Iyuno Sweden Holding I AB
Corp. Reg. No. 559120-8680

Annual Report and Consolidated Accounts for the Financial Year 2023-01-01 – 2023-12-31

The Board of Directors submits the following Annual Report and Consolidated Accounts.

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Unless otherwise stated, all amounts in the consolidated accounts are in thousands of USD. Parent Company accounts are stated in thousands of Euros. Figures in brackets refer to the previous year.

Administration Report

Information regarding the operations

Iyuno Sweden Holding I AB is a market leader in media localization with leading-edge technology providing dubbing, subtitling and media engineering services in over 100 languages. The Group operates 49 local facilities globally, spanning a network of fully owned sites across 34 countries in Europe, Asia, and the Americas – offering end-to-end solutions for broadcasters, all major film studios, and OTT streaming platforms.

Iyuno Sweden Holding I AB commenced operations in April 2017 for the purpose of acquiring the BTI Studios Group. On 31 August 2017, Iyuno Sweden Holding III AB (previously named BTI Studios Holding AB, Corp. Reg. No. 556939-9693) with subsidiaries was acquired. On 25 September 2019, BTI Studios acquired Iyuno. On March 26, 2021, The Group acquired SDI Media Group, Inc. including all subsidiaries.

The Group is principally engaged in the business of subtitling, dubbing, and media engineering services.

Significant events during the financial year

In September 2023, the group completed a divestiture of Ortana Media Group, a digital media workflow orchestration and asset management solutions provider. The impact on the group was immaterial.

In June 2023, the group acquired 100% of Akla Kara Production, a Turkey-based provider of translation services, dubbing and subtitles, expanding the global reach and enhancing service offerings in multimedia localization.

In February 2023, Iyuno refinanced its existing debt in its entirety by repaying the SEB led consortium of lenders and borrowing from a new consortium of banks led by Bank of America. Iyuno borrowed a total of USD $170m that consists of two term loan tranches: EUR €88.4m (equivalent to USD $95m), and USD $75m.

The USD tranche bears a variable interest rate of SOFR + a current margin of 2.75% + 0.15% CSA adjustment. The EUR tranche bears a variable interest rate of EURIBOR + a current margin of 2.75%. This represents a significant improvement in terms when compared to the old debt, which had an average cost of reference rate (LIBOR/EURIBOR/STIBOR) + 3.82%.

Furthermore, Iyuno also gained access to a USD $30m Revolving Credit Facility, of which $5m is utilized as of April 2024. The new term loans come with an amortization requirement of 5% per annum, paid quarterly. The new debt has a term of 5 years, and will mature on the 21st of February 2028

Significant events after the end of the financial year

In January 2024, the group acquired 100% of Unidub Brazil, a renowned provider of dubbing and localization services marking an expansion into the South American Market.

Future development

The Group will continue to build strong business relationships with clients, optimize its cost structure, realize post-merger opportunities and synergies, and effectively utilize new technology to ensure continued profitability. The Group will evaluate acquisition opportunities to grow in similar and adjacent businesses to realize economies of scale and meet the needs of the Group’s clients.

Administration Report (continued)

Ownership structure

The ownership of the share capital of Iyuno Sweden Holding I AB is as follows:

	2023	**2022**
	%	**%**
Softbank Vision Fund	29.5	29.5
Softbank Ventures fund	10.1	10.1
Altor	17.6	17.6
Serenity Holdings	17.1	17.1
IMM	14.6	14.6
Management	6.0	6.0
Shamrock	5.1	5.1
	100	**100**

Proposed appropriation of profits (parent company)

The following profits are at the disposal of the Annual General Meeting	**Euro €000**
Share premium fund	145,547
Retained earnings	127,133
Net profit / (loss) for the year	-8
	272,672
The Board of Directors propose that profits be appropriated so the following amount is carried forward	272,672

Iyuno Sweden Holding I AB
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Notes	31 Dec 2023 $000	31 Dec 2022 $000
Revenue	5	410,691	509,432
Cost of Sales		-278,392	-346,173
Gross Profit		**132,299**	**163,259**
General and Administrative expenses	6	-111,461	-136,559
Other income/loss	9	-263	-2,727
Operating profit		**20,574**	**23,973**
Finance expense	11	-18,458	-12,061
Finance income	10	709	72
Finance items - net		**-17,749**	**-11,989**
Profit before income tax		**2,825**	**11,984**
Income tax	12	-5,940	-10,984
Net profit/loss for the year		**-3,114**	**1,000**
Attributable to:			
Equity holders of the parent		-3,306	915
Non controlling interest		192	85
Net profit/loss for the year		**-3,114**	**1,000**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2023 AND 2022

	Notes	31 Dec 2023 $000	31 Dec 2022 $000
Net profit/loss for the year		-3,114	1,000
Other comprehensive Income/loss:			
Items that will not be reclassified subsequently to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss :			
Exchange gain/loss on translation of foreign operations		3,492	-13,219
Other comprehensive income/loss for the year, net of tax		3,492	-13,219
Total comprehensive income/loss for the year		**378**	**-12,219**
Attributable to:			
Equity holders of the parent		186	-12,304
Non-controlling interests		192	85
Total comprehensive income/loss for the year		**378**	**-12,219**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022

	Notes	31 Dec 2023 $000	31 Dec 2022 $000
ASSETS			
Non-current assets			
Goodwill	14	409,638	399,545
Other intangible assets	13	28,278	32,762
Property, plant and equipment	15	46,167	27,652
Right-of-use assets	16	64,018	52,179
Investments accounted for using the equity method		234	254
Other non-current Assets		11,180	10,094
Deferred tax assets	12	1,551	1,213
Total non-current assets		**561,066**	**523,699**
Current assets			
Trade and other receivables	17	82,025	139,627
Income tax receivable	12	5,818	6,183
Contract asset	17	54,113	60,804
Other Current Assets		0	11
Cash and cash equivalents	18	42,650	35,447
Total current assets		**184,606**	**242,072**
TOTAL ASSETS		**745,672**	**765,771**

The accompanying notes form an integral part of these financial statements

Iyuno Sweden Holding I AB
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022

	Notes	31 Dec 2023 $000	31 Dec 2022 $000
EQUITY AND LIABILITIES			
Equity			
Share Capital		54	54
Share premium		486,893	486,893
Other reserves		-44,759	-48,251
Retained earnings		-54,346	-51,040
Equity attributable to equity holders of the parent		**387,841**	**387,655**
Non-controlling interest		756	564
Total equity		**388,597**	**388,219**
Non-Current liabilities			
Borrowings	20	152,099	126,475
Other Non-current liabilities		11,843	6,758
Lease liabilities	19	65,549	52,222
Provisions	21	336	4,019
Deferred tax liability	12	3,533	6,209
Total Non-current liabilities		**233,360**	**195,683**
Current Liabilities			
Trade and other payables	22	82,947	109,052
Contract liability		14,047	7,771
Borrowings	20	9,249	44,750
Lease liabilities	19	9,774	8,660
Income tax payable	12	7,698	11,636
Total current liabilities		**123,715**	**181,869**
Total Liabilities		**357,075**	**377,552**
TOTAL EQUITY AND LIABILITIES		**745,672**	**765,771**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Share Capital	Other Contributed Capital	Other Reserves	Retained Earnings (incl. profit for the year)	Equity attributable to Shareholders of the parent	Non-Controlling Interests	Total Equity
	$000	$000	$000	$000	$000	$000	$000
Balance at January 1, 2022	**53**	**456,894**	**-35,032**	**-51,955**	**369,959**	**479**	**370,438**
Net profit for the year				915	915	85	1,000
Other comprehensive income for the year			-13,219		-13,219		-13,219
Total Comprehensive income for the year	**0**	**0**	**-13,219**	**915**	**-12,304**	**85**	**-12,219**
Transactions with owners in their capacity as owners:							
Capital Contribution	1	29,999			30,000		30,000
Share-based payment expenses							
Balance at December 31, 2022	**54**	**486,893**	**-48,251**	**-51,040**	**387,655**	**564**	**388,218**
Net profit for the year				-3,306	-3,306	192	-3,114
Other comprehensive income for the year			3,492		3,492		3,492
Total Comprehensive income for the year	**0**	**0**	**3,492**	**-3,306**	**186**	**192**	**378**
Transactions with owners in their capacity as owners:							
Capital Contribution							
Share-based payment expenses							
Balance at December 31, 2023	**54**	**486,893**	**-44,759**	**-54,346**	**387,841**	**756**	**388,597**

Movement in Share Capital and Other Contributed Capital

	Common A shares	Preference B shares	Total shares	Share Capital	Other Contributed Capital	Total
	number of shares	number of shares	number of shares	$000	$000	$000
Balance at January 1, 2022	**8,044,537**	**34,445,620**	**42,490,157**	**53**	**456,894**	**456,947**
New issue of shares	225,811	1,068,242	1,294,053	1	29,999	30,000
Balance at December 31, 2022	**8,270,348**	**35,513,862**	**43,784,210**	**54**	**486,892**	**486,946**
Balance at December 31, 2023	**8,270,348**	**35,513,862**	**43,784,210**	**54**	**486,893**	**486,947**

All shares are fully paid and have a par value of 0.001 Euros. The company has a maximum authorized share capital of 50,000 Euros (50 million shares). Shares of either class may be issued up to an amount equal to the entire share capital.

The two classes of share carry equal voting rights. Preference B shares have certain preferential rights to the company's assets and profits.

Other Reserves
Other reserves include translation reserves, share based reserves and merger reserves.

The translation reserves comprise all foreign currency translation reserves arising from the translation of the financial statements of foreign operations to the Group presentation currency.

For more information on share-based reserves and merger reserve, see note 23 “Share based payments”.

Iyuno Sweden Holding I AB

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
	$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit or loss for the year	-3,114	1,000
Adjustments for:		
Finance cost	18,458	12,061
Finance income	-709	-72
Depreciation of property, plant and equipment	8,513	7,918
Other items not affecting liquidity	-862	421
Amortization of intangible assets	7,053	8,297
Impairment of intangible assets	6,115	24,647
Depreciation for right-of-use assets	13,341	12,498
Income tax expense	5,940	10,984
Operating cash flows before movements in working capital	**54,735**	**77,754**
Movements in working capital		
Decrease/(increase) in trade and other receivables	54,534	-38,899
Decrease/(increase) in contract asset	7,294	-8,524
(Decrease)/increase in trade and other payables	-27,692	12,487
(Decrease)/increase contract liabilities	6,056	1,013
Cash generated from operations		
Other provisions paid during the year	-3,175	-
Income tax paid	-11,251	-10,083
Net cash generated from operating activities	**80,501**	**33,748**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-26,701	-7,403
Additions to intangible assets	-3,478	-5,053
Acquisition of a subsidiary	-4,288	-4,995
Other investing activities	-	-121
Net cash provided by (used in) investing activities	**-34,467**	**-17,572**
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs/interest paid	-12,844	-12,554
Issue of new share capital	-	30,000
Proceeds from loans and borrowing	168,502	-3,083
Repayment of borrowings	-175,248	
Payment of principal portion of lease liabilities	-15,132	-9,668
Cash payment for interest portion of lease liabilities	-4,220	-2,747
Net cash provided by (used in) financing activities	**-38,942**	**1,948**
Net increase (decrease) in cash and cash equivalents	**7,092**	**18,124**
Cash and cash equivalents at the beginning of the year	**35,447**	**17,325**
Translation difference	111	-1
Cash and cash equivalents at the end of the year	**42,650**	**35,447**

1. CORPORATE INFORMATION

Iyuno Sweden Holding I AB is a market leader in media localization with leading-edge technology providing dubbing, subtitling and media engineering services in over 100 languages. The Group operates 49 local facilities globally, spanning a network of fully owned sites across 34 countries in Europe, Asia, and the Americas – offering end-to-end solutions for broadcasters, all major film studios, and OTT streaming platforms.

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2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in the accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as endorsed by the European Union (EU), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board´s standard RFR 1 Supplementary Accounting rules for groups.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation

The financial statements have been prepared on a historical cost basis except for investments which have been presented at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group's consolidated financial statements are presented in USD and the parent company's financial statements are presented in Euros, compliant with Swedish requirements.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) as at the reporting date. Control is achieved when the Group:

- has power over the investee.
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- potential voting rights held by the Group, other vote holders or other parties.
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous stakeholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without loss of control, is recorded in the statement of changes in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Profit or loss and each component of other comprehensive income are attributed to the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments have been made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries have been identified separately from the Group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

As from the acquisition date, goodwill acquired in a business combination is determined based on the difference between total consideration and identifiable assets acquired and liabilities assumed. An annual impairment test for the goodwill has been performed in the fourth quarter, or when there is an indication of impairment. An impairment loss is recognized if the book value of operations exceeds the discounted cash

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

flow. The book value of operations is the combination of net operating assets and goodwill balance. In assessing value in use, the estimated future cash flows are discounted to their present value using a weighted average cost of capital (WACC) rate that reflects current market assessments of the time value of money and the risks specific. An impairment loss in respect of goodwill is not reversed. Write-downs of goodwill are reported under general and administrative expenses.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill arising on an acquisition of a business (being the excess of the aggregate of consideration transferred and the amount of any non-controlling interest in acquiree over the fair values of net assets acquired) is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.
The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.
Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

Revenue from contracts with customers

Contracts are typically for services, performing agreed-upon tasks for a customer and can be time (run-time minutes) or episodic based. Most contracts are short term in duration (generally less than one month); however, contracts can be longer term and extend to several months (or in some cases up to six months). Where there are multiple performance obligations outlined in a contract, each performance obligation is separately assessed, the transaction price is allocated to each obligation, and related revenues are recognized as services or assets are transferred to the customer. Performance obligations are typically satisfied over time, as the majority of contracts meet the criteria outlined in IFRS 15 paragraph 35 (a) and (c).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Performance obligations for subtitling are typically for either a specific episode of a TV show subtitled into a specific language or a feature film subtitled into a specific language from the original material. If multiple languages or episodes are ordered, the Group views each episode or language as its own, individual performance obligation as they are distinct from one another and the customer can benefit from each product type on its own per IFRS15.27. Performance obligations for dubbing projects are related to completed audio file for an entire film or episode of a TV show. Performance obligations are unique and are not combined.

In measuring progress towards complete satisfaction of performance obligations, the input method is considered to be the most appropriate method to depict the underlying nature of the contracts with customers, the interactive way the service is delivered, and projects are managed with the customer. Progress is generally measured based on the proportion of contract costs incurred at the balance sheet date, (e.g., worked days) relative to the total estimated costs of the contract, involving estimates of the cost to completion etc. Judgment may also be involved where circumstances arise that may change the original estimates of revenues, costs, or extent of progress towards complete satisfaction of the performance obligations. In such circumstances estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known. When the outcome of a contract cannot be measured reliably, contract revenue is recognized only to the extent that conditions have been accepted by the customer. Contract costs are recognized as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

Revenue recognized represents the consideration received or receivable, net of sales taxes, rebates, discounts and after eliminating intercompany sales. Revenue is recognized only where it is probable that consideration will be received. Where consideration is received and the related revenue has not been recognized, the consideration received is recognized as a contract liability (Deferred Revenue), until either revenue is recognized, or the consideration is refunded.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Leasing

The Group as lessee

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable,
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease, and
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter of the period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented as a separate line in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

If a lease is sub-leased to a third party, the right-of-use asset relating to the head lease is derecognized and the net-investment in the sub-lease recognized. Any difference between the carrying amounts of the right-of-use asset and net-investment in the sub-lease is recognized in the profit and loss. The right-of-use liability continues to be recognized for the head lease. Sub-lease income is recognized as interest income and interest expense on the head lease.

Employee benefits

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred. There are a small number of defined benefit plans that exist within the Group as a result of legacy acquisitions, but they have not been considered material from a Group perspective whereas no additional information is disclosed for these in the financial statements.

Property, plant, and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Group applies the following annual rates of depreciation to its property and equipment:

Computers and software	14-33%
Office furniture and equipment	14-20%
Leasehold improvements	Shorter of lease term and useful economic life

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant, and equipment (continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Group applies the following annual amortization rates to its intangible assets.

Internal use software	20-33%
Customer relationships	6-8%
Tradename	Indefinite Life

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Other Intangibles comprises intangible assets acquired through business combination in order of materiality they are customer relationships, tradename, technology (internal use software), and other intangibles. In addition, there are capitalized development expenses and separately acquired intangibles assets, mainly consisting of software. At initial recognition, acquired intangible assets relating to business combinations are stated at fair value and capitalized development expenses and software are stated at cost. Subsequent to initial recognition, these intangible assets are stated at the initially recognized amounts less accumulated amortization and any impairment. Amortization and any impairment losses are included in general and administrative expenses. Costs incurred for the development of products intended for internal use are capitalized as from when technological and economic feasibility has been established until the product is available for use. Other research and development expenses are charged to the income statement as incurred. The Group has not recognized any intangible assets with indefinite useful life other than goodwill and tradename. Impairment tests are performed when there is an indication of impairment. Tests are performed in the same way as for goodwill but on an asset level, see above. However, intangible assets not yet available for use are tested for impairment annually. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the Group unless otherwise stated and have maturities of 90 days or less, which are subject to insignificant risk of changes in values.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax *(continued)*

- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in Goodwill (as long as it does not exceed Goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held-for-trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

On the asset side, the Group's financial assets measured at amortized cost consist of trade and other receivables, contract assets and cash and cash equivalents.

On the liability side, the Group's financial liabilities measured at amortized cost comprise liabilities to loans and borrowings, trade and other payables, contract liabilities and lease liabilities.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments in the portfolio past the credit periods as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Impairment of financial assets (continued)
For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term,
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Expected Credit Losses
The IFRS 9 impairment provision for trade receivables and contract assets was calculated using a simplified approach, requiring the computation of lifetime expected credit losses. Bad debt expense data relative to receivable balances over the recent three-year period was utilized to compute lifetime expected credit losses.

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less accumulated impairment, if any.

Foreign currency translation
The Group's consolidated financial statements are presented in USD and the parent company's financial statements are presented in Euros, compliant with Swedish requirements. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognized in OCI.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any Goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Share-based payments
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 23.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1 New and amended IFRS applied with material effect on the financial statements

Certain new accounting standards and interpretations have been issued by the IASB, but are not yet effective for the December 31 2023 reporting period and have not been early adopted by the group. These standards are not expected to have a material impact on the Group in the current or future reporting periods nor on foreseeable future transactions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of tangible and intangible assets
The Group's management tests annually whether there is an indication that tangible and intangible assets have suffered impairment in accordance with accounting policies stated in note 2. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

At initial recognition, future cash flows are estimated, to ensure that the initial carrying values do not exceed the expected discounted cash flows for the items of this type of assets. After initial recognition, impairment testing is performed whenever there is an indication of impairment, in addition, goodwill impairment testing is performed once per year. Negative deviations in actual cash flows compared to estimated cash flows as well as new estimates that indicate lower future cash flows might result in recognition of impairment charges.

Leases
Key sources of estimation uncertainty in the application of IFRS 16 Leases may include, among others, the following:

- Estimation of the lease term,
- Determination of the appropriate rate to discount the lease payments, and
- Assessment of whether a right-of-use asset is impaired.

5. REVENUE FROM CONTRACT WITH CUSTOMERS

	2023 $000	2022 $000
Revenue by line of business		
Subtitling	112,271	163,813
Dubbing	270,035	307,146
Other	28,385	38,473
Total	**410,691**	**509,432**

	2023 $000	2022 $000
Revenue by geography		
Americas	81,011	131,986
Europe	229,589	260,676
Asia	100,091	116,770
Total	**410,691**	**509,432**

5. REVENUE FROM CONTRACT WITH CUSTOMERS (continued)

	2023 $000	2022 $000
Timing of revenue recognition		
Services transferred over time	410,691	509,432
Total	**410,691**	**509,432**

Revenue recognized in the reporting period arises from contracts with customers and is predominantly recognized over time.

Assets and liabilities related to contracts with customers

Significant changes in contract assets and liabilities

Contract assets relate to revenue accruals. The decrease of $6.7m is related to lower revenue in 2023. The increase in 2022 of $7.3m is primarily related to higher revenue.

Contract liabilities relate to advance payments from customers. The increase of $6.3m is related to higher advance payments from customers. There was no significant change in 2022.

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2023 $000	2022 $000
Salaries and other benefits	39,832	41,149
Impairment	6,115	24,647
Depreciation expense	21,854	20,416
Professional fees	10,497	13,423
Information technology (IT) expenses	12,411	9,965
Facility-related expenses	6,117	7,612
Amortization expense	7,053	7,563
Travel and entertainment expenses	2,353	2,304
Other expenses	5,229	9,480
Total	**111,461**	**136,559**

7. REMUNERATION TO AUDITORS

	2023	2022
	$000	$000
PwC		
Audit assignment	620	643
Audit work other than audit assignment	65	245
Tax consultancy services	88	37
Other services	141	183
Total	**914**	**1,108**
Other auditors		
Audit assignment	485	433
Audit work other than audit assignment	-	-
Tax consultancy services	737	848
Other services	-	-
Total	**1,222**	**1,281**

8. SALARIES AND OTHER REMUNERATION

Remuneration of staff

Salaries, other benefits and social security expenses

	2023	2022
	$000	$000
Salaries and other remuneration	103,673	105,112
Social security expenses	10,521	10,251
Share-based payments	879	883
Pension costs – defined contribution plans	3,262	2,935
Total employee benefits	**118,335**	**119,181**

Remuneration of Key Management Personnel

The remuneration of the executive leadership and board members, who are the key management personnel of the Group, is set out below in aggregate for each of the categories:

	2023	2022
	$000	$000
Base salary	3,045	3,792
Other benefits	922	311
Variable compensation	-	1,143
Pension	71	46
Total	**4,038**	**5,292**

The Group makes contributions to defined contribution retirement benefit plans in respect of both key management and its employees.

8. SALARIES AND OTHER REMUNERATION (continued)

Average number of employees by location

	2023 TOTAL	MEN	WOMEN	2022 TOTAL	MEN	WOMEN
Asia	1,207	477	730	1,243	484	759
Europe	1,320	614	706	1,310	593	718
Americas	309	190	119	317	195	121
	2,836	**1,281**	**1,555**	**2,870**	**1,272**	**1,598**

CEO and Executive leadership

	2023 TOTAL	MEN	WOMEN	2022 TOTAL	MEN	WOMEN
Board members	9	8	1	9	8	1
CEO & other senior executives	10	7	3	11	9	2

Note: CEO is a member of the Board and included in that disclosure line also

9. OTHER INCOME/LOSS

	2023 $000	2022 $000
Other income	820	677
Revaluation gain / (loss)	-1,083	-3,404
	-263	**-2,727**

10. FINANCE INCOME

	2023 $000	2022 $000
Other interest income & similar	709	72
	709	**72**

11. FINANCE EXPENSE

	2023 $000	2022 $000
Interest on loans and borrowings	14,238	9,311
Interest on lease liabilities	4,220	2,750
	18,458	**12,061**

12. INCOME TAX

Taxation (Current & Deferred)

	2023 $000	2022 $000
Current income tax:		
Current income tax charge	8,695	17,320
Adjustments in respect of prior year	86	1,566
Deferred tax:		
Relating to origination and reversal of temporary differences	-2,225	-7,902
Write down of previously recognized deferred tax assets	-616	-
Income tax expense reported in the statement of profit or loss	**5,940**	**10,984**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

	2023 $000	2022 $000
Accounting profit before income tax	**2,835**	**11,985**
Statutory income tax rate of 20.6%	584	2,469
Adjustments in respect of current income tax of previous years	86	1,566
Tax credit	-2,226	-2,564
Non-taxable income	-3,503	-1,816
NOL generation/ utilisation	9,168	4,321
Valuation allowance movement	-1,022	-371
Other non-deductible expenses	1,944	2,320
IFRIC 23 movement	780	728
Effect of local tax rates	-452	448
Other	580	3,883
Income tax expense reported in the statement of profit or loss	**5,940**	**10,984**

12. INCOME TAX (continued)

Reconciliation of deferred tax liabilities/assets, net

	2023 $000	2022 $000
As of 1 January	-4,996	-13,352
Tax expense during the period recognized in profit or loss	2,841	7,327
CTA	173	1,029
As at 31 December	**-1,982**	**-4,996**

Deferred Tax

The following are the major deferred tax liabilities and assets recognized by the Group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation $000	Accelerated tax amortization $000	Accrued expenses $000	Tax losses $000	Miscellaneous deferred $000	Total $000
At 1 January 2022	**2,233**	**-23,571**	**1,052**	**5,019**	**1,915**	**-13,352**
Charge to profit or loss	643	6,584	1,064	-1,196	232	7,327
Charge to other comprehensive income	-	-	-	-	-	-
Charge direct to equity	-	-	-	-	-	
Effect of change in tax rate	-172	1,816	-81	-387	-147	1,029
At 31 December 2022	**2,704**	**-15,171**	**2,035**	**3,436**	**2,000**	**-4,996**
Charge/credit to profit or loss	188	255	-1,353	551	3,200	2,841
Acquisition of subsidiary						-
Disposal of subsidiary						-
Effect of change in tax rate	-94	529	-71	-120	-71	173
At 31 December 2023	**2,798**	**-14,387**	**611**	**3,867**	**5,129**	**-1,982**

13. INTANGIBLE ASSETS

	Computer software $000	Customer relationships $000	Trade Name $000	Other Intangibles $000	Total $000
Cost					
31-Dec-22	**20,704**	**30,600**	**19,500**	**1,766**	**72,570**
Additions from internal development	3,478	-	-	-	3,478
Impairment on intangibles	-618	-	-	-489	-1,107
Exchange rate movement	96	-6	15	-60	45
31-Dec-23	**23,660**	**30,594**	**19,515**	**1,217**	**74,986**
Accumulated amortization					
31-Dec-22	**-13,952**	**-5,497**	**-19,500**	**-858**	**-39,808**
Amortization charge for the year	-3,644	-3,084	-	-325	-7,053
Exchange rate movement	162	-	-15	6	153
31-Dec-23	**-17,435**	**-8,581**	**-19,515**	**-1,177**	**-46,708**
Net Book Value					
31-Dec-22	**6,752**	**25,103**	**-**	**908**	**32,762**
31-Dec-23	**6,225**	**22,013**	**-**	**40**	**28,278**

13. INTANGIBLE ASSETS (continued)

In the statement of Profit or Loss, both the amortization charge above and research and development expenses were recognized in the general and administrative cost category. Research and development costs in General and Administrative costs amounted to $4.4 m in 2023 and $4.0m in 2022.

Impairment Losses

In 2023 there was an impairment loss of $0.6m related to computer software due to management's decision to cancel the project.
In 2022 there was an impairment loss of intangibles of $19.5m in tradenames due to a strategic decision to discontinue the use of the SDI Media tradename. There was also an impairment loss of $5.1m related to computer software due to management's decision to cancel the project. Effects of impairment are reported in General and Administrative expenses, along impairment of goodwill (please refer to note 14).

14. GOODWILL

	2023 Goodwill $000	2022 Goodwill $000
Cost		
1 Jan	**494,947**	**522,505**
Acquired on acquisition of a subsidiary	4,111	-
Exchange rate movement	14,601	-27,558
31 Dec	**513,659**	**494,947**
Accumulated Impairment loss		
1 Jan	**-95,402**	**-100,520**
Impairment loss	-5,373	-644
Exchange rate movement	-3,246	5,762
31 Dec	**-104,021**	**-95,402**
Net Book Value		
1 Jan	**399,545**	**421,985**
31 Dec	**409,638**	**399,545**

Impairment tests

The value in use method has been used for goodwill impairment testing, which means that the recoverable amounts are established as the present value of expected future cash flows based on a five year projection using a 12% pre-tax discount rate. Estimation of future cash flows includes assumptions mainly for the following key financial parameters: – Sales growth – Development of EBIT (based on EBIT margin or cost of goods sold and operating expenses relative to sales) – Related development of working capital and capital expenditure requirements.

14. GOODWILL (continued)

The assumptions are also based upon information gathered in the Group's financial planning and analysis team, including assessments of new technology, the Group's competitive position and expanded regional and product coverage. Revenue growth is forecasted to reflect the expected high growth market conditions. It is noted that it is more difficult to estimate market conditions the further into the future they are forecasted. Projections over extended time periods where the estimated cash flow growth exceeds that of the market in which the Group operates are inherently uncertain.

The resulting analysis for all periods presented provides significant headroom of discounted cash flows over the book value of operations resulting in no needed impairment on the Group's goodwill balance.

15. PROPERTY, PLANT AND EQUIPMENT

	Computers and software	Leasehold improvements	Vehicles	Office furniture and equipment	Capital work in progress	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Cost						
31-Dec-22	**26,313**	**30,595**	**20**	**33,181**	**3,709**	**93,819**
Additions	2,497	5,065	-	980	18,159	26,701
Transfers	1,110	1,225	-	355	-2,690	-
Disposals	-931	-121	-	-241	-	-1,293
Impairment	-	-	-	-	-	-
Other	-10	-1	-	-24	-2	-37
Exchange rate movement	601	860	-	470	100	2,032
31-Dec-23	**29,581**	**37,624**	**20**	**34,721**	**19,276**	**121,221**
Accumulated depreciation						
31-Dec-22	**-20,459**	**-20,413**	**-20**	**-25,275**	**-**	**-66,167**
Depreciation charge for the year	-3,072	-2,817	-	-2,624	-	-8,513
Transfers	-	-	-	-	-	-
Disposals	919	120	-	239	-	1,278
Impairment loss	-	-	-	-	-	-
Other	8	-355	-	27	-	-320
Exchange rate movement	-478	-479	0	-375	0	-1,332
31-Dec-23	**-23,081**	**-23,945**	**-20**	**-28,008**	**-**	**-75,054**
Net Book Value						
31-Dec-22	**5,855**	**10,182**	**-**	**7,906**	**3,709**	**27,652**
31-Dec-23	**6,500**	**13,678**	**-**	**6,712**	**19,276**	**46,167**

16. RIGHT OF USE ASSETS

	2023 $000	2022 $000
Cost		
1 January	**73,103**	**49,624**
Additions to right of use assets	25,724	28,682
Derecognition (lease expirations)	-8,147	-514
Exchange rate movement	1,754	-4,689
31 December	**92,434**	**73,103**
Accumulated Depreciation		
1 January	**-20,924**	**-11,197**
Depreciation charge for the year	-13,341	-12,498
Derecognition (lease expirations)	6,289	-
Exchange rate movement	-440	2,771
31 December	**-28,416**	**-20,924**
Net book value		
31 December	**64,018**	**52,179**
Interest expense on lease liabilities	4,220	2,750
Expense relating to short-term leases	104	118
Total	**4,324**	**2,868**

At 31 December 2023, the Group expensed $0.10m (2022: $0.12m) relating to both short-term leases (less than 1 year lease term) and those items with a value of under $5,000. At 31 December 2023, the Group is committed to $0.33m (2022: $0.06m) for short-term leases and low value items. The total cash outflow for leases amounted to $15.1m (2022: $9.8m).

Right of use assets relate primarily to office premises. The average lease term remaining is 5 (2022:3) years. The maturity analysis of lease liabilities is presented in note 19.

17. TRADE AND OTHER RECEIVABLES

	31-Dec-23	31-Dec-22
	$000	$000
Trade receivables	65,934	116,023
Allowance for expected credit loss	-192	-283
Total trade receivables	**65,742**	**115,740**
Prepayments	4,564	6,013
VAT and other taxes	6,139	6,732
Notes receivables	906	1,752
Other receivables	4,674	9,390
	82,025	**139,627**

Trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

With bad debt expense of -0.12%, -0.16% and -0.13% of receivables in years 2020-2022 respectively, an assessed rate of 0.16% has been applied for FY 22 expected credit loss to reflect a careful approach. The same rate was used for FY23 since the bad debt expense was negative in this year, thanks to recovery of amounts earlier prudently assumed non-recoverable. This expected credit loss percentage indicates the low credit risk across the Group, which can be applied globally. There were no significant indicators of credit risk fluctuations among regions or clients. Classification of age buckets less than a year were considered unnecessary given the low credit risk profile. Aging less than a year was analyzed and noted that the Group has very limited bad debt collection history related to this bucket and therefore any risk is in aging over a year. Further, the simplified approach was utilized which does not require entities to track changes in credit risk, instead allowing for the use of a provision matrix to calculate lifetime expected credit losses (ECLs). Aging buckets less than a year are not applicable in the calculations below, but a careful conservative approach was taken in applying the 0.16% rate against the entire trade receivable and contract asset balance.

17. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables (continued)

	31-Dec-23	31-Dec-22
	$000	$000
Trade Receivables		
Expected credit loss rate %	0.16%	0.16%
Gross carrying amount	65,934	116,023
Lifetime ECL	105	186
Contract Assets		
Expected credit loss rate %	0.16%	0.16%
Gross carrying amount	54,113	60,804
Lifetime ECL	87	97
Total		
Gross carrying amount	120,047	176,827
Lifetime ECL	192	283

The following table shows the movement in lifetime ECL that has been recognized for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Lifetime ECL credit impaired $000
Balance at 1 January 2022	**199**
Provision for ECL	274
Amounts written off	-189
Amounts recovered	
Balance at 31 December 2022	**283**
Provision for ECL	-91
Amounts written off	
Amounts recovered	
Balance at 31 December 2023	**192**

The average credit period on sales of goods is approximately 45 days. No interest is charged on outstanding trade receivables.

18. CASH AND CASH EQUIVALENTS

	31-Dec-23	31-Dec-22
	$000	$000
Cash at banks and on hand	42,157	35,447
Short term deposit	102	
Other, incl restricted cash	391	
	42,650	**35,447**

19. LEASE LIABILTIES

	31-Dec-23	31-Dec-22
	$000	$000
Maturity analysis - undiscounted cash flows		
Not later than one year	13,577	12,353
Later than one year and not later than 5 years	44,955	31,904
Later than 5 years	38,121	30,652
	96,653	**74,909**
Analysed between:		
Current liabilities	9,774	8,660
Non-current liabilities	65,549	52,222
	75,323	**60,882**

The Group does not face a significant liquidity risk with regard to its lease liabilities. The Group's approach to manage the liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal or stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

20. LOANS AND BORROWINGS

	31-Dec-23 $000	31-Dec-22 $000
Short term borrowings	9,249	44,750
Bank loan	152,099	126,475
	161,348	**171,225**
Analysed between:		
Current liabilities	9,249	44,750
Non-current liabilities	152,099	126,475
	161,348	**171,225**

Analysis of borrowings by currency

	Currency	31-Dec-23 $000	31-Dec-22 $000
Term loan, Revolving Credit Facility & Other local debt	EUR	89,982	115,164
Term loan	USD	70,748	50,890
Term loan & Revolving Credit Facililty	SEK	-	5,171
Goverment loan at market rate	KRW	618	-
		161,348	**171,225**

In February 2023, Iyuno refinanced its existing debt in its entirety by repaying the SEB led consortium of lenders and borrowing from a new consortium of banks led by Bank of America. Iyuno borrowed a total of USD $170m that consists of two term loan tranches: EUR €88.4m (equivalent to USD $95m), and USD $75m.

The USD tranche bears a variable interest rate of SOFR + a current margin of 2.75% + 0.15% CSA adjustment. The EUR tranche bears a variable interest rate of EURIBOR + a current margin of 2.75%. This represents a significant improvement in terms when compared to the old debt, which had an average cost of reference rate (LIBOR/EURIBOR/STIBOR) + 3.82%.

Furthermore, Iyuno also gained access to a USD $30m Revolving Credit Facility, of which $5m is utilized as of April 2024. The new term loans come with an amortization requirement of 5% per annum, paid quarterly. The new debt has a term of 5 years, and will mature on the 21st of February 2028

21. PROVISIONS

	31-Dec-23	31-Dec-22
	$000	$000
Provision for any legal proceeding	0	3,175
Any other provision	336	844
	336	**4,019**

Provision for PAGA Lawsuit

Based on an agreement related to a class action lawsuit settled through the Private Attorneys General Act (PAGA) and SDI Media USA, Inc., the Group established a cumulative provision of $3.175M. The putative wage and hour class action was filed in October 2019 against SDI Media USA, Inc. The provision calculation is based on a settlement agreement entered into on September 27, 2022 and preliminary approved by the court on December 14, 2022. The provision has been utilized as the formal settlement occurred in 2023. The full indemnification receivable initially established has been released based on receipt of funds from Imagica Group Inc.

The movement in provisions during the year was as follows:

	31-Dec-23	31-Dec-22
	$000	$000
Balance at the beginning of the year	3,175	1,500
Amount raised	-	1,675
Amount utilized	-3,175	-
Balance at the end of the year	**-**	**3,175**

22. TRADE AND OTHER PAYABLES

	31-Dec-23	31-Dec-22
	$000	$000
Trade payables	20,193	27,078
VAT and other taxes	449	1,840
Accrued expenses & deferred income	53,755	70,369
Employee benefit liabilities	2,600	2,355
Other payables	5,950	7,410
Total	**82,947**	**109,052**

22. TRADE AND OTHER PAYABLES (continued)

No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The fair value of trade and other payables approximate their carrying amount.

23. SHARE BASED PAYMENTS

Iyuno has substantially similar types of share-based payment arrangements and has aggregated the information so for both the legacy Iyuno and BTIS MIPCO/CIPCO schemes as presented below:

MIPCO

	31-Dec-23 $000	31-Dec-22 $000
Share based expense in the year ended	497	479

	December 31, 2023 Number of share options	December 31, 2022 Number of share options
Outstanding at 01 January	**763,237**	**763,237**
Granted during the year		
Forfeited during the year		
Outstanding at 31 December	**763,237**	**763,237**
Weighted average remaining contractual life of the options outstanding at end of period	2 years	3 years

Employees of Iyuno have been granted shares in Iyuno MIPCO that are acquired by way of an interest-free loan. The employee can at any given time repay the loan by either paying in cash or by transferring the shares back to the scheme administrator for re-issuance to either existing or newly invited employees (including the scheme administrator). This means that the employee receives a benefit because the employee is not bearing any risk if the market price of the shares decreases. The financial substance of this benefit constitutes an option. Employees with Iyuno MIPCO shares can only sell the shares upon Exit, defined as (i) Asset Sale (a sale of all or substantially all of the assets of the Group or the Group to any third party), (ii) Share Sale (a sale of Instruments in the Group representing more than 50 per cent of the votes of all Instruments in the Group (on a fully diluted basis) to any third party), or an IPO. The shares are subject to a six-year obligation to stay with the Group before which time, the shares can be called by the scheme administrator with no economic benefit for the employees depending on the reason for contract termination (vesting period). For the avoidance of doubt, the employees cannot sell the shares even after the vesting period unless through an Exit.

23. SHARE BASED PAYMENTS (continued)

No shares in BTIS MIPCO were granted in 2022 or 2023

Note: BTIS MIPCO/CIPCO and Iyuno MIPCO/CIPCO effective ownership in FY 21 and FY 22 were 3.3% and 2.7%, respectively.

CIPCO

	31-Dec-23	**31-Dec-22**
	$000	**$000**
Share based expense in the year ended	0	0

	December 31, 2023	**December 31, 2022**
	Number of share options	**Number of share options**
Outstanding at 01 January	**1,769,152**	**1,769,152**
Granted during the year	22,634	74,222
Forfeited during the year	-22,634	-74,222
Outstanding at 31 December	**1,769,152**	**1,769,152**
Weighted average remaining contractual life of the options outstanding at end of period	2 years	3 years

Employees of Iyuno have acquired shares in Iyuno CIPCO at market price through an interest-free loan. The employee can at any given time repay the loan by either paying in cash or by transferring the shares to the Group. This means that the employee receives a benefit because the employee is not bearing any risk if the market price of the shares decreases. The financial substance of this benefit constitutes an option. The total expense recognized in the income statement arising from the share-based payment during the period amounts to USD $nil (2022: USD $nil). The entire $2.13m cost of the option was recorded in 2019 when options were originally granted and vested. Shares are granted at a fair value of EUR 7.84 per share. 5,262 shares of BTIS CIPCO were granted in 2021 at a cost of Euro 7.84 per share, via an interest-bearing loan from Iyuno US Inc.

23. SHARE BASED PAYMENTS (continued)

Employee Share Ownership Plan	**31-Dec-23**	**31-Dec-22**
	$000	**$000**
Share based expense in the year ended	382	404

	2023		**2022**	
	Number of share options	**Average exercise price $**	**Number of share options**	**Average exercise price $**
Outstanding at 01 January	**375,683**	**5.55**	**442,622**	**5.55**
Granted during the year			17,500	5.55
Forfeited during the year	-53,500	5.55	-84,439	5.55
Outstanding at 31 December	**322,183**	**5.55**	**375,683**	**5.55**
Weighted average remaining contractual life of the options outstanding at end of period	3 years		4 years	

Employees of Iyuno have been granted share options as part of an Employee Stock plan that vest over a five-year period. No shares were exercised during the period (2022 nil). The options outstanding at 31 December 2023 had a weighted average exercise price of USD $5.55, and a weighted average remaining contractual life of 3 years. No new options were granted during the fiscal year 2023. During the fiscal year 2022, 2,500 and 15,000 options were granted on March 28,2022 and on May 1, 2022, respectively. The aggregate of the estimated fair values of the options granted on those dates is USD $97K. The Black Scholes Model was used for the valuation of the options granted during 2023 and 2022. The inputs used in the model is as follows:

Inputs used in Black Scholes model	**31-Dec-23**	**31-Dec-22**
Weighted average share price	$5.55	$5.55
Weighted average exercise price	$5.55	$5.55
Expected volatility	35.0%	35.0%
Expected life	5 Years	5 Years
Risk-free rate	0.00%	0.00%
Expected dividend yields	-%	-%

24. RELATED PARTY INFORMATION

Balances and transactions between the Parent Company, Iyuno Sweden Holding I AB and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its ultimate owners are disclosed below. Details of the ultimate owners of Iyuno Sweden Holding I AB can be found in the Administration report at the front of these financial statements.

24. RELATED PARTY INFORMATION (continued)

There were no transactions entered into with related parties during the year.

Remuneration of Key Management Personnel

Details of the remuneration of key management personnel, who are considered related parties, are disclosed in note 8.

25. SUBSIDIARIES

Details of the Group's subsidiaries and the ownership interest held by Iyuno Sweden Holding I AB are as follows:

Name	Principal activity	Country of incorporation and operation	Ownership interest and voting power
Iyuno Sweden Holding II AB	Holding company	Sweden	100.00%
Iyuno Sweden Holding III AB	Holding company	Sweden	100.00%
Iyuno Sweden Holding IV AB	Holding company	Sweden	100.00%
iPlus Media Co., Ltd.	Translation and interpretation services	South Korea	90.00%
i-Yuno (Thailand) Co., Ltd	Localisation	Thailand	100.00%
I-Yuno Asia Pte., Ltd.	Localisation	Singapore	100.00%
Iyuno Belgium NV	Localisation	Belgium	100.00%
Iyuno Denmark Dub A/S	Localisation	Denmark	100.00%
Iyuno Denmark Sub A/S	Localisation	Denmark	100.00%
Iyuno Finland Dub Oy	Localisation	Finland	100.00%
Iyuno Finland Sub Oy	Localisation	Finland	100.00%
Iyuno France SAS	Localisation	France	100.00%
Iyuno Germany GmbH	Localisation	Germany	100.00%
Iyuno Germany Holding GmbH	Holding company	Germany	100.00%
I-Yuno Global Co.,Ltd.	Localisation	South Korea	100.00%
Iyuno Hong Kong Ltd	Localisation	Hong Kong	100.00%
Iyuno Italy S.r.l	Localisation	Italy	100.00%
Iyuno Lebanon s. a. l.	Localisation	Lebanon	100.00%
I-Yuno Malaysia SDN. BHD.	Localisation	Malaysia	100.00%
i-Yuno Media R&D Private Ltd	Localisation	India	100.00%
Iyuno Netherlands Dub B.V	Localisation	Netherlands	100.00%
Iyuno Netherlands Sub B.V	Localisation	Netherlands	100.00%
Iyuno Norway Dub AS	Localisation	Norway	100.00%
Iyuno Norway Sub AS	Localisation	Norway	100.00%
I-Yuno Philippines Inc.	Localisation	Philippines	100.00%
Iyuno Poland Sp. z o. o.	Localisation	Poland	100.00%
Iyuno Romania S.r.l.	Localisation	Romania	100.00%
Iyuno Sweden AB	Localisation	Sweden	100.00%
Iyuno Sweden Dub AB	Localisation	Sweden	100.00%
Iyuno UK II Ltd	Localisation	UK	100.00%
Iyuno UK III Ltd	Localisation	UK	100.00%
Iyuno UK Ltd	Localisation	UK	100.00%
Iyuno US Holding Inc.	Holding company	US	100.00%
i-Yuno Company Limited	Localisation	Vietnam	100.00%
LYD Co., Ltd	Broadcasting program post-production	South Korea	50.00%

25. SUBSIDIARIES (continued)

Name	Principal activity	Country of incorporation and operation	Ownership interest and voting power
PT. i-Yuno Indonesia	Localisation	Indonesia	99.00%
PT. Iyuno Media Indonesia	Localisation	Indonesia	100.00%
Iyuno Portugal S.A.	Localisation	Portugal	100.00%
Iyuno Media (Malaysia) Sdn Bhd	Localisation	Malaysia	100.00%
Iyuno Philippines II Inc.	Localisation	Philippines	99.95%
SDI Media (Shanghai) Enterprise Services Co., Ltd	Localisation	China	100.00%
Iyuno Media (Thailand) Co Ltd	Localisation	Thailand	49.00%
SDI Media A/S	Localisation	Denmark	100.00%
SDI Media Czech Republic s.r.o.	Localisation	Czech Republic	100.00%
Iyuno de Mexico, S de RL de CV	Localisation	Mexico	100.00%
Iyuno Holding II UK Ltd.	Holding company	England	100.00%
Iyuno Media Hong Kong Ltd.	Localisation	Hong Kong	100.00%
Iyuno Iberia S.L.	Localisation	Spain	100.00%
SDI Media Latvia	Localisation	Latvia	100.00%
Iyuno Holding I UK Ltd.	Holding company	England	100.00%
SDI Media Ru Limited Liability Company	Localisation	Russia	75.00%
SDI Media Russia B.V.	Localisation	Netherlands	75.00%
Iyuno Scandinavia AB	Localisation	Sweden	100.00%
SDI Media Sweden AB	Localisation	Sweden	100.00%
Iyuno UK V Limited	Localisation	England	100.00%
Iyuno USA, Inc.	Localisation	USA	100.00%
SDI Sun Studio Magyarország Kft	Localisation	Hungary	100.00%
i-Yuno Cultural Communication Co., Ltd.	Localisation	China	100.00%
Yuzhong Wenhua Chuanbo Co., Ltd.	Localisation	China	100.00%
Iyuno Media Hong Kong Ltd. Taiwan Branch	Localisation	Taiwan	100.00%
SDI Media A/S Danmark filial Sverige	Localisation	Sweden	100.00%
SDI Media Norwegian Branch	Localisation	Norway	100.00%
SDI Media A/S Finnish Branch	Localisation	Finland	100.00%
Iyuno Germany GmbH Munich Branch	Localisation	Germany	100.00%
SDI Media A/S Netherlands Branch	Localisation	Netherlands	100.00%
SDI Media A/S (Belgium)	Localisation	Belgium	100.00%
SDI Media A/S (SPÓŁKA AKCYJNA) ODDZIAŁ W POLSC	Localisation	Poland	100.00%
SDI Media Russia B.V. Branch Russia	Localisation	Russia	75.00%
Iyuno Global Co., Ltd. (Taiwan Branch)	Localisation	Taiwan	100.00%
Iyuno Global Co., Ltd. (Japan Branch)	Localisation	Japan	100.00%
Bulgaria Iyuno UK Limited (UK Branch)	Localisation	Bulgaria	100.00%
Iyuno Turkey Medya Ticaret Anonim Sirketi	Localisation	Turkey	100.00%

* Iyuno exercises sufficient control and ability to direct operations over these entities that it deems it appropriate to categorize them as subsidiaries and are therefore included in consolidated results of the Group. Non-wholly owned subsidiaries and non-controlling interest were deemed immaterial by management.

26. ACQUISITION OF SUBSIDIARIES

In June 2023, the group acquired 100% of Akla Kara Production, a Turkey-based provider of translation services, dubbing and subtitles, expanding the global reach and enhancing service offