Foxway

Annual Report & Consolidated Accounts 2023

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Comments from our CEO

2023 was another year marked by geopolitical unrest and cost inflation. Despite a restrained market because of the recession, Foxway has delivered strongly. Through a growth of 32 percent[1], of which 3 percent[2] organic growth and a turnover of nearly SEK 7.4 billion for the whole year, we have continued to make a strong impression on the market.

The economic situation has caused more and more companies and organizations to wait to invest in electronics for their operations. The reduced demand from the electronics market has meant lower growth compared to previous years for our business area CWS (Circular Workspace Solutions) and sales for 2023 amount to just over SEK 2.5 billion. With deferred investments in 2023, however, we see a pent-up need which, according to our assessment, will increase demand going forward mainly for computers. This gives us confidence that more and more companies are once again investing in electronics that were held back during the economic downturn.

Despite the situation, in 2023 we have managed to create growth together with our existing customers and partners. Through a strong commercial focus, our business area Recommerce Mobiles, with a focus on trade-in solutions for mobile phones, has increased sales by 44 percent[1] compared to the previous year. The explanation lies in expansion within the existing customer segment through end users increasingly handing in used electronics. In addition to that, we have expanded our customer base with additional customers and partners and thus increased the capacity for mobile phone returns.

During the end of 2022 and the beginning of 2023, we also completed two strategic acquisitions; Teqcycle GmbH and Global Resale Ltd. In doing so, we have both strengthened and increased our capacity for withdrawals in the German and British markets. With the acquisition of Global Resale, we have also added infrastructure services to our service portfolio. It has created opportunities to apply new services to our existing markets and build scalability. Taken as a whole, these two acquisitions strengthen our growth opportunities and expansion in Europe.

MSEK Foxway Group	5 Oct 2023 31 Dec 2023	Proforma 2023
Total revenue	1,971.4	7,387.6
Operating profit/loss	47.3	121.9
Adjusted EBITA	88.7	367.7
Adjusted EBITA margin %	4.5%	5.0%
Profit/loss before tax	-53.0	-206.7
Profit/loss for the period	-69.9	-208.0

"Reducing carbon dioxide emissions from the tech industry is a crucial step towards a more sustainable future."

Several prominent institutes point to the same trend; a decisive factor for us to reach our climate goals is that companies in all industries strive to become more circular. In recent years, the amount of discussion, debates and articles addressing this topic have almost tripled, reflecting increased awareness and interest in the circular. Foxway strives to drive transformation in the tech industry and help companies become and act more sustainably. Today, there are factors within the ecosystem that need more time to mature for us to be successful together, such as regulation through joint laws and policy and increasing understanding and knowledge of what constitutes a sustainable choice. To accelerate development, we are active in relevant industry organizations that push these issues forward.

In Q3, we launched our brand of premium recycled products; Teqcyle. This gives our customers the opportunity to consume high-quality reconditioned electronics and at the same time achieve less climate impact by opting out of buying new. The skepticism that may exist against buying used electronics can thus be reduced through conditions and benefits that are equal to buying new. The climate impact per unit also shows a significant reduction in carbon dioxide emissions if a reused unit is put back into use instead of consuming a new one. This means, for example, a difference of 11 kg CO2e for a used computer compared to 265 kg CO2e for a new unit. Something that gives a premium reused computer or mobile additional advantages.

I am proud of what Foxway has achieved in 2023. I want to extend a special thank you to all the dedicated colleagues, customers and partners who are driving the transformation of the industry and creating value for us. The adjusted EBITA result of almost SEK 368 million, despite a challenging market, is nothing but a success. It proves that there is a great demand for our circular services and that this is just the beginning of our journey to change the way tech is consumed and used.

Our ambition is to enable circular tech services on an even wider market and thus become the customers' first and most sustainable choice. We have good conditions to continue building our company, live our values fully and accelerate our circular concept to more markets with a lower climate footprint as a result. We look forward to 2024 and to continue realizing our circular business model to additional customers and markets.

Martin Backman
CEO of Foxway

The Group Foxway Holding AB (publ) was founded on 5 October 2023 with Nordic Capital joining as the new majority owner together with Norvestor and employees as minority owners. This annual report therefore takes a different form than normal, as it refers to the period 5 October until 31 December 2023 and not to the full-year. Proforma financial information includes the former Foxway Group on full-year basis presented based on IFRS.

[1] Revenue growth is based on the consolidated financial information for the former Foxway Group AB (based on Swedish GAAP "K3") and is presented for information purposes.

[2] Organic revenue growth is estimated based on the former Foxway Group (based on Swedish GAAP "K3") including acquisitions on full-year basis and is presented for information purposes.

About Foxway

Foxway is one of Europe's leading tech companies. We provide circular tech services to large organizations and resellers of consumer electronics. Our headquarters is located in Stockholm, Sweden and we have 1,400 dedicated employees in offices across Europe.

Together, we intend to change the tech industry to be and act more sustainable. With various services and solutions we are helping our customers and partners to manage mobile phones, computers, and other tech devices in a way that is both cost-efficient and more sustainable.

Through our circular business model, we can track, repair, and get valuable insights into the lifecycle of tech devices. With our AI-driven tools we can predict future lifetime and value. This enables our partners to make the right sustainable decisions, and also facilitates financial institutions, resellers, and partners to make beneficial financial agreements in the sharing economy.

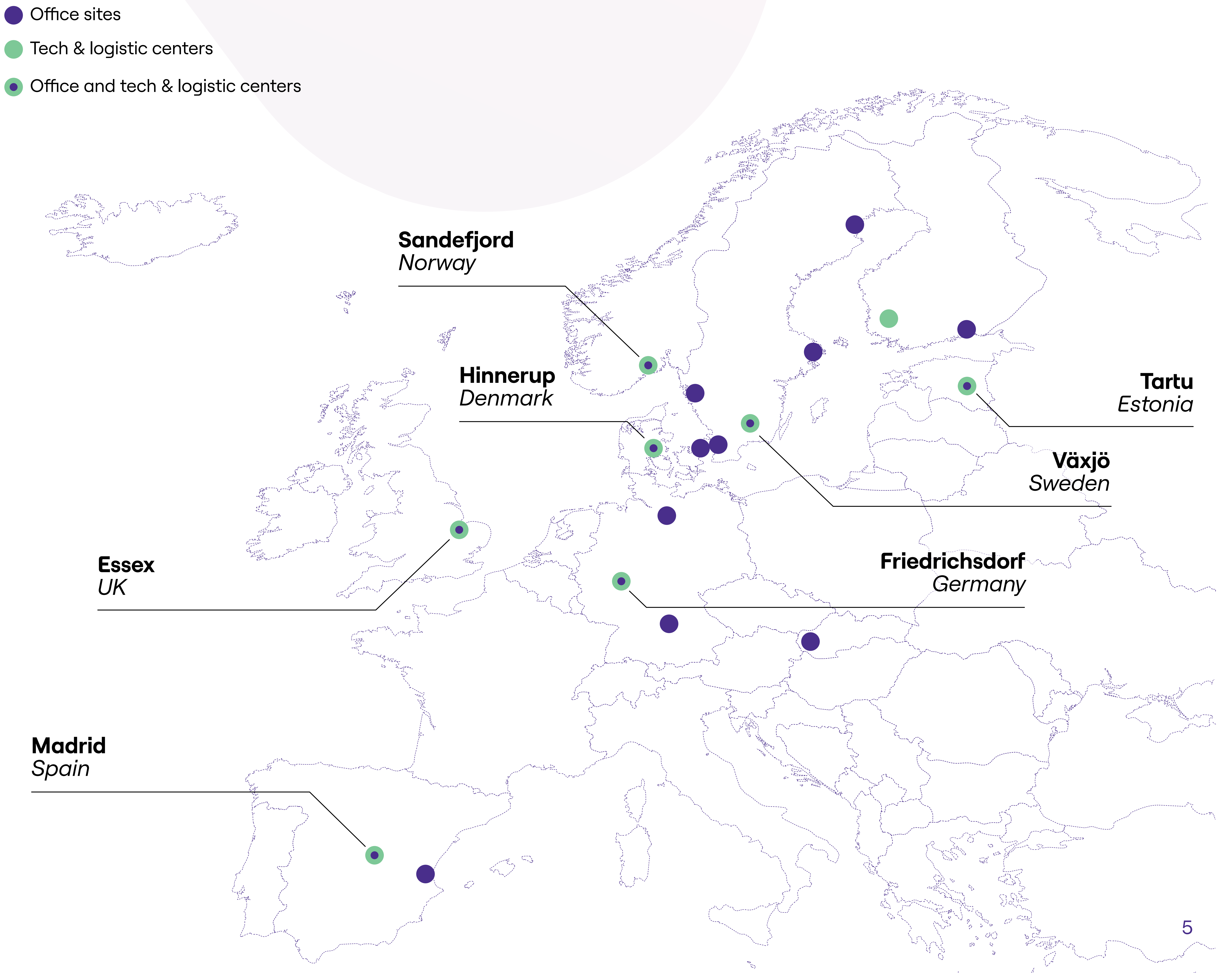
We enable circular tech

Foxway's circular business model offers many opportunities to our partners and customers. We enable circularity through services such as Device as a Service (DaaS), trade-in solutions, value recovery, and IT Asset Disposition (ITAD). The value propositions in Foxway are based on circular management of tech devices and ensuring a second, third, and sometimes even fourth life. When the end-of-life is reached for the devices, Foxway ensures secure and sustainable recycling by extracting parts and components (urban mining) and later ensuring that waste materials are recycled for material recovery in an environmentally responsible and compliant way.

Our business model makes us one-of-a-kind in the market. Simply put, we make sure that companies maximize their digitalization while minimizing their carbon footprint. We guide our partners and customers in their transition to consume tech more sustainably by introducing circularity instead of traditional linear consumption — the Foxway is the circular way.

In Foxway we are proud to share that almost 50% of our co-workers are oriented to work tasks targeting repairs, value-add, upgrades and rescuing devices for another use. Foxway stands out as a distinctive player in the circular tech industry, providing a sustainability approach that transcends merely being an add-on to an industry largely focused on linear consumption models.

