlling influence are included in the consolidated balance sheet, including those that partly have other owners. The non-controlling's share of the profit after tax is reported separately as a non-controlling share. Acquisitions and divestments of minority interests are reported within equity.

Transactions between group companies

Intra-group receivables and liabilities as well as transactions between Group companies as well as unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to an impairment loss. Changes in internal profit during the financial year are eliminated in the consolidated income statement.

Translation of foreign subsidiaries

The financial statements of foreign subsidiaries have been recalculated according to the current exchange rate method. All items in the balance sheet are translated at the closing day rate. All items in the income statement have been translated at the average exchange rate during the financial year.

Differences that arise are reported directly in equity. Loans to foreign subsidiaries have been classified in the parent company as a net investment in foreign operations and are reported against a fair value reserve.

Goodwill

Goodwill is the difference that arises if the acquisition value of the acquired unit is higher than the value of the acquired unit's net assets. At the time of acquisition, the goodwill incurred is reported as an asset in the balance sheet.

Accounting principles for balance sheet items

Intangible assets

The company reports internally generated intangible assets according to the capitalization model. This means that all expenses relating to the development of an internally generated intangible fixed asset are capitalized and depreciated during the asset's estimated useful life, provided that the criteria in BFNAR 2012: 1 are met.

Fixed assets

Intangible and tangible fixed assets are reported at acquisition value less accumulated depreciation according to plan and any write-downs. Depreciation takes place on a straight-line basis over the expected useful life, taking into account significant residual value. The useful life is reconsidered on each balance sheet date. The following depreciation percentage is applied, taking into account the holding period for assets acquired and sold during the year:

Intangible assets

- Capitalized expenses for development work: 20%
- Concessions, patents, licenses, trademarks: 20%
- Goodwill: 20%

8. Further information & notes

NOTE 1: ACCOUNTING PRINCIPLES (CONTINUED)

Tangible fixed assets

- Machinery and other technical facilities: 12.5–33%
- Equipment, tools and installations: 6–7%

Financial instruments

Financial instruments are valued on the basis of acquisition value. The instrument is reported in the balance sheet when the company becomes a party to the instrument's contractual terms. Financial assets are removed from the balance sheet when the right to receive cash flow from the instrument has expired or been transferred and the company has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition value after deductions for any write-downs. The acquisition value includes the purchase price paid for the shares and acquisition costs. Any capital injections are added to the acquisition value when they arise.

Accounts receivable / current receivables

Accounts receivable and current receivables are reported as current assets at the amount that is expected to be paid after deductions for individually assessed doubtful receivables.

Loan liabilities and accounts payable

Loan liabilities and accounts payable are initially reported at acquisition value after deduction of transaction costs. If the reported amount differs from the amount to be repaid at maturity, the difference is accrued as interest expense over the term of the loan using the instrument's effective interest rate. In this way, at the due date, the reported amount and the amount to be repaid correspond.

Impairment testing of financial assets

At each balance sheet date, it is assessed whether there are indications of a need for impairment of any of the financial fixed assets. Impairment occurs if the decline in value is judged to be permanent and is tested individually. All financial instruments are valued and reported at the lower value between acquisition and market value at the reporting date.

Leasing agreement

Operational leasing agreements are reported as an expense on a straight-line basis over the leasing period.

Remuneration to employees

Employee benefits refer to all forms of benefits that the company provides to employees. Short-term benefits consist of, among other things, salaries, paid holidays, paid absence, bonuses and post-employment benefits (pension). Short-term compensation is reported as an expense and a liability when there is a legal or informal obligation to pay compensation as a result of a previous event and a reliable estimate of the amount can be made.

Cash flow analysis

The cash flow analysis is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflows. In addition to cash, the company classifies available receivables from banks and other credit institutions as well as short-term liquid investments that are listed on a marketplace and have a maturity of less than three months from the date of acquisition. Changes in these funds are reported in investing activities.

