

# ANNUAL REPORT

**beginning of the accounting year:** 01.01.2022

**end of accounting year:** 31.12.2022

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## Activity report

Foxway OÜ was established on 31.08.2014. Since 2016, the principal business of the company is the diagnostics and sale of telephones, computers and other IT devices, and the provision of the related solutions and services to its customers.

The turnover of Foxway OÜ continued to grow rapidly in 2022. Year-on-year, the company's revenue grew by 25% and the number of employees by 18%. The growth in turnover was mainly due to an increased volume of procurement channels, intra-group synergy, and an increase in the value added to goods. The company significantly increased its cooperation with retail clients and extended business activities beyond Northern Europe.

In the first half of the year, the demand for the products was lower, primarily in the computer product group, but it increased significantly in the second half of the year. The final months of the year were the most successful in the entire history of the company, both in terms of turnover and operating profit. Similar seasonality has also prevailed in the used electronics market in the previous years.

Throughout the year, the two subsidiaries continued to become more integrated with Foxway OÜ. The activities of Foxway GmbH, a subsidiary operating in Germany, were substantially restructured. The handling of devices was transferred from Germany to Estonia and the focus was turned more on expanding the purchasing channels. This created a new collaboration with several key German partners.

The integration and further development of Foxway Iberica S.L., a Spanish-based subsidiary, also continued. The sales revenue of goods acquired through Foxway Iberica increased by almost 80% compared to 2021.

In the autumn, the company opened a new 6,500 m<sup>2</sup> warehouse and production building at Raadi, Tartu County, allowing it to keep pace with the rapid growth of business. It is an A-energy class and an environmentally friendly building using ground-source heating: The energy needs of the building are covered by solar panels.

Foxway OÜ invested more than ever in tangible and intangible fixed assets supporting the company's growth in 2022 – a total of 2.6 million euros. The biggest investments were made in the development of information systems supporting the business and the fittings for the new warehouse and production building. The company plans to continue with similar volumes of investments in 2023.

Foxway OÜ continues to be one of Estonia's largest companies contributing to circular economy. In 2022, Foxway OÜ processed around 2 million devices, preventing more than 50,000 tonnes of CO<sub>2</sub> equivalent.

With every recycled computer and phone, we reduce the ecological footprint of human activity and contribute to a cleaner living environment. We also use the same principles in the operations of our company, continuously improving the efficiency of production and using green energy in everyday work.

The market trends are supporting Foxway OÜ's business model – the used smartphone market has been growing at a faster pace for several years than the market for new smartphones, and a similar trend is expected to continue in the upcoming years. Since Foxway's operations largely target international markets, currency fluctuations will have an impact on the company's performance.

In 2022, exchange rate effects have been favourable for Foxway OÜ as several important procurement partners are from Scandinavia and the Swedish krona, for example, has weakened compared to the euro.

Interest rates have so far had no significant impact on the company's operations because the company has been operating and expanding without raising foreign capital. However, the company plans to raise capital for larger investments in 2023, and rising interest rates will become more important.

In 2023, Foxway OÜ will continue to grow towards Europe, both by expanding its business organically, opening up new business directions, and making investments in new subsidiaries. In February 2023, Teqcycle solutions GmbH was acquired as a subsidiary in Germany.

<b>Main account indicators</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current assets	45,441,737	32,295,558	26,520,694
Cash	9,762,710	6,262,326	6,077,998
Inventory	20,627,884	17,169,873	14,537,677
Assets	56,610,651	40,892,237	29,350,639
Short-term liabilities	21,091,952	12,784,465	8,188,071
Liabilities	21,130,378	12,794,086	8,201,585
Profit for the accounting year	8,912,655	8,549,098	11,682,582
Equity	35,480,273	28,098,152	21,149,054
Sales revenue	164,331,324	131,515,024	94,448,504
Cost of sales	-132,213,893	-104,589,019	-72,103,181

<b><u>Financial ratios</u></b>	<b><u>Equation</u></b>	<b>2022</b>	<b>2021</b>
Working capital	Current assets – short-term liabilities	24,349,785	19,511,093
Solvency general level	Current assets / short-term liabilities	2.15	2.53
Liquidity ratio	Cash / short-term liabilities	0.46	0.49
Debt ratio	Liabilities / assets	0.37	0.31
Return on turnover	Net profit for the reporting period / Sales revenue	5.42%	6.50%
Asset return	Net profit for the reporting period / Average assets	18.28%	24.34%
Return on equity	Net profit for the reporting period / Average equity	28.04%	34.72%
Inventory turnover rate	Cost of sales / average inventory	7.00	6.60

## Annual accounts

### Balance sheet

(EUR)

	31.12.2022	31.12.2021	Annex No.
Assets			
Current assets			
Cash	9,762,710	6,262,326	
Receivables and advances	15,051,143	8,863,359	2
Inventory	20,627,884	17,169,873	3
<b>Total current assets</b>	<b>45,441,737</b>	<b>32,295,558</b>	
Fixed assets			
Investments in subsidiaries and associates	4,679,205	4,679,205	5
Receivables and advances	1,766,867	1,880,237	2
Tangible fixed assets	1,093,582	396,760	7
Intangible fixed assets	3,629,260	1,640,477	8
<b>Total fixed assets</b>	<b>11,168,914</b>	<b>8,596,679</b>	
<b>Total assets</b>	<b>56,610,651</b>	<b>40,892,237</b>	
Liabilities and equity			
Liabilities			
Short-term liabilities			
Loan liabilities	14,274	3,894	9
Debts and advances	21,077,678	11,765,076	10
Allocations	0	1,015,495	
<b>Total short-term liabilities</b>	<b>21,091,952</b>	<b>12,784,465</b>	
Long-term liabilities			
Loan liabilities	38,426	9,620	9
<b>Total long-term liabilities</b>	<b>38,426</b>	<b>9,620</b>	
<b>Total liabilities</b>	<b>21,130,378</b>	<b>12,794,085</b>	
Equity			
Share capital at nominal value	4,000	4,000	12
Other reserves	87,550	0	
Retained profit (loss) from previous periods	26,476,068	19,545,054	
Profit (loss) for the financial year	8,912,655	8,549,098	
<b>Total equity</b>	<b>35,480,273</b>	<b>28,098,152</b>	
<b>Total liabilities and equity</b>	<b>56,610,651</b>	<b>40,892,237</b>	

## Income statement

(EUR)

	2022	2021	Annex No.
Sales revenue	164,331,324	131,515,024	13
Other business revenues	1,777,109	537,369	
Capitalized expenses for own use in making fixed assets	2,270,383	1,013,515	
Goods, raw materials, materials and services	-132,213,893	-104,589,019	
Miscellaneous operating expenses	-11,551,128	-7,180,013	15
Labor costs	-15,942,187	-11,447,266	16
Depreciation and impairment of fixed assets	-457,269	-182,222	7.8
Other business expenses	786,758	-1,027,452	
<b>Operating profit (loss)</b>	<b>9,001,097</b>	<b>8,639,936</b>	
Interest income	178,219	174,890	
Interest expenses	-3,252	-2,654	
<b>Profit (loss) before income tax</b>	<b>9,176,064</b>	<b>8,812,172</b>	
Income tax	-263,409	-263,074	18
<b>Profit (loss) for the financial year</b>	<b>8,912,655</b>	<b>8,549,098</b>	

## Cash flow statement

(EUR)

	2022	2021	Annex No.
Cash flow from operations			
Operating profit (loss)	9,001,097	8,639,936	
Adjustments			
Depreciation and impairment of fixed assets	457,269	182,222	7.8
Other adjustments	93,130	5,580	
<b>Total adjustments</b>	<b>550,399</b>	<b>187,802</b>	
Change in operating receivables and advances	-4,721,844	-3,262,014	
Inventory change	-3,458,011	-2,632,196	
Change in liabilities and advances related to operations	7,887,416	4,841,430	
Interest received	62,280	125,774	
Interest paid	-3,252	-2,655	
<b>Total operating cash flows</b>	<b>9,318,085</b>	<b>7,898,077</b>	
Cash flows from investment activities			
Paid upon acquisition of tangible and intangible fixed assets	-2,940,892	-1,333,650	
Paid upon acquisition of subsidiaries	0	-1,291,104	
Loans granted	-3,800,000	-8,424,217	19
Repayment of loans granted	2,557,790	7,011,160	
Other disbursements from investment activities	0	-1,500,000	
<b>Total cash flows from investment activities</b>	<b>-4,183,102</b>	<b>-5,537,811</b>	
Cash flows from financing activities			
Finance lease principal repayments	-16,515	-3,279	
Dividends paid	-1,618,084	-1,600,000	
Corporate income tax paid	0	-572,659	
<b>Total cash flows from financing activities</b>	<b>-1,634,599</b>	<b>-2,175,938</b>	
<b>Total cash flows</b>	<b>3,500,384</b>	<b>184,328</b>	
Cash and cash equivalents at the beginning of the period	6,262,326	6,077,998	
<b>Change in cash and cash equivalents</b>	<b>3,500,384</b>	<b>184,328</b>	
Cash and cash equivalents at the end of the period	9,762,710	6,262,326	

## Statement of changes in equity (EUR)

				<b>Total</b>
	Share capital at nominal value	Other reserves	Retained profit (loss)	
<b>31.12.2020</b>	4,000		21,145,054	21,149,054
Profit (loss) for the financial year	0		8,549,098	8,549,098
Dividends announced	0		-1,600,000	-1,600,000
<b>31.12.2021</b>	4,000		28,094,152	28,098,152
Profit (loss) for the financial year	0		8,912,655	8,912,655
Dividends announced			-1,618,084	-1,618,084
Changes in reserves		87,550		87,550
<b>31.12.2022</b>	4,000	87,550	35,388,723	35,480,273

As other reserve, holding options recognized as at 31.12.2022 are in the amount corresponding to the portion of the value generated during the superannuation period at the end of the reporting period that is recognized in the income statement under other labour costs



# Notes to the annual accounts

## Annex 1 Accounting principles

### General information

The 2022 annual accounts of Foxway OÜ as a large enterprise have been prepared in accordance with the Estonian Financial Reporting Standard.

The main requirements of the Estonian Financial Reporting Standard are established in the Accounting Act of the Republic of Estonia, supplemented by the instructions issued by the Accounting Board.

The annual accounts are prepared on the basis of acquisition cost and the continuity principle.

The annual accounts are drawn up in euro.

The company uses the income statement scheme No .1.

### Financial assets

Money, short-term financial investments, receivables from buyers and other short- and long-term receivables are considered financial assets.

Financial assets are initially recognized at their cost, which is the fair value of the amount paid for the given financial asset. The initial acquisition cost includes all transaction costs directly related to the acquisition of the financial asset.

A financial asset is removed from the balance sheet when the entity loses the right to cash flows arising from the financial asset or transfers the cash flows arising from the asset to a third party, as well as most of the risks and benefits associated with the financial asset.

Purchases and sales of a financial asset are recorded consistently as at the value date, that is, the date on which the entity becomes the owner of the purchased financial asset or loses ownership of the financial asset sold.

### Cash

Cash and cash equivalents shall include balances in current accounts and short-term deposits.

### Transactions in foreign currencies and financial assets and liabilities fixed in foreign currencies

The recognition of liabilities denominated in a foreign currency shall be based on the official exchange rates of the European Central Bank as at the date of the transaction. Monetary financial assets and liabilities denominated in foreign currencies and non-monetary assets that are recognized by the fair value method shall be revalued at the balance sheet date in euro on the basis of the official exchange rates of the European Central Bank. Profit and losses from foreign exchange transactions are recognized in the income statement under profits and losses for the period.

### Shares in subsidiaries and associates

A subsidiary is a company over which the parent company exercises control. The shares of subsidiaries are recognized in the balance sheet using the acquisition cost method. When applying the acquisition cost method, the investment is initially recognized at its acquisition cost, which is subsequently adjusted, if necessary, by the write-downs resulting from the impairment of the investment.

An enterprise is exempt from preparation of consolidated annual accounts on the basis of Article 29 (5) of the Accounting Act (the parts of the enterprise belong to a consolidation group on which the consolidating entity registered in Sweden is required to draw up and publish the audited annual report).

### Receivables and advances

Short-term receivables incurred in the ordinary course of business are recognized as receivables from buyers.

The likelihood of receivables being received shall be assessed, where possible, on a case-by-case basis for each buyer. Receipt of unlikely receivables previously written down shall be recognized as a reduction in the cost of unlikely receivables. All other receivables (accrued income, loans granted and other short and long-term receivables), other than those acquired for resale purposes, shall be recognized at adjusted cost. The adjusted acquisition cost of short-term receivables is generally equal to their nominal value (minus any discounts), so short-term receivables are recognized in the balance sheet in the amount likely to accrue.

In order to calculate the adjusted cost of long-term receivables, they are initially accounted for at fair value of the payment receivable, taking into

account the interest income on the receivable in subsequent periods, using the internal interest rate method.

Receivables acquired for resale purposes shall be reported using the fair value method.

### **Inventory**

Inventories are initially accounted for at their acquisition cost, which consists of purchase costs, production costs and other expenses necessary to take inventories to their existing location and status.

Due to the specifics of the company's business, transportation costs and customs duties associated with stockpiling are recognized as period costs, not at the cost of inventories.

### **Accounting principles for the acquisition cost of inventories**

Given that, as a general rule, the objects of inventories (goods purchased for sale) are clearly distinguishable from each other, the cost of their acquisition is based specifically on the cost of acquiring each item (the individual cost method is used).

### **Tangible and intangible fixed assets**

An asset that the company itself uses in its business for a period longer than one year is recognized as a tangible fixed asset.

Tangible fixed assets are recognized at its acquisition cost, which is the fair value of the money or non-monetary consideration paid for the asset at the time of its acquisition (or construction) and the fair value of the money or non-monetary consideration received for the asset at the time of assumption of the liability. Costs related to subsequent corrections shall only be added to the cost of the acquisition of property, plant and equipment if they meet the definition of property, plant and equipment and the criteria for recognition in the balance sheet. Current maintenance and repair costs are recognized under period costs.

Depreciation of tangible fixed assets is calculated using a linear method.

Tangible fixed assets shall be recognized in the balance sheet at their acquisition cost less the accumulated depreciation and any impairment discounts.

Capitalized expenses related to the information system created and further developed by the company itself are recognized in the balance sheet as intangible fixed assets.

Depreciation of intangible fixed assets is calculated using a linear method.

Intangible fixed assets shall be recognized in the balance sheet at their acquisition cost less the accumulated depreciation and any impairment discounts.

### **Minimum recognition limit for fixed assets 4000**

#### **Useful life by fixed asset group (years)**

<b>Fixed asset group name</b>	<b>Useful life</b>
Machines and apparatus	5 years
Other tangible fixed assets	3-5 years
Other intangible fixed assets	5 years

### **Rentals**

A rental contract is deemed to be a finance lease if all material risks and benefits associated with the ownership of the asset are transferred to the lessee; otherwise, the lease contract is deemed to be an operating lease.

Finance leases are recognized on the balance sheet as at the entry into force as assets and liabilities at the current value of the minimum amount of lease payments.

For the purposes of calculating the current value of the minimum amount of lease payments, the discount rate shall be the internal interest rate of the lease.

Lease payments are broken down into a financial cost and a reduction in the residual cost of the liability.

### **Financial liabilities**

All financial liabilities (debts to procuring entities, loans received, accruals and other short- and long-term debt liabilities) are initially recognized at their cost, which includes all costs directly incurred as a result of the acquisition. Further recognition shall be carried out using the adjusted acquisition cost method. A financial liability shall be removed from the balance sheet once it has been satisfied, discharged or expired.

The adjusted cost of short-term financial liabilities is generally equal to their nominal value and therefore short-term financial liabilities

shall be recorded in the balance sheet in the amount due.

#### **Provisions and contingent liabilities**

A provision shall be recognized in the balance sheet if the company is subject to a legal or factual obligation arising from an obligatory event prior to the balance sheet date, the realization of the obligation is likely (i.e. realization is more likely than non-realisation) and the amount of the obligation can be measured reliably. If the probability of materialization is less than 50%, no provision shall be made in the balance sheet, but any liability shall be disclosed as a contingent liability in the annexes to the report.

#### **Revenue**

Revenue shall be recognized at fair value of the consideration received or receivable, taking into account any discounts and benefits granted.

Sales revenue is recognized when all material risks related to ownership have been transferred to the purchaser, the revenue from sales and the costs related to the transaction are reliably determinable and the payment arising from the transaction is likely to be received.

Revenue from the sale of a service shall be recognized after the provision of the service or if the service is provided for a longer period of time based on the method of completion.

#### **Taxation**

Corporate income tax associated with the distribution of dividends is recognized at the income statement as income tax expense during the same period as the dividend is declared, regardless of the period for which it is declared or when it is actually paid out.

#### **Related parties**

The following persons were treated as related parties by the company as at 31.12.2022:

- \* Board members and companies under their control
- \* parent company Foxway AB (Sweden)
- \* subsidiary Foxway Ibérica SL (Spain)
- \* subsidiary Foxway GmbH (Germany)
- \* other consolidation group entities

## Annex 2 Receivables and advances (EUR)

	31.12.2022	Breakdown by remaining due date		Annex No.
		within 12 months	within 1–5 years	
Receivables from buyers	7,358,396	7,358,396	0	
Invoices receivable from buyers	7,416,366	7,416,366	0	
Unlikely receivables	-57,970	-57,970	0	
Receivables from related parties	2,088,154	2,088,154	0	
Advance payments and recoveries of taxes	1,935	1,935	0	4
Loans receivable	5,711,067	4,011,160	1,699,907	6
Other receivables	168,999	168,999	0	
Interest receivables	168,999	168,999	0	
Advances	201,666	134,706	66,960	
Expenditure of future periods	66,960	0	66,960	
Other advances paid	134,706	134,706	0	
Other receivables	1,287,793	1,287,793	0	
<b>Total receivables and advances</b>	<b>16,818,010</b>	<b>15,051,143</b>	<b>1,766,867</b>	
	31.12.2021	Breakdown by remaining due date		Annex No.
		within 12 months	within 1–5 years	
Receivables from buyers	5,348,286	5,348,286	0	
Invoices receivable from buyers	5,450,060	5,450,060	0	
Unlikely receivables	-101,774	-101,774	0	
Receivables from related parties	594,097	594,097	0	
Advance payments and recoveries of taxes	4,664	4,664	0	4
Loans receivable	4,468,857	2,661,160	1,807,697	6
Other receivables	53,059	53,059	0	
Interest receivables	53,059	53,059	0	
Advances	139,647	67,107	72,540	
Expenditure of future periods	72,540	0	72,540	
Other advances paid	67,107	67,107	0	
Other receivables	134,986	134,986	0	
<b>Total receivables and advances</b>	<b>10,743,596</b>	<b>8,863,359</b>	<b>1,880,237</b>	

## Annex 3 Inventory

(EUR)

	31.12.2022	31.12.2021
<b>Raw materials and materials</b>	<b>100,728</b>	<b>79,377</b>
Packaging material	100,728	79,377
<b>Goods purchased for sale</b>	<b>15,908,529</b>	<b>14,131,135</b>
Goods for sale	15,908,529	14,131,135
<b>Advances for inventory</b>	<b>332,212</b>	<b>2,241,309</b>
Advances	332,212	2,241,309
Goods on route	4,286,415	718,052
<b>Total inventory</b>	<b>20,627,884</b>	<b>17,169,873</b>

## Annex 4 Advance payments and tax arrears

(EUR)

	31.12.2022		31.12.2021	
	Advance payment	Tax arrears	Advance payment	Tax arrears
Corporate income tax		263,409		
Sales tax		225,035		40,658
Personal income tax		145,805		107,847
Income tax on fringe benefit		17,336		15,730
Social security tax		319,549		248,816
Mandatory funded pension		13,647		11,522
Unemployment insurance premiums		21,272		15,751
Other tax advances and tax arrears		892,629		607,369
Prepayment account balance	1,935		4,664	
<b>Total tax advances and tax arrears</b>	<b>1,935</b>	<b>1,898,682</b>	<b>4,664</b>	<b>1,047,693</b>

Other tax arrears include the VAT liability incurred in connection with distance sales to private individuals in other EU Member States (which are declared and settled quarterly).

## Annex 5 Shares of subsidiaries

(EUR)

Shares of subsidiaries, general information					
Subsidiary registry code	Name of the subsidiary	Country of location	Principal activity	Participation rate (%)	
				31.12.2021	31.12.2022
B-85727535	Foxway Ibérica SL	Spain	Wholesaling of electronic and telecommunications equipment and parts therefor	100	100
HRB 12472	Foxway GmbH	Germany	Sale of electronic and telecommunications apparatus	100	100

Shares of subsidiaries, detailed information:		
Name of the subsidiary	31.12.2021	31.12.2022
Foxway Ibérica SL	1,888,101	1,888,101
Foxway GmbH	2,791,104	2,791,104
<b>Total shares of subsidiaries as at the end of the previous period</b>	<b>4,679,205</b>	<b>4,679,205</b>

## Annex 6 Loans receivable

(EUR)

	31.12.2022	Breakdown by remaining due date		Interest rate	Base currency	Maturity date
		within 12 months	within 1–5 years			
Loans to subsidiaries	1,869,217	200,000	1,669,217	3-3.5%+3 months Euribor	euro	31.12.2026
Loans granted to sister companies	3,800,000	3,800,000	0	3%+3 months Euribor	euro	21.12.2023
Other loans	41,850	11,160	30,690	0.5%	euro	30.10.2025
<b>Loans receivable</b>	<b>5,711,067</b>	<b>4,011,160</b>	<b>1,699,907</b>			

  

	31.12.2021	Breakdown by remaining due date		Interest rate	Base currency	Maturity date
		within 12 months	within 1–5 years			
Loan granted to parent company	2,200,000	2,200,000	0	3%	euro	16.10.2022
Loans to subsidiaries	2,224,217	450,000	1,774,217	3-3.5%	euro	31.12.2026
Other loans	44,640	11,160	33,480	0.5%	euro	30.10.2025
<b>Loans receivable</b>	<b>4,468,857</b>	<b>2,661,160</b>	<b>1,807,697</b>			

## Annex 7 Tangible fixed assets (EUR)

			Total
	Other tangible fixed assets	Incomplete projects	
<b>31.12.2020</b>			
Acquisition cost	102,524	51,029	153,553
Accumulated depreciation	-15,489	0	-15,489
<b>Residual cost</b>	<b>87,035</b>	<b>51,029</b>	<b>138,064</b>
Purchases and improvements	308,974	0	308,974
Other purchases and improvements	308,974	0	308,974
Depreciation cost	-50,278	0	-50,278
Reclassifications	51,029	-51,029	0
Reclassifications from unfinished projects	51,029	-51,029	0
<b>31.12.2021</b>			
Acquisition cost	462,527	0	462,527
Accumulated depreciation	-65,767	0	-65,767
<b>Residual cost</b>	<b>396,760</b>	<b>0</b>	<b>396,760</b>
Purchases and improvements	709,456	106,735	816,191
Other purchases and improvements	709,456	106,735	816,191
Depreciation cost	-119,369	0	-119,369
<b>31.12.2022</b>			
Acquisition cost	1,171,983	106,735	1,278,718
Accumulated depreciation	-185,136	0	-185,136
<b>Residual cost</b>	<b>986,847</b>	<b>106,735</b>	<b>1,093,582</b>

## Annex 8 Intangible fixed assets (EUR)

				Total
	Concessions, patents, licences, trademarks	Other intangible fixed assets	Unfinished projects and advances	
<b>31.12.2020</b>				
Acquisition cost	0	647,605	36,205	683,810
Accumulated depreciation	0	0	0	0
<b>Residual cost</b>	0	647,605	36,205	683,810
Purchases and improvements	0	1,017,759	70,852	1,088,611
Depreciation cost	0	-131,944	0	-131,944
Reclassifications	0	23,862	-23,862	0
<b>31.12.2021</b>				
Acquisition cost	0	1,689,226	83,195	1,772,421
Accumulated depreciation	0	-131,944	0	-131,944
<b>Residual cost</b>	0	1,557,282	83,195	1,640,477
Purchases and improvements	6,364	2,239,792	80,527	2,326,683
Depreciation cost	0	-337,900	0	-337,900
<b>31.12.2022</b>				
Acquisition cost	6,364	3,929,018	163,722	4,099,104
Accumulated depreciation	0	-469,844	0	-469,844
<b>Residual cost</b>	6,364	3,459,174	163,722	3,629,260

## Annex 9 Finance lease (EUR)

### Person accountable as lessee

	31.12.2022	Breakdown by remaining due date		Interest rate	Base currency	Maturity date
		within 12 months	within 1–5 years			
Financial lease liability	9,620	4,624	4,996	17%	euro	8.12.2024
Financial lease liability	43,080	9,650	33,430	2.99%+6 months Euribor	euro	15.03.2027
<b>Total financial lease liabilities</b>	52,700	14,274	38,426			



	31.12.2021	Breakdown by remaining due date		Interest rate	Base currency	Maturity date
		within 12 months	within 1–5 years			
Financial lease liability	13,514	3,894	9,620	17%	euro	8.12.2024
<b>Total financial lease liabilities</b>	<b>13,514</b>	<b>3,894</b>	<b>9,620</b>			

Carrying amount of leased assets		
	31.12.2022	31.12.2021
Other assets	56,240	13,212
<b>Total</b>	<b>56,240</b>	<b>13,212</b>

## Annex 10 Debts and advances (EUR)

	31.12.2022	within 12 months
Debts to suppliers	6,015,954	6,015,954
Debts to contractors	1,993,555	1,993,555
Tax arrears	1,898,682	1,898,682
Other debts	1,262,642	1,262,642
Other accruals	1,262,642	1,262,642
Advances received	489,760	489,760
Other advances received	489,760	489,760
Debts to consolidation group entities	3,151,045	3,151,045
Liabilities for received goods	6,266,040	6,266,040
<b>Total debts and advances</b>	<b>21,077,678</b>	<b>21,077,678</b>
	31.12.2021	within 12 months
Debts to suppliers	3,848,156	3,848,156
Debts to contractors	1,414,129	1,414,129
Tax arrears	1,047,693	1,047,693
Other debts	777,715	777,715
Other accruals	777,715	777,715
Advances received	121,248	121,248
Other advances received	121,248	121,248
Debts to consolidation group entities	1,850,177	1,850,177
Liabilities for received goods	2,705,958	2,705,958
<b>Total debts and advances</b>	<b>11,765,076</b>	<b>11,765,076</b>

Liabilities for goods as at 31.12.2022 in the amount of EUR 6,266,040 (as at 31.12.2021 in the amount of EUR 2,705,958) include accrual-based liabilities for goods received and registered as inventories for which the final invoice has not yet been received/recognized.

## Annex 11 Contingent liabilities and assets

(EUR)

	31.12.2022	31.12.2021
Contingent liabilities		
Possible dividends	29,884,745	22,588,211
Income tax liability on possible dividends	5,503,978	5,505,941
<b>Total contingent liabilities</b>	<b>35,388,723</b>	<b>28,094,152</b>

## Annex 12 Share capital

(EUR)

	31.12.2022	31.12.2021
Share capital	4,000	4,000
Number of shares (pcs)	1	1

## Annex 13 Sales revenue

(EUR)

	2022	2021
Sales revenue by geographic region		
Sales to EU countries		
Sales to EU countries, other	143,897,318	116,100,965
<b>Sales to EU countries, total</b>	<b>143,897,318</b>	<b>116,100,965</b>
Sales to non-EU countries		
Sales to non-EU countries, other	20,434,006	15,414,059
<b>Sales to non-EU countries, total</b>	<b>20,434,006</b>	<b>15,414,059</b>
<b>Total sales revenue</b>	<b>164,331,324</b>	<b>131,515,024</b>
Revenue by operation		
Sale of electronic equipment	164,331,324	131,515,024
<b>Total sales revenue</b>	<b>164,331,324</b>	<b>131,515,024</b>

## Annex 14 Other operating income

(EUR)

	2022	2021
Profit from exchange rate changes	385,775	0
Sale of services to group companies	1,263,073	467,422
Other	128,261	69,947
<b>Total other operating income</b>	<b>1,777,109</b>	<b>537,369</b>

## Annex 15 Miscellaneous operating expenses

(EUR)

	2022	2021
Lease and rent	1,050,465	702,897
Other costs related to premises	875,106	602,526
Small items and other accessories	586,870	455,518
Mission and reception costs	316,041	146,856
IT supplies, services, licenses	2,227,152	1,267,144
Consultancy and similar services	5,347,631	3,279,470
Training, recruitment and labour protection of employees	421,237	286,757
Advertising and marketing costs	193,515	82,763
Other operating expenses	482,574	258,405
Expense from unlikely receivables	50,537	97,677
<b>Total miscellaneous operating expenses</b>	<b>11,551,128</b>	<b>7,180,013</b>

## Annex 16 Labor costs

(EUR)

	2022	2021
Payroll cost	11,188,740	8,085,195
Social security taxes	3,598,377	2,587,723
Other	1,155,070	774,348
<b>Total labour costs</b>	<b>15,942,187</b>	<b>11,447,266</b>
Average number of employees reduced to full-time employment	530	422
Average number of employees by type of employment:		
Person employed under employment contract	528	418
Member of management or control body of legal person	2	4

## Annex 17 Other business expenses

(EUR)

	2022	2021
Provision for damage related to the supply of goods	-1,015,495	1,015,495
Other	228,737	11,957
<b>Total other business expenses</b>	<b>-786,758</b>	<b>1,027,452</b>

in 2021, the loss related to the supply of goods in the amount of EUR 1,015,495 was recorded in the balance sheet and recognized as other business expenses, the likelihood of materialization of which was estimated to be greater than 50% at the time of preparation of the report.

in 2022, it became apparent that the loss would not materialize and therefore the provision was released and the decrease in other business expenses in the same amount was recognized.

## Annex 18 Income tax

(EUR)

Income tax expense components	2022		2021	
	Taxable amount	Income tax	Taxable amount	Income tax
Dividends announced	1,618,084	263,409	1,600,000	263,074
Estonia	1,618,084	263,409	1,600,000	263,074
<b>Total</b>	<b>1,618,084</b>	<b>263,409</b>	<b>1,600,000</b>	<b>263,074</b>

## Annex 19 Related parties

(EUR)

Name of the reporting entity's parent undertaking	Foxway AB
Country in which the reporting entity's parent undertaking is registered	Sweden
Name of the group to which the parent company belongs	Foxway Group AB
State in which the parent company of the group is registered	Sweden

### Balances by related party groups

SHORT-TERM	31.12.2022	31.12.2021
<b>Receivables and advances</b>		
Parent company	260,529	2,257,467
Subsidiaries	1,948,494	1,035,623
Other undertakings belonging to the same consolidation group	4,047,972	4,066
Executive and senior management and privately owned holders with a qualifying holding and undertakings under their dominant or significant influence	0	37,987
<b>Total receivables and advances</b>	<b>6,256,995</b>	<b>3,335,143</b>
<b>Debts and advances</b>		
Parent company	1,883,942	672,398
Subsidiaries	673,493	242,311
Other undertakings belonging to the same consolidation group	593,609	935,468
Executive and senior management and privately owned holders with a qualifying holding and undertakings under their dominant or significant influence	0	49,890
<b>Total debts and advances</b>	<b>3,151,044</b>	<b>1,900,067</b>

LONG-TERM	31.12.2022	31.12.2021
Receivables and advances		
Subsidiaries	1,669,217	1,774,217
<b>Total receivables and advances</b>	<b>1,669,217</b>	<b>1,774,217</b>

LOANS GRANTED	31.12.2020	Loans granted	Repayment of loans granted	31.12.2021	Accrued interest for the period
Parent company	3,000,000	6,200,000	7,000,000	2,200,000	131,875
Subsidiaries	0	2,224,217	0	2,224,217	45,344
<b>Total loans granted</b>	<b>3,000,000</b>	<b>8,424,217</b>	<b>7,000,000</b>	<b>4,424,217</b>	<b>177,219</b>

  

LOANS GRANTED	31.12.2021	Loans granted	Repayment of loans granted	31.12.2022	Accrued interest for the period
Parent company	2,200,000	0	2,200,000	0	41,296
Subsidiaries	2,224,217	0	355,000	1,869,217	88,569
Other undertakings belonging to the same consolidation group	0	3,800,000	0	3,800,000	47,642
<b>Total loans granted</b>	<b>4,424,217</b>	<b>3,800,000</b>	<b>2,555,000</b>	<b>5,669,217</b>	<b>177,507</b>

SOLD	2022		2021		
	Goods	Services	Goods	Services	Fixed asset
Parent company	2,627	1,139,399	427,871	429,997	
Subsidiaries	3,403,651	79,750	3,001,883	29,877	
Other undertakings belonging to the same consolidation group	1,112,965	43,924	356,327	31,113	
<b>Total sold</b>	<b>4,519,243</b>	<b>1,263,073</b>	<b>3,786,081</b>	<b>490,987</b>	

PURCHASED	2022		2021		
	Goods	Services	Goods	Services	Fixed asset
Parent company	3,458,746	3,023,268	3,576,868	1,749,373	0
Subsidiaries	6,699,426	2,006,709	3,379,941	1,073,215	0
Other undertakings belonging to the same consolidation group	4,546,796	391,253	8,848,004	232,475	21,602
Executive and senior management and privately owned holders with a qualifying holding and undertakings under their dominant or significant influence	0	0	0	644,402	0
<b>Total purchased</b>	<b>14,704,968</b>	<b>5,421,230</b>	<b>15,804,813</b>	<b>3,699,465</b>	<b>21,602</b>

Fees and other significant benefits for executive and senior management	2022	2021
Calculated fee	268,569	368,570

## **Annex 20 Events after reporting date**

As at the end of February 2023, Teqcycle solutions GmbH was acquired as a subsidiary in Germany

## REPORT OF INDEPENDENT SWORN AUDITOR

To shareholders of Foxway OÜ

### Opinion

We have audited the annual accounts of Foxway OÜ (the company), which includes the balance sheet as at 31.12.2022 and the income statement, cash flow statement and statement of changes in equity for the financial year that ended on the abovementioned date, and the notes to the annual accounts, including the summary of significant accounting policies.

In our opinion, the accompanying annual accounts justly reflect, in all material respects, the financial position of the company as at 31.12.2022 and the financial performance and cash flows of the year that ended on that date in accordance with the Estonian financial reporting standard.

### Basis of the opinion

We conducted the audit in accordance with the International Standard on Auditing (Estonia). Our responsibilities in accordance with these standards are further described in section "Responsibilities of the sworn auditor in relation to the audit of the annual accounts" of our report. We are independent of the company in accordance with the Code of Ethics for Professional Accountants (Estonia) (incl. the standards of independence), and have fulfilled our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Management Board is responsible for other information. Other information includes the annual activity report but does not include the annual accounts or our sworn auditor's report. Our opinion on the annual accounts does not contain any other information and we do not make any assurance conclusions about it in any form.

In relation to our audit of the annual accounts, it is our duty to read other information and, in doing so, to consider whether other information differs materially from the annual accounts or from the knowledge we have gained in the course of the audit or otherwise appears to be materially misstated.

In addition, it is our duty to disclose whether the information provided in the activity report complies with the applicable statutory requirements. If we conclude from the work done that other information has been materially misstated in respect of the above, we are obliged to report on this fact.

We have nothing to report on in this respect and state that the information in the activity report is substantially in line with the annual accounts and the applicable statutory requirements.

### Responsibilities of the Management Board and those in leadership in relation to the annual accounts

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with the Estonian Financial Reporting Standard and for the internal control that the Management Board deems necessary to enable the preparation of the annual accounts without material misstatement due to fraud or error.

When preparing the annual accounts, the Management Board must assess the ability of the company to actively continue its operations, to provide information, where appropriate, on the circumstances surrounding the continuation of operations and to use the underlying principle of continuing activity calculation, unless the Management intends either to liquidate the enterprise or to close down or has no realistic alternative to this.

Those in position of leadership are responsible for overseeing the company's accounting reporting process.

### Obligations of sworn auditor in connection with audit of annual accounts

Our objective is to gain reasonable assurance as to whether the annual accounts as a whole are free of material misstatements, whether due to fraud or error, and to issue a sworn auditor's report that includes our opinion. Reasonable assurance is a high level of certainty, but it does not guarantee that if material misstatement exists, it will always be discovered in the course of an audit carried out in accordance with the International standards on auditing (Estonia). Misstatements may result from fraud or error and are considered material where it can reasonably be expected that they may individually or collectively influence the economic decisions that the users will make on the basis of the annual accounts.

We use professional judgment in auditing in accordance with the International standards of auditing (Estonia) and maintain professional scepticism throughout the audit. We also do the following:

- identify and evaluate the risks of material misstatement in the annual accounts, whether due to fraud or error, develop and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence that underpins our opinion. The risk of non-detection of material misstatement due to fraud is higher than in the case of misstatement due to error, as fraud can mean a secret agreement, forgery, failure to provide information, misrepresentation or failure to comply with internal control;
- gain an understanding of the internal control involved in the audit in order to plan appropriate audit procedures under these conditions, but not to express an opinion on the effectiveness of the internal control of the enterprise;
- assess the appropriateness of the accounting policies used and the reasonableness of management's accounting estimates and the information disclosed in connection therewith;
- conclude on the appropriateness of using the underlying business continuity accounting principle by the management and on the basis of the audit evidence obtained, whether there is significant uncertainty about events or conditions that may cast significant doubt on the company's ability to continue its operations. If we conclude that there is significant uncertainty, we are required to draw attention in the sworn auditor's report to the information disclosed in the annual accounts or, if the disclosed information is insufficient, to modify our opinion. Our findings are based on the auditing evidence obtained until the date of the sworn auditor's report. However, future events or conditions may adversely affect the ability of the enterprise to continue its operations;
- assess the overall presentation, structure and content of the annual accounts, including disclosures, and whether the annual accounts present underlying transactions and events in a way that ensures a fair presentation.

We exchange information with the people in leadership, including on the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified during the audit.

/digitally signed/

Kaja Loog

Sworn auditor number 257

OÜ Audiitorbüroo PROFITIUS

Activity licence number 127 of the auditing company

Mõisatalli 16, Raadi village Tartu rural municipality Tartu county

31.03.2023