Foxway locations and operations



Our mission:

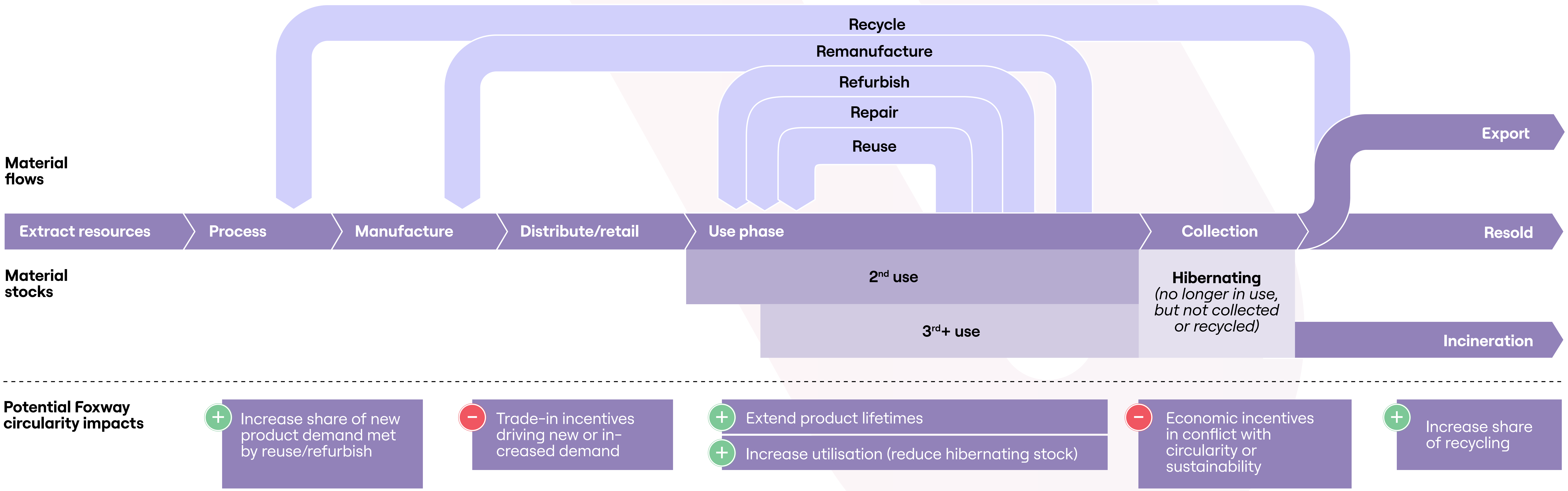
We enable circular tech for everyone

We have a unique business model that challenges status quo and pushes the industry to be more sustainable

A circular business model

Illustration of material flows (EU, smartphones)

Material flows are an established way of representing loops of a circular economy. There are several potential impacts for Foxway.



01 Board of Directors' report

The Board of Directors and CEO of Foxway Holding AB (publ), corporate identity number 559366-8758, hereby present the Annual Report and consolidated accounts for the financial year 1 January 2023–31 December 2023 and the consolidated accounts for the financial year 5 October 2023–31 December 2023.

Operations

Foxway Holding AB (publ) is a holding company and owner of Foxway Group AB (Corp. ID. No. 559185-5688), which in turn is the owner of Foxway AB (Corp. ID. No. 556470-0309), the operating Parent of the Foxway Group.

Foxway Holding AB (publ), formerly Ytinrete BidCo AB (publ), was founded on 22 February 2022. The Parent Company's financial year is the full-year from 1 January until 31 December 2023. On 5 October 2023, Foxway Holding AB (publ) acquired all of the shares in Foxway Group AB and a new Group was founded. The Group's first financial year encompasses the period from 5 October until 31 December 2023, which means that there are no comparative figures.

Foxway AB in Sweden is, together with its subsidiaries Foxway OY in Finland and Foxway AS in Norway, a leading Nordic IT group in the circular economy with complete services for life-cycle management and workspace-related IT services. Foxway delivers a complete offering of services in client management, managed print services, mobile phone management, product supply and life-cycle management of used IT equipment. Along with efficient logistics, software-related IT services and experienced consultants, Foxway offers complete deliveries to large companies and organisations in a global market. As a brand-independent player, Foxway is driven by a vision of offering products, systems and processes that permit increased productivity and reduced costs for the Group's customers.

The subsidiary, Foxway Education AB, is a market leader in Sweden in the area of complete digital solutions for schools, preschools and municipalities through bringing technology and teaching together. In its over ten years as a company, Foxway Education has created a robust platform in the Swedish educational market.

Foxway Finance AB is a finance company that offers specialised and customised solutions for the Group's major customers. With extensive experience of the importance of financing in customer deliveries and product life-cycle management, Foxway Finance offers full control on competitive terms. With our underlying support system, we can keep control of all devices and easily bring our customers' existing equipment into the service. Foxway Finance supplements Foxway's other service offerings by frequently serving as an intermediary and facilitator of major deliveries.

Foxway OÜ, with its registered office in Tartu, Estonia, is one of Europe's leading partners for IT products in mobile telephony, computers and accessories. The company maximises the value of reused IT equipment by applying a sustainable business model and contributes to Foxway's endeavour to be a market leader in circular IT in Europe. Foxway OÜ acquired all of the shares in the German company Teqcycle Solutions GmbH in February 2023. Teqcycle offers industry-leading trade-in solutions for mobile devices and works together with several European mobile operators and mobile telephone manufacturers. On 9 October 2023, Foxway Gmbh and Teqcycle Solutions GmbH merged into one company.

Foxway A/S in Denmark is one of Europe's largest distributors of circular IT products. The company has more than 100 employees in Denmark, Sweden, Germany, Spain and Latvia. The head office is located outside Aarhus, Denmark. Foxway Circular Ltd in the UK is one of Europe's leading partners for circular IT products specialising incomputers, data centres and network equipment. The Group also includes several subsidiaries in Europe and beyond.

Foxway operates through three business areas: CWS, Recommerce Mobile, and Recommerce C&E. These three areas collaborate with the support of our central group functions. Together, they enable Foxway to offer circular services to our customers and partners, including hardware solutions, returns, upgrades, and repairs. By maximizing the lifespan of hardware through multiple cycles, Foxway contributes to sustainability efforts.

While our business areas operate somewhat independently to cater to unique market demands, they also work in symbiosis to achieve scalability and profitability through collaboration. This approach ensures sustainability across all levels of Foxway's operations and allows us to provide customers with valuable data on sustainable choices and the CO_2 emissions associated with our products. Additionally, we highlight the benefits of the circular economy in tech.

Key ratios – Group

Amounts in MSEK	5 Oct 2023 31 Dec 2023
Total revenue	1,971.4
Operating profit	47.3
Operating margin	2.4%
EBITA	67.0
EBITA margin (%)	3.4%
Adjusted EBITA	88.7
Adjusted EBITA margin (%)	4.5%
Profit/loss before tax	-53.0
Balance sheet total	8,554.5
Equity/assets ratio (%)	46.0%
Operating cash flow	38.3
Average number of employees	1,318

**For definitions of key ratios, refer to the Definitions and alternative performance measures on page 50-51.*

Ownership structure

The Group's largest owner is Nordic Capital XI. The remaining part of the Group is owned by Norvestor IX, L.P, the former founders of the Group's subsidiaries, management, the Board and a large number of the Group's employees.

Significant events during the financial year

Foxway Holding AB (publ) was founded on 22 February 2022 and its name has been changed twice since it was founded. In October 2023, Foxway Holding AB (publ) acquired all of the shares in Foxway Group AB and its subsidiaries.

In connection with the acquisition, a consolidation (500,000:1) was conducted of the existing shares in the company, which was then followed by a share split (1:2,500,000,000). This resulted in the quotient value of the participations being changed from the original SEK 1 per participation to SEK 0.0002 per participation. This was also followed by a non-cash issue of SEK 566.6 million and the conversion of a current liability into an unconditional shareholders' contribution of SEK 3,682.6 million.

Foxway Holding AB (publ) issued a EUR 200 million bond in July 2023 and secured a new revolving credit facility via Skandinaviska Enskilda Banken (SEB). The bond is listed on Nasdaq First North, Transfer Market Segment, in Stockholm.

In connection with the above acquisitions, Foxway AB repaid its acquisition financing and revolving credit facilities to Swedbank. Foxway Group AB carried out new issues during the year as part of which convertible shareholder loans and warrants were redeemed for shares.

Earnings and financial position of the Group

The Group's total revenue for the 5 October to 31 December 2023 period amounted to SEK 1,971.4 million. The period was characterised by a strong development in the Recommerce Mobile segment, while Recommerce C&E noted a flat development compared with the same period last year. The CWS segment continued to face a somewhat slower market with lower IT investments, which had a negative effect on the revenue development compared with the same period last year.

Risks and uncertainties in future performance

Foxway has a relatively diverse market exposure since the business comprises three different segments: CWS, Recommerce Mobile and Recommerce C&E.

CWS is part of the market for electronics for larger companies and organisations, concentrated on the Nordics. In the past, the market has displayed relatively stable growth. Due to long-term customer relationships, integrated solutions with customers, long contract terms with public-sector customers and framework agreements, CWS is less susceptible to weakening markets. CWS is affected by supplier pricing and the ability to deliver. CWS works closely with all major suppliers in the market and holds the necessary certifications, and given the market share that Foxway commands, Foxway is able to negotiate favourable solutions.

Recommerce Mobile is part of the circular electronics market with a focus on mobile phones. The market has grown significantly in recent years and Recommerce Mobile has captured a large market share in Europe. Recommerce Mobile has long-term relationships with partners that have integrated solutions with Foxway, making Recommerce Mobile less sensitive to changes in economic cycles. Demand for reused mobile phones has historically risen in the event of an economic slowdown, although the market has also grown in economic upturns and downturns in recent years.

Recommerce C&E is part of the circular electronics market with a main focus on computers and network products. This market has also experienced sharp growth in recent years. Long-term relationships with partners and established players mean that Recommerce's sales of equipment are less sensitive to softening markets.

The war in Ukraine and its consequences for the world and the global economy led to further uncertainty and greater risk in 2023. The war combined with other factors also contributed to higher inflation in Europe, greater pressure on salary adjustments and higher interest rates. Foxway is closely following developments and has planned necessary actions to minimise risks for the company's performance.

The Group is also exposed to financial risks such as liquidity risk, currency risk, credit risk and interest rate risk. These risks are described in more detail in Note 27 Financial instruments and financial risks.

Employees

The average number of full-time employees in the Group for the period 5 October to 31 December 2023 was 1,318. At year-end, the number of employees was 1,380.

Parent Company

Foxway Holding AB (publ) is the Parent Company of the new Group. Foxway Holding AB (publ) offers management services to the Group and has a bond listed on Nasdaq First North, Transfer Market Segment.

The Parent Company's operating loss for the full-year amounted to SEK -14.7 million and loss before tax to SEK -6.4 million. The Parent Company's net debt at year-end amounted to SEK 1,960.6 million and equity to SEK 4,232.8 million. In connection with the formation of the new Group, the Parent Company received a shareholders' contribution of SEK 3,682.6 million and a non-cash issue of SEK 566.5 million was carried out. The Parent Company's cash and cash equivalents on the balance sheet date amounted to SEK 171 million.

International branches

Foxway Finance AB has branches in Denmark, Finland, Norway and Switzerland to offer these markets the same financial services as in Sweden.

Significant events after the end of the financial year

The Group has signed a EURIBOR 3M swap to secure a fixed, underlying interest rate of approximately 3.1% for the Group's EUR 200 million bond. The term of the interest swap is 3 years with a start date of 12 January 2024.

In February 2024, the Group pledged shares in subsidiaries and internal loans as collateral for the revolving credit facility from SEB and the issued bond.

Sustainability disclosures

Foxway is subject to the regulations for sustainability reporting, and has prepared a sustainability report for Foxway Holding AB (publ) and its subsidiaries for the period from 1 January 2023 to 31 December 2023. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Foxway has chosen to prepare the statutory sustainability report separately from its annual report. The sustainability report was submitted to the Swedish Companies Registration Office together with the annual report. It is also available on www.foxway.com/en/corporate-information/reports/

Sustainability is an important issue for both Foxway and its owners. The Group's services are sustainable with a clear green profile as the result of Foxway's capacity for managing the full life cycle of our IT products, including safe and environmentally correct decommissioning. A large portion of the Group's sales and earnings come from Foxway OÜ, which purchases used equipment and repurposes it so it can be used through an additional life cycle. Foxway has all the necessary certification for handling returned equipment in an environmentally friendly manner.