8. Further information & notes

NOTE 1: ACCOUNTING PRINCIPLES (CONTINUED)

Key figure definitions

- Net revenues: main sources of revenues, other revenues and revenue adjustments.
- EBITDA: earnings before interest, taxes, depreciation, and amortization.
- EBITDA margin (%): EBITDA as percentage of total net revenues.
- EBIT: earnings before interest and taxes.
- EBIT margin (%): EBIT as percentage of total net revenues.
- Profit after financial items: profit after financial income and expenses but before appropriations and taxes.
- Solidity or Equity ratio (%): adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.
- Total assets: the company's total assets.
- Equity: the company's net assets, i.e. the difference between assets and liabilities.
- Basic earnings per share: earnings for the year divided by the number of outstanding shares at the end of the year.
- Diluted earnings per share: earnings for the year divided by the number of outstanding shares (including warrants) at the end of the year.

Estimates and assessments

Financial statements are prepared based on management's assessments, estimates, and assumptions, which are considered reasonable at the time of preparation. These estimates and assessments are made based on historical experience and other relevant factors that are deemed reasonable under the prevailing circumstances. The reported values of assets and liabilities are assessed using the results of these estimates and assessments when there are no other clear sources of information. The actual outcome may differ from these estimates and judgments. Estimates and assumptions are reviewed regularly. No significant sources of uncertainty in estimates and assumptions on the balance sheet date are deemed to entail a significant risk of a significant adjustment of the reported values of assets and liabilities in the following financial year.

Net asset value (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 to market practice of using "12 months forward-looking").
- EV/revenues or EV/EBIT(D)A is used depending on the level of maturity of the companies.
- Fram applies a discount of 40% 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).

8. Further information & notes

NOTE 2: NET REVENUES

in kSEK	Group	
	2022	2021
Net revenues by company		
Carmudi	63,367	16,100
Dragonlend	3,181	3,271
EveHR	966	2,653
IT development business	17,923	20,743
Other companies	342	3,826
TOTAL	85,779	46,593
Net revenues by geography		
Vietnam	80,332	42,730
Sweden	5,447	3,863
TOTAL	85,779	46,593

NOTE 3: AUDITORS' FEE

The Group

Audit assignments refer to the audit of the annual report and accounting as well as the board's administration, other tasks that the company's auditor is required to perform and advice or other assistance that is caused by observations in such auditing or the implementation of such tasks.

Parent company

Audit assignments refer to the audit of the annual report and accounting as well as the board's and CEO's administration, other tasks that it is the company's auditor to perform and advice or other assistance that is prompted by observation in such auditing or implementation of such other tasks.

NOTE 3: AUDITORS' FEE (continued)

in kSEK	Group	
	2022	2021
BDO	174	174
RSM Vietnam	51	103
Grant Thornton	–	40
TOTAL	225	317

NOTE 4: EMPLOYEES AND PERSONNEL COST

	Group	
	2022	2021
Average number of employees		
Women	33	53
Men	40	81
TOTAL	73	134
Employees by countries		
Sweden	0	1
Vietnam	73	133
TOTAL	73	134

8. Further information & notes

NOTE 4: EMPLOYEES AND PERSONNEL COST (continued)

in kSEK	Group	
	2022	2021
Salary and other remuneration		
Board of Director and CEO	475	800
Other employees	20,263	24,100
TOTAL	20,738	24,900
Social expenses		
Board of Director and CEO	57	6
Other employees	3,204	3,072
TOTAL	3,261	3,078
TOTAL PERSONNEL COST	23,999	27,978
Gender segregation among senior executives		
Proportion of women in the board	0%	33%
Proportion of men in the board	100%	67%
Proportion of women in management team	50%	0%
Proportion of men in management team	50%	100%

NOTE 5: OTHER INTEREST INCOME AND SIMILAR INCOME

in kSEK	Group	
	2022	2021
Gains from divestment of the IT development business	19,184	-
Interest income, external	55	508
Other	1,274	-
TOTAL	20,513	508

NOTE 6: OTHER INTEREST EXPENSES AND SIMILAR EXPENSE

in kSEK	Group	
	2022	2021
Loan interest expenses, external	416	271
Loss on revaluation of listed shares	604	-
Other	-	47
TOTAL	1,020	318

8. Further information & notes

NOTE 7: TAXES

in kSEK	Group	
	2022	2021
Tax on profit for the year (in Exertus)	277	713
TOTAL	277	713

Deferred tax assets relating to tax deficits (operational losses) have not been capitalized. Corporate income tax rate for Vietnamese companies is 20% and Swedish companies is 20.6%.

