



Fram Skandinavien AB (publ) 556760-2692

# Interim Report 2023 Q4



## General information

<b>Ticker</b>	FRAM B	<b>Sector</b>	Investments focused on publicly listed and private tech companies, as well as digital assets
<b>Market</b>	Nasdaq First North Stockholm	<b>Geography</b>	Southeast Asia
<b>Activity</b>	Investment company	<b>Investment organization</b>	7 people based in Vietnam, including: — Hanh Mai, CEO — Christopher B. Beselin, Chairman — Tuyet Phan, Group Finance Director
<b>Date of IPO</b>	October 2017 at 20 SEK per share		

# Key highlights, Q4 2023

## Fram focuses on cost efficiency & profitability improvements

- As of 31st of January 2024, the net asset value amounted to 232 mSEK (64 SEK per share), which was approximately **+107% above the closing price of the Fram B share** on the same day and represented a decrease of -6% compared to 31st of December 2023. The drop in NAV was primarily driven by more conservative NAV methodologies being applied to EveHR and DragonLend, as previous investment round valuations were deemed to be too old to be prudently relevant.
- During Q4 2023 and January 2024, Fram has actively implemented cost efficiency measures both in the ventures and on the group level to reduce the monthly burn rate in order to extend the overall runway as well as speed up the ventures' path to profitability.
- In December 2023, additional capital injections were made by Fram into **EveHR** of 0.3 mSEK to support its business operations and to enable further value appreciation.
- Fram sold its shares in **Bukalapak** in October 2023, with a proceeds of 0.7 mSEK and a return multiple of 0.7x.
- The negotiation for the sale of DragonLend to Gologiq is still ongoing, but pending the merger between RCRT and Gologiq, which has been slowed down by US regulatory and stock exchange approvals. Fram notes that the transaction progress has been unusually slow and no SPA is yet signed.
- The **current portfolio of Fram consists of 5 holdings**, including 4 private and 1 public tech company, with a total invested amount of 52 mSEK. As of 31 January, the total NAV of these companies reached 211 mSEK, rendering a latent **return multiple of 4.1x on the invested capital**.

## Global and SEA economic highlights: signs of recovery

- U.S. Economy ended 2023 with surprisingly strong growth, GDP growth of 3.3% in Q4 2023 following a 4.9% gain in Q3, while the Eurozone is facing economic challenges, with rising inflation and declining business activity. In stark contrast, the US public equity markets experienced significant growth, with both the S&P 500 and NASDAQ indexes climbing by 12%, contributing to a notable 24% return for the entirety of 2023, buoyed by optimistic projections of easing inflation, potential Federal Reserve rate cuts in 2024, and strong corporate earnings in Q3.
- Venture capital investment globally declined to a five-year low in Q4 2023, despite the overall bullish sentiment in the equity markets, with a 24% quarter-on-quarter decreased to 58 bnUSD, indicating a cautious approach in deal-making activities. However, the AI sector continued to shine brightly, attracting significant investments, including substantial funding rounds for US-based Anthropic and Metropolis, highlighting the growing investor interest.
- In Southeast Asia (SEA), despite a slight downward adjustment in GDP growth forecasts due to weakened global demand, the region saw robust year-end startup fundraising, particularly in the e-commerce and fintech sectors. Additionally, the venture-backed IPO market saw notable activity with significant public offerings from J&T Express in Indonesia and WeBuy in Singapore, albeit with mixed results in terms of valuations compared to previous benchmarks.
- Vietnam's economy, in particular, showed positive signs of recovery, with an upgraded real GDP growth forecast to 5.3%, underpinned by improvements in trade, industrial production, and consumption. The country, however, experienced a slowdown in venture capital funding in Q4, contrasting sharply with the robust activity in the previous quarter.

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# 1. Market overview

## Contrasting macro trends and sluggish venture funding

- **US Economic Outlook Remains Positive, Eurozone Faces Challenges.** The US economy continued to exhibit robust growth in Q4 of 2023, with the projected annual GDP growth being revised upward to 2.0%, an improvement from the 1.2% estimate in Q3. The deceleration of inflation, a strong labor market, and sustained consumer spending have been pivotal in this recovery. In contrast, the Eurozone's economic outlook is marred by concerns over rising inflation in December and a continuous decrease in business activity.
- **US Public Equity Markets Experience Significant Growth.** The US stock market has seen substantial gains in Q4, with the S&P 500 and NASDAQ indexes each climbing by 12%, approaching the record highs of Q4 2021. These increases have led to a remarkable 24% return for the full year of 2023. Market optimism has been fueled by the anticipations of easing inflation, possible Federal Reserve interest rate cuts in 2024, and corporate earnings in Q3 that exceeded expectations.
- **Global Venture Capital Investment Reaches a Five-Year Low.** Despite the bullish sentiment in public equity markets, venture capital investment has seen a downturn, reaching a five-year low in Q4 2023. Caution has prevailed in deal-making activities, with quarterly funding falling to 58 bnUSD—a 24% decrease from Q3 2023 and a 25% YoY drop. Notably, seed-stage investments have remained robust, with a total of 7 bnUSD invested.
- **AI Sector Remains a Highlight.** The AI industry has continued to attract significant investments in Q4 2023. Two AI-centric companies have successfully raised funding rounds exceeding 1 bnUSD, including US-based Anthropic, which secured 2 bnUSD, and Metropolis, with 1.7 bnUSD. Generative AI technologies have proven especially appealing to investors, whereas AI ventures in the autonomous vehicle sector are experiencing a slowdown due to the substantial capital investment required.

Source: Bloomberg, Euromonitor, Reuters, Crunchbase, Barron, Investing.com

## Overview – Southeast Asia (SEA)

- **SEA GDP Growth Forecast Adjusted with Effective Inflation Control.** The GDP growth forecast for Southeast Asia (SEA) has been slightly lowered to 4.3% from 4.6%, according to the Asian Development Bank (ADB). The decrease is due to weakened global demand impacting the open, trade-dependent SEA economies. However, SEA countries have managed to maintain their inflation rates consistently at around 4% in December.
- **SEA Sees Robust Year-End Funding.** Southeast Asia's startup scene concluded 2023 on a high, with 1.2 bnUSD raised in December—a five-month peak. E-commerce and Fintech lead in deal volume, with Q4 deal values surging by 20% and 140% respectively, compared to the previous quarter.
- **Positive Economic Recovery Indicators for Vietnam.** Vietnam's real GDP growth forecast has been upgraded to 5.3% from 4.1%, as reported by the Singaporean bank UOB. The revision is due to improved trade, industrial production, and consumer spending, with industrial output up by 5.8% and manufacturing increasing by 6.3% in November.
- **Venture-Backed Firms Make IPO Strides.** October saw IPOs from J&T Express in Indonesia, raising 450 mUSD on the Hong Kong Stock Exchange at a market cap of 13.5 bnUSD—meaningfully below its 2021 valuation of 21 bnUSD. Meanwhile, Singapore's WeBuy raised 15 mUSD in a Nasdaq IPO, valuing the company at ca. 200 mUSD.
- **Vietnam's Q4 Funding Slows Down.** Vietnam experienced a significant dip in Q4 funding, with only 6 rounds compared to Q3. The quarter's funding was characterized by strategic investments in Asia Ingredients Group, Hasaki, and M Village, along with a notable later-stage investment in Karofi.

