The Board of Directors and the CEO of

Genexis Group AB

Org nr 559364-6002

Hereby presents

Annual report
and consolidated financial statements

for the fiscal year January 1 - December 31, 2024

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Management report

Information about the business Genexis Group AB

Genexis Group AB (559364-6002), which has its registered office in Stockholm, was founded in 2022. The operations of the Company comprise the management of, and provision of advice to, its subsidiaries. Revenues comprise management fees and service charges, while operating expenses mainly consist of salaries, consultancy fees and system costs.

Otherwise, Genexis Group AB and its subsidiaries ("the Group") operate through the two wholly owned subsidiaries of the Group's subsidiary Genexis International AB: Genexis Sweden AB ("Genexis Sweden") org. no. 556435-0733, with its registered office in Stockholm and IOPSYS Software Solutions AB ("IOPSYS"),, org. no. 559104-0786, with its registered office in Stockholm

As Genexis Group AB was founded during the course of 2022, the comparative figures s for the year are not full-year figures.

Group

The Group operates through wholly owned subsidiaries in Sweden, the Netherlands, Norway, Finland, Denmark, Belgium, Germany, Italy, the UK, Poland and US. The Belgian subsidiary, Genexis Belgium B.V., is a development centre for cloud and application platforms. The Group develops and markets proprietary Customer Premises Equipment (CPE) & Residential Gateway products for fiber termination (ONT) & Residential Gateway-products inom Fiber to the Home (FTTH) broadband and tripple-play as well as as certain complementary products from subcontractors.

The Group is mainly oriented towards European and North american operators, network owners, system integrators and retailers Sales of CPE products are supplemented by the development and sale of a cloud platform (CloudSight). It also conducts software development for embedded systems and operating systems for customer-placed Customer Premises Equipment, such as Wi-Fi, where the primary product is the IOWRT operating system.

The Group's overall strategic objective is to achieve growth and profitability by producing and supplying first-class CPE products and solutions for fast fibre connections in the home with a focus on European operators and network owners. The Group occupies a strong market position in countries such as Benelux and Germany and in the Nordic and the Baltic countries. The vision is to establish the Group as the leading player on the European market for broadband communications by continuously developing and delivering superior access products and solutions for the connected home.

The Group's sales take place within the following areas:

- **CPE (Customer Premises Equipment)**
  - Fibre-to-the-Home
  - Connected Home (including IOWRT operating system)
- **Software Licenses**
  - Connectivity Management
- **Kompletterande produkter**
  - Network (3rd Party) och Optic

The CPE segment dominates sales and accounted for approximately 86% of the Group's total revenue during the year.
The Complementary Products segment accounted for approximately 12% of the revenue and is an important part of the business
Software Licenses accounted for 2% of sales.

The Group's net sales in 2024 amounted to EUR 69.9 million compared compared with the previous year (EUR 69.7 million).
The Group's consolidated EBITDA amounted to EUR 9.7 million (EUR 7.7 million) and operating profit (EBIT) amounted to EUR -1.5 million (EUR -4.7 million).
Depreciation during the financial year totalled EUR 11.1 million (EUR 12.4 million).

Multi-year comparison

Group, EUR thousands	***2024***	***2023***	***2022***
Net sales	69,872	69,688	28,028
Operating profit excluding depreciation,amortisation and impairment, EBITDA	9,662	7,719	6,535
Operating margin, %, EBITDA	14	11	23
Total assets	116,544	118,556	139,967
Equity	16,656	*25,961	40,274
Equity ratio, %	14	21	29
Average number of employees	144	156	156

Definitions: see note 33

*The comparative figure for 2023 has been adjusted by EUR 570 thousand due to a correction of an incorrectly reportedtax expense.

Parent company, EUR thousands	***2024***	***2023***	***2022***
Net sales	2,426	1,144	216
Operating profit excluding depreciation,amortisation and impairment, EBITDA	1,441	-396	-1,365
Operating margin, %, EBITDA	59	neg	neg
Total assets	122,162	118,241	119,388
Equity	47,914	48,647	42,328
Equity ratio, %	39	41	35
Average number of employees	1	1	1

Definitions: see note 33

Significant events during the year

The restructuring of operations within the two business units, FTTH and Connected Home, carried out in 2023 was successful. Both units gained market share during the year and performed well in customer-side procurements.

The year did not meet the expected revenue levels, primarily due to persistent economic conditions, interest rates, and inflation, although there was some relief toward the end of the year. Customers have generally been cautious, placing orders more frequently than before but in smaller quantities. During the summer, we launched our operations in the United States and, in the fall, established a sales organization that is already beginning to generate orders. The financial result has improved significantly thanks to strong cost control and increased margins.

During the financial year, the Group has continued its work on internal control and strengthened regulatory compliance within the business in general.

Significant events after the end of the financial year for the Group

On March 20, 2025, the acquisition of Heimgard CPE AS, a Norwegian company operating within Connected Home, was announced.
As of January 1, 2025, the operations previously conducted by IOPSYS SoftwareSolutions AB have been transferred to Genexis Sweden AB.

Expected future developments, including significant risks and uncertainties

The Group continues to hold a market-leading position in the CPE sector in Europe. The Group's presence across a large geographical market provides more opportunities for expansion and, through this, has reduced the risk of temporary slowdowns in individual markets. The Group is developing a unified product portfolio that strengthens its position in each respective market. The market and the demand for the Group’s products remain unchanged, which gives the Group a positive outlook for the future. Overall, the Group is well-equipped for the future.
Order intake continues to increase month by month, even though the recovery is taking longer than expected. We remain positive about the underlying market demand and expect the coming quarters to remain at or gradually increase from, the current order levels. Accordingly, we expect to achieve our long-term target of an average annual growth rate of 15%.

The board of directors is continuously working on various financing alternatives to ensure continued operations. Despite the negative working capital by the end of the year, the board remains confident that the liquidity situation will remain stable throughout the year. Genexis Group has implemented appropriate measures to ensure continuous monitoring and sound financial planning. The recurring credit facility combined with the additional financing from the owners brings confidence to the going concern assumption Furthermore, the owners are actively engaged in resolving the outstanding earn-out position, and the board of directors anticipates that it will be settled in a constructive and mutually beneficial manner. Therefore, it is the board of directors' assessment that the company has sufficient financing for the company to continue operations on a going concern basis.

Currency risk and interest rate risk

Exchange rate fluctuations entail a risk of having a negative impact on the Group’s financial position, profitability and cash flow.
The Group p is affected by exchange rate fluctuations through transaction exposure and translation exposure. The Group primarily has income and expenses in EUR, USD, SEK and GBP, and to a lesser extent in other currencies. Interest rate risk refers to the risk that the Group’s interest expenses on loans may fluctuate due to changes in market interest rates. To minimize currency exposure, the Group actively manages currency risks. Parts of the sales are hedged using currency clauses or secured through purchases and sales in the same currency. The Group operates a cash pool that includes the majority of its subsidiaries. This allows currency surpluses in various currencies to be utilized between the participating subsidiaries without the need for currency exchange.
Interest rate risk is managed through active liquidity management.

Credit- and Liquidity risk

The Group does not have any significant concentration of credit risk. The Group has established guidelines to ensure the sale of services to customers with appropriate credit backgrounds.

In addition to liquidity generated from ongoing operations, the Group’s subsidiaries in the Netherlands and Germany have factoring arrangements in place.

Research and development

During the year, the Group continued to develop software and CPE hardware, and a total of EUR 3.4 million (EUR 6.9 million) was capitalised during the year. Capitalised development costs are written off over five years.
For the Group as a whole, significant investments will also be made in research and development in 2025, at a slightly higher pace than in 2024. Over time, research and development expenses as a percentage of sales are expected to reduce.

Ownership

Genexis Group AB is wholly owned by Inteno Holding AB. Inteno Holding AB is in turn owned 39.0% by Accent Equity 2017 AB which is owned by Accent Equity AB. Schelp Holding B.V. owns 23.1%, Unigestion Secondary V SCS-SICAV-RAIF owns 22.3% and Simac Techniek N.V. owns 10.4% of Inteno Holding AB. The remainder is owned by senior executives within the Group.

Sustainability report

The Group is actively engaged in its sustainability efforts, and a separate sustainability report report is published alongside the annual report.

Financial instruments

Risk management is handled by the Group's finance function and is reported to the Board of Directors.
This risk management involves an assessment of the financial risks that exist at differen times in close cooperation with the Group's operational entities. For a more detailed description of the Group's financial risk management, see the section on Financial risk management, Note 2 in the additional information.