Reconciliation of effective tax rate:

in kSEK	Group	
	2022	2021
Profit before tax	7,889	-12,348
Tax at the applicable tax rate for the parent company	-1,625	-
Tax effect of:		
Non-deductible expenses	-2	-2
Non-taxable income	1,627	2
Tax for profit at a subsidiary (Exertus)	277	713
Recognized effective tax	277	713
Effective tax rate	3.5%	-5.8%

NOTE 8: CAPITALIZED EXPENSES FOR THE DEVELOPMENT WORK

in kSEK	Group			
	Platform at Dragonlend	Application at EveHR	Others	Total
Cost				
Beginning balance	-	430	821	1,251
Increase in year	223	243	-	466
Divestment and translation	-	20	-821	-801
Ending balance	223	693	-	916
Depreciation				
Beginning balance	-	-	-180	-180
Depreciation during the year	-	-170	-582	-752
Divestment and translation	-	-	762	762
Ending balance	-	-170	-	-170
Carrying amount				
Beginning balance	-	430	641	1,071
Ending balance	223	523	-	746

8. Further information & notes

NOTE 9: CONCESSION, PATENT, LICENSES, TRADEMARKS AND SIMILAR RIGHTS

in kSEK	Group	
	2022	2021
Cost		
Beginning balance	10,058	10,058
Purchase	-	-
Ending balance	10,058	10,058
Depreciation		
Beginning balance	-7,041	-5,029
Depreciation during the year	-2,011	-2,012
Ending balance	-9,052	-7,041
Carrying amount		
Beginning balance	3,017	5,029
Ending balance	1,006	3,017

The above balance refers to website license and trademark relating to Carmudi.

NOTE 10: GOODWILL

in kSEK	Group	
	2022	2021
Cost		
Beginning balance	11,035	271
Purchase	-	10,764
Divestment	-10,764	-
Ending balance	271	11,035
Depreciation		
Beginning balance	-730	-167
Depreciation during the year	-1,126	-563
Divestment	1,585	-
Ending balance	-271	-730
Carrying amount		
Beginning balance	10,305	104
Ending balance	-	10,305

In July, the Group divested its IT development business, which resulted in the goodwill arising from the Exertus acquisition in 2021 decreasing to 0.

8. Further information & notes

NOTE 11: INVESTMENTS IN AN ASSOCIATE

in kSEK	Group			
	2022		2021	
	%share	Value	%share	Value
Nordic Coder	30	50	-	-
Provision		-50		-
NET		-		-

Nordic Coder is a Vietnamese company. Its business model is based on offering high-quality courses about programming languages and technologies for course fees, both online and offline. Given relatively modest operational progress during recent past, Fram deems it prudent to provision Nordic Coder down to 0 SEK in the fair value.

NOTE 12: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	Group			
	2022		2021	
	No. of shares	Value	No. of shares	Value
Listed shares:				
Sea Ltd (SE:US)	2,500	2,051	-	-
Grab Holdings Ltd (GRAB:US)	40,000	1,255	-	-
Other investments:				
Liven Technology		756		-
NET		4,062		-
Provision for listed shares		-604		-
NET		3,458		-

The provision is for a mark-to-market reduction in value from the publicly listed shares (SEA and GRAB) derived from their listed share prices as of 31st December 2022.

Liven Technology is a Singaporean company that operates in the wedding and events marketplace through its subsidiary in Vietnam. As per the merger agreement and shareholder agreement, the shareholders are in the process of registering their shareholder application in Liven. As of 31st December 2022, the registration process has not been completed. Fram holds a 38.6% ownership stake in this company and has a voting right of 14.3%.