Source: ADB, Trading Economics, DealStreet Asia, Tech in Asia, Vietnam Investment Review

## 2. Significant events during 2023

### Q1: January – March

#### 6th March

Fram^ appointed Keshav Rustagi, new Co-MD for Carmudi to drive the new direction for the company

#### During March

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

### Q2: April – June

#### 11th April

Fram^ released notice to Annual General Meeting 2023 and proposed share scheme to key managements at Fram Skata AB (Carmudi), and Fram Venture 9 AB (EveHR)

#### 31st May

Duy Vu stepped down as Co-MD at Carmudi and continues in his new role as Senior Advisor.

### Q3: July – September

#### 17th August

Fram^ signed a letter of intent to divest DragonLend to US-listed acquirer, Gologiq

### Q4: October – December

#### 31st January 2024

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

### 3. Investment review

#### Share price and NAV as of 31<sup>st</sup> January 2024

Share price (SEK)

**31**

NAV per share (SEK)

**64**

Number of shares

**3,615,078**

% upside NAV / share price

**+107%**

Market cap (mSEK)

**112**

NAV per share vs Dec 23

**-6%**

Total NAV (Net asset value, mSEK)

**232**

Share price discount to NAV per share

**-52%**

#### Allocation of portfolio

Based on the portfolio NAV

##### by GEOGRAPHY

Vietnam  
**99%**Southeast  
Asia and  
other  
**1%**

##### by SECTOR

Marketplace  
**82%**HR tech  
**11%**Fintech  
**7%**

#### Portfolio

Portfolio	Revenues (mSEK, last 12 months) (1)	Enterprise value (mSEK)	% or # shares owned by FRAM	Invested amount (mSEK)	NAV (mSEK)	Return multiple (NAV/investment)
Carmudi	GMV: 97	203 (2)	80%	23.6	163	6.9x
EveHR	1	26	83%	8.9	21.4	2.4x
DragonLend	3	20	70%	13.7	13.7	1.0x
Liven Technology	n.m	31	39%	3.8	11.9	3.1x
<b>Private tech investments</b>				<b>50</b>	<b>210</b>	<b>4.2x</b>
SEA (SE:US)		\$38.1 (3)	2,500	2.1	1.0	0.5x
<b>Public tech investments</b>				<b>2.1</b>	<b>1.0</b>	<b>0.5x</b>
<b>Total portfolio</b>				<b>52</b>	<b>211</b>	<b>4.1x</b>
Interest bearing instruments					8.4	
Net cash					12.7	
<b>TOTAL NAV</b>					<b>232</b>	

(1) Last 12 months revenue up to 31st December 2023.

DragonLend gross revenues is 7.5 mSEK.

(2) The LTM EV/GMV multiple used in NAV is 2.1x, ie. with a discount of 30% applied to the EV/GMV multiple of the listed peer group of 3.0x.

(3) Price per share.

### 3. Investment review

#### Portfolio at a glance

- As of the 31st of January 2024, the estimated total net asset value for Fram B shareholders amounted to **232 mSEK**, which corresponds to approximately **64 SEK per share**. The closing price for the B share was **31 SEK per share**.
- The NAV per share was approximately **+107%** above the closing price of the Fram B share on the same day and represented a decrease of 6% compared to 31st of December 2023, primarily driven by a change in the valuation methods for EveHR and Dragonlend which led to a lower valuations. The closing price per share resulted in a discount of approximately **52%** compared to the NAV/share.
- During Q4 2023 and January 2024, Fram has actively implemented cost efficiency measures both in the ventures and on the group level to reduce the monthly burn rate in order to extend the overall runways as well as speed up the ventures' path to profitability.
- During Q4 2023, Fram provided additional funding to **EveHR** of 0.3 mSEK. Fram sold its shares in **Bukalapak**. The negotiation for the sale of **DragonLend** to Gologiq is still ongoing, but pending the merger between RCRT and Gologiq. Fram notes that the transaction progress has been unusually slow and no SPA is yet signed.
- The current portfolio of Fram consists of **5 holdings**, including 4 private and 1 public tech company, with a total invested amount of 52 mSEK. The total NAV of these companies reached 211 mSEK, rendering a latent **return multiple of 4.1x** on the invested capital.

#### Valuation of companies in the portfolio

- During 2023, **Carmudi** changed its valuation method from EV/Revenue to EV/GMV, to better reflect Carmudi's current business model as a fully integrated marketplace for cars (sometimes acting as agent and sometimes as principal). The valuation is based on a valuation multiple derived from a new expanded group of relevant listed peer companies. The average EV/GMV multiple for the peer companies Openlane Inc, Carvana Co, Copart Inc, CarGurus Inc, Cars.com Inc, Carmax.com and Frontier Digital Ventures amounted to 3.0x as of 31st of January 2024. A discount of 30% has then been applied to the multiple of the peer group, resulting in a final valuation multiple of 2.1x EV/GMV applied to Carmudi. The discount vs. the peer group has been reduced from 40% to 30% as the peer group multiples now seem stabilized after a period of significant reductions across the board. The total equity value of Fram's shares in Carmudi amounts to 163 mSEK.
- As part of its annual valuation review, Fram has deemed the previous investment round valuations in EveHR and DragonLend too old to be prudently used for the current NAV of these two ventures (especially as market valuations have changed significantly since these rounds took place). Instead, due to the lack of relevant listed peers for **EveHR**, a DCF (discounted cash flow) valuation has been used. **DragonLend** has been valued at investment cost. As a result, conservatively reduced NAVs of ca. 21 mSEK and ca. 14 mSEK for Fram's stakes in EveHR and DragonLend have been applied respectively in the latest portfolio valuation.
- As of the end of January 2024, Fram holds an investment in **Sea Group**, a leading Southeast Asian e-commerce and gaming group. The valuation of this investment is marked to market based on the closing price as of the 31st of January 2024.