Appropriation of profit

	The following amounts are at the disposal of the Annual General Meeting:
Share premium reserve	566,529,089
Retained earnings	3,682,614,580
Loss for the year	-16,925,928
Total	**4,232,217,741**
The Board of Directors proposes that be carried forward	4,232,217,741

For information regarding the company's earnings and financial position, refer to the following financial statements and accompanying notes.

02 Financial reports

Consolidated income statement

MSEK	Note	5 Oct 2023 31 Dec 2023
Total revenue		
Net sales	4,5,6	1,960.7
Other operating income	7	10.7
		1,971.4
Operating expenses		
Goods for resale		-1,523.4
Other external expenses	8, 9	-83.2
Personnel costs	10	-211.4
Depreciation/amortisation and impairment of tangible and intangible assets		-102.6
Other operating expenses		-3.5
		-1,924.1
Operating profit/loss		**47.3**
Financial income and expenses		
Financial income	11	6.0
Financial expenses	12	-106.4
		-100.3
Profit/loss before tax		**-53.0**
Tax on profit/loss for the year	13	-16.9
Profit/loss for the year		**-69.9**
Profit/loss for the year attributable to:		
Shareholders of the Parent Company		-69.9

Consolidated comprehensive income

MSEK	5 Oct 2023 31 Dec 2023
Profit/loss for the year	-69.9
Items that can be reclassified to the income statement	
Exchange differences on translation of foreign operations	-168.8
Exchange differences on hedging instruments of net investments in foreign operations	100.1
Deferred tax on exchange differences on hedging instruments of net investments in foreign operations	-20.6
Share-based remuneration transactions	1.3
	-88.0
Items that will not be reclassified to the income statement	**-**
Comprehensive income for the year	**-157.9**
Comprehensive income for the year attributable to:	
Shareholders of the Parent Company	-157.9

Consolidated balance sheet

MSEK	Note	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets		
Capitalised development expenditure	14	107.0
Concessions, patents, licences, trademarks, etc.	15	222.1
Goodwill	16	4,748.4
		5,077.5
Tangible assets		
Leasehold improvements	17	15.3
Plant and machinery	18	626.7
Equipment, tools, fixtures and fittings	19	10.3
Right-of-use assets	20	227.5
		879.8
Financial assets		
Other non-current receivables	23	1.0
Deferred tax assets	13	34.6
		35.5
Total non-current assets		**5,992.9**
Current assets		
Finished goods and goods for resale		1,082.7
Current receivables		
Accounts receivable	27	558.0
Current tax assets		11.9
Other receivables		52.6
Prepaid expenses and accrued income	24	134.2
		756.7
Cash and bank balances	26	722.1
Total current assets		**2,561.6**
Total assets		**8,554.5**

MSEK	Note	31 Dec 2023
Equity and liabilities		
Equity		
Share capital	25	0.6
Other contributed capital		4,249.1
Other equity, including loss for the year		-314.2
Total equity		**3,935.5**
Non-current liabilities		
Deferred tax liabilities	13	94.1
Bond loans	26, 27	2,131.5
Liabilities to credit institutions	26, 27	335.2
Lease liabilities	8, 20	185.5
Other liabilities		0.3
Total non-current liabilities		**2,746.6**
Current liabilities		
Bank overdraft facilities	26, 27	0.6
Liabilities to credit institutions	26, 27	270.2
Accounts payable	27	641.9
Lease liabilities	8, 20	44.8
Current tax liabilities	13	35.5
Other liabilities		246.6
Accrued expenses and deferred income	28	632.7
Total current liabilities		**1,872.3**
Total equity and liabilities		**8,554.5**

Consolidated statement of changes in equity

	Equity attributable to shareholders of the Parent Company				
MSEK	Share capital	Other contributed capital	Other reserves	Other equity, incl. loss for the year*	Total equity
Opening equity					
5 Oct 2023 *	0.5	–	–	-156.2	-155.7
New share issue	0.1	566.5			566.6
Shareholders' contributions		3,682.6			3 682.6
Loss for the year				-69.9	-69.9
Other comprehensive income			-88.0		-88.0
Closing balance 31 Dec 2023	**0.6**	**4,249.1**	**-88.0**	**-226.1**	**3,935.6**

** Opening equity for the Group comprises equity attributable to the Parent Company Foxway Holding AB (publ) and transaction costs related to the acquisition on 5 October 2023.*

Consolidated cash flow statement

MSEK	Note	5 Oct 2023 31 Dec 2023
Operating activities		
Operating profit		47.3
Adjustments for non-cash items	29	103.6
Interest received, etc.		7.3
Interest paid, etc.		-46.7
Income tax paid		-20.6
Cash flow from operating activities before changes in working capital		**90.9**
Cash flow from changes in working capital		
Decrease(+)/increase(-) in inventory/work in progress		-5.2
Decrease(+)/increase(-) in accounts receivable		17.1
Decrease(+)/increase(-) in receivables		-7.8
Decrease(-)/increase(+) in accounts payable		-42.9
Decrease(-)/increase(+) in current liabilities		-13.8
Cash flow from operating activities		**38.3**

MSEK	Note	5 Oct 2023 31 Dec 2023
Investing activities		
Acquisition of subsidiaries	3	-3,483.0
Investments in intangible assets	14-16	-10.9
Investments in tangible assets	17-19	-8.2
Cash flow from investing activities		**-3,502.2**
Financing activities		
New share issue and shareholder contribution		3,756.6
Increase in borrowings	26, 27	2,233.1
Repayment of borrowings	26, 27	-1,702.3
Changes in lease liabilities	26, 27	-88.7
Cash flow from financing activities		**4,198.6**
Change in cash and cash equivalents		734.7
Cash and cash equivalents at beginning of the period		0.5
Exchange rate differences in cash and cash equivalents		-13.1
Cash and cash equivalents at end of the year		**722.1**

Parent company income statement

MSEK	Note	1 Jan 2023 31 Dec 2023	22 Feb 2022 31 Dec 2022
Total revenue			
Net sales	4, 5	1.9	–
Other operating income		0.1	–
		2.0	**0.0**
Operating expenses			
Other external expenses	9	-14.6	–
Personnel costs	10	-2.0	–
Other operating expenses		-0.1	–
		-16.7	**0.0**
Operating profit/losst		**-14.7**	**0.0**
Financial income and expense			
Other interest income and similar profit/loss items	11	152.8	–
Interest expenses and similar profit/loss items	12	-127.7	–
		25.2	**0.0**
Profit/loss after finance net		**10.5**	**0.0**
Appropriations			
Provision to tax allocation reserve		-17.0	–
Profit/loss before tax		**-6.4**	**0.0**
Tax on profit/loss for the year	13	-10.5	–
Profit/loss for the year		**-16.9**	**0.0**

The Parent Company does not have other comprehensive income.

Parent company balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	21	4,650.8	–
Loans to Group companies	22	1,712.5	–
Total non-current assets		**6,363.3**	**0.0**
Current assets			
Current receivables			
Receivables from Group companies		48.6	-
Current tax assets		5.2	0.5
Other receivables		**53.8**	**0.5**
Cash and bank balances		171.0	0.0
Total current assets		**224.7**	**0.5**
Total assets		**6,588.0**	**0.5**

MSEK	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	25	0.6	0.5
		0.6	0.5
Non-restricted equity			
Share premium reserve		566.5	-
Retained earnings		3,682.6	-
Loss for the year		-16.9	-
	30	4,232.2	0.0
Total equity		**4,232.8**	**0.5**
Untaxed reserves			
Tax allocation reserve		17.0	–
Total untaxed reserves		**17.0**	**0.0**
Non-current liabilities	26, 27		
Bond loans		2,131.5	–
Total non-current liabilities		**2,131.5**	**0.0**
Current liabilities			
Accounts payable		58.4	-
Current tax liabilities		10.5	-
Liabilities to Group companies		0.1	-
Other current liabilities		0.3	-
Accrued expenses and deferred income	28	137.5	-
Total current liabilities		**206.7**	**0.0**
Total equity and liabilities		**6,588.0**	**0.5**

Parent company statement of changes in equity

MSEK	Share capital	Other restricted equity	Other non-restricted equity	Loss for the year	Total equity
Opening balance acc. to adopted balance sheet	–	–	–	–	–
Formation 22 Feb 2022	0.5	–	–	–	0.5
Closing balance 31 Dec 2022	0.5	0.0	0.0	0.0	0.5
Appropriation of profit by the AGM:	–	–	–	–	0.0
New share issue	0.1	–	566.5	–	566.6
Shareholders' contributions	–	–	3 682.6	–	3 682.6
Loss for the year	–	–	–	-16.9	-16.9
Closing balance 31 Dec 2023	**0.6**	**0.0**	**4,249.1**	**-16.9**	**4,232.8**

Parent company cash flow statement

MSEK	Note	1 Jan 2023 31 Dec 2023	22 Feb 2022 31 Dec 2022
Operating activities			
Operating profit	3	-14.7	–
Interest received, etc.		-0.7	–
Interest paid		-0.1	–
Income tax paid		–	–
Cash flow from operating activities before changes in working capital		**-15.5**	**0.0**
Cash flow from changes in working capital			
Decrease(+)/increase(-) in current receivables		-5.8	-0.5
Decrease(-)/increase(+) in current liabilities		6.1	–
Cash flow from operating activities		**-15.2**	**-0.5**
Investing activities			
Acquisition of subsidiaries	3	-4,013.5	–
Change in non-current receivables, Group companies	21, 22	-1,712.5	–
Cash flow from investing activities		**-5,726.0**	**0.0**
Financing activities			
New share issue		–	0.5
Borrowings		2,229.5	–
Capital contribution		3,682.6	–
Cash flow from financing activities		**5,912.1**	**0.5**
Change in cash and cash equivalents		**171.0**	**0.0**
Cash and cash equivalents at beginning of year		0.0	–
Cash and cash equivalents at end of the year		**171.0**	**0.0**

03 Notes

Note 1: Accounting policies

General information

Foxway Holding AB (publ), Corp. ID. No. 559366-8758, is a Swedish registered limited liability company with its registered office in Stockholm, Sweden. The address of the head office is c/o Foxway Group AB, Evenemangsgatan 21, SE-169 21 Solna. Foxway Holding AB (publ) is listed on Nasdaq First North, Transfer Market Segment. The primary operations of the company and its subsidiaries are described in the Administration Report in this Annual Report. The consolidated accounts for the financial year ending 31 December 2023 were approved by the Board of Directors and will be presented for adoption by the Annual General Meeting on 17 May 2024.

Since the Group was founded on 5 October 2023, the first financial year extends from 5 October 2023 to 31 December 2023. IFRS has been applied since the formation of the Group.

The consolidated accounts for 2023 comprise the Parent Company Foxway Holding AB (publ) and its subsidiaries, which are jointly referred to as the "Group." Foxway Holding AB (publ) is a wholly owned subsidiary of Ytinrete MidCo 2 AB, Corp. ID. No. 559432-8394 with its registered office in Stockholm, which in turn is 99.22% owned by Ytinrete MidCo 1 AB, Corp. ID. No. 559432-8402 with its registered office in Stockholm. The remaining 0.78% is owned by minority shareholders.

The ultimate Swedish Parent Company of the Group is Ytinrete TopCo AB, Corp. ID. No. 556432-8410 with its registered office in Stockholm. For the annual accounts as per 31 December 2023, this Parent Company will not prepare consolidated accounts in accordance with the provisions of Chapter 7 of the Swedish Annual Accounts Act.

The indirect owners of Ytinrete TopCo AB is Nordic Capital XI (majority) and Norwegian venture capital fund Norvestor IX LP (minority). Nordic Capital is a leading private equity investor focusing on Healthcare, Technology & Payments, Financial Services, and Industrial & Business Services. Key regions are Europe and globally for Healthcare and Technology & Payments investments. Norvestor primarily invests in medium-sized companies in the Nordics. Former founders of Foxway and management, the Board and a large number of the Group's employees have also invested into the holding structure.

Basis of preparation

The consolidated accounts were prepared in accordance with the Annual Accounts Act, the International Financial Reporting Standards (IFRS) as endorsed by the EU, as well as interpretations issued by the IFRS Interpretations Committee (IFRIC) as per 31 December 2023. The Group does not apply IAS 33 Earnings Per Share in accordance with the exception rules for unlisted companies. In addition, the Group applies the Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for Groups, which specifies the supplements to IFRS disclosures that are required under the provisions of the Annual Accounts Act.

Items have been measured at cost in the consolidated accounts, unless otherwise stated. The Group's presentation currency is Swedish kronor (SEK). All amounts are in million SEK, with one decimal place, unless otherwise stated. Accounting policies are also presented in further detail in the related note.

New accounting policies for 2024 and later

No amendments to existing standards that will come into force in 2024 or later are expected to have a material impact on the Group's financial statements.

Consolidation

The consolidated accounts include the Parent Company, Foxway Holding AB (publ), and the companies in which Foxway Holding AB (publ) has a direct or indirect control. Subsidiaries are all entities (including structured entities) over which the Group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its holdings in the entity and has the ability to affect those returns through its influence in the company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group's equity comprises the equity of the Parent Company and the portion of equity of the subsidiaries that arises after the acquisition. All intra-Group transactions and intra-Group balances are eliminated in the consolidated accounts.

Foreign currency

Items that are included in the financial statements from the various entities in the Group are recognised in the currency used in the primary economical environment in which each entity primarily operates (functional currency). All amounts are translated to SEK in the consolidated accounts, which is the functional currency and the reporting currency of the Parent Company.

Transactions and balance-sheet items

Transactions in foreign currency are recognised in each entity based on the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the closing-day rate and any exchange differences arising are included in profit/loss for the period. Exchange differences on operating receivables and liabilities are recognised in operating profit/loss, while exchange differences on financial receivables and liabilities are recognised in finance net.

Translation of foreign subsidiaries

When preparing the consolidated accounts, the balance sheets of foreign operations are translated into SEK at the closing-day rate, while income statements are translated at the average rate for the period. Any translation differences arising are recognised in other comprehensive income and accumulated in the translation reserve in equity. The accumulated translation difference is reversed and recognised as part of capital gains/losses in the event of the divestment of a foreign operation. Goodwill and fair value adjustments relating to acquisitions of businesses with a different functional currency than SEK are treated as assets and liabilities in the currency of the acquired business and translated at the closing-day rate.

Alternative performance measures

Alternative performance measures are used in the Annual Report for following up the Group's operations. Alternative performance measures are key ratios that are not defined under IFRS. For reconciliation of the primary alternative performance measures and definitions, see pages 50-51.

Accounting policies in the Parent Company

The Parent Company applies the Annual Accounts Act (1995:1554) and Recommendation RFR 2 Accounting for Legal Entities.

The presentation format prescribed in the Annual Accounts Act is used for the income statement and balance sheet. The presentation format for the statement of changes in equity is also consistent with the Group's format, but must also include the columns stated in the Annual Accounts Act. Moreover, there is a difference in terms, compared with the consolidated accounts, mainly with regard to financial income and expenses, and equity.

The accounting policies applied in the Parent Company match the accounting policies in the consolidated accounts, except for the following.

Group contributions and shareholders' contributions

Group contributions are recognised in accordance with the alternative rule, meaning that Group contributions received and paid are recognised as appropriations in profit or loss.

Shareholders' contributions are recognised directly in the equity of the recipient and capitalised in shares and participations of the donor, to the extent that no impairment is required.

Business combinations

Transaction costs related to business combinations are included in the cost of participations in subsidiaries.

Note 2: Key estimates and judgements

Important judgements made in the application of the Group's accounting policies

The preparation of the financial statements involves making estimates and judgements about the future that affect the balance-sheet and income-statement items reported in the financial statements. These judgements are based on past experience and the various assumptions that management and the Board consider reasonable under the prevailing circumstances. Where it is not possible to determine the carrying amount of assets and liabilities using information from other sources, the valuation is based on such estimates and judgements. Actual outcomes may differ from these judgements if other judgements are made or other circumstances are in place.

The following sections describe significant judgements made by company management in the application of the Group's accounting policies that have the most significant effect on the carrying amounts in the financial statements.

Impairment testing of goodwill and other intangible assets

Goodwill and other intangible assets are tested for impairment whenever events or changed circumstances indicate a potential impairment requirement of acquisition goodwill, for example, due to changes in the business climate, changed external factors or decisions to divest or discontinue certain operations. To determine whether the value of goodwill has decreased, the cash-generating unit to which the goodwill is attributable must be measured by discounting the unit's cash flows. In applying this method, the company relies on a number of factors including results achieved, business plans, financial forecasts and market data.

The impairment test for the year was based on the transaction carried out on 5 October 2023 in connection with the formation of the Group. The Board believes that the reported surplus values are consistent with the prepared purchase price allocations and thus no impairment is required.

Repurchase obligations

As of 31 December 2023, the Group has a repurchase obligation (right and obligation) pertaining to the issued residual value of financed IT equipment to diverse funding partners totalling SEK 105.6 million. The repurchase obligation is considered to be low in relation to the expected value on the sale date, which is why no provisions have been made for these rights and obligations.

Deferred tax on loss carryforwards

Both judgements and assumptions are made in connection with the calculation of deferred tax on temporary differences arising between tax and carrying amounts. These are mainly related to determining the carrying amount and subsequently the possibility of utilising loss carryforwards against future profit. Management has used the budget and a longer-term strategic plan to make an assessment of the future use of loss carryforwards, see also Note 13.

Leases

Assessments are made to determine the lease term for certain leases in which the Group is the lessee and the lease contains extension options. An assessment is made as to whether it is reasonably certain that any such options will be exercised. These assessments affect the carrying amounts both of the lease liability and of the right-of-use assets. A description of this is presented in Note 8.

Credit risk reserve for accounts receivable

Accounts receivable are short-term in nature and, as a consequence, the risk assessment horizon is also short. The assessment of future expected credit losses takes into account historical, current and expected circumstances. The ability to pay and creditworthiness are assessed individually. The Group has had a low level of confirmed credit losses in the past. For further information, see Note 27.

Note 3: Business combinations

Accounting policies

Foxway applies IFRS 3 Business Combinations in connection with acquisitions, which means that all acquisitions are recognised using the acquisition method. The purchase consideration for a business combination is initially measured at fair value on the acquisition date, which is calculated as the total of the fair values on the acquisition date for assets received plus liabilities incurred or assumed as well as issued equity participations in exchange for control over the acquired business.

The surplus arising when the cost exceeds the fair value of identifiable assets, net, is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in profit or loss.

Contingent earnouts are recognised as a financial liability at fair value on the acquisition date. These earnouts are remeasured every year and any changes are recognised in profit or loss. All acquisition-related costs are expensed in the Group. However, in the Parent Company these transaction costs related to the business combination were capitalised together with the purchase consideration.

The identifiable acquired assets and assumed liabilities are measured at fair value on the acquisition date with the following exceptions:

- Liabilities or equity instruments related to the acquiree's share-based payment awards or the replacement of an acquiree's share-based payment awards with share-based payment awards of the acquirer on the acquisition date in accordance with the method in IFRS 2 Share-based Payment.
- Lease liabilities whereby the acquiree is the lessee shall be measured at the present value of the remaining lease payments as if it were a new lease on the acquisition date.
- The right-of-use assets shall then be measured at the same amount as the lease liability, but adjusted for any terms that deviate from a market assessment.

For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Divested companies are included in the consolidated accounts up to the date of divestment.

Events 5 October–31 December 2023

On 5 October 2023, Foxway Group (consisting of some 20 wholly owned subsidiaries and branches) became a portfolio company of Nordic Capital XI. In the 2022 annual accounts, Foxway Group reported annual sales of SEK 5,889.8 million and the average number of employees was 1,027. Foxway is a fast-growing European Group with its registered office in Sweden with offices across Europe and a presence in Asia and the US.

The Group provides circular IT services in more than 100 countries, its customers are both private and public companies and organisations. In connection with the transaction, the newly acquired Group gained a new Parent Company, Foxway Holding AB (publ), whose ultimate Swedish Parent Company is Ytinrete TopCo AB, Corp. ID. No. 559432-8410.

Analysis of acquisition during the period 5 October–31 December 2023

	Group
Non-current assets	1,262.5
Accounts receivable	575.1
Inventories and other current receivables	1,322.2
Cash and cash equivalents	511.6
Liabilities to credit institutions	-2,242.1
Lease liabilities	-244.9
Accounts payable	-656.6
Other non-current liabilities	-156.2
Other current liabilities	-707.9
Acquired identifiable net assets	**-336.4**
Goodwill	4,897.6
Total purchase consideration	**4,561.2**
Cash and cash equivalents in acquired Group	-511.6
Non-cash issue	-566.6
Impact on Group's cash and cash equivalents	**3,483.0**

Divestments

No divestments took place between 5 October and 31 December 2023.

Note 4: Segment reporting

Accounting policies

The segment reporting has been prepared pursuant to IFRS 8 Operating segments. Operating segments are consistent with the internal reporting provided to the chief operating decision maker, the CEO of the Foxway Group. The Group has identified three main operating segments which are also the three overall business areas:

- **CWS (Circular Workplace Solutions)** provides device-as-a-service solutions and related services for workspace equipment, such as computers, printers, audio/video and other related products. The business mainly focuses on mid/large size corporates and public sector customers in the Nordics, with both local and global organisations. CWS has offices across Sweden, Norway and Finland.
- **Recommerce Mobile** offers trade-in solutions and asset-recovery services for smartphones and other related products, focusing on mobile operators, retailers and other partners. The products are sourced, refurbished and remarketed both to consumers and to B2B customers. Recommerce Mobile is headquartered in Estonia and mainly focuses on the European market.
- **Recommerce C&E (Computers & Enterprise equipment)** focuses on computers, enterprise equipment and other related products. The business sources products from various partners, such as OEMs (original equipment manufacturers), financing companies, datacenters and resellers. Recommerce C&E handles both reused devices and new overstock devices. Recommerce C&E is mainly operated out of Denmark and the UK.

The businesses in each operating segment have similar economic characteristics, are similar in terms of the nature of the products and services, how value is added and the categories of customers. The pricing of sales between segments is performed on market terms and the sales have been eliminated in the Group's sales. Group-wide functions mainly consist of costs for management and central functions. Financial income and expenses are not allocated to each business area since the Group's financing is controlled by the Group accounting and finance function. Assets and liabilities are not specified by segment since no such amount is regularly reported to the Group's chief operating decision maker.

Non-recurring items

In order to make earnings more comparable and clearer, management adjusts operating profit/loss before amortisation and impairment of intangible assets (EBITA) for non-recurring items. Non-recurring items refer to material items of a one-off nature that do not recur in the normal course of business. The purpose of separating these revenue and costs is to show the performance of the underlying operations.

Non-recurring items for the 5 October–31 December 2023 were mainly attributable to the reorganisation, integration, net loss for a new-established product and costs related to the acquisition of Foxway.

Segment reporting 5 October–31 December 2023

	CWS	Recommerce Mobile	Recommerce C&E	Group-wide functions	Group total
Total revenue	603.9	732.3	635.2	–	1,971.4
Operating expenses	-593.2	-684.1	-597.7	-49.1	-1,924.1
Operating profit/loss	**10.7**	**48.2**	**37.5**	**-49.1**	**47.3**
Finance net	–	–	–	-100.3	-100.3
Profit/loss before tax (EBT)	**10.7**	**48.2**	**37.5**	**-149.4**	**-53.0**
Finance net				*100.3*	*100.3*
Amortisation and impairment of intangible assets	*5.4*	*2.7*	*0.3*	*11.2*	*19.6*
EBITA	**16.1**	**50.9**	**37.8**	**-37.9**	**67.0**
EBITA margin (%)	*2.7%*	*7.0%*	*6.0%*	–	*3.4%*
Adjustment for non-recurring items	*5.1*	*4.8*	*3.4*	*8.4*	*21.7*
Adjusted EBITA	**21.2**	**55.7**	**41.2**	**-29.5**	**88.7**
Adjusted EBITA margin (%)	*3.5%*	*7.6%*	*6.5%*	–	*4.5%*

For definitions of key ratios, refer to the Definitions and alternative performance measures on page 50-51.

Note 5: Specification of revenue

Accounting policies

Foxway applies IFRS 15 Revenue from Contracts with Customers. The standard is based on in a five-step control-based model and requires revenue to be recognised in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to the customer and that sales of goods and services are recognised separately. Revenue is mainly recognised when control is passed to the buyer upon final delivery. For service contracts in progress, revenue is recognised either at a point in time or over time as the service is performed in accordance with the contract. Revenue is specified by product and service categories and geographical market since these are the categories on which the Group presents and analyses revenue in other contexts.

The main revenue streams are presented based on the internal terms used within the Group and revenue from invoicing of intra-Group services has been eliminated in the consolidated accounts.

Total revenue specified by product and service

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
Devices	1,837.3	0.0	–
External services	122.7	0.0	–
Internal services	–	1.9	–
Other	11.4	0.0	–
	1,971.4	**1.9**	**0.0**

Total revenue by geographical region

	Group 5 Oct 2023 31 Dec 2023	Parent Company 5 Oct 2023 31 Dec 2023	Parent Company 5 Oct 2023 31 Dec 2023
Nordic	681.8	1.9	–
Europe (excl. Nordic)	989.4	–	–
Asia	271.9	–	–
Rest of the world	28.3	–	–
	1,971.4	**1.9**	**–**

Information regarding the Group's largest market and customers

The Group's revenue primarily come from Europe. France is the Group's single largest market with a share of 16%.

Foxway does not have any individual customers whose sales exceed 10% of the Group's total sales.

Note 6: Leases – lessor

Accounting policies

The Group is the lessor of IT equipment. In accordance with IFRS 16, the Group classifies lease agreements with customers as either operating or finance leases, which is important to the recognition of revenue. Since the Group normally repossesses leased equipment at the end of the lease, the assessment is that the agreements with customers comprise operating leases. As a result, the lease payments are recognised as revenue on an ongoing basis in accordance with IFRS 16.

Finance leases are recognised as a receivable in the balance sheet. The carrying amount corresponds to the net investment in the lease, meaning the sum of future lease payments discounted by the interest rate of the lease. The financial revenue is distributed so as to obtain a uniform yield.

	Group 5 Oct 2023 31 Dec 2023
Net sales include variable payments of	97.9
Future minimum lease payments for non-cancellable leases, falling due for payment as follows:	
Within 1 year	285.0
Between 2 and 5 years	337.9
Later than 5 years	0.0
	622.9

Note 7: Other operating income

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
Exchange differences	8.5	0.1	-
Gain/loss on sale of tangible assets	0.9	0.0	-
Other	1.3	0.0	-
	10.7	**0.1**	**0.0**

Note 8: Leases – lessee

Accounting policies

The Group is a lessee and the most common leases are for premises and cars. To a lesser extent, the Group also leases machinery and equipment such as trucks, IT equipment, etc. In accordance with IFRS 16, an assessment is made at the start of the contract of whether a contract is or contains a lease. This means that the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. If the circumstances or terms of the contract change during the contract period, a new assessment is made as to whether the contract is, or contains, a lease.

The Group applies the simplification rules for short-term leases (less than 12 months) and leases where the underlying asset is of low value (less than USD 5,000). For leases that meet these criteria, lease payments are expensed on a straight-line basis over the lease term, instead of being recognised in the balance sheet.

Leases are recognised as right-of-use assets with a corresponding lease liability at the date when the leased asset is available for use by the Group. The lease liability is divided into a non-current and a current component.

These liabilities are measured at the present value of the future lease payments. Each lease payment is allocated between the liability and financial expense. The financial expense is distributed over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability reported in each period. Future lease payments are discounted at the interest rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rate based on the currency and term of the lease is to be used.

The right-of-use asset is depreciated over the asset's useful life, which is normally the same as the term of the lease. Where it has been determined that it is reasonably certain the lease will be extended, the useful life may be longer than the lease term.

The Group also has a sale and leaseback arrangement which, in combination with lease rent, is intended for some customers who enter into agreements to rent IT hardware. According to IFRS 15, the sale transaction for financing is not considered to constitute a sale, which means that no profits or losses regarding the sale and leaseback transaction are included in the group's income statement.

Further information about the leases that fall under the IFRS 16 rules can be found in Note 20 Right-of-use assets and Note 26 Net debt and Note 27 Financial instruments and financial risks.

Amounts recognised in the balance sheet according to IFRS 16

	Group 31 Dec 2023
Right-of-use assets	
Premises	206.2
Vehicles	21.3
	227.5
Lease liabilities	
Current	44.8
Non-current	185.5
	230.3

Amounts recognised in profit or loss according to IFRS 16

	5 Oct 2023 31 Dec 2023
Depreciation of right-of-use assets	
Premises	-11.0
Vehicles	-1.5
	-12.5
Interest expenses on lease liabilities	
Premises	-3.4
Vehicles	-0.3
	-3.7
Expenses attributable to short-term leases, variable lease payments and low-value assets	-1.5
	1.5

The total cash flow attributable to leases during the period amounted to SEK 84.6 million.

Note 9: Auditors' fees

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
MOORE			
Audit engagement	0.5	0.2	-
Tax assignment	0.0	-	-
Other services	0.1	-	-
Other auditors			
Audit engagement	1.6	-	-
Tax assignment	0.2	-	-
Other services	0.3	-	-
	2.7	**0.2**	**0.0**

Audit assignment refers to the auditor's work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit assignment, auditing activities or tax advisory services. Stated auditors' fees are based on costs in the income statement for the period 5 October to 31 December 2023.

Note 10: Employees and personnel costs

Salaries, benefits and social security contributions

	5 Oct 2023 31 Dec 2023
Parent Company*	
Salaries and benefits	1.2
Pension costs	0.3
Social security expenses	0.5
Total Parent Company	**2.0**
Subsidiaries	
Salaries and benefits	154.7
Pension costs	8.0
Social security expenses	36.1
Total subsidiaries	**198.8**
Total personnel costs	**200.8**

**) Previously, the CEO and CFO were employed by Foxway Group AB but from October 2023 their employment was transferred to Foxway Holding AB. Foxway Holding AB had no personnel costs before October 2023.*

Employee benefits

Remuneration of employees, in the form of salaries, paid holiday, paid sick leave and pensions, etc., is recognised as it is earned. Provisions for variable salaries are expensed as incurred in accordance with the economic substance of the contract.

The Group's pension plans are defined-contribution plans except for the defined-benefit pension obligations for retirement and family pensions (or alternately family pensions) under the ITP 2 plan through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, Recognition of ITP 2, this is a multi-employer defined-benefit plan. Since Alecta does not have sufficient information as a basis for valuation, the Group recognises the pension obligation with Alecta as a defined contribution plan. The Group's contributions to defined-contribution pension plans are charged to the Group's profit or loss in the period to which they relate.

Share-based payments

Before Foxway Holding AB's acquisition of the former Foxway Group, warrants existed that were intended to be allocated to employees free of charge. In connection with the acquisition, these warrants were cancelled, but at the same time it was agreed that the rights to receive shares in the former parent company Foxway Group AB were to be transferred to Ytinrete CIP PoolingCo AB. These rights entail the right to purchase already issued shares in Ytinrete CIP PoolingCo AB from the ultimate Parent Company Ytinrete TopCo AB. The new agreed price for the shares will correspond to the nominal value of the previous shares, but adjusted to the new structure and the valuation on exercise.

The right to acquire shares is vested over a 48-month period from May 2022 and is conditional on the employee completing two years of service without resigning. Purchases of ordinary shares can take place between 1 May 2026 and 31 July 2031. The total cost recognised in profit or loss for the warrants and associated social security contributions amounted to SEK 1.3 million for the 5 October–31 December 2023 period.

Remuneration of the Board and senior executives

5 October - 31 December 2023	Salaries and other benefits	Variable remuneration	Pension	Total
CEO	0.6	-	0.2	0.8
Other senior executives	3.3	-	0.3	3.6
Total remuneration	**3.9**	**-**	**0.5**	**4.4**

Board

No remuneration was paid to the Board.

Senior executives

Senior executives are defined as those individuals who are members of Group Management from October, when the Group was formed, until December. Group Management includes two consultants who received total fees of SEK 0.7 million for the period.

The CEO has the possibility of receiving variable remuneration that is maximised to 33% of the basic salary. The pension cost for the CEO is according to the Swedish ITP2 plan. If the company terminates the CEO's employment, renumeration is paid during a six-month period of notice and severance pay is paid for 15 months. If the CEO terminates his employment at his own request, the period of notice is six months.

Gender distribution of Board members and senior executives

For the October–December 2023 period, the Board comprised three Board members elected by the Annual General Meeting, all of whom are men, and Group Management comprised eleven people, of whom two are women.

Average number of employees by country*

5 October - 31 December 2023	Group		Parent Company**	
	Total	of whom men	Total	of whom men
Denmark	104	88		
Estonia	625	406		
Finland	18	15		
Norway	91	47		
Singapore	0	0		
UK	132	104		
Sweden	270	191	1	1
Rest of Europe	78	59		
Total average number of employees in the Group	**1,318**	**910**	**1**	**1**

** The average number of employees is based on the number of hours of attendance paid by the company related to normal working hours.*
*** During the Parent Company's first financial year, 22 February to 31 December 2022, the company had no employees.*

Note 11: Financial income/Other interest income and similar profit/loss items

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
Interest income, Group	-	45.8	-
Interest income, other	6.0	7.2	-
Exchange differences	0.0	99.8	-
Other financial income	0.0	-	-
	6.0	**152.8**	**0.0**

Note 12: Financial expenses/Interest expenses and similar profit/loss items

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
Interest expenses, Group	-	0.0	-
Interest expenses, other	-82.9	-125.7	-
Exchange differences	-20.3	0.0	-
Other financial expenses	-3.1	-2.0	-
	-106.4	**-127.7**	**0.0**

Note 13: Tax

Accounting policies

The Group's tax expense consists of current tax and deferred tax. Current tax is the tax calculated on the taxable earnings for a period. Taxable earnings for the year differ from reported profit/loss for the year before tax since this has been adjusted for non-taxable and non-deductible items and temporary differences. Current tax is calculated on the basis of the tax rules and regulations applicable in the countries where the Group companies are taxed.

Deferred tax is tax relating to taxable or deductible temporary differences that affect future tax. Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amount and tax base of assets and liabilities. The amounts are calculated on how the temporary differences are expected to be balanced and by applying the tax rates and tax rules enacted or substantially enacted on the balance sheet date. Deferred tax assets attributable to tax deficits and deductible temporary differences are recognised only to the extent that it is probable that future taxable surpluses will be available against which the temporary differences and loss carryforwards can be utilised. Deferred tax is recognised as revenue or an expense in profit or loss, except in cases in which it pertains to transactions that are recognised directly against other comprehensive income at which point any tax effect is also recognised directly in other comprehensive income. Tax liabilities and tax assets are recognised net when Foxway has a legal right of offset.

Tax reported in the Group income statement

	Group 5 Oct 2023 31 Dec 2023	Parent Company 1 Jan 2023 31 Dec 2023	Parent Company 22 Feb 2022 31 Dec 2022
Current tax	-31.8	-10.5	–
Deferred tax	14.9	–	–
	-16.9	**-10.5**	**0.0**
Reconciliation of effective tax			
Profit/loss before tax	-53.0	-6.4	0.0
Tax calculated at Swedish tax rate (20.6%)	10.9	1.3	–
Tax effect of:			
Non-deductible expenses	-8.2	-11.8	–
Non-taxable revenue	0.0	–	–
Loss carryforwards utilised during the year	3.2	–	–
Loss carryforwards arising during the year	-0.4	–	–
Hedge accounting	-20.6	–	–
Difference in foreign tax rates	-1.5	–	–
Other	-0.3	–	–
Total	**-16.9**	**-10.5**	**0.0**

Deferred tax

	Group 31 Dec 2023
Deferred tax assets	
Tangible assets	15.4
Inventories	4.9
Accounts receivable	0.5
Unutilised loss carryforwards	12.7
Other	1.1
	34.6
Amount to be offset against deferred tax liabilities	–
Deferred tax assets recognised in the balance sheet	**34.6**
Deferred tax liabilities	
Intangible assets	46.2
Tangible assets	0.2
Interest-bearing liabilities	20.6
Untaxed capital	15.1
Untaxed reserves	10.4
Other	1.6
	94.1
Amount to be offset against deferred tax assets	–
Deferred tax liabilities recognised in the balance sheet	**94.1**

The Group had unutilised loss carryforwards of SEK 176.8 million on the balance sheet date 2023.

Note 14: Capitalised development expenditure

Accounting policies

Capitalisation of internally generated intangible assets

Capitalisation model
All expenditures that arise during the research phase are expensed when they arise. All expenditure that arise during the development phase are capitalised when the following conditions are met:

- It is technically feasible for the Group to complete the intangible asset such that it can be utilised or sold.
- The Group intends to complete the intangible asset and utilise or sell it.
- The Group has prerequisites in place to utilise or sell the intangible asset.
- There is adequate technical, economic and other resources available to complete the development and to utilise or sell the asset .
- It is likely that the intangible asset will generate future economic benefits.
- The Group can reliably calculate the expenditure associated with the intangible asset during its development.

The cost includes personnel costs that arose during development together with an appropriate share of relevant overheads and borrowing costs.

Capitalised development expenditure is recognised at cost less accumulated amortisation and any impairment. The assets are amortised on a straight-line basis over the estimated useful life, which is usually between three and five years. The useful life is reviewed on every balance sheet date. Ongoing projects are not amortised but are tested annually for impairment.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	212.2
Purchases	10.9
Sales/disposals	-4.0
Translation differences	-4.0
Closing accumulated cost	**215.1**
Opening amortisation	–
Acquisition of subsidiaries	-101.4
Sales/disposals	1.2
Translation differences	1.6
Amortisation for the year	-3.4
Closing accumulated amortisation	**-102.0**
Opening impairment	–
Acquisition of subsidiaries	-8.1
Sales/disposals	1.9
Translation differences	0.1
Closing accumulated impairment	**-6.1**
Closing carrying amount	107.0

Note 15: Concessions, patents, licences, trademarks, etc.

Accounting policies

Other intangible assets include customer relationships, patents, licences and similar rights. The assets are recognised at cost less accumulated amortisation and any impairment. The assets are amortised on a straight-line basis over the estimated useful lives, which are usually between five and seven years.

Intangible assets that are not yet in use are tested annually for impairment.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	41.1
Purchases	231.7
Sales/disposals	-0.2
Closing accumulated cost	**272.6**
Opening amortisation	–
Acquisition of subsidiaries	-39.2
Translation differences	0.1
Amortisation for the year	-11.4
Closing accumulated amortisation	**-50.5**
Closing carrying amount	222.1

Note 16: Goodwill

Accounting policies

Goodwill consists of the amount at which the costs of a business combination exceeds the fair value of the acquired assets and assumed liabilities. Goodwill is not subject to amortisation by the Group and is instead tested for impairment every year and recognised at cost less accumulated impairment. Recognised impairment is not reversed.

Goodwill is allocated to cash-generating units when testing for impairment. To assess whether any indications of impairment exist, the recoverable amount must be determined, which takes place by calculating the value in use of each cash-generating unit. If the carrying amount of the tested cash-generating unit exceeds the estimated recoverable amount, the difference is recognised as impairment in profit or loss.

The impairment test for the year was based on the transaction carried out on 5 October 2023 in connection with the formation of the Group. The Board believes that the reported surplus values are consistent with the prepared purchase price allocations and thus no impairment is required.

	Group 31 Dec 2023
Opening cost	–
Purchases	4,897.6
Translation differences	-149.2
Closing accumulated cost	**4,748.4**
Closing carrying amount	4,748.4

Note 17: Leasehold improvements

Accounting policies

Leasehold improvements are recognised at cost less accumulated depreciation and any impairment. The assets are depreciated on a straight-line basis over the estimated useful life of ten years. The useful life is reviewed on every balance sheet date.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	22.2
Purchases	0.9
Sales/disposals	-0.3
Translation differences	-0.8
Closing accumulated cost	**22.0**
Opening depreciation	–
Acquisition of subsidiaries	-6.5
Sales/disposals	0.2
Translation differences	0.2
Amortisation for the year	-0.6
Closing accumulated depreciation	**-6.7**
Closing carrying amount	15.3

Note 18: Plant and machinery

Accounting policies

Plant and machinery, which mainly comprises IT equipment, is recognised at cost less accumulated depreciation and any impairment. The assets are depreciated on a straight-line basis over the estimated useful life, which is usually between two and ten years. The useful life is reviewed on every balance sheet date.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	1,018.5
Purchases	94.4
Sales/disposals	-70.6
Translation differences	-1.7
Closing accumulated cost	**1,040.6**
Opening depreciation	–
Acquisition of subsidiaries	-400.0
Sales/disposals	53.7
Translation differences	0.7
Depreciation for the year	-68.3
Closing accumulated depreciation	**-413.9**
Closing carrying amount	626.7

Note 19: Equipment, tools, fixtures and fittings

Accounting policies

Equipment, tools, fixtures and fittings are recognised at cost less accumulated depreciation and any impairment. The assets are depreciated on a straight-line basis over the estimated useful life, which is usually between three and ten years. The useful life is reviewed on every balance sheet date.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	57.5
Purchases	-0.3
Sales/disposals	-1.4
Translation differences	-1.1
Closing accumulated cost	**54.7**
Opening depreciation	–
Acquisition of subsidiaries	-43.1
Sales/disposals	1.2
Translation differences	1.0
Depreciation for the year	-1.1
Closing accumulated depreciation	**-42.0**
Opening impairment	–
Acquisition of subsidiaries	-2.2
Sales/disposals	0.2
Impairment for the year	-0.5
Translation differences	0.1
Closing accumulated impairment	**-2.4**
Closing carrying amount	10.3

Note 20: Right-of-use assets

Accounting policies

Under IFRS 16, right-of-use assets are measured at cost when the lease commences, which involves the following:

a) the amount of the initial measurement of the lease liability

b) any lease payments made at or before the commencement date less any lease incentives received when the lease was signed

c) initial direct costs

d) costs for restoring the asset to the condition required by the terms and conditions of the lease

Where future costs under (d) above can be estimated, the Group is to recognise a provision for this in accordance with IAS 37.

The right-of-use assets are primarily attributable to leased premises and vehicles and are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

There are no leases where the ownership of the underlying asset is transferred to the Group without consideration after a certain period of time. However, there are leases, particularly for vehicles, where there is an obligation to buy out the underlying asset at the residual value of the lease at the end of the contract – residual value guarantees. In accordance with IFRS 16, the right-of-use asset is depreciated over the useful life of the underlying asset where ownership is expected to be transferred to the Group at the end of the lease, otherwise the right-of-use asset is depreciated over the lease term of each leased asset.

	Group 31 Dec 2023
Opening cost	–
Acquisition of subsidiaries	253.8
Purchases	4.1
Sales/disposals	-3.6
Translation differences	-5.8
Closing accumulated cost	**248.5**
Opening depreciation	–
Acquisition of subsidiaries	-10.4
Sales/disposals	1.6
Translation differences	0.3
Depreciation for the year	-12.5
Closing accumulated depreciation	**-21.0**
Closing carrying amount	227.5

Not 21: Participations in Group companies

Parent Company

Company	Corp. ID. No.	Registered office	No. of participations	Share of equity, %	Carrying amount 31 Dec 2023
Foxway Group AB	559185-5688	Stockholm	181,082,019	100%	4,650.8
					4,650.8

Opening cost	-
Participations Foxway Group	4,010.2
Reinvestment via non-cash issue	566.6
Redemption of warrants	74.0
Closing carrying amount	**4,650.8**

Composition of the Group

Company/branch	Corp. ID. No.	Registered office	Country	Share of equity, %
Foxway Group AB	559185-5688	Stockholm	Sweden	100%
Foxway AB	556470-0309	Växjö	Sweden	100%
Foxway Finance AB	556812-9877	Stockholm	Sweden	100%
Foxway Finance NUF AB (NO)	*916644531*	*Växjö*	*Sweden*	*100%*
Foxway Finance AB (DK)	*38972235*	*Växjö*	*Sweden*	*100%*
Foxway Finance AB (FI)	*2762890-6*	*Växjö*	*Sweden*	*100%*
Foxway Finance AB (CH)	*CHE-145.586.407*	*Växjö*	*Sweden*	*100%*
Foxway Oy	2855562-2	Helsinki	Finland	100%
Foxway Education AB	556746-4440	Gothenburg	Sweden	100%
Foxway AS	913,506,952	Sandefjord	Norway	100%
Foxway Services AB	556972-9782	Varberg	Sweden	100%
Foxway Americas LLC	30-0962693	Houston	USA	100%
Greentech Denmark ApS	33503474	Frederikshavn	Denmark	100%
Foxway Malaysia SDN. BHD.	1314978-D	Kuala Lumpur	Malaysia	100%
Foxway Singapore PTE Ltd	201935171G	Singapore	Singapore	100%
Foxway India IT Equipment Private Limited	U51909KA2021FTC145384	Bangalore	India	100%
Foxway IT Equipment Sales (Shanghai) Limited	9131000MA1G1ARN6M	Shanghai	China	100%
Foxway Circular UK Ltd	10010176	Braintree	UK	100%
Foxway OÜ	12703942	Tartu	Estonia	100%
Foxway Ibérica S.L	B-85727535	Madrid	Spain	100%
Foxway Germany GmbH	HRB 202638	Munich	Germany	100%
Foxway A/S	18759136	Hinnerup	Denmark	100%
Foxway Remanufacturing ApS	36267086	Hinnerup	Denmark	100%
Foxway Distribution Germany GmbH	HRB 146541	Hamburg	Germany	100%
Foxway Latvia SIA	41503079616	Krāslava	Latvia	100%
Foxway Distribution Spain S.L	B-09847716	Barcelona	Spain	100%
Foxway Poland sp. z o. o.	821-267-93-48	Warsaw	Poland	100%

Note 22: Loans to Group companies

	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Opening cost	-	-
Long-term loans to Group companies	1,712.5	-
Closing accumulated cost	**1,712.5**	**0.0**
Closing carrying amount	1,712.5	0.0

Note 23: Other non-current receivables

	Group 31 Dec 2023
Opening cost	-
New loans	-
Acquisition of subsidiaries	1.1
Repayments	0.0
Reclassification	-0.1
Translation differences	0.0
Closing accumulated cost	**1.0**
Closing carrying amount	1.0

Note 24: Prepaid expenses and accrued income

	Group 31 Dec 2023
Deliveries not invoiced	64.0
Prepaid undelivered goods	2.7
Allocation of project costs	0.5
Leases and rental costs	31.4
Other items	35.5
	134.2

Note 25: Disclosures regarding share capital

In connection with the transaction on 5 October 2023, a consolidation (500,000:1) was conducted of the existing shares in the Parent Company Foxway Holding AB, which was then followed by a share split (1:2,500,000,000). This resulted in the quotient value of the participations being changed from the original SEK 1 per participation to SEK 0.0002 per participation. This was followed by a non-cash issue of 384,597,053 new shares with a quotient value of SEK 0.0002 per share.

	Number of shares	Quotient value/ share (in SEK)
Number/quotient value at beginning of year	500,000	1.00
Consolidation of existing shares (500,000:1)	1	500,000
Share split of existing shares (1:2,500,000,000)	2,500,000,000	0.0002
New share issue	384,597,053	0.0002
Number/value at end of year	**2,884,597,053**	**0.0002**
	31 Dec 2023	**31 Dec 2022**
The above number of shares is allocated as follows:		
Ordinary shares	2,884,597,053	500,000
	2,884,597,053	**500,000**

Note 26: Net debt

	Group 31 Dec 2023	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Cash and cash equivalents	-722.1	-171.0	-
Bond loans	2,131.5	2,131.5	-
Sale and leaseback arrangement (Liabilities to credit institutions)	605.4	-	-
Interest-bearing lease liabilities IFRS 16	230.3	-	-
Other interest-bearing liabilities	152.6	-	-
External net debt	2,397.7	1,960.6	0.0
Liability to Parent Company	0.0	-	-
Total net debt	**2,397.7**	**1,960.6**	**0.0**
Total equity	3,935.6	4,232.8	500.0
Total capital	**6,333.3**	**6,193.4**	**500.0**
Debt ratio	37.9%	31.7%	-

For further information about financial liabilities, see Note 27.

Note 27: Financial instruments and financial risks

Accounting policies

The Group classifies its financial instruments in the following categories: financial assets measured at fair value either through profit or loss and other comprehensive income or financial assets measured at amortised cost. The classification of investments in debt instruments depends on the Group's business model for holding the financial assets and the contractual terms of the asset's cash flows. Management determines the classification of the financial assets on initial recognition. The Group has only financial assets in the amortised cost category. The carrying amount of financial assets is deemed to correspond to the fair value.

Purchases and sales of financial assets are recognised on the transaction date, the date on which the Group commits to buy or sell the asset. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group assesses future expected credit losses associated with assets recognised at amortised cost. The Group recognises a reserve ("loss allowance") for such expected credit losses on each reporting date. The loss allowance for financial assets is based on assumptions about default risk and expected loss rates. The Group makes its own assessments of the assumptions and choices regarding the inputs for calculating impairment. These are based on history, known market conditions and forward-looking estimates at the end of each reporting period.

Cash and cash equivalents

Cash and cash equivalents include bank balances as well as other current investments that can easily be converted into cash.

Accounts receivable

Accounts receivable are classified as assets measured at amortised cost. Since the expected maturity of accounts receivable is short, a nominal amount without discounting is recognised. Deductions are made for doubtful debts. Impairment of accounts receivable is recognised in operating expenses.

Interest-bearing liabilities

Interest-bearing liabilities are initially measured at fair value, which usually corresponds to the aquisition cost. Interest-bearing liabilities are subsequently recognised at amortised cost and any difference between the amount received and the amount repayable is recognised in profit or loss over the term of the loan using the effective interest method. Any directly attributable loan transaction costs are capitalised over the contractual period as a portion of the recognised liability. Interest-bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Bond loans

Non-current interest-bearing liabilities include corporate bonds of EUR 200 million. In July 2023, Foxway Holding AB (publ) issued senior covered bonds of EUR 200 million. The bonds mature in 2028 and the interest rate for the bond loan is variable and amounts to EURIBOR +7.0%. The carrying amount of the bonds on 31 December 2023 amounted to SEK 2,131.5 million (net of capitalised lending costs). In connection with the acquisition of the Foxway Group in October 2023, the loans related to the previous financing were settled and replaced by the corporate bond.

Sale and leaseback arrangement

The Group has a sale and leaseback arrangement that, in combination with Lease Rent, is intended for customers who enter into agreements to rent IT hardware from Foxway. The Group purchases hardware for end-users from an external supplier and then resells the hardware to an external financing partner. The Group then leases the hardware back from the external financing partner and rents it to the end customer.

Since Foxway has an obligation to take back the hardware at the end of the lease period, it is effectively a repurchase agreement, meaning that the asset is to remain on Foxway's balance sheet and be subject to depreciation. The remuneration from the external financing partner is recognised as a financial liability in accordance with IFRS 9. The liability is divided into a short-term and a long-term component in the balance sheet.

Lease liabilities

The lease liability represents the discounted present value of future lease payments until the end of the lease term. Lease payments include fixed payments and variable lease payments that depend on an index. The discounting process uses the interest rate implicit in the lease, if this rate can be determined. Otherwise, the Group's incremental borrowing rate is used, which is based on the reference (three-month) rate per currency with a certain mark-up.

The liability is divided into a short-term and a long-term component.

Leases with a term of less than 12 months (short-term leases) and low-value assets are excluded and expensed on a straight-line basis under other external expenses. See Note 8 Leases – lessee for more information.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they fall due for payment within one year or earlier. If not, they are accounted for as non-current liabilities.

Derivatives

The Group had no active derivative contracts at the end of 2023.

Fair value

The fair value of financial assets and liabilities is determined at three levels, depending on the available market information used in the measurement.

Level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 the measurement is based on unobservable inputs for the asset or liability.

No financial assets or liabilities were measured at fair value on the balance sheet date of 31 December 2023.

31 Dec 2023 – Group

	Measured at fair value	Measured at amortised cost	Total
Financial assets			
Financial assets	–	1.0	1.0
Accounts receivable	–	558.0	558.0
Cash and cash equivalents	–	722.1	722.1
	0.0	**1,281.1**	**1,281.1**
Financial liabilities			
Bond loans	–	2,131.5	2,131.5
Liabilities to credit institutions (sale and leaseback arrangement)	–	605.4	605.4
Lease liabilities	–	230.3	230.3
Other interest-bearing liabilities	–	152.6	152.6
Accounts payable	–	641.9	641.9
	0.0	**3,761.7**	**3,761.7**

31 Dec 2023 – Parent Company

	Measured at fair value	Measured at amortised cos	Total
Financial assets			
Loans and receivables from Group companies	–	1,761.1	1,761.1
Cash and bank balances	–	171.0	171.0
	0.0	**1,932.1**	**1,932.1**
Financial liabilities			
Bond loans	–	2,131.5	2,131.5
Accounts payable	–	58.4	58.4
	0.0	**2,189.9**	**2,189.9**

Asset management

Foxway's overall financial objective is to create value for its shareholders. In connection with the change in the ownership structure in the autumn of 2023, Foxway arranged new financing by issuing senior covered bonds of EUR 200 million and signed a new revolving credit facility with a total credit limit of EUR 50 million.

The Group has specific loan covenants to fulfil and all of these had been met at year-end.

Managing financial risk

The overall objective of Foxway's financial risk management is to identify, control and minimise the Group's financial risks. Risk management is partly centralised to Group management and group finance function and partly managed by each subsidiary. The most material financial risks to which the Group is exposed are liquidity risk, currency risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk is the risk that exists if the company is unable to meet its payment obligations as a result of insufficient liquidity and/or difficulties in securing loans from external lenders. In order to finance its operations and mitigate the effects of fluctuations in cash flows, the Group must ensure that sufficient cash and cash equivalents are available by entering into financing agreements. Liquidity risk is managed by ensuring that the Group holds sufficient cash and cash equivalents and short-term investments within a liquid market together with available funding through agreed credit facilities. Management closely monitors rolling forecasts of the Group's liquidity reserve, which consists of unutilised loan commitments and cash and cash equivalents, on the basis of expected cash flows. This takes place at two levels in the Group: at local level in the Group's operating companies and at Group level.

The Group has, among other things, secured financing to cover its liquidity needs through the corporate bonds of EUR 200 million issued in 2023, and in addition through a financing agreement with a credit line of EUR 50 million that runs over five years. At year-end, EUR 11.6 million of this had been utilised as collateral for guarantees. There is also a possibility under the current bond agreement to issue additional bonds of EUR 250 million.

The table below summarises the Group's financial liabilities specified by the period of time remaining on the balance sheet date until the contractual due date (including any interest payments). It can be noted that the bond falls due in full five years after its issue date. The amounts in the tables below refer to undiscounted values and, where applicable, also include interest payments, which means that the amounts cannot be reconciled with the corresponding item recognised in the balance sheets. Interest payments are determined on the basis of the conditions prevailing on the balance sheet date, adjusted for the hedging instrument in place after year end. Amounts in foreign currency are translated to SEK at the closing-day rate.

Group 31 Dec 2023

	Within 3 months	3-12 months	1-5 years	>5 years	Total
Bond loans*	124.0	171.9	3,070.4	–	3,366.3
Liabilities to credit institutions (sale and leaseback arrangement)	74.2	222.7	357.1	–	654.0
Lease liabilities	14.6	43.7	172.7	47.5	278.5
Other interest-bearing liabilities	93.8	33.3	44.0	–	171.1
Accounts payable	641.4	0.5	–	–	641.9
	948.0	**472.1**	**3,644.2**	**47.5**	**5,111.8**

Parent Company 31 Dec 2023

	Within 3 months	3-12 months	1-5 years	>5 years	Total
Bond loans*	124.0	171.9	3,070.4	–	3,366.3
Accounts payable	58.4	–	–	–	58.4
	182.4	**171.9**	**3,070.4**	**0.0**	**3,424.7**

** Falls due in July 2028.*

Credit risk

A customer's credit risk assessment is performed locally to ensure that sales of products and services only take place with customers with a satisfactory credit profile. Customer credit in the form of payment days is granted only after a credit assessment has been performed. The Group's diversified customer base in different countries and from different industries helps to spread and thus reduce credit risks related to accounts receivable.

Realised losses during the year are classified as other external expenses in profit or loss. The Group's age structure of outstanding accounts receivable is relatively stable. Costs for doubtful debts in 2023 in the Group amounted to SEK -8.2 million.

Age structure of accounts receivable and credit risk reserve

	Group 31 Dec 2023
Not overdue	440.7
Overdue >30 days	83.6
Overdue 31–60 days	16.2
Overdue 61–90 days	2.4
Overdue >90 days	23.3
	566.2
Credit risk reserve	-8.2
Carrying amount accounts receivable	**558.0**

Currency risk

As a result of international business activities, Foxway is exposed to currency risks from the flow of goods (transaction exposure) and from assets and liabilities in currencies other than the presentation currency (translation exposure). Foxway is also exposed to currency risks in financial loans, the largest currency risk is in Foxway Holding AB, which holds the bond loan in EUR.

Foxway strives to reduce risks in its business operations by creating natural hedges. These can be achieved by buying and selling goods and services in the same currency and by borrowing in the same currency as the assets on the balance sheet.

Exchange differences are recognised in profit or loss, except for currency hedges of net investments in foreign operations, which are recognised in other comprehensive income, see Consolidated other comprehensive income.

Transaction exposure

The Group, together with its subsidiaries, aims to reduce the impact of currency fluctuations by first creating natural hedges and then hedging contractual transaction exposure by using financial instruments. Hedging with financial instruments only takes place after conducting a cost-benefit analysis on a case-by-case basis. No such hedges were made during the financial period.

The Group's main transaction currencies during the period were SEK, DKK, EUR, GBP, NOK and USD.

Currency	Closing-day rate 31 Dec 2023	Average rate Q4 2023
DKK	1.4888	1.5422
EUR	11.096	11.4904
GBP	12.768	13.2075
NOK	0.9871	1.0083
USD	10.0416	10.6306

Translation exposure

The consolidated financial statements are also affected by translation effects when translating the earnings and net assets of foreign subsidiaries into SEK and when remeasuring assets and liabilities in foreign currency.

Hedge accounting

Hedge accounting is applied to hedge net assets in foreign operations. Gains and losses on hedging instruments that qualify as hedges of net investments are recognised directly in equity through other comprehensive income.

Foxway has identified the EUR 200 million bond loan as a hedging instrument to mitigate the translation risk of net investments in EUR. The result of the hedge after tax amounted to SEK 79.5 million and was recognised in equity through other comprehensive income. The effectiveness of the hedge is assessed when the hedging relationship is entered into. The hedged item and hedging instrument are assessed on an ongoing basis to ensure that the relationship meets the requirements for hedge accounting. No ineffectiveness impacted the income statement for the period.

Interest rate risk

Interest rate risk is defined as the risk of a decrease in earnings caused by a change in market interest rates. The Group aims to strike a balance between cost-effective borrowing and the risk exposure to a negative impact on earnings and cash flow in the event of a sudden major change in interest rates. Foxway's reference rate is mainly Euribor and most of the loans during the period had a variable rate. If the market interest rate changed by one percentage point for the credit facilities utilised at year-end, this would have affected the Group's profit for the period before tax by approximately SEK 8 million.

In autumn 2023, the Group signed a EURIBOR 3M interest swap to secure a fixed, underlying interest rate of approximately 3.1% for the Group's EUR 200 million bond. The term is three years from 12 January 2024.

Note 28: Accrued expenses and deferred income

	Group 31 Dec 2023	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Salaries and holiday pay	62.7	0.7	-
Social security contributions and payroll tax	16.2	0.3	-
Provisions	2.2	0.0	-
Invoiced undelivered goods	3.2	0.0	-
Delivered uninvoiced goods	336.5	0.0	-
Accrued service expenses, projects	4.0	0.0	-
Accrued interest	131.7	117.8	-
Other items	76.3	18.7	-
	632.7	**137.5**	**0.0**

Note 29: Adjustments for non-cash items

	Group 31 Dec 2023
Depreciation/amortisation	102.6
Unrealised exchange-rate gains/losses	-3.1
Gain/loss on sale of tangible	2.8
Other items	1.3
	103.6

Note 30: Appropriation of profit or loss

Proposed appropriation of the Parent Company's profit (SEK)	
The following amounts are at the disposal of the Annual General Meeting:	
Share premium reserve	566,529,089
Retained earnings	3,682,614,580
Loss for the year	-16,925,928
	4,232,217,741
The Board of Directors proposes that be carried forward	4,232,217,741
	4,232,217,741

Note 31: Pledged assets

	Group 31 Dec 2023	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Pledged shares in subsidiaries	4,353.5	4,650.8	-
Pledged receivables from subsidiaries	-	1,712.5	-
Assets encumbered with ownership reservation	596.4	-	-
	4,949.9	**6,363.3**	**0.0**

The Group has pledged shares in subsidiaries as collateral for the bond loan of EUR 200 million and a revolving credit facility with SEB of EUR 50 million, see Note 27. In addition, assets were pledged to credit institutions that have financed hardware and cars. These are reported as assets encumbered with ownership reservation.

The Parent Company Foxway Holding AB (publ) has pledged shares in subsidiaries and intra-Group receivables as collateral for the Group's bond loan and credit facility. After the end of the year, additional collateral was pledged in the form of shares in subsidiaries and internal loans, see Note 34.

Note 32: Contingent liabilities

Accounting policies

A contingent liability is recognised when there is a possible or present obligation as a result of past events that is not recognised as a liability or provision, since it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be estimated reliably.

	Group 31 Dec 2023	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Repurchase obligations	128.3	–	–
Lease guarantees	0.3	–	-
Performance guarantees	54.7	–	–
Guarantee commitments on behalf of Group companies	–	1,712.5	–
	183.3	**1,712.5**	**0.0**

Note 33: Disclosures on related party transactions

Related parties are considered to be the members of the Parent Company's Board, the Group's senior executives and their close families, in addition to the companies that directly or indirectly own Foxway Holding AB (publ). Related parties also include companies in which a significant proportion of the votes are held directly or indirectly by the aforementioned groups or companies in which they can exercise a significant influence.

All Group companies stated in Note 21 are considered to be related parties. Transactions between Group companies have taken place on normal commercial terms and at market prices. Intra-Group sale of goods and services for the year amounted to SEK 389.6 million. The intra-Group transactions and balances were eliminated in the consolidated accounts.

Transactions with other related parties include transaction costs re-invoiced by new owners, shareholder loans and consultancy arrangements with certain shareholders.

For information on salaries and remuneration of the Board and Group Management, refer to Note 10.

Note 34: Significant events after the end of the financial year

The Group has signed a EURIBOR 3M swap to secure a fixed, underlying interest rate of approximately 3.1% for the Group's EUR 200 million bond. The term of the interest swap is 3 years with a start date of 12 January 2024.

In February 2024, the Group pledged shares in subsidiaries and internal loans as collateral for the revolving credit facility from SEB and the issued bond.

04 Other information

Declaration and signatures

The Board of Directors and the CEO certify that the annual report for the Group and the Parent company has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and generally accepted accounting principles respectively, and gives a true and fair view of the financial positions and results of the Group and the Parent company, and that the Board of Directors' report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent company and describes substantial risks and uncertainties that the Group companies face.

Stockholm on April 26, 2024

Andreas Näsvik
Chairman

Martin Backman
CEO

Joakim Andreasson
Board member

Jens Aleljung
Board member

Our auditor's report was submitted on April 26, 2024

MOORE KLN AB

Ulf Lindesson
Authorized Public Accountant

Auditor's report

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Foxway Holding AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 8-47 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and 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 matter

The audit of the annual report for the year 2022-02-22 -- 2022-12-31 was performed by another auditor who's engagement was prematurely terminated and who submitted an auditor's report dated 16 Januari 2023, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

The following documents are attached to the audit report:

- Copy of the former auditor's report according to Chapter 9 § 23 of the Companies Act.
- Copy of notification according to Chapter 9. 23 a § of the Companies Act.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-7. 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 and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. 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.

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 Foxway Holding AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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.

Göteborg on April 26, 2024
MOORE KLN AB

Ulf Lindesson
Authorized Public Accountant

Alternative performance measures

Earnings before depreciation/amortisation and impairment of intangible assets (EBITA)

MSEK	5 Oct 2023 31 Dec 2023
Operating profit/loss	47.3
Depreciation/amortisation and impairment of intangible assets	19.6
EBITA	**67.0**
Total revenue	**1,971.4**
EBITA margin (%)	**3.4%**

Adjusted earnings before depreciation/amortisation and impairment of intangible assets (adjusted EBITA)

MSEK	5 Oct 2023 31 Dec 2023
Operating profit/loss	47.3
Depreciation/amortisation and impairment of intangible assets	19.6
EBITA	**67.0**
Adjustment for non-recurring items	21.7
Adjusted EBITA	**88.7**
Total revenue	**1,971.4**
Adjusted EBITA margin (%)	**4.5%**

Equity/assets ratio (%)

MSEK	31 Dec 2023
Total equity	**3,935.6**
Balance sheet total	**8,554.5**
Equity/assets ratio (%)	**46.0%**

Definitions

EBITA:
Profit/loss from operations before interest, tax and amortisation and impairment of intangible assets.

Adjusted EBITA:
EBITA adjusted for non-recurring items as well as transaction and M&A-related costs.

Adjusted EBITA margin:
Adjusted EBITA as a percentage of total revenue.

Non-recurring items:
Non-recurring income or expenses which are not recurring in normal operations.

Total revenue:
Net sales and other operating income.

Balance sheet total:
Total assets or the total debt and equity.

Equity/assets ratio:
Equity as a percentage of total capital.

Total capital:
Total equity and net debt.

Net debt:
Total interest-bearing borrowings (non-current and current) and lease liabilities less cash and cash equivalents (cash and bank balances).

Debt ratio:
Net debt as a percentage of total capital.

Average number of employees:
Average number of full-time equivalents (FTE) calculated as the number of working hours during the period in relation to the number of working hours for a full-time employee during the same period.

Operating cash flow:
Cash flow from operating activities including changes in working capital.

Foxway

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This report is a translation of the Swedish original and in the event of inconsistency or discrepancy between the English and Swedish version of this publication, the Swedish version shall prevail.