8. Further information & notes

NOTE 13: OTHER RECEIVABLES

in kSEK	Group	
	2022	2021
Bank deposits for lending collaterals (Dragonlend)	23,824	5,906
Other	640	2,113
TOTAL	24,464	8,019
Other receivables by companies:		
Dragonlend	23,862	5,906
Fram Skandinavien AB	49	173
EveHR	239	234
Carmudi	194	234
Fram Investments Limited Liability	120	-
Other	-	1,472
TOTAL	24,464	8,019

NOTE 14: CASH AND CASH EQUIVALENTS

in kSEK	Group	
	2022	2021
Cash in bank	25,695	23,788
NOTE 15: OTHER LIABILITIES		
in kSEK	Group	
	2022	2021
Taxes and social insurance expenses	205	3,177
Liabilities to lenders in Dragonlend	10,370	988
Other	-	940
TOTAL	10,575	5,105

8. Further information & notes

NOTE 16: ACCRUED EXPENSES AND DEFERRED REVENUES

in kSEK	Group	
	2022	2021
Staff costs	613	2,305
Deferred revenues in IT development business	-	1,017
Other	263	1,004
TOTAL	876	4,326

NOTE 17: TRANSACTIONS WITH RELATED PARTIES

in kSEK	Group	
	2022	2021
Revenues from related parties		
Endurance Capital Adv. Ltd Shared services revenues	55	65
Norsel Vietnam Ltd IT development services	-	208
Pangara Shared services revenues	52	48
Expenses paid to related parties		
Norsel Industries Ltd Management & advisory svcs.	615	515

The transactions were carried out on arm's length and market-based terms.

NOTE 18: WARRANTS

in kSEK	Group
Last year's balance ¹⁾	158,300
New warrants for the year ²⁾	140,000
Repurchase	-33,334
Ending balance	264,966

¹⁾ In 2018, an incentive program was adopted and a total of 43,300 warrants were subscribed and in 2020 a program of 115,000 warrants was adopted. All these warrants have a subscription price of 60 SEK per share.

²⁾ 80,000 options of Series 2022/2026:1 with a subscription price of 50 SEK per share, 60,000 options of Series 2022/2026:2 with a subscription price of 50 SEK per share.

8. Further information & notes

NOTE 19: EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

in kSEK	Group	
	2022	2021
Net profit a. tax attrib.to shareholder of the parent (kSEK)	7,942	-12,787
Weighted avg. no. of ordinary shares during the yr. (shares)	3,615,078	3,615,078
Warrants	264,966	158,300
(Basic) Earnings per share (SEK/share)	2.20	-3.54
Diluted earnings per share (SEK/share)	2.05	-3.39

NOTE 20: LEASE COMMITMENTS

The Group lease an office under an operating lease arrangement. The future commitments under the lease agreement is as follows:

in kSEK	Group	
	2022	2021
Less than 1 year	540	100
More than 1 year	100	-
TOTAL	640	100

NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclose in the annual report.

8. Further information & notes

NOTE 22: OTHER INTEREST INCOME AND SIMILAR INCOME

in kSEK	Parent	
	2022	2021
Gains from divestment of IT development business	21,375	-
Interest income, internal	464	2,389
Other	1,298	-
TOTAL	23,137	2,389

NOTE 23: OTHER INTEREST EXPENSES AND SIMILAR EXPENSE

in kSEK	Parent	
	2022	2021
Loss on revaluation of listed shares	604	-
Provision for diminution of investment, internal group	25,180	-1,856
Other	780	216
TOTAL	26,564	-1,640

NOTE 24: RECEIVABLES FROM GROUP COMPANIES

in kSEK	Parent	
	2022	2021
Beginning balance	54,806	51,296
Lendings	-11,950	-
Divestments and other changes	-19,147	3,510
Accumulated values	23,709	54,806
Receivable by company:		
Fram Skata AB	8,101	-
Carmudi	2,219	7,550
Dragonlend	5,518	1,453
EveHR	2,030	202
Fram Investments Limited Liability	5,841	-
Others	-	45,601
TOTAL	23,709	54,806

NOTE 25: SHARES IN GROUP COMPANIES

in kSEK	Parent	
	2022	2021
Beginning balance	8,322	1,748
Additional fundings to subsidiaries	4,883	6,574
Closed or fully provision	-2,325	-
Accumulated acquisition values	10,880	8,322