## 4. Portfolio - Carmudi

### General information

<b>Business description</b>	Online car marketplace
<b>Website</b>	<a href="http://www.carmudi.vn">www.carmudi.vn</a>
<b>Location</b>	Vietnam
<b>Segment</b>	Car marketplace
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Keshav Rustagi, CEO
<b>Employees</b>	10
<b>Investment date</b>	2017
<b>Amount invested</b>	23.6 mSEK
<b>Ownership of Fram</b>	80%
<b>Governance influence</b>	Chairman of the board
<b>Investment thesis</b>	Car penetration in a country is generally driven by income per capita. Vietnam has one of the fastest growing GDP/capita ratios in the world and its car market growth hit an inflection point pre covid. Benchmarking vs other emerging economies' historical car penetrations vs GDP/capita, Vietnam is set to enjoy 15-20% car market growth p.a., for at least a decade ahead. Growth in value terms will be even higher as the consumers trade up in car price. The digital car trading sector will grow faster as it increases in penetration.

### Financial summary

in mSEK	2023	2022	2021	2020	2019
<b>GMV</b>	97	74	16	13	5
<b>%YoY</b>	+30%	+366%	+26%	+168%	N/A

Since Fram changed to the EV/GMV valuation method to better reflect Carmudi's growth in mid-2023, our primary focus for measuring growth is on the GMV.

### Investment performance

<b>Valuation method</b>	Multiple of peer group	
<b>Enterprise value (January 2024)</b>	203 mSEK	
<b>Total investment</b>	23.6 mSEK	
<b>Total value to Fram</b>	163 mSEK	
<b>Return multiple (Value/investment)</b>	6.9x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	23.6 mSEK
	<b>NAV</b>	163 mSEK

### Key events since investment

Fram executed a management buyout of Carmudi Vietnam from Rocket Internet end 2017.

Later the company merged with classifieds group Otos.vn.

Carmudi later transformed from a car classifieds business into an online car marketplace (similar to Carro & Carsome), leading the vertical in Vietnam.

### Significant events during Q4 2023

Despite the challenges in the car market of Vietnam (VAMA industry statistics indicated -25% y/y), Carmudi's GMV increased by +30% y/y during the year. Carmudi continued to improve its gross profit, +44% in 2023 vs 2022. This improvement aligns with Carmudi's strategy to focus on unit economics.

In December 2023, Carmudi won a media project to provide services for the car brands BMW and Volvo. The company also secured the renewal of the media contract with Castrol for 2024.

To optimize operational performance, Carmudi implemented significant cost efficiency measures during the quarter.

## 4. Portfolio - EveHR

### General information

<b>Business description</b>	Employee engagement and flexible benefit platform (SaaS)
<b>Website</b>	<a href="http://www.evehr.vn">www.evehr.vn</a>
<b>Location</b>	Vietnam
<b>Segment</b>	HR tech
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Bach Tuan Anh (James), CEO
<b>Employees</b>	9
<b>Investment date</b>	2019
<b>Amount invested</b>	8.9 mSEK
<b>Ownership of Fram</b>	83%
<b>Governance influence</b>	Chairman of the board
<b>Investment thesis</b>	Vietnam has a low penetration of SaaS in general. 98% of companies in the country are SMEs and only 5-7% of them use SaaS regularly (compared to ca. 70% in global). Global peers are Sodexo-sponsored, ADR, and Ten Lifestyle Group Plc, with valuations in the range of 10-15 bnUSD, which lends indication of what can be built as a market leader in this fast growing tech vertical in Vietnam.

### Financial summary

<i>in mSEK</i>	2023	2022	2021	2020	2019
<b>Revenues</b>	1.4	1	2.7	1.7	0.1
<b>Adjusted revenues (*)</b>	1.4	1	0.5	0.2	0.1
<b>%YoY</b>	+48%	+86%	+161%	+64%	N/A

(\*) Adjustment for voucher revenues before 2022 now recorded on a net basis (revenues minus direct cost) rather than gross basis (only revenues).

### Investment performance

<b>Valuation method</b>	Discounted Cash Flow	
<b>Enterprise value (January 2024)</b>	26 mSEK	
<b>Total investment</b>	8.9 mSEK	
<b>Total value to Fram</b>	21 mSEK	
<b>Return multiple (Value/investment)</b>	2.4x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	8.9 mSEK
	<b>NAV</b>	26 mSEK

### Key events since investment

EveHR has been developed from scratch in Fram's venture builder. The company was launched as a SaaS platform primarily targeting enterprise clients.

Already today, EveHR manages a wide range of top tier MNC clients, such as AIA, Nestle, Pepsi, DHL, PWC and many more. The next stage of EveHR's journey will be to successfully break into the SME segment with a self-service client acquisition and interaction approach.

### Significant events during Q4 2023

The revenue for the year 2023 increased by +48% y/y. This was primarily driven by new client acquisitions (e.g Viet Thai Group, PWC, Bosch, Ecotek).

EveHR has continuously improved its sale process as a result of customer acquisition campaigns. A new contract with a big multinational insurance company was about to be concluded in January 2024.

Additionally, the company restructured its team in order to optimize costs and move towards profitability.

## 4. Portfolio – DragonLend

### General information

<b>Business description</b>	Lending platform for SME
<b>Website</b>	<a href="http://www.dragonlend.vn">www.dragonlend.vn</a>
<b>Location</b>	Vietnam
<b>Segment</b>	Fintech
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Max Bergman, CEO
<b>Employees</b>	6
<b>Investment date</b>	2018
<b>Amount invested</b>	13.7 mSEK (of which 5.5 mSEK debt)
<b>Ownership of Fram</b>	70%
<b>Governance influence</b>	Chairman of the board
<b>Investment thesis</b>	The SME client segment is overlooked and underserved by the traditional banks in VN and SEA. The segment is often hard to analyze due to the lack & ambiguity of credit data. Focused on simplifying the client journey with the help of tech & working with non-traditional credit scoring data opens up an attractive segment accessible with a digital approach.

### Financial summary

<i>in mSEK</i>	2023	2022	2021	2020	2019
<b>Revenues</b>	7.5	3.2	3.3	0.4	0.2
<b>Adjusted revenues (*)</b>	2.6	3.2	1.2	0.4	0.2
<b>%YoY</b>	-19%	+172%	+181%	+151%	N/A

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

### Investment performance

<b>Valuation method</b>	Valuation at cost	
<b>Enterprise value (January 2024)</b>	20 mSEK	
<b>Total investment</b>	13.7 mSEK	
<b>Total value to Fram</b>	13.7 mSEK	
<b>Return multiple (Value/investment)</b>	1.0x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	13.7 mSEK
	<b>NAV</b>	13.7 mSEK

### Key events since investment

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

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

### Significant events during Q4 2023

The revenues for year 2023 decreased by -19% compared to last year. DragonLend continued the development of the new version of its online platform. This platform is expected to speed up internal processes and effectively manage customer data.

In August 2023, Fram signed a non-binding letter of intent to sell all of its shares in Fram Venture 7 to GoLogiq Inc., a US-listed global fintech and consumer data analytics provider. The negotiation for the sale of DragonLend to Gologiq is still ongoing, but pending the merger between RCRT and Gologiq, which has been slowed down by US regulatory and stock exchange approvals. Fram notes that the transaction progress has been unusually slow and no SPA is yet signed.

## 4. Portfolio – Liven

### General information

<b>Business description</b>	Leading digital marketplace for weddings and events
<b>Website</b>	<a href="http://www.liven.asia">www.liven.asia</a>
<b>Location</b>	Vietnam
<b>Segment</b>	Service marketplace
<b>Asset class in portfolio</b>	Private tech company
<b>Management</b>	Ngoc Nguyen, founder and CEO
<b>Employees</b>	25
<b>Investment date</b>	Sep 2019
<b>Amount invested</b>	3.8 mSEK
<b>Ownership of Fram</b>	39%
<b>Governance influence</b>	Member of the board
<b>Investment thesis</b>	<p>The Vietnamese market for weddings, private celebrations and corporate events is estimated to be worth &gt;2 bnUSD, growing at ca. +20% p.a.</p> <p>Liven Technology holds the leading market position online in this fast-growing sector that is rapidly migrating towards digital.</p>

### Financial summary

<i>in mSEK</i>	2023	2022	2021	2020	2019
<b>Revenues</b>	4.2	3.5	0.3	0.5	0.2
<b>%YoY</b>	+21%	+1265%	-51%	+245%	N/A

*Revenues figures include only Marry's revenues before 2022*

### Investment performance

<b>Valuation method</b>	Last round valuation	
<b>Enterprise value</b> (January 2024)	31 mSEK	
<b>Total investment</b>	3.8 mSEK	
<b>Total value to Fram</b>	12 mSEK	
<b>Return multiple</b> (Value/investment)	3.1x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	3.8 mSEK
	<b>NAV</b>	12 mSEK

### Key events since investment

As part of its management buyout activities, Fram acquired the leading online wedding platform, Marry.vn, from the Swiss media conglomerate Ringier.

The wedding and events market came to a complete halt during the Covid lockdowns. Post covid, Fram restarted the business by merging it with Vdes.vn to create a leading online group in the sector.

### Significant events during Q4 2023

The company posted strong financial growth in 2023 despite the market slowdown, with revenues up +17% y/y at 4.2m SEK, and gross profit increasing by +11% y/y. The EBITDA loss was significantly reduced by -44% to 2.1 mSEK.

The company implemented new successful marketing strategies, including wedding fairs and referrals, reduced the customer acquisition cost from \$40 to \$18. International customer contribution grew from 5% to 15%.

## 4. Portfolio – Sea



### General information

<b>Business description</b>	Market leader in ecommerce in SEA and global leader in mobile games.
<b>Website</b>	<a href="http://www.sea.com">www.sea.com</a>
<b>Location</b>	Singapore
<b>Segment</b>	Gaming, ecommerce, fintech
<b>Asset class in portfolio</b>	Public tech company (SE:US)
<b>Management</b>	Forrest Li, Founder & group CEO
<b>Employees</b>	60,000
<b>Investment date</b>	Jun 2022
<b>Amount invested</b>	2.1 mSEK
<b>Ownership of Fram</b>	<0.1%
<b>Governance influence</b>	No
<b>Investment thesis</b>	Valuations of public tech companies have corrected significantly (SEA Group is down ca 90% from peak in Oct 2021), which presents attractive long term entry opportunity in this group that offers exposure to market leading positions in the some of the largest SEA tech verticals. The valuation at Fram valuation implied a fair value on the cash flow from the gaming alone, while offering the rest of the group (i.e. ecommerce leader Shopee) "for free".

### Financial summary

<i>in bnUSD</i>	9M YTD 2023	2022	2021	2020	2019
<b>Revenues</b>	3.3	12.5	9.9	4.4	2.9
<b>%YoY</b>	+4.9%	+25%	+128%	+101%	+263%

### Investment performance

<b>Valuation method</b>	Mark to market	
<b>Enterprise value (January 2024)</b>	20 bnUSD	
<b>Total investment</b>	2.1 mSEK	
<b>Total value to Fram</b>	1.0 mSEK	
<b>Return multiple (Value/investment)</b>	0.5x	
<b>Realized</b>	<b>Acquisition cost</b>	N/A
	<b>Total proceeds</b>	N/A
<b>Current</b>	<b>Acquisition cost</b>	2.1 mSEK
	<b>NAV</b>	1.0 mSEK

### Key events since investment

Sea posted a positive net income in Q4 2022 (423 mUSD) for the first time since it was founded in 2009, thanks to the reduction in sales & marketing expenses.

### Significant events during Q4 2023

SEA's strategy is shifting to a more aggressive spending on its e-commerce unit, Shopee.

SEA Group is set to close 2023 with its first profitable year since going public, according its CEO, Forrest Li.

## 4. Portfolio - Exits in 2023



<b>Portfolio company</b>	Grab Holdings Limited
<b>Business description</b>	Leading SEA super app including mobility, food delivery and financial services
<b>Website</b>	<a href="http://www.grab.com">www.grab.com</a>
<b>Location</b>	Singapore
<b>Segment</b>	Mobility, food delivery and fintech
<b>Asset class in portfolio</b>	Public tech company (US)
<b>Investment date</b>	Jun 2022
<b>Amount invested</b>	1.2 mSEK
<b>Ownership of Fram</b>	<0.1%
<b>Governance influence</b>	No
<b>Exit date</b>	July 2023
<b>Proceeds</b>	1.4 mSEK
<b>Multiple</b>	1.23x



<b>Portfolio company</b>	Abaxx Technologies Inc.
<b>Business description</b>	First mover blockchain-based commodity exchange
<b>Website</b>	<a href="http://www.abaxx.tech">www.abaxx.tech</a>
<b>Location</b>	Canada
<b>Segment</b>	Fintech, commodity exchange
<b>Asset class in portfolio</b>	Public tech company (CAD)
<b>Investment date</b>	Jan 2023
<b>Amount invested</b>	0.3 mSEK
<b>Ownership of Fram</b>	<0.1%
<b>Governance influence</b>	No
<b>Exit date</b>	Sep 2023
<b>Proceeds</b>	0.3 mSEK
<b>Multiple</b>	1.03x



<b>Portfolio company</b>	PT Bukalapak.com Tbk.
<b>Business description</b>	General ecommerce marketplace (focusing on micro-retailers)
<b>Website</b>	<a href="http://www.bukalapak.com">www.bukalapak.com</a>
<b>Location</b>	Jakarta, Indonesia
<b>Segment</b>	Marketplace, ecommerce, fintech
<b>Asset class in portfolio</b>	Public tech company (IDX)
<b>Investment date</b>	Feb 2023
<b>Amount invested</b>	1.0 mSEK
<b>Ownership of Fram</b>	<0.1%
<b>Governance influence</b>	No
<b>Exit date</b>	Oct 2023
<b>Proceeds</b>	0.7 mSEK
<b>Multiple</b>	0.69x