Recommended appropriation of profit

The Board of Directors recommends that the available profit of (EUR) 47,804,919:
be apropriated so that:

Share premium reserve		1,527,892
Retained earnings		47,009,787
Profit/loss for the year		-732,760
	Summa	**47,804,919**

carried forward		47,804,919
	Summa	**47,804,919**

The financial results and position in general of the Group and the parent company are presented in the following income statements and balance sheets, as well as the cash flow statements and associated notes

Consolidated income statement

Amounts in EUR thousand (TEUR)	*Note*	*2024*	*2023*
Net sales	4	69,872	69,688
Capitalised work on own account		3,401	6,851
Other operating income	5	2,470	2,494
		75,744	**79,033**
Operating expenses			
Cost of goods sold		-45,984	-46,966
Other external costs	6	-7,326	-9,386
Personnel costs	7	-12,771	-14,962
Depreciation, amortisation and impairment		-11,114	-12,425
Operating profit/loss		**-1,452**	**-4,706**
Net financial items			
Financial income	8	148	225
Financial expenses	9	-8,264	-7,482
Profit after financial items		**-9,567**	**-11,963**
Group contributions provided		534	–
Profit/loss before tax		**-9,033**	**-11,963**
Income tax	10, 31	1,012	925
Profit/loss for the year	31	**-8,021**	**-11,038**
Of which			
Parent Company shareholders		-8,021	-11,038
Non-controlling interests		-	-
Earnings per share:			
before dilution		-73	-101
after dilution		-73	-101
Number of shares before dilution (‘000s)		109,282	109,282
Number of shares after dilution (‘000s)		109,282	109,282

Consolidated statement of other comprehensive income

Profit/loss for the year		-8,021	-11,038
Of which profit/loss attributable to Parent Company shareholders		**-8,021**	**-11,038**
Other comprehensive income			
Items that have been or may be reclassified to profit/loss for the year		-	-
Translation differences for the year on the translation of foreign operations		-1,284	-3,279
Total comprehensive income for the year		**-9,305**	**-14,317**
Comprehensive income for the year attributable to:			
Parent Company shareholders		**-9,305**	**-14,317**
Non-controlling interests		–	–

Consolidated balance sheet

Amounts in EUR thousand (TEUR)	*Not*	*31/12/2024*	*31/12/2023*
ASSETS			
Fixed assets			
Capitalized Expenditure for Software	1	17,694	20,626
Other intangible assets	13	6,006	6,673
Customer Contracts	1	15,142	18,146
Goodwill	14	52,221	53,274
User rights	15	2,319	627
Machines & Inventory	1	1,418	2,062
Deferred tax assets	1	–	26
Financial Assets		11	8
Total fixed assets		**94,812**	**101,442**
Current assets			
Inventories	1	9,117	8,551
Accounts receivable	2	11,093	6,975
Tax assets		422	354
Other receivables		108	197
Prepaid expenses and accrued income	2	993	1,037
Cash and cash equivalents		–	–
Total current assets		**21,732**	**17,114**
TOTAL ASSETS		**116,544**	**118,556**

Consolidated balance sheet

Amounts in EUR thousand (TEUR)	*Not*	*31/12/2024*	*31/12/2023*
EQUITY and LIABILITIES			
EQUITY			
Share capital		108	108
Other contributed capital		40,712	40,712
Other reserves		-5,638	-4,354
Retained earnings, including profit/loss for the year	31	-18,526	-10,505
Total equity		**16,656**	**25,961**
Non-current liabilities			
Borrowing from credit institutions	22	55,000	55,142
Other liabilities	22	1,189	182
Loans from related parties	22	4,940	4,409
Deferred tax liabilities	18	6,440	8,481
		67,568	**68,214**
Current liabilities			
Borrowing from credit institutions	23	3,987	2,132
Accounts payable		15,048	9,013
Tax liabilities		679	817
Other liabilities	31	10,258	8,652
Liabilities to group companies		534	–
Accrued expenses and prepaid income	2	1,814	3,767
		32,319	**24,381**
TOTAL LIABILITIES AND EQUITY		**116,544**	**118,556**

Consolidated statement of changes in equity

31/12/2023	*Share kapital*	*Other contributed capital*	*Other reserves*	*Retained earnings including profit/loss for the year*	*Total Equity*
Equity brought forward	108	40,712	-1,131	588	**40,277**
Profit/loss for the year				-11,038	**-11,038**
Other comprehensive income			-3,223	-56	**-3,279**
Equity carried forward	**108**	**40,712**	**-4,354**	**-10,506**	**25,960**

31/12/2024	*Share kapital*	*Other contributed capital*	*Other reserves*	*Retained earnings including profit/loss for the year*	*Total Equity*
Equity brought forward	108	40,712	4,354	-10,506	**25,960**
Profit/loss for the year				-8,021	**-8,021**
Other comprehensive income			-1,284		**-1,284**
Equity carried forward	**108**	**40,712**	**-5,638**	**-18,526**	**16,656**

Consolidated cash flow statement

Amounts in EUR thousand (TEUR)	*Not*	*2024*	*2023*
Cash flow from operating activities			
Operating profit/loss		-1,452	-4,706
Reversal of depreciation/amortisation/impairment		11,114	12,425
Other non-cash items	2	-575	50
Interest received		148	99
Interest paid		-7,639	-7,083
Taxes paid		-471	-1,757
Cash flow from operating activities before changes in working capital		**1,125**	**-972**
Changes in working capital			
Increase/decrease in inventories		-566	3,940
Increase/decrease in accounts receivable		-4,118	1,777
Increase/decrease in other current receivables		133	447
Increase/decrease in accounts payable		6,035	-3,226
Increase/decrease in other current liabilities		-474	-1,411
Cash flow from operating activities		**2,135**	**555**
Cash flow from investing activities			
Investments in intangible fixed assets	16	-162	-120
Disposal of tangible fixed assets	16	70	–
Investments in other financial fixed assets	11-14	-3,668	-8,272
Business combinations	2	–	-12,093
Cash flow from investing activities		**-3,760**	**-20,485**
Cash flow from financing activities			
New borrowings		531	1,022
Amortisation of debt	28	-682	-619
Increase/decrease in current financial liabilities	22-23,28	1,855	2,600
Non-recurring items		–	-95
Cash flow from financing activities		**1,704**	**2,908**
Cash flow for the period		79	-17,022
Cash and cash equivalents at start of period		–	17,437
Exchange differences in cash and cash equivalents		-79	-415
Cash and cash equivalents at end of period	28	**–**	**–**

Parent company income statement

Amounts in EUR thousand (TEUR)	*Not*	*2024*	*2023*
Net sales	4	2,426	1,144
Other income	5	11	15
		2,437	**1,159**
Operating expenses			
Other external costs	6	-688	-1,230
Personnel costs	7	-309	-325
Operating profit/loss		**1,441**	**-396**
Net financial items			
Income from participations in group companies		–	13,874
Financial income	8	6,131	508
Financial expenses	9	-7,688	-7,666
Profit after financial items		**-116**	**6,320**
Group contributions provided		-504	–
Group contributions provided		**-620**	**6,320**
Income tax	1	-113	–
Profit/loss for the year		**-733**	**6,320**

Parent company balance sheet

Amounts in EUR thousand (TEUR)	*Not*	*31/12/2024*	*31/12/2023*
ASSETS			
Financial fixed assets			
Participations in group companies	1	117,518	117,518
Deferred tax assets	1	8	121
		117,526	**117,639**
Total fixed assets		**117,526**	**117,639**
Current assets			
Receivables from group companies	20	4,276	58
Other current receivables		30	28
Prepaid expenses and accrued income	2	330	516
		4,636	**602**
Total current assets		**4,636**	**602**
TOTAL ASSETS		**122,162**	**118,241**

Parent company balance sheet

Amounts in EUR thousand (TEUR)	*Not*	*31/12/2024*	*31/12/2023*
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		109	109
		109	**109**
Unrestricted equity			
Share premium reserve		1,528	1,528
Shareholder contributions		42,484	42,483
Retained earnings		4,526	-1,793
Profit/loss for the year		-733	6,320
		47,805	**48,538**
		47,914	**48,647**
Non-current liabilities			
Debts to credit institutions	22	55,000	55,000
Debts to group companies	22	4,940	4,409
		59,940	**59,409**
Current liabilities			
Overdraft		–	–
Accounts payable		58	87
Additional purchase consideration	23	7,139	6,428
Liabilities to group companies		6,512	3,480
Other current liabilities	23	511	60
Accrued expenses and prepaid income	2	89	130
		14,308	**10,185**
TOTAL LIABILITIES AND EQUITY		**122,162**	**118,241**

Parent company statement of changes in equity

31/12/2023					
	Share capital	*Shareholder contributions*	*Share premium reserve*	*Retained earnings, including profit/loss for the year*	*Total equity*
Equity brought forward	109	42,484	1,528	-1,793	**42,328**
Profit/loss for the year				6,320	**6,320**
Equity carried forward	**109**	**42,484**	**1,528**	**4,527**	**48,648**

31/12/2024					
	Share capital	*Shareholder contributions*	*Share premium reserve*	*Retained earnings, including profit/loss for the*	*Total equity*
Equity brought forward	109	42,484	1,528	4,527	**48,648**
Profit/loss for the year				-733	**-733**
Equity carried forward	**109**	**42,484**	**1,528**	**3,794**	**47,914**

Parent company cash flow statement

Amounts in EUR thousand (TEUR)		*2024*	*2023*
Cash flow from operating activities			
Operating profit/loss		1,441	-396
Other non-cash items	2	733	-268
Interest paid		-7,690	-6,440
Interest received		6,112	–
		595	**-7,104**
Cash flow from operating activities before changes in working capital		**595**	**-7,104**
Changes in working capital			
Operating receivables		-3,973	219
Operating liabilities		2,889	3,547
Cash flow from operating activities		**-489**	**-3,338**
Cash flow from investing activities			
Investment in shares in subsidiaries	2	–	-12,063
Cash flow from investing activities		–	**-12,063**
Cash flow from financing activities			
New borrowings during the year		–	599
Other financial item	22-23	489	–
Dividend received		–	13,875
Cash flow from financing activities		**489**	**14,474**
Cash flow for the period		–	**-927**
Cash and cash equivalents at start of period		–	**927**
Cash and cash equivalents at end of period	2	–	**–**

Notes

Amounts in EUR thousand (TEUR)

Not 1 Accounting and valuation policies

The income statement and balance sheet of the parent company and the statement of comprehensive income and balance sheet of the Group are subject to adoption at the Annual General Meeting on 28 april 2025.
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as specified by the EU, as well as RFR in "Supplementary Accounting Rules for Groups" and the Swedish Annual Accounts Act. In addition, relating only to Swedish matters, the Swedish Financial Reporting Board has published the recommendation RFR 1 "Supplementary Accounting Rules for Groups" as well as other statements. This recommendation is to be applied by companies whose securities are listed on a Swedish stock exchange or authorised marketplace at the end of the reporting period and it specifies the rules and supplements to the IFRS disclosure requirements that are stipulated by the provisions of the Swedish Annual Accounts Act.

Bases of valuation and accounting policies
The consolidated financial statements have been prepared using principally historical cost. The key accounting policies applied in the preparation of the consolidated financial statements are presented below.

Unless otherwise stated, amounts are expressed in EUR thousand (TEUR) or other specified currency and refer to the period from 1 January to 31 December for items relating to the income statement and cash flows and to 31 December for items relating to financial position. There may be some discrepancies due to rounding. Any restatements of financial or operational data are disclosed where material.

Changes in accounting policies
Genexis Group has not early adopted any of the new or amended standards that become effective on or after January 1, 2024. There are no new or amended standards and interpretations applicable from January 1, 2024 that have had any material impact on the accounting of Genexis Group.

The Group's accounting policies for the recognition of revenue and direct costs related to component trading were changed in 2024. Revenue and direct costs are now reported on a net basis, instead of being reported as gross revenue and direct costs as previously. This change has reduced reported revenue for 2024 by approximately EUR 4,400 thousand, but has not impacted gross profit.

Assessments and uncertainty in estimates
The preparation of reports in accordance with IFRS requires the use of a number of key estimates for accounting purposes. In addition, the management is required to make certain assessments when applying the Group's accounting policies. Areas which involve a high degree of assessment, which are complex or which involve assumptions and estimates of material significance to the consolidated financial statements are described in Note 2.

Consolidated financial statement
Subsidiaries are all enterprises (including structured companies) over which the Group has a controlling influence. The Group controls an enterprise when it is exposed to, or has the right to, variable returns from its holding in the company and is able to exert an influence on such returns through its influence in the company. Subsidiaries are recognised in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used in the accounting of the Group's business acquisitions. The purchase consideration payable in order to acquire a subsidiary consists of the fair value of the transferred assets, liabilities and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities that result from an agreement on contingent consideration. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and liabilities assumed through a business acquisition are initially valued at fair value as of the date of acquisition. For each acquisition, the Group determines whether all non-controlling interests in the acquired enterprise are valued at fair value or the proportional share of the acquired enterprise's net assets.

The amount by which the purchase consideration, any non-controlling interest and the fair value at the acquisition date of previous shareholdings exceeds the fair value of the Group's share of identifiable net assets acquired, is recognised as goodwill if the amount is less than the fair value of the acquired subsidiary's assets. In the event of a 'bargain purchase', the difference is reported directly in the statement of comprehensive income.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of Genexis Group AB has appointed a strategic steering group to evaluate the Group's financial position and results and to take strategic decisions. The steering group, which is identified as the chief operating decision maker, comprises the CEO, the Deputy CEO and the CFO.

The segment information provided is based on the same accounting policies as those of the Group as a whole. Transactions between segments are based on market terms. Alongside Net sales and Gross profit, the key governance and reporting term is adjusted EBITDA. Operating segment assets comprise total assets less current and non-current investments, tax assets and cash and cash equivalents. Operating segment liabilities comprise total liabilities less non-operating interest-bearing liabilities, provisions for pensions and employment contracts, accrued interest and tax liabilities. See Note 4 for further information.

Foreign currency conversion
The financial statements of the Group's companies are reported in the currency of the primary economic environment in which the subsidiary operates, its functional currency. The consolidated financial statements are presented in Euro, which is the Group's and the parent company's reporting currency.

Intangible assets

Research and development expenditure – in-house development

The Group develops software and hardware for CPEs. Development costs are capitalised in accordance with IAS 38 'Intangible Assets' when the following criteria are met:

• The Group possesses sufficient technical competence to complete the product and its functions.

• The management intends to complete the product and the prerequisites for selling it are in place.
• The asset is expected to provide future economic benefits.
• The Group believes that the resources needed to complete development of the asset are available.
• Development costs can be reliably determined.

The Group's assessment of this principle for ongoing development projects is presented in the section entitled 'Key estimates and assessments' (Research and development costs).

Development costs for the product are recognised as an intangible fixed asset at cost from the date on which the above criteria are met. Expenses incurred before that date will continue to be recognised as costs. The cost includes direct costs for completion and product testing, including employee remuneration.

Amortisation is applied on a straight-line basis in order to allocate development costs based on estimated useful life. Amortisation commences once development is complete. The useful life is based on the underlying main earnings period. The amortisation period for capitalised development expenses for CPEs is five years.

Tangible fixed assets
Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. The Group's estimated useful lives are as follows:

Machinery (Tooling and CE)	5 years
Equipment and tools	5 years
Computers	5 years

The residual values and useful lives of the assets are reviewed at each balance sheet date and adjusted if necessary.

Impairment of non-financial fixed assets
Goodwill that has an indeterminate useful life is tested annually for impairment. Impairment testing is carried out on tangible and intangible fixed assets that are written down whenever internal or external indications of possible impairment are identified.
Any impairment is implemented at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value less selling costs or its value in use, whichever is the greater. Value in use refers to the sum of the present value of expected future cash flows and the estimated residual value at the end of the useful life. When determining value in use, future cash flows are discounted at an interest rate that takes into account the market's assessment of risk-free interest rate and risk. Within the Group, the calculation is based on results achieved, forecasts and business plans. When assessing impairment, assets are grouped at the lowest levels at which separate identifiable cash flows exist (cash-generating units). During the assessment for the year, the recoverable amount was determined by testing the value in use. The value is based on the discounted cash flows with a discount factor of 12%. The outcome shows that the business's estimated future cash flows more than justify the values on the balance sheet.Investments in subsidiaries are recognised in the parent company at cost, and any need for impairment is evaluated as of each closing date.

Leasing
At the inception of an agreement, an assessment is made as to whether the agreement is, or contains, a lease. An agreement is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
For lease contracts where the Group is the lessee, a right-of-use asset and a corresponding lease liability are recognized, except for short-term leases and leases of low-value assets. In such cases, the lease payments are expensed on a straight-line basis.The Group's leases mainly relate to office premises, and to a lesser extent, vehicles.

Financial instruments
Financial assets are classified into three categories: measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.
The classification is based on the Group's business model for managing the asset and the characteristics of the asset's contractual cash flows.Trade receivables and cash and cash equivalents are measured at amortized cost. Currently, the Group does not hold any assets measured at fair value through other comprehensive income

Impairment of financial assets
The Group applies the simplified approach under IFRS 9 to the calculation of provisions for expected credit losses on accounts receivable. This method entails making a provision for expected credit losses for the full lifetime of the accounts receivable. When calculating the expected credit losses, the accounts receivable have been grouped according to the number of days overdue. Expected credit losses on accounts receivable not yet due have not been calculated at the closing date. The impairment losses that could apply to other financial assets that are within the scope of expected credit losses have been deemed insignificant.

Cash and cash equivalents
Cash and cash equivalents include cash, bank balances and other short-term investments with a maturity of not more than three months from the date of acquisition. Overdraft facilities are recognised as borrowing under current liabilities to the extent that they are utilised.

Financial liabilities

Loan liabilities
Loan liabilities are initially measured at fair value, net of transaction costs, and subsequently at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated when the liability was incurred. This means that surpluses and deficits, as well as direct issue costs, are accrued over the life of the liability.

Accounts payable
Accounts payable are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Inventories
Inventories are recognised at cost or net realisable value, whichever is lower. Cost is a mean value of all purchases based on the first in-first out method (FIFO). Net realisable value is the estimated selling price in operating activities. The necessary provision for obsolescence has been made following an individual assessment. As inventories are sold, the carrying amount is expensed in the period in which the corresponding income is recognised. Losses on inventories are recognised in the income statement in the period to which the loss relates.

Current and deferred tax
The current tax expense is calculated based on the tax rules in force as of the closing date or applicable in practice in the countries in which the parent company's subsidiaries operate and generate taxable revenues. The management regularly evaluates the claims made in tax returns regarding situations where the applicable tax rules are subject to interpretation and, where deemed appropriate, makes provisions for amounts likely to be paid to the tax authorities.
Deferred tax is recognised in full, according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and their recognised values in the consolidated financial statements
However, deferred tax is not recognised if it arises as a result of a transaction constituting the initial recognition of an asset or liability which is not a business acquisition and which does not affect the accounting or taxable profit at the time of the transaction. Deferred income tax is determined by applying tax rates (and laws) which have been introduced or announced as of the closing date and which are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled. Deferred tax assets are recognised insofar as it is probable that future tax surpluses will be available, against which the temporary differences can be utilised.

Employee remuneration

Pension commitments

The group companies have defined contribution pension plans, which are recognised in accordance with RFR2. The pension plans are usually financed through payments to insurance companies. The Group has no additional payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due for payment.

Severance pay

Severance pay is payable when an employee's employment is terminated by the Group prior to the normal retirement date or when an employee accepts voluntary redundancy in exchange for such benefits. The Group recognises severance pay when the Group is demonstrably obligated either to terminate the employment of employees according to a detailed formal plan without the possibility of revocation, or to provide termination benefits as a result of an offer made to encourage voluntary resignation. Benefits that fall due more than 12 months after the closing date are discounted to present value.

Variable remuneration

The Group recognises a liability and a cost for bonuses, based on the results achieved and targets set by the Board of Directors. The Group recognises a provision when there is a legal obligation or a constructive obligation due to past practice.

Provisions

Provisions are recognised when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment, and the amount has been reliably calculated. Provisions in the Group consist of additional purchase considerations from acquisitions, in addition to obligations to customers that are based on the customer having the right to claim warranty compensation for a defect in a product or a function in a sold product.

Contingent liabilities

A contingent liability is recognised when there is a possible commitment arising from events which have occurred and this occurrence can be confirmed only by one or more uncertain future events. A contingent liability is also recognised when there is a potential commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or a sufficiently reliable estimate of the amount cannot be made.

Revenue recognition

Net sales

Net sales consist mainly of broadband-related products, services and software in the form of CPE (Customer Premises Equipment), Residential Gateway products in the field of Fibre to the Home and Connected Home, complementary network products and software for embedded systems and operating systems for customer premises equipment (CPE). Revenue derives both from equipment and software sold separately and from bundled equipment and software. Sales revenue is recognised using a single, principles-based five-step model to be applied to all contracts with customers. Revenue is allocated to performance obligations (products and software) relative to the standalone selling prices of the individual elements. Revenue is recognised when (at a point in time) or as (over time) the performance obligations are satisfied, which is determined based on the manner in which control is passed to the customer.
Revenue is measured based on the amount of consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The promised consideration in a contract with a customer includes fixed amounts.

Product revenue

Revenue from the sale of customer equipment is recognised when control is passed to the customer, which is usually on delivery and following approval by the customer. If the customer has the right to return the product, the recognised revenue for expected returns is adjusted on the basis of historical data. Products are paid for immediately or over time according to the terms of the contract.

Other operating income and operating expenses

Other operating income and other operating expenses include gains and losses on the sale of shares or operations in subsidiaries and on the sale of tangible and intangible fixed assets. Goodwill impairment, government grants, operating foreign exchange differences, restructuring costs and other similar items are also recognised here. Government grants are initially recognised at fair value and are recognised as revenue at the same time as the costs they are intended to cover. Foreign exchange differences on operating transactions also include the effects of derivatives that economically hedge monetary assets and liabilities (economic hedging).

Financial income and financial expenses

Interest income and interest expenses are recognised in the period in which they arise. Interest on lease liabilities is recognised under interest expenses. Interest expenses include bank charges relating to loans, as well as fees paid to credit rating agencies. Interest expenses are not capitalised on qualifying assets.

Dividends
Dividends distributed to parent company shareholders are recognised as liabilities in the Group's financial statements in the period in which the dividend is approved by the parent company shareholders.

The parent company's accounting policies
The accounting policies of the parent company are essentially consistent with the consolidated financial statements. The parent company's financial statements were prepared in accordance with RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. RFR 2 specifies exemptions from and additions to the standards issued by IASB and statements issued by IFRIC. The exemptions and additions shall apply from the date on which the legal entity applies the specified standard or statement to its consolidated financial statements.

The parent company uses the forms of presentation set out in the Annual Accounts Act, which means, amongst other things, that a different presentation of equity is applied. Shares in subsidiaries are recognised at amortised cost after the deduction of any impairment. When there is an indication that shares and participations in subsidiaries have fallen in value, the recoverable amount is calculated. If the recoverable amount is less than the carrying amount, impairment is implemented. Impairment is recognised under Income from participations in group companies. In the parent company, dividends received from subsidiaries are recognised as income when it is probable that they will be received by the Company.

Note 2 Financial risk management

Through its international operations, the Group is exposed to various types of financial risk – market risk (currency risk and interest rate risk), credit risk and liquidity/financing risk. The financial risk management of the Group's units takes place in accordance with the Group's finance policy, focuses on the unpredictability of the financial markets and attempts to minimise potential unfavourable effects on financial results and liquidity due to financial risks. The principles of financial risk management are described below.

Organisation and activities
The Group's finance policy, which is adopted by the Board of Directors, represents a framework of guidelines and regulations for the management of financial risks and financial activities. The Group's financial activities, including the negotiation of borrowing agreements, the use of interest rate derivatives, currency flow management, etc., are coordinated centrally.

Capital structure
The Group's capital structure is designed to secure the Group's ability to continue operating, to generate a good return for shareholders and to deliver value to other stakeholders. Maintaining an optimal capital structure keeps capital costs at a low level. The Group can adapt the capital structure as the need arises by changing the dividend paid to shareholders, repaying capital to shareholders, issuing new shares or selling assets to reduce debt. The Group assesses the need for capital based on factors such as the ratio of net debt to equity. The Group does not apply hedge accounting in accordance with the rules of IAS 39.

Market risk

Currency risk
The Group is an international group of companies with activities in several countries, while the presentation currency is the euro (EUR). This results in the Group being exposed to currency risks, because changes in exchange rates can have a negative impact on equity. In order to reduce these risks, the Group occasionally uses forward currency contracts to manage the risk. Exposure to currency fluctuations is usually divided into two main groups: translation exposure and transaction exposure.

Translation exposure
The foreign subsidiaries' assets minus liabilities constitute a net investment in foreign currency, which gives rise to a translation difference upon consolidation. Such translation differences are posted directly to the Group's equity and are recorded under reserves. The Group has no hedging of its net investments in foreign currency. One associated form of translation exposure is the profit that is generated during the year in the foreign subsidiaries and that therefore affects foreign equity on an ongoing basis. As in the above description of net investment in foreign subsidiaries, the profit generated during the year has not been hedged either.

Transaction exposure

Transaction exposure usually means both exposure originating from commercial flows, i.e. sales and purchases across borders, and exposure from financial flows. The Group's operations are characterised by the fact that the majority of purchases are made in USD. To counteract the negative currency effects of this, some of the exposure from selling in other currencies is hedged. In addition, some sales are also made in USD or are contractually hedged against exchange rate fluctuations. This means that the Group's exposure to foreign exchange losses is relatively limited. The management assesses on a case-by-case basis whether, and if so when, significant commercial flows in foreign currency arise.

A general strengthening or weakening of EUR against all other currencies would not result in a significant change in net financial income based on exposures and exchange rates as at 31 December 2024.

Interest rate risk concerning cash flows and fair values

As the Group has no significant interest-bearing assets, the Group's income and cash flow from operating activities are essentially unaffected by fluctuations in market rates. The Group's interest rate risk arises primarily through long-term borrowing. Borrowing that is arranged with a variable interest rate exposes the Group to an interest rate risk in respect of cash flow. Borrowing that is arranged with a fixed interest rate exposes the Group to an interest rate risk in respect of fair value. The Group's borrowing from credit institutions is linked to Euribor or similar with a fixed surcharge. This does not apply, however, to the subordinated shareholder loan, which has a fixed interest rate. See also Note 22 Borrowing for a description of the key conditions for borrowing.

Credit risk

Credit risk, or counterparty risk, is the risk that the counterparty in a financial transaction fails to fulfil its obligations on the due date.

Rating

Another key variable in assessing the Group's capital structure is the credit rating allocated to the Group's liabilities by credit rating agencies. Maintaining a good credit rating is vital for securing access to both long-term and short-term financing from the capital markets as needed. The Group monitors its credit rating at both overall and local level in order to ensure a strong rating vis-à-vis stakeholders.

Customer credit risk

In addition to general monitoring at Group level, there is more detailed follow-up of customer credit risks at local level, close to the customer. Customer credit risk is the risk of customers failing to meet their commitments. If the creditworthiness of customers is assessed by independent rating agencies, these assessments are used. In cases where there is no independent credit assessment, a risk assessment is performed of the customer's creditworthiness, taking into account the customer's financial position, as well as previous experiences and other factors. No concentrations of credit risk are deemed to exist. The maximum exposure to credit risk consists of the carrying amount of financial assets. The Group values its future expected credit losses, relating to investments in debt instruments recognised at amortised cost and fair value respectively, through changes in other comprehensive income based on forward-looking information. The provision method chosen is based on whether or not there has been a significant increase in credit risk. In accordance with the rules of IFRS 9, the Group applies a simplified method for the impairment testing of accounts receivable. The simplification means that the provision for expected credit losses is based on the loss risk for the full lifetime of the receivable and is recognised when the receivable is first recognised. An account receivable is written off and recognised as a confirmed loss when information is received that the customer is unlikely to be able to pay an invoice, for example due to bankruptcy or failed distraint attempts.

Liquidity risk/Financing risk

The objective with regard to the capital structure is to secure the Group's ability to continue operating so that it can continue to generate a return for shareholders and value for other stakeholders, and to maintain an optimal capital structure in order to minimise the cost of capital. The table below shows the undiscounted cash flows that originate from the Group's liabilities in the form of financial instruments, based on the earliest remaining maturities as at the closing date. The amounts which fall due within 12 months correspond to the carrying amounts, because the effect of discounting is immaterial. Amounts in foreign currency and amounts payable based on a variable interest rate have been estimated using the exchange rates and interest rates as at the closing date. In the same way as other companies in the industry, the Group assesses capital based on the leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (the comprehensive items Short-term borrowing and Long-term borrowing on the Consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as Equity on the Consolidated balance sheet plus net debt.

Group interest rate risk

Amounts in EUR thousand		Amount	Percentage of total
As at 31 December 2024			
Fixed-rate loans			
– interest rate			
adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	92%
More than 5 years	Shareholder loans	4,940	8%
Total		**59,940**	**100%**

Group interest rate risk

Amounts in EUR thousand		Amount	Percentage of total
As at 31 December 2023			
Fixed-rate loans			
– interest rate			
adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	93%
More than 5 years	Shareholder loans	4,409	7%
Total		**59,409**	**100%**

Parent company interest rate risk

Amounts in EUR thousand		Amount	Percentage of total
As at 31 December 2024			
Fixed-rate loans			
– interest rate			
adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	92%
More than 5 years	Shareholder loans	4,940	8%
Total		**59,940**	**100%**

Parent company interest rate risk

Amounts in EUR thousand		Amount	Percentage of total
As at 31 December 2024			
Fixed-rate loans			
– interest rate			
adjustment date or maturity date:			
Within 1 year			
1–5 years	Bond loans	55,000	93%
More than 5 years	Shareholder loans	4,409	7%
Total		**59,409**	**100%**

Group

As at 31 December 2024	**2024**	**2023**
Total borrowing	59,940	59,409
Cash and cash equivalents	3,987	2,132
Net debt	**63,927**	**61,541**
Total equity	16,656	25,961
Total capital	**80,583**	**87,502**
Leverage ratio (equity)	384%	237%

External financing

The Group’s long-term loan financing consists primarily of a sustainability-linked bond of EUR 55 million (55) with a maturity of 4 years. The bond is listed on Nasdaq Stockholm. The size of the loan has not been affected by currency fluctuations. Cash and cash equivalents amounted to EUR -3,987 million (-2,132).Factoring is applied to the invoicing of specific larger customers in Germany and the Netherlands, ensuring a more even and secure cash flow. Total factoring capacity is EUR 5 million. The factoring agreement contains a standard “Change of Control” clause. This clause gives the factoring company the right, in certain circumstances, to request renegotiation of the terms or to terminate the agreements if the control of the company changes.

Group Currency exposure	EUR	USD	SEK	GBP	DKK	NOK	Other	Total
Amounts in TEUR								
As of December 31, 2024								
Accounts receivable	3,153	7,108	539	–	76	217	–	11,093
Accounts payable	- 2,293	- 11,989	- 568	- 24	- 144	- 11	- 19	- 15,048
Total	**860**	**- 4,881**	**- 29**	**- 24**	**- 68**	**206**	**- 19**	**- 3,955**

Group Currency exposure	EUR	USD	SEK	GBP	DKK	NOK	Other	Total
Amounts in TEUR								
As of December 31, 2023								
Accounts receivable	1,897	3,695	332	383	197	471	–	6,975
Accounts payable	- 1,031	- 7,485	- 356	- 32	- 19	- 89	–	9,012
Total	**866**	**- 3,790**	**- 24**	**351**	**178**	**382**	**–**	**- 2,037**

Note 3 Key estimates and assessments when applying the Group’s accounting policies

The Group makes estimates and assumptions concerning the future. Estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. Estimates and assumptions that pose a significant risk of material adjustments to the amounts recognised for assets and liabilities during the next financial year are outlined below. The assessment of capitalised development costs is based on what these are expected to generate in the future in terms of profit and cash flow. The euro (EUR) is used as the presentation currency in the consolidated financial statements. The functional currency of the parent company is the euro (EUR), reflecting the currency in which operating activities are principally conducted. The operations of Genexis Group AB (the parent company) comprise the management of, and provision of advice to, its subsidiaries. Revenues comprise management fees and service charges and are contracted and invoiced in EUR. Operating expenses mainly consist of salaries, consultancy fees and system costs and their inflows are in SEK (salaries, system costs and some consultancy fees) and in EUR (consultancy fees). Interest payments on the bond are in EUR. Consequently, the company has made the assessment that the functional currency is EUR.

Goodwill

Goodwill is the amount by which the acquisition cost exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill relating to acquisitions of subsidiaries is recognised as an intangible asset. The most significant assumptions in the calculations of the value in use were sales growth, development of Adjusted EBITDA margin, weighted average cost of capital (WACC), and terminal value for growth in free cash flow. The calculations of the value in use were based on forecasts approved by management, which, in their assessment, reflect historical experiences, forecasts in industry studies, and other externally available information. The Group examines annually whether there is any need for impairment of goodwill. For the year 2024, the recoverable values for cash-generating units (CGUs) were determined by calculating the value in use, which requires certain assumptions to be made. The calculations are based on cash flow forecasts based on budgets approved by management for the next five years. Cash flows after the five-year period are extrapolated using the growth rate specified below. The growth rate used is consistent with industry forecasts for each CGU's respective industry.

For each CGU to which a significant amount of goodwill has been allocated, the essential assumptions used when calculating the value in use are specified below:

2024	FTTH	Connected Home	Other
Sales volume (% annual growth rate)	19%	14%	24%
Sales price (% annual growth rate)	38%	40%	35%
Budgeted gross margin (%)	14,000	6,000	6,000
Annual investments (TEUR)	3,400	1,200	1,500
Long-term growth rate (%)	15%	15%	15%
Discount rate before tax (%)	12%	12%	12%

2023	FTTH	Connected Home
Sales volume (% annual growth rate)	22%	25%
Sales price (% annual growth rate)	40%	43%
Budgeted gross margin (%)	13,000	17,000
Annual investments (TEUR)	2,600	4,500
Long-term growth rate (%)	15%	15%
Discount rate before tax (%)	12%	12%

The management has determined the values for the significant assumptions above as follows:

Assumption	Method used to determine value
Sales volume	Average growth rate over the five-year forecast; based on historical performance and the management's assessment of market trends.
Sales price	Average growth rate over the five-year forecast; based on current industry trends, taking into account long-term inflation forecasts for each country.
Budgeted gross margin	Based on historical performance and the management's future assessment.
Other operating expenses	Fixed costs for cash-generating units, which do not vary significantly with sales volumes or prices. The management assesses these costs based on the current organisational structure, adjusted for increases in inflation but not taking into account future restructuring or cost-cutting measures. The amounts stated above are average operating expenses for the budgeted five-year period.
Annual investments	Annual investment expenditure refers to improvement costs in each cash-generating unit. These are based on the Group management's previous experience and plans for necessary improvements. No additional revenue or cost savings that may result from these investment costs are taken into account in calculating the value in use.
Long-term growth rate	The average growth rate used to extrapolate cash flows after the forecast period.The growth rate is in accordance with forecasts in industry reports
Discount rate before tax	Reflects specific risks in the relevant segments and in the countries in which they operate.

Impairment testing of goodwill

Every year, the Group examines whether there is any indication of impairment with regard to goodwill, in accordance with the accounting policy described in the section on Impairment of non-financial fixed assets. The recognised goodwill arose from the acquisition of Inteno Group on 22 September 2022. During the assessment for the year, the recoverable amount was determined by testing against fair value. Fair value is based on the Group's discounted cash flows with a discount factor of 12%. The outcome shows that the Group's estimated future cash flows more than justify the values on the balance sheet.

Provision for additional payments for acquisitions (additional purchase considerations)

Provisions are recognised when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment, and the amount has been reliably calculated.The Group recognises provisions for future acquisition payments at the time of acquisition.

Research and development expenses

Expenses attributable to research are recognised on an ongoing basis as costs, provided it is uncertain what the future economic benefits from these costs will be. Software development is generally a complex and risky activity that does not always result in a product for sale. Product development costs are capitalised and this takes place when the Group considers that the product can be completed and will be sellable so as to provide future economic benefits. The Group makes estimates and assumptions concerning the future. Estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. Estimates and assumptions that pose a significant risk of material adjustments to the amounts recognised for assets and liabilities during the next financial year are outlined below. The assessment of capitalised development costs is based on what these are expected to generate in the future in terms of profit and cash flow.

Financing of the operations

The board of directors is continuously working on various financing alternatives to ensure continued operations. Despite the negative working capital by the end of the quarter, the board remains confident that the liquidity situation will remain stable throughout the year. Genexis Group has implemented appropriate measures to ensure continuous monitoring and sound financial planning. The recurring credit facility combined with the additional financing from the owners brings confidence to the going concern assumption. Furthermore, the owners are actively engaged in resolving the outstanding earn-out position, and the board of directors anticipates that it will be settled in a constructive and mutually beneficial manner. Therefore, it is the board of directors' assessment that the company has sufficient financing for the company to continue operations on a going concern basis.

Note 4 Net sales by operating segment and geographic market

Group

Segment information

1January - 31 December 2024	**Business Unit FTTH**	**Business Unit Connected Home**	**Other**	**Group**
Net sales				
Benelux	13,572	377	531	14,480
DACH	17,406	957	455	18,818
Nordics	8,917	13,132	8,700	30,749
UK	659	2,083	7	2,749
Other	90	1,413	1,573	3,076
Net sales	**40,644**	**17,962**	**11,266**	**69,872**
Other income	–	–	2,470	2,470
Capitalised development	1,147	1,697	557	3,401
Total income	**41,791**	**19,659**	**14,294**	**75,744**
Raw materials and goods for *resale*	-25,395	-9,809	-10,780	-45,984
Gross Profit	**16,396**	**9,850**	**3,513**	**29,759**
Other external costs	-2,466	-4,789	-12,842	-20,097
EBITDA	**13,930**	**5,061**	**-9,329**	**9,662**
Depreciation, amortisation and impairment	-4,503	-6,603	-8	-11,114
EBIT	**9,427**	**-1,542**	**-9,337**	**-1,452**
Number of employees				144

Segment assets by geographical area	**FTTH**	**Connected Home**	**Group**
Sweden	9,842	47,832	57,674
Other Nordic countries	–	2,130	2,130
Netherlands	55,115	–	55,115
Rest of Europe	1,070	–	1,071
North America	554	–	554
Total Segment assets	**66,582**	**49,962**	**116,544**

1January - 31 December 2023	**Business Unit FTTH**	**Business Unit Connected Home**	**Other**	**Group**
Net sales				
Benelux	10,713	915	964	12,592
DACH	17,521	489	162	18,172
Nordics	6,017	15,784	11,133	33,935
UK	491	2,354	–	2,846
Other	400	2,034	711	3,144
Net sales	**35,142**	**21,576**	**12,970**	**69,872**
Other income	–	–	2,494	2,494
Capitalised development	2,357	4,495	–	6,852
Total income	**37,499**	**26,071**	**15,464**	**79,034**
Raw materials and goods for *resale*	-22,333	-12,589	-12,044	-46,966
Gross Profit	**15,166**	**13,482**	**3,420**	**32,068**
Other external costs	-3,055	-6,229	-15,065	-24,349
EBITDA	**12,111**	**7,253**	**-11,645**	**7,719**
Depreciation, amortisation and impairment	-4,814	-6,534	-1,077	-12,425
EBIT	**7,297**	**719**	**-12,722**	**-4,706**
Number of employees				**156**

Segment assets by geographical area	**FTTH**	**Connected Home**	**Koncernen**
Sweden	57,491	39,570	97,061
Other Nordic countries	–	1,431	1,431
Netherlands	17,054	–	17,054
Rest of Europe	3,010	–	3,010
Total Segment assets	**77,555**	**41,001**	**118,556**

Net revenue by geographical market		
Sweden	9,196	14,218
Other Nordic countries	21,553	18,717
Rest of Europe	34,710	33,609
Rest of the World	4,413	3,144
	69,872	**69,688**

	2024	*2023*
Parent company		
Net sales by business segment		
Intercompany sales	2,426	1,144
	2,426	**1,144**

Note 5 **Other operating income and other operating expenses**

	2024	*2023*
Group		
Foreign exchange differences	2,426	2,494
Other	5	–
	2,470	**2,494**
Parent company		
Other	11	15
	11	**15**

Note 6 **Audit fees**

Audit assignment refers to the examination of the annual financial statements and accounting, as well as the administration of the Board of Directors and the CEO, other duties that it is incumbent upon the Group's auditor to perform, and advice or other assistance arising from observations made during such examination or the performance of such other duties. Everything else is divided into tax consultations and other assignments.

	2024	*2023*
Group		
PwC		
Audit assignment	142	226
Other assignments	18	7
Other auditors		
Audit assignment	12	30
Total	**172**	**263**
Parent company		
PwC		
Audit assignment	63	91
Other assignments	18	–
Total	**81**	**91**

Note 7 Employees, personnel expenses and board fees

Average number of employees

	2024	Of which men	2023	Of which men
Parent company				
Sweden	1	100%	1	100%
Total parent company	**1**	100%	**1**	100%
Subsidiaries				
Sweden	50	75%	58	75%
Norway	5	100%	5	80%
Finland	5	80%	6	80%
Denmark	2	100%	2	100%
Belgium	5	100%	6	93%
Germany	9	89%	5	75%
Netherlands	60	83%	71	79%
United Kingdom	3	100%	1	100%
Poland	1	100%	–	0%
Italy	–	0%	1	100%
US	1	100%	–	0%
China	1	100%	–	0%
Turkey	1	100%	–	0%
Total in subsidiaries	**143**	82%	**155**	78%
Group total	**144**	82%	**156**	78%

Reporting of gender distribution among senior executives

	31/12/2024 Proportion of women	*31/12/2023 Proportion of women*
Group total		
Board members,	20%	40%
Other senior executives	12%	12%
Parent company		
Board members,	20%	40%
Other senior executives	0%	0%

Salaries and other compensation, as well as social costs, including pension costs

	2024			*2023*		
	Salaries and remuneration		*Social security expenses*	*Salaries and remuneration*		*Social security expenses*
Parent company	197		98	226		99
(of which pension cost)		*1)*	*(36)*		*1)*	*(71)*
Subsidiaries	9,289		2,921	11,532		3,430
(of which pension cost)			*(992)*			*(1,103)*
Group total	**9,486**		**3,019**	**11,758**		**3,529**
(of which pension cost)		*2)*	*(1,028)*		*2)*	*(1,174)*

1) Of the parent company's pension costs - (28) refer to the company's CEO

2) Of the Group's pension costs - (9) refer to the company's CEO.

Salaries and other compensation distributed between board members, etc., and other employees

	2024		2023	
	Board members and CEO	*Other employees*	*Board members and CEO*	*Other employees*
Parent company	87	110	69	157
(of which bonuses, etc.)	*(–)*		*(–)*	
Subsidiaries	21	9,268	213	11,319
(of which bonuses, etc.)	*(–)*		*(–)*	
Group total	**108**	**9,378**	**282**	**11,476**
(of which bonuses, etc.)	*(–)*		*(–)*	

Compensation of senior executives

Group	2024			
KEUR	*Base salary, Board fees*	*Variable salary*	*Other benefits*	*Pension costs*
Chairman of the Board				
Daniel Winberg	–	–	–	–
Board members				
Victoria Sheer	–	–	–	–
Eric von Schagen	–	–	–	–
Jonas Hasselberg	30	–	–	–
Angelique Schouten	28	–	–	–
Chief Executive Officer				
**Gerlas van den Hoven*	21	–	–	–
**, Other senior executives (6 persons)	777	–	–	101
Total	**856**	**–**	**–**	**101**

* The Group's CEO, Gerlas van den Hoven, has a consultancy agreement and invoiced the Group 337 kEUR for the financial year 2024.

** Among other senior executives are the Deputy CEO and COO for Connected Home, who have a consultancy agreement. For the financial year 2024, 314 kEUR was invoiced for time spent.

Group	2023			
KEUR	*Base salary, Board fees*	*Variable salary*	*Other benefits*	*Pension costs*
Chairman of the Board				
Daniel Winberg	–	–	–	–
Board members				
Victoria Sheer	–	–	–	–
Eric von Schagen	–	–	–	–
Jonas Hasselberg	22	–	–	–
Angelique Schouten	–	–	–	–
Chief Executive Officer				
**Gerlas van den Hoven*	17	–	–	–
**, Other senior executives (6 persons)	726	168	–	98
Total	**765**	**168**	**–**	**98**

* The Group's CEO, Gerlas van den Hoven, has a consultancy agreement and invoiced the Group 403 kEUR for the financial year 2023.

**Among other senior executives are the Deputy CEO and COO for Connected Home, who have a consultancy agreement. For the financial year 2023, 328 kEUR was invoiced.

Note 8 Financial income

	2024	2023
Group		
Interest income	138	99
Foreign exchange gains	5	126
Other	5	–
	148	**225**
Parent company		
Interest income, group companies	6,112	10
Foreign exchange gains	19	498
	6,131	**508**

Note 9 Financial expenses

	2024	2023
Group		
Interest expenses, borrowing	-6,741	-6,356
Interest expenses, other	-531	-229
Interest expenses, IFRS 16	-32	-88
Other	-960	-809
	-8,264	**-7,482**
Parent company		
Interest expenses, group companies	-531	-489
Interest expenses, other	-6,263	-6,380
Currency exchange losses	-894	-71
Other	–	559
	-7,688	**-7,666**

Note 10 Tax

Reconciliation of effective tax

Group	*2024*	*2023*
Current tax for the year	*-835*	*-810*
Change in deferred taxes	*1,904*	*1,735*
Tax adjustment for previous years	*-57*	–
Total	***1,012***	***925***

Group	*Percent*	*Amount*	*Percent*	*Amount*
Profit/loss before tax		-9,033		-11,963
Income tax calculated at the parent company's current tax rate	20.6%	1,861	20,6%	2,464
Effect of other tax rates for foreign subsidiaries	1.4%	129	-0.9%	-111
Non-deductible expenses	-16.7%	-1,506	-15,6%	-1,867
Non-taxable income	4.1%	374	0,2%	23
Utilisation of previously non-capitalised loss carryforwards	0.1%	6	3.5%	414
Deferred tax assets utilized during the year	3.1%	279	0,0%	–
Tax adjustment for previous years	-0.6%	-57	0,0%	–
Other	-0.8%	-74	0,0%	2
Actual tax rate	**11.2%**	**1,012**	**7.7%**	**925**

Group	*2024*	*2023*
Unused loss carryforwards	**24,202**	**21,823**
Of which non-capitalised loss carryforwards	**15,318**	**15,883**

Parent company	*2024*	*2023*
Current tax for the year	–	–
Change in deferred taxes	*-113*	–
Tax adjustment for previous years	–	–
Total	***-113***	–

Parent company	*Procent*	*Belopp*	*Procent*	*Belopp*
Profit/loss before tax		-620		6,320
Income tax calculated at the parent company's current tax rate	20.6%	128	20.6%	-1,302
Non-deductible expenses	-39.8%	-247	24.7%	-1,560
Non-taxable income	0.0%	–	-45.2%	2,858
Utilisation of previously non-capitalised loss carryforwards	0.0%	–	0.6%	4
Other	1.0%	6	0.0%	–
Actual tax rate	**-18.3%**	**-113**	**0.7%**	**–**

Note 11 **Capitalized Expenditure for Software**

	31/12/2024	*31/12/2023*
Group		
Opening accumulated acquisition value	27,992	17,621
Investments	3,668	8,272
Reclassification/disposal	-5,992	2,565
Exchange-rate differences	-948	-466
Closing accumulated acquisition value	**24,720**	**27,992**
Opening accumulated amortization	-7,366	-1,511
Reclassification/disposal	5,992	1,511
Amortization	-6,257	-7,308
Exchange-rate differences	605	-58
Closing accumulated amortizations	**-7 026**	**-7,366**
Closing balance	**17,694**	**20,626**

Note 12 **Customer Contracts**

	31/12/2024	*31/12/2023*
Group		
Opening accumulated acquisition value	25,265	13,239
Reclassification/disposal	–	12,001
Exchange-rate differences	-296	25
Closing accumulated acquisition value	**24,969**	**25,265**
Opening accumulated amortization		
Reclassification/disposal	-7,119	-4,188
Amortization	-2,863	-2,325
Exchange-rate differences	155	-606
Closing accumulated amortizations	**-9,827**	**-7,119**
Closing balance	**15,142**	**18,146**

Note 13 Other intangible assets

	31/12/2024	31/12/2023
Group		
Opening accumulated acquisition value	6,989	1,633
Reclassification/disposal	–	5,615
Exchange-rate differences	-87	-259
Closing accumulated acquisition value	**6,902**	**6,989**
Opening accumulated amortization	-316	98
Amortization	-547	-1,289
Exchange-rate differences	-33	875
Closing accumulated amortizations	**-896**	**972**
Closing balance	**6,006**	**6,673**

Note 14 **Goodwill**

	31/12/2024	31/12/2023
Group		
Opening accumulated acquisition value	53,274	64,061
Reclassification/disposal	–	-6,524
Exchange-rate differences	-1,053	-4,263
Closing accumulated acquisition value	**52,221**	**53,274**
Closing balance	**52,221**	**53,274**

Note 15 **Right-of-use assets**

	31/12/2024	31/12/2023
Group		
Opening accumulated book value	3,697	3,697
New leases	1,609	–
Modifications, Remeasurements and cancellations	-459	–
Exchange-rate difference	-75	–
Closing accumulated value	**4,772**	**3,697**
Opening accumulated depreciation	-3,070	-2,275
Modifications, Remeasurements and cancellations	1,034	–
Depreciation	-477	-743
Exchange-rate difference	60	-52
Closing accumulated accumulated depreciation	**-2,453**	**-3,070**
Closing balance	**2,319**	**627**

Note 16 **Machines & Inventory**

	31/12/2024	31/12/2023
Group		
Opening accumulated acquisition value	2,966	2,112
Investments	162	429
Sold, scrapped	-125	–
Exchange-rate difference	-40	425
Closing accumulated value	**2,963**	**2,966**
Opening accumulated depreciation	-904	-144
Reversed depreciation on disposals	52	–
Reclassification	38	–
Depreciation	-731	-760
Closing accumulated depreciation	**-1,545**	**-904**
Closing balance	**1,418**	**2,062**

Note 17 **Participations in group companies**

	31/12/2024	31/12/2023
Opening carrying amount	117,518	117,518
Carrying amount	**117,518**	**117,518**
Closing carrying amount	**117,518**	**117,518**

Specification of the parent company's direct holdings of shares in group companies

Name, Organisation number, Registered office	*Number of shares*	*Share (%)*	31/12/2024 Carrying *amount*	31/12/2023 Carrying *amount*
Genexis International AB, 559058-0634, Stockholm	256 410	100,0	117,518	117,518
			117,518	**117,518**

Note 18 **Deferred tax**

Group	*31/12/2024*	*31/12/2023*
Deferred tax assets		
Opening value	1,483	970
Recognised in the income statement	679	371
Effect of change in accounting policy	–	142
Translation differences	-50	–
	2,112	**1,483**
Deferred tax liabilities		
Opening value	9,939	1,713
Recognised in the income statement	-1,225	-1,368
Effect of change in accounting policy	–	-129
Reclassification PPA	–	9,685
Translation differences	-162	38
	8,522	**9,939**

Group	*31/12/2024*	*31/12/2023*
Deferred tax assets relate to		
Tax loss carryforward	1,868	1,341
Temporary differences in tangible fixed assets	244	142
Deferred tax asset	2,112	1,483
Netting	-2,112	-1,457
Deferred tax asset (net)	**–**	**26**

Group		
Deferred tax liabilities relate to		
Temporary differences in intangible fixed assets	-8,552	-9,939
Deferred tax liability	-8,552	-9,939
Netting	2,112	1,457
Deferred tax asset (net)	**-6,440**	**-8,421**

Parent company		
Deferred tax assets		
Opening value	121	121
Recognised in the income statement	-113	–
	–	–
	8	**121**
Deferred tax assets relate to		
Tax loss carryforward	8	121
	8	**121**

Note 19 **Inventories**

	31/12/2024	*31/12/2023*
Group		
Goods in transit	26	60
Obsolescence	-118	-687
Inventories of finished goods	9,209	9,178
	9,117	**8,551**

Note 20 **Accounts receivable**

	31/12/2024	31/12/2023
Group		
Accounts receivable	11,109	6,993
Provision for bad debts	-17	-18
Accounts receivable – net	**11,093**	**6,975**
Parent company		
Accounts receivable not overdue	**4,276**	**58**

	31/12/2024	31/12/2023
Group		
SEK	539	332
USD	7,108	3,695
NOK	217	471
EUR	3,153	1,897
DKK	76	197
GBP	–	383
Total	**11,093**	**6,975**
Provision for doubtful receivables		
Opening balance	**-18**	**-19**
Change during the period	1	1
Closing value	**-17**	**-18**
Accounts receivable not overdue	1,465	5,797
Less than 3 months	9,622	960
More than 3 months	6	218
Total	**11,093**	**6,975**

As of the balance sheet date, the group's overdue receivables amounted to EUR 9,628 thousand (11,178) and no impairment was deemed necessary.
In addition to overall monitoring at the group level, a more detailed follow-up of customer credit risks is conducted at the local level. No group transactionsinvolving credit risks are considered to exist.

Note 21 **Prepaid expenses and accrued income**

	31/12/2024	31/12/2023
Group		
Prepaid rent	59	175
Prepaid leases	–	–
Prepaid insurance expenses	6	18
Other items	928	844
	993	**1,037**
Parent company		
Prepaid rent	–	2
Accrued income	330	514
Other items	0	–
	330	**516**

Note 22 Borrowing

	31/12/2024	31/12/2023
Group		
Bond loans	55,000	55,000
Debts to group companies	4,940	4,409
Lease liabilities	1,189	–
Other loans	–	142
Total	**61,129**	**59,409**
Parent company		
Bond loans	55,000	55,000
Debts to group companies	4,940	4,409
Total	**59,940**	**59,409**

Note 23 Other liabilities

	31/12/2024	31/12/2023
Group		
Liability for additional purchase considerations	7,139	6,428
VAT payable	1,721	1,241
Lease liabilities	1,162	691
Employee-related liabilities	332	17
Other	438	275
Total	**10,792**	**8,652**
Parent company		
Liability for additional purchase considerations	7,139	6,428
VAT payable	102	–
Interest expenses	409	40
Total	**7,650**	**6,468**

Note 24 Accrued expenses and prepaid income

	31/12/2024	31/12/2023
Group		
Accrued employee-related costs	1,008	1,107
Other	806	2,660
	1,814	**3,767**
Parent company		
Accrued employee-related costs	33	41
Other	56	89
	89	**130**

Note 25 Pledged assets and contingent liabilities

Group	31/12/2024	31/12/2023
Pledged shares in subsidiaries	56,559	58,308
Pledged collateral for other loans	4,353	4,505
Total pledged collateral	**60,912**	**62,813**

Parent company	*31/12/2024*	*31/12/2023*
Pledged shares in subsidiaries	117,518	117,518
	117,518	**117,518**

Group		
Guarantee commitments in favour of Swedish Customs, SEK	–	100 000

Note 27 **Transactions with related parties**

Related parties are defined as companies or individuals that have significant influence over Genexis Group Key management personnel, board members, and their family members are considered to have significant influence, as well as the owner Inteno Holding AB and its owners, Accent Equity 2017 AB, Simac Techniek N.V., Unigesion Secondary V SCS-SICAV_RAIF, and Schelp Holding B.V.

Genexis Group has a liability to the owner Inteno Holding AB of EUR 4,940 thousand as of the balance sheet date, with an interest rate of 12%. During the year, EUR 530 thousand has been recognized as interest expenses.

The CEO's company, Schelp Holding B.V., invoices fees for time worked on behalf of Genexis B.V. The fee is considered to be at arm's length and amounts to EUR 337 thousand for 2024.

The key management personnel's company, Eldjarn AB, invoices for time worked on behalf of the Group, including travel expenses. The fee is considered to be at arm's length and amounts to EUR 323 thousand for 2024.

Genexis Group has a liability regarding additional purchase consideration to previous owners who are affiliated with the current owners or related parties. The liability amounts to EUR 7,139 thousand as of the balance sheet date. The interest on the liability is EURIBOR 3M plus 750 bps. During the year, the interest expense amounted to EUR 711 thousand.

The Group's CEO is the majority owner of the company GX India, which provides services to the Group. In 2024, the Group's total expenses amounted to EUR 945 thousand. The business relationship with GX India has been ongoing for a long time and is conducted on arm's length terms.

Note 28 **Overdraft facility**

	31/12/2024	*31/12/2023*
Group		
Utilized overdraft facility	-3 987	-2 132
The approved overdraft facility amounts to EUR 5,833 thousand	**-3 987**	**-2 132**

Note 29 **Other notes to the cash flow statement**

Adjustments for items not included in cash flow, etc.

	2024	*2023*
Group		
Adjustment for repayment of lease liability	-570	–
Adjustment and increase in provision for liabilities	–	50
	-570	**50**

	2024	*2023*
Parent company		
Unrealized exchange rate differences	22	-268
Other reserves	711	–
	733	**-268**

Note 30 **Leases**

The Group leases space primarily for office and warehouse premises. Other leases relate mostly to cars, work vehicles, office equipment and IT equipment. Leases are negotiated on an individual basis and involve different terms and lease periods. The lease terms do not contain any variable fee elements. Leases often contain extension options of different lengths, to be determined at the discretion of the management. Lease liabilities (and right-of-use assets) include the non-cancellable lease period as well as both extension periods and cancellable periods.

Other than short-term leases, the estimated lease periods, including estimated extension periods and cancellable periods, vary between 2 and 6 years, which aligns with the average useful life of right-of-use assets for 2024

The following amounts relating to leases are recognised in the income statement:	*2024*	*2023*
Group		
Other external costs	540	747
Depreciation and impairment	-477	-743
Financial expenses	-32	-88
Income tax	-7	14
Total	**24**	**-70**

The following amounts relating to leases are recognised on the balance sheet:	*2024*	*2023*
Assets		
Tangible fixed assets	2,319	628
Deferred tax assets	8	15
Equity		
Retained earnings, including profit/loss for the year	25	49
Non-current liabilities		
Other liabilities	-1,189	–
Current liabilities		
Other liabilities	-1,163	-692
Total	–	–

The following amounts relating to leases are recognised in the cash flow statement:	*2024*	*2023*
Cash flow from operating activities		
Operating profit/loss	63	4
Interest paid	32	88
Cash flow from operating activities before changes in working capital		
Changes in working capital	**95**	**92**
Operating receivables	–	111
Operating liabilities	–	9
Cash flow from operating activities	**–**	**120**
Amortisation	-625	-619
Cash flow from financing activities	**-625**	**-619**
Cash flow for the period	**-530**	**-407**

Note 31 Correction of comparative figures for 2023

During the preparation of the 2024 annual financial statements, an error in the reported figures for 2023 was discovered. Consequently, the comparative figures for 2023 have been corrected. The adjustment pertains to income tax, where the reported amount for the current year's tax has been adjusted by EUR 570 thousands, from EUR 355 thousands to EUR 925 thousand. The net result for the year increases from EUR -11,608 thousand to EUR -11,038 thousand.The same amount subsequently increases the Group's closing equity for 2023 and opening equity for the fiscal year 2024 by EUR 570 thousand. Short-term liabilities for 2023 have decreased by EUR 570 thousand.

Effects in income statement	**2023**	**Adj**	**2023 adj**
Current tax	355	570	925
Net income for the year	-11,608	570	-11,038

Effects in balance sheet	**2023**	**Adj**	**2023 adj**
Equity	25,391	570	25,961
Current liabilitiesr	9,223	-570	8,652

Note 33 Business combination

On March 20, 2025, 100% of the shares in Heimgard CPE AS, with company number 934890515 and registered in Oslo, were acquired. The purchase price is based on future performance and is initially estimated at EUR 1,300 thousand. The number of employees is 7, and the revenue for the acquired business segment amounted to approximately EUR 1,000 thousand in 2024.

The allocation of the purchase price is a complex process, and the Group estimates that further analysis may be required to fully assess the allocation between goodwill and other intangible assets. Therefore, the acquisition balance sheet is considered preliminary and may be adjusted in the coming year. The preliminary goodwill is assessed to consist of the know-how of the acquired company. Details regarding the purchase price, acquired net assets, and goodwill are provided below:

Group	**Preliminary acquisition analysis**
Purchase consideration	
Preliminary earnout consideration	1,300
Total	**1,300**

The preliminary assets and liabilities recognized as a result of the acquisition are as follows:

Tangible fixed asset	50
Intangible fixed assets	1,087
Deferred tax	-224
Preliminary allocated Goodwill	387
Total	**1,300**

Note 33 Key performance indicator (KPI) definition

This note defines the key figures presented in the management report

Net sale	Main operating revenues, billed costs, incidental revenues, and revenue adjustments
Operating margin	Operating result excluding items affecting comparability, depreciation and amortization of tangible and intangible assets, as well as gains from the disposal of operations, divided by net revenue.
Total assets	Total assets
EBITDA	Operating result before depreciation and amortization, as well as before items affecting comparability and gains from the disposal of operations
Return on capital employed	(Operating profit + financial income) / Average capital employed
Financial income	Items in the financial net that relate to assets (included in capital employed)
Capital employed	Total assets - interest-free liabilities
Interest-free liabilities	Non-interest-bearing liabilities. Pension liabilities are considered interest-bearing.
Return on equity (ROE)	Net income attributable to the parent company's shareholders / Average equity attributable to the parent company's shareholders
Equity ratio	(Total equity + equity portion of untaxed reserves) / Total assets

Note 34 Recommended appropriation of profit

Parent company

The Board of Directors recommends that the available profit:

Share premium reserve	1,527,892
Retained earnings	47,009,787
Profit/loss for the year	-732,760
	47,804,919
Carried forward	47,804,919
	47,804,919

The income statement and balance sheet will be presented to the annual general meeting for approval.

Stockholm, on the date indicated by our digital signatures

Daniel Winberg
Chairman of the Board

Viktoria Scheer
Board member

Erik van Schagen
Board member

Johan Hasselberg
Board member

Gerlas van den Hoven
CEO

Our audit report has been issued on the date indicated by our digital signature.
Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorized public accountant