8. Further information & notes

NOTE 25: SHARES IN GROUP COMPANIES (continued)

in kSEK	Parent	
	2022	2021
<i>By company:</i>		
Fram Skata AB	50	50
Fram Venture 7 AB	7,274	3,171
Fram Venture 9 AB	3,556	3,556
Others	-	1,545
TOTAL	10,880	8,322

NOTE 26: INVESTMENT IN AN ASSOCIATE

in kSEK	Parent			
	2022		2021	
	%share	Value	%share	Value
Nordic Coder	30	50	-	-
Provision		-50		-
NET		-		-

Nordic Coder is a Vietnamese company. Its business model is based on offering high-quality courses about programming and technologies for course fees, both online and offline. Given relatively modest operational progress during recent past, Fram deems it prudent to provision Nordic Coder down to 0 SEK in the fair value.

NOTE 27: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	Parent			
	2022		2021	
	No. of shares	Value	No. of shares	Value
<i>Listed shares:</i>				
Sea Ltd (SE:US)	2,500	2,051	-	-
Grab Holdings Ltd (GRAB:US)	40,000	1,255	-	-
<i>Other investment:</i>				
Liven Technology		756	-	-
TOTAL		4,062		-
Provision for listed shares		-604		-
NET		3,458		-

The provision is for a mark-to-market reduction in value from the publicly listed shares (SEA and GRAB) derived from their listed share prices as of 31st December 2022.

Liven Technology is a Singaporean company that operates in the wedding and events marketplace through its subsidiary in Vietnam. As per the merger agreement and shareholder agreement, the shareholders are in the process of registering their shareholder application in Liven. As of 31st December 2022, the registration process has not been completed. Fram holds a 38.6% ownership stake in this company and has a voting right of 14.3%.

8. Further information & notes

NOTE 28: CASH AND CASH EQUIVALENTS

in kSEK	Parent	
	2022	2021
Cash in bank	16,810	2,499

NOTE 29: OTHER LIABILITIES

in kSEK	Parent	
	2022	2021
Taxes and social insurance expenses	135	171
Other	-	-
TOTAL	135	171

NOTE 30: ACCRUED EXPENSES AND DEFERRED REVENUES

in kSEK	Parent	
	2022	2021
Staff cost	124	481
Other	-	20
TOTAL	124	501

NOTE 31: TRANSACTIONS WITH RELATED PARTIES

in kSEK	Parent	
	2022	2021
Expenses paid to related parties		
Norsel Industries Ltd Management & advisory svcs.	615	515

The transactions were carried out on arm's length and market-based terms.

NOTE 32: OUTLINE OF RESULTS

in kSEK	Parent
Last year's balance	59,592
Net profit for the year	-5,865
Surplus fund	122
The board proposes to transfer to the new account	53,849

8. Further information & notes

Financial Calendar

Date for AGM 2023: 12nd May 2023

This report, as well as further information, is available on the Fram's website: investors.fram.asia

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The Board of Directors, the Chairman and the CEO certify that the consolidated and annual accounts provide a fair overview of the parent company's and group's operations, position and results and that the administration report provides a fair overview of the development of the parent company and group's operations, position and results and describe significant risks and uncertainties the group is facing.

Stockholm, 19th April 2023

Hanh Mai
CEO

Christopher B. Beselin
Chairman

Mikael Steinbach
Board member

Philip Lindqvist
Board member

9. Auditor's report

To the general meeting of the shareholders of Fram Skandinavien AB (publ)
Corporate identity number 556760-2692

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fram Skandinavien AB (publ) for the year 2022.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

A translation of the Swedish version of the annual accounts and the consolidated accounts includes Other information (so called front part) on page 1-17. This other information is not part of the Swedish version of the annual accounts and the consolidated accounts. This other information will be published on the company's website at the same time as the Swedish version is submitted. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

9. Auditor's report

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fram Skandinavien AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

9. Auditor's report

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

9. Auditor's report

Remark

During the financial year, the company has on one occasion with a material delay neither reported nor paid deducted tax or social security contributions at the right time and with the right amount. The omissions had been fully rectified at the time of the audit report's issuance. The situation did not affect my statements regarding exemption from liability above and has not caused damage to the company beyond insignificant cost interest.

Uppsala
BDO Mälardalen AB

Patrik Nygard
Authorized Public Accountant