## 5. Group consolidation

The Group (kSEK)	Q4		Q1-Q4	
	2023	2022	2023	2022
Gross Merchandise Value (GMV)	42,574	20,217	111,407	101,609
Total revenues 1)	6,805	16,715	34,442	86,205
Net revenues 1)	6,522	16,598	33,770	85,779
<b>Adjusted EBIT</b>	<b>-4,939</b>	<b>-4,203</b>	<b>-15,808</b>	<b>-7,715</b>
Adjusted EBIT-margin	-73%	-25%	-46%	-9%
EBIT	-4,996	-4,772	-12,492	7,889
EBIT-margin	-73%	-29%	-36%	9%
<b>Profit for the period</b>	<b>-4,419</b>	<b>-7,460</b>	<b>-12,492</b>	<b>7,612</b>
Solidity	73%	77%	73%	%
Equity	34,965	49,958	34,965	49,958
Total assets	47,857	64,821	47,857	64,821
Number of shares	3,615,078	3,615,078	3,615,078	3,615,078
Earnings per share	-1.2	-2.1	-3.5	2.1
Number of warrants 2)	264,966	264,966	264,966	264,966
Earnings per share after dilution	-1.1	-1.9	-3.3	2.0

1) Net sales and total revenues for Q2 2022 include revenue from IT development business. However, as the Group divested this business unit in July 2022, there is no longer any revenue from the IT development business starting from Q3 2022.

2) 80,000 options of series 2022/2026:1 with a subscription price of 50 SEK per share, 60,000 options of series 2022/2026:2 with a subscription price of 50 SEK per share, and the remaining number of options of series 2020/2023 with a subscription price of 60 SEK per share.

EBIT-margin (%) is calculated as EBIT/total revenues while adjusted EBIT-margin (%) is calculated as adjusted EBIT/net sales.

Digital brands (like-for-like) (kSEK)	Q4			Q1-Q4		
	2023	2022		2023	2022	
<b>GMV</b>	<b>42,574</b>	<b>20,217</b>	<b>+111%</b>	<b>111,407</b>	<b>83,686</b>	<b>+33%</b>
Total revenues	6,805	16,715		34,442	68,125	
Net revenues	6,522	16,598		33,770	67,856	
<b>Adjusted EBIT</b>	<b>-5,261</b>	<b>-4,889</b>	<b>+8%</b>	<b>-17,701</b>	<b>-15,164</b>	<b>+17%</b>
Adjusted EBIT-margin	-81%	-29%		-52%	-22%	
<b>EBIT</b>	<b>-4,996</b>	<b>-4,772</b>	<b>+5%</b>	<b>-17,048</b>	<b>-14,897</b>	<b>+14%</b>
EBIT-margin	-77%	-29%		-50%	-22%	

### Significant events for Q1-Q4 period on like-for-like basis

- The GMV for the year 2023 was 111,407 kSEK, representing a +33% increase compared to last year. This growth in GMV can be mostly attributed to the increased trading of individual cars at Carmudi by +30%, amounting to 96,588 kSEK.
- Due to the redefinition of the business model at Carmudi, with a strong focus on profitability via its marketplace for cars (acting as an agent and principal), the Group's net revenues decreased to 33,770 kSEK (due to shift towards more profitable transactions that have net revenue recognition instead of gross - i.e. revenue herein becomes GMV, while gross profit increases).
- The increase in EBIT-losses of 5% in Digital Brands during Q4 can be attributed to two factors. Firstly, there was an increase in personnel costs at EveHR and Carmudi. Secondly, there were additional costs related to the product developments in both EveHR and Carmudi.

## 5. Group consolidation – revenues & earnings by business area

The Group (kSEK)	Q4			Q1-Q4		
	2023	2022		2023	2022	
GMV	42,574	20,217	+111%	111,407	101,609	+10%
<b>Total revenues</b>	<b>6,805</b>	<b>16,715</b>	<b>-59%</b>	<b>34,442</b>	<b>86,205</b>	<b>-60%</b>
<b>Net revenues</b>	<b>6,522</b>	<b>16,598</b>	<b>-61%</b>	<b>33,770</b>	<b>85,779</b>	<b>-61%</b>
Digital brands	6,522	16,598	-61%	33,770	67,856	-50%
IT dev. business	-	-		-	17,923	-100%
<b>Other operating income</b>	<b>283</b>	<b>117</b>	<b>+142%</b>	<b>672</b>	<b>426</b>	<b>+58%</b>
Digital brands	283	117	+142%	672	269	+150%
IT dev. business	-	-		-	157	

### Group consolidation – revenue

The decrease in the Group's net revenue compared to the same period last year can be attributed to the following factors:

- The divestiture of the IT development business in July 2022, resulting in no reported revenues from this business unit in 2023.
- A decrease in revenues from Carmudi, which accounted for 90% of the total Group revenues in prior period. Due to the redefinition of the business model at Carmudi, with a strong focus on profitability via its marketplace for cars (acting as an agent and principal), the Group's net revenues decreased (due to shift towards more profitable transactions that have net revenue recognition instead of gross – i.e. revenue herein becomes GMV, while gross profit increases).

Digital brands (like-for-like) (kSEK)	Q4			Q1-Q4		
	2023	2022		2023	2022	
GMV	42,574	20,217	+111%	111,407	83,686	+33%
<b>Net revenues</b>	<b>6,522</b>	<b>16,598</b>	<b>-61%</b>	<b>33,770</b>	<b>67,856</b>	<b>-50%</b>
Other external costs	-1,570	-2,611		-6,918	-7,875	
Raw materials and supplies	-6,563	-14,772		-28,605	-61,015	
Personnel cost	-3,593	-3,535		-14,708	-11,849	
Depreciation and amortization	-57	-569		-1,240	-2,281	
<b>Adjusted EBIT</b>	<b>-5,261</b>	<b>-4,889</b>	<b>+8%</b>	<b>-17,701</b>	<b>-15,164</b>	<b>+17%</b>
<i>Adjusted EBIT-margin (%)</i>	<i>-81%</i>	<i>-29%</i>		<i>-52%</i>	<i>-22%</i>	
Other operating income	283	117		672	269	
Other operating expenses	-18	-		-19	-2	
<b>EBIT</b>	<b>-4,996</b>	<b>-4,772</b>	<b>+5%</b>	<b>-17,048</b>	<b>-14,897</b>	<b>+14%</b>
<i>EBIT-margin (%)</i>	<i>-77%</i>	<i>-29%</i>		<i>-50%</i>	<i>-22%</i>	

### Earnings by business area on like-for-like basis

- The EBIT loss for the year 2023 increased by 14% compared to previous year, primarily due to increased personnel costs within the ventures. This rate slowed down to only 5% during the fourth quarter.

## 6. Financial statements

### Income Statement

The Group (kSEK)	Note	Q4		Q1-Q4	
		2023	2022	2023	2022
Net revenues	5	6,522	16,598	33,770	85,779
Other operating income		283	117	672	426
<b>Total revenues</b>		<b>6,805</b>	<b>16,715</b>	<b>34,442</b>	<b>86,205</b>
Raw materials and supplies		-6,563	-14,772	-28,605	-61,015
Other external expenses		-1,570	-2,611	-6,918	-8,896
Personnel costs		-3,593	-3,535	-14,708	-23,999
Depreciation and amortisation of tangible and intangible assets		-57	-569	-1,240	-3,889
Other operating expenses		-18	-	-19	-10
<b>Operating result</b>		<b>-4,996</b>	<b>-4,772</b>	<b>-17,048</b>	<b>-11,604</b>
Financial income		1,492	123	6,265	20,513
Financial expenses		-896	-2,811	-1,709	-1,020
<b>Profit before tax</b>		<b>-4,419</b>	<b>-7,460</b>	<b>-12,492</b>	<b>7,889</b>
Taxes		-	-	-	-277
<b>Profit (loss) for the period</b>		<b>-4,419</b>	<b>-7,460</b>	<b>-12,492</b>	<b>7,612</b>
Earning per shares		-1.2	-2.1	-3.5	2.1
Diluted earning per shares		-1.1	-1.9	-3.2	2.0

### Income statement

- In Q4 2023, the total revenues was 6,805 kSEK, and the net revenues amounted to 6,522 kSEK. The net revenues comprised the following components: Carmudi's contributions were 1,278 kSEK, representing 20% of the total net revenues. DragonLend contributed 5,011 kSEK, accounting for 77% of the net revenues. Additionally, EveHR's revenues amounted to 233 kSEK, making up 3% of the net revenues. The decline in revenues y/y is primarily due to the divestiture of the IT development business and the change in reporting from revenues to GMV for Carmudi.
- The two largest cost items during this quarter was personnel expenses and raw materials and supplies, which amounted to 10,156 kSEK, representing 86% of the operating costs. The cost of raw materials and supplies, which is primarily the cost of cars in Carmudi and cost of goods sold in DragonLend, varied in line with the revenues.
- Financial income represented bank interest income as well as interest income from lending activities in Carmudi and DragonLend.
- Loss for the period was -4,419 kSEK.

## 6. Financial statements

### Balance sheet

- As of 31st of December 2023, the total assets of the company amounted to 47,857 kSEK.
- Non-current assets decreased by -217 kSEK compared to Sep 30th, 2023, and amounted to 3,685 kSEK, mainly due to the sale of listed shares under financial investments.
- Finished goods and merchandise represented the inventory of some cars that have been purchased but have not yet been sold as of the date of reporting, with a total value of 339 kSEK.
- Short-term receivables amounted to 30,403 kSEK, with a decrease of -2,731 kSEK, primarily attributed to a decrease of trade receivables and other receivables.
- Trade receivables amounted to 20,992 kSEK, where the majority came from direct lending by DragonLend (18,654 kSEK) and voucher receivables by EveHR (1,834 kSEK).
- Other receivables of 8,432 kSEK were mainly with Carmudi and DragonLend with amount of 6,634 kSEK and 1,433 kSEK respectively - for car purchases in Carmudi while that of DragonLend was deposits for credits issued by partner banks.
- As of December 31st, 2023, the company's cash and bank balance amounted to 13,430 kSEK, while total equity amounted to 34,965 kSEK.
- Current liabilities amounted to 12,892 kSEK, mainly consisting of credit capital raised in DragonLend (8,496 kSEK) and payables to voucher suppliers in EveHR (1,816 kSEK).

### Balance sheet

The Group (kSEK)	Note	31 Dec 2023	31 Dec 2022	30 Sep 2023	30 Jun 2023
<b>Non-current assets</b>					
<u>Intangible assets</u>					
Capitalized expenditure on development and similar works		683	746	652	689
Concessions, patents, licenses and similar rights		-	1,006	-	-
Goodwill		-	-	-	-
<u>Financial assets</u>					
Investment in a associate			-		-
Financial investments	6	3,002	3,458	3,250	4,790
<b>Total non-current assets</b>		<b>3,685</b>	<b>5,210</b>	<b>3,902</b>	<b>5,479</b>
<b>Current assets</b>					
Finished goods and merchandise		339	193	1,116	2,572
<u>Short-term receivables</u>					
Trade receivables	7	20,992	8,294	21,606	17,261
Current tax receivables		741	694	1,054	796
Other receivables	8	8,432	24,464	10,206	19,085
Prepaid expenses and accrued income		238	271	268	194
Cash and bank		13,430	25,695	15,624	18,171
<b>Total current assets</b>		<b>44,172</b>	<b>59,611</b>	<b>49,874</b>	<b>58,079</b>
<b>TOTAL ASSETS</b>		<b>47,857</b>	<b>64,821</b>	<b>53,776</b>	<b>63,558</b>
<u>Own capital</u>					
Share capital		1,204	1,204	1,204	1,204
Other contributed capital		86,487	86,487	86,487	86,487
Retained earnings		-52,726	-37,733	-45,894	-40,270
<b>Total equity</b>		<b>34,965</b>	<b>49,958</b>	<b>41,797</b>	<b>47,421</b>
<b>Current liabilities</b>					
Accounts payable		1,829	2,650	910	4,617
Advances from customers		435	167	601	246
Current tax liabilities		491	595	586	543
Other liabilities	9	8,996	10,575	8,769	9,477
Accrued expenses and deferred income		1,141	876	1,114	1,254
<b>Total current liabilities</b>		<b>12,892</b>	<b>14,863</b>	<b>11,980</b>	<b>16,137</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,857</b>	<b>64,821</b>	<b>53,776</b>	<b>63,558</b>

## 6. Financial statements

### Change in Equity

The Group (kSEK)	Q4		Q1-Q4	
	2023	2022	2023	2022
Shareholders' equity at the beginning of the period	41,797	58,766	49,958	38,982
Preferred dividend payment in a subsidiary	-	-	-1,128	-1,080
Translation difference	-2,413	-1,348	-1,373	4,444
Profit for the period	-4,419	-7,460	-12,492	7,612
<b>Shareholders' equity at the end of the period</b>	<b>34,965</b>	<b>49,958</b>	<b>34,965</b>	<b>49,958</b>

### Cash flow

- Cash flow from operating activities before changes in working capital was -5,620 kSEK. Out of this amount, -4,419 kSEK was due to the pre-tax loss, while the remaining -1,201 kSEK was due to adjustments for non-cash items.
- Changes in working capital resulted in a cash inflow of +3,827 kSEK, bringing the total cash flow from operating activities to -1,793 kSEK.
- There was no cash flow from investing activities and financing activities during the period.
- The cash flow for the period was -1,793 kSEK, and the cash balance at the end of the period was 13,430 kSEK.

### Cash flow statement

The Group (kSEK)	Q4		Q1-Q4	
	2023	2022	2023	2022
<b>Current operations</b>				
Result after financial items	-4,419	-7,460	-12,492	7,889
Adjustments for items not included in cash flow, etc.	-1,201	522	-358	3,473
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5,620</b>	<b>-6,938</b>	<b>-12,850</b>	<b>11,362</b>
<b>Cash flow from changes in working capital</b>				
Change in inventories	777	-192	-146	102
Change in trade receivables	614	6,659	-12,697	637
Change in short-term receivables	2,116	-8,576	16,018	-18,521
Change in trade payables	921	-1,306	-820	-963
Change in current liabilities	-601	5,768	7	-7,375
<b>Cash flow from operating activities</b>	<b>-1,793</b>	<b>-4,585</b>	<b>-10,488</b>	<b>-14,758</b>
<b>Investment activities</b>				
Divestment in a subsidiary	-	-	-	22,901
Investments in intangible assets	-	-31	-	-747
Investments in financial assets	-	-	-328	-4,062
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-31</b>	<b>-328</b>	<b>18,092</b>
<b>Financing activities</b>				
Pref. dividend payment at a subsidiary	-	-	-1,128	-1,080
Others	-	-	-	-553
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-1,128</b>	<b>-1,633</b>
<b>Cash flow for the period</b>	<b>-1,793</b>	<b>-4,554</b>	<b>-11,944</b>	<b>1,701</b>
Cash at the beginning of the period	15,624	30,202	25,695	23,788
Exchange difference	-401	47	-321	206
<b>Cash at end of the period</b>	<b>13,430</b>	<b>25,695</b>	<b>13,430</b>	<b>30,145</b>

## 7. Further information – Notes

### NOTE 1: COMPANY INFORMATION

Fram Skandinavien AB (publ) with registration number 556760-2692 and its subsidiaries are referred to in this report as Fram, Fram^, the Company or the Group. The Company's address is % Freja Ekonomi, Sollentunavägen 80, 191 40 Stockholm, Sweden. The Company's website is fram.asia. Fram operates within investments in companies that are focused on digital consumer, blockchain and other tech in Southeast Asia.

### NOTE 2: ACCOUNTING PRINCIPLES

The quarterly report for the period 1st of October to 31st of December 2023 has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Standards Council's general guidance BFNAR 2012:1 Annual Report and Consolidated Accounts (K3), unless otherwise stated.

### NOTE 3: TRANSACTIONS WITH RELATED PARTIES

During the quarter, transactions amounting to approximately 109 kSEK were carried out with related companies. Christopher Brinkeborn Beselin, Chairman of the Board of Directors, is co-owner of Endurance Capital, Pangara and Norsel Industries Ltd. The transactions were carried out on arm's length and market-based terms.

### NOTE 4: REVIEW OF THE INTERIM REPORT

This interim report has not been audited by the company's auditors.

### NOTE 5: NET REVENUES

in kSEK	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Carmudi	1,278	15,301	24,872	63,367
DragonLend	5,011	1,051	7,473	3,181
EveHR	233	246	1,425	966
Others	-	-	-	18,265
<b>TOTAL</b>	<b>6,522</b>	<b>16,598</b>	<b>33,770</b>	<b>85,779</b>

### NOTE 6: INVESTMENTS IN FINANCIAL ASSETS

in kSEK	31 Dec 2023	30 Sep 2023
<i>Investments in listed shares:</i>		
- SEA (SE:US)	2,051	2,051
<i>Investments in other company:</i>		
- Liven Technology	1,085	756
<b>TOTAL</b>	<b>3,136</b>	<b>3,854</b>
Provision for decrease in value of investment	(134)	-604
<b>NET</b>	<b>3,002</b>	<b>3,250</b>

### NOTE 7: TRADE RECEIVABLES

in kSEK	31 Dec 2023	30 Sep 2023
DragonLend	18,654	13,875
Carmudi	432	6,369
EveHR	1,834	1,295
Others	72	67
<b>TOTAL</b>	<b>20,992</b>	<b>21,606</b>

## 7. Further information – Notes

### NOTE 8: OTHER RECEIVABLES

in kSEK	31 Dec 2023	30 Sep 2023
Deposits for car purchase in Carmudi	6,634	122
Bank deposits for lending collaterals in DragonLend	1,433	9,683
Others	365	401
<b>TOTAL</b>	<b>8,432</b>	<b>10,206</b>

### NOTE 9: OTHER CURRENT LIABILITIES

in kSEK	31 Dec 2023	30 Sep 2023
Liabilities to lenders in DragonLend	8,498	8,671
Others	498	98
<b>TOTAL</b>	<b>8,996</b>	<b>8,769</b>

### NOTE 10: ALLOCATION OF PROFIT

The group net result for 2023 will be carried forward and no dividend is proposed

### NAV VALUATION PRINCIPLES

- The main principle is to use a multiple valuation based on a group of listed comparable companies.
- Valuations are based on rolling "backward-looking" reported 12 months of turnover (i.e. a conservative approach compared to market practice of using "12 months forward-looking").
- EV/GMV, EV/Revenues or EV/EBIT(D)A are used depending on the level of maturity of the companies. For companies where no suitable listed peers can be found, alternative valuation methods such as direct cash flow (DCF) or investment cost based valuation can be applied.
- Fram applies a discount of 30–40% compared to the valuation multiples that the listed comparison companies have because the companies Fram invests in are at an early stage (as long as they have a turnover of less than 250 mSEK). This also constitutes a relatively conservative approach, as private companies in early phases are many times valued at significantly higher valuation multiples than their listed benchmarks.
- In the case of a new capital raises with market-based pricing/valuation, this valuation is used instead of multiple valuation.
- Investments that are considered to entail significant uncertainty about whether they can be realized at their full valuation can also be taken up to an additional discount in the net asset value calculation (e.g. Nordic Coder).

## 7. Further information – Significant risks and uncertainties

The risks described below are not ranked in any particular order. The presentation below does not claim to be comprehensive, and for natural reasons not all risk factors can be predicted or described in detail. Therefore, each investor must make an overall assessment that also includes the information in the rest of the report as well as a general external assessment. The risks and uncertainties below could have a material adverse effect on the Company's business, financial condition and results of operations. They may also cause a decrease in the value of the Company's stock, which may result in investors losing all or part of their invested capital. Additional risks that are not currently known to the Company may also have a corresponding negative effect.

### **Inflation and geopolitical developments**

Current geopolitical developments due to the Russia-Ukraine conflict and the elevated inflation rates in Europe and the United States do not directly affect the Group as the majority of the Company's activity is in Southeast Asia, centered around Vietnam. Inflation in Vietnam is still at a significantly lower level than in Europe and the US – the CPI for Vietnam increased by +3.25% during the full year 2023.

### **The company's value development**

The Company's value is essentially dependent on the development of the investments made by the Company, as well as the result of the Company's handling of cash and cash equivalents. There is a risk that the Company's assets do not increase in value, or that the value does not remain intact, which means that there is a risk that invested capital cannot be recovered in connection with a liquidation of the Company. It should be emphasized that the Company will almost exclusively invest in investment objects that are primarily aimed at investors who are particularly familiar with the venture capital industry and that in some cases these may have a risk picture that differs from the mutual funds that private individuals usually invest in, for example in that the underlying investment objects are fewer and that there is thus a more limited risk spread. There is a risk that the Company will fail to recover the invested capital in the investment object, which could have a negative impact on the Company's business, financial condition and results of operations.

### **Market**

The investment objects may in some cases be highly dependent on the positive development of the markets in which they operate. Should these markets develop in a way that is negative for the Company, there is a risk that the value of individual investments will decrease, which could have a negative impact on the Company's operations, financial condition and results of operations.

### **Credit risk**

Credit risk is defined as the risk that the Company's counterparties cannot meet their financial obligations to the Company. If this happens, there is a risk that the Company will fail to fulfill its own commitments, such as future payments. This entails a concrete credit risk in the event that counterparties have problems fulfilling their commitments to the Company, which may have a negative impact on the Company's operations, financial position and results of operations.

### **Liquidity risk**

There is a risk that the Company will not be able to meet short-term payment commitments as a result of a lack of liquidity. Liquidity shortages could arise if, for example, one or more of the Company's customers do not pay their invoices to Fram on time or that one or more of the Company's customers suddenly terminate their long-term service agreements with Fram. Liquidity shortages could also occur in one or more of the Company's holdings. Failure by the Company or its holdings to meet short-term payment obligations could result in a negative impact on the Company's business, financial condition and results of operations.

### **Tax risk**

The Company's operations, as well as transactions between group companies, are conducted in accordance with the Company's interpretation of tax laws. There is a risk that the Company's interpretation of applicable laws, regulations or of the relevant authorities' interpretation of these or of administrative practices is incorrect, which may adversely affect the Company's operations, financial condition and results of operations.

### **Dependence on key personnel**

The company is dependent on a handful of key personnel in any given subsidiary within Digital brands. If key employees leave or cannot be employed by the Company in a satisfactory manner, this in turn could adversely affect the Company's operations, financial position and results of operations.

### **Risk related to the residence of senior executives**

As parts of the Board of Directors resident outside the EEA, the Company has received an exemption from the Swedish Companies Registration Office regarding the requirements for the residence of the Board of Directors. A change in this could have a negative impact on the Company.

## 7. Further information – Significant risks and uncertainties

### Ability to manage growth

As the organization grows, effective planning and management processes need to be developed. This risk is even higher in the early operations that the Company invests in. There is a risk that the Company will fail to manage a rapid growth rate, which could have a negative impact on the Company's business, financial condition and results of operations.

### Client risk

The company's customer relationships are long-term and generate stable recurring monthly cash flows. It is common for companies in early phases, like the businesses in which the Group invests within the framework of its business area, to have a higher concentration in one or a couple of important clients. In such contexts, the client risk can be considered to be elevated. There is a risk that a customer for some reason chooses to terminate an agreement with the Company, which may have a negative impact on the Company's operations, financial position and results of operations.

### Currency risk

The majority of the Group's revenue and cost base is in Vietnamese Dong (VND). The Vietnamese Dong is partly pegged against a basket of currencies where the USD is dominant. If the USD/VND currency ratio develops in an unfavorable direction for the Company (i.e., a strengthening of the VND against the USD), it could have an adverse effect on the Company's operations, financial condition and results of operations.

### Economic developments

External factors such as supply and demand as well as recessions and booms can have an impact on operating expenses, selling prices and stock valuation. There is a risk that the Company's future revenues and share valuation may be affected by these factors, which are beyond the Company's control, which could have a negative impact on the Company's business, financial condition and results of operations.

### Competition

In addition to this, there is the risk that the Company may have misjudged competition in one or more markets in which it becomes active in. A difficult competitive situation could result in the Company not achieving growth targets due to, among other things, price pressure or reduced order intake, which could have a negative impact on the Company's operations, financial position and earnings.

### Political risks

The company's operations are managed and coordinated in Vietnam. Risks may arise from changes in legislation, taxation, duties and fees, exchange rates and other conditions that apply to companies operating in international markets. Government decisions can also have an impact on the Company's operations. The Company will also be affected by factors associated with the political and economic climate of the countries in which it conducts its business, primarily Vietnam, which may adversely affect the Company's operations, financial condition and results of operations.

### Disputes

There is a risk that the Company will in the future be involved in court proceedings and/or arbitrations. These types of legal processes can be time- and cost-intensive and there is a risk that they cannot be resolved in a way that is beneficial to the Company. There is also a risk that, in the event of a loss in legal proceedings, the Company will be forced to reimburse the counterparty for litigation costs, which may have a negative impact on the Company's operations, financial position and results of operations.

### Risk with the business model

The company has a business model based on cooperation with external actors and business partners. In the event of delays in market launch, or if market acceptance is lower than expected, there is a risk of adverse effects on the Company's or the Company's subsidiaries' operations, financial position and results of operations. Since many of the business models developed within the Group are relatively new and unproven in the markets addressed, there is an increased risk in the market acceptance of these business models during the early phases of the business's development.

### Acquisition and sale of holdings

The company's operations mean that potential acquisitions and sales are evaluated on an ongoing basis. It cannot be ruled out that the Company will fail to find suitable acquisition targets in the future or to obtain the necessary financing for future acquisition targets on acceptable terms. Nor can it be ruled out that the Company will fail to divest individual holdings in the future or, if divestments are carried out, to receive a favorable purchase price. The above factors could have a negative impact on the Company's operations, financial condition and results of operations.

## 7. Further information

Date for next AGM: 17th of May 2024

This report, as well as additional information, is available on the Fram's website: [investors.fram.asia](https://investors.fram.asia)

The annual report will be available on the company's website, [fram.asia](https://fram.asia)

This information is information that Fram Skandinavien AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was provided, through the agency of the contact person set out below, at the time indicated in the press release.

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### The report is certified by:



**Hanh Mai  
CEO**

9th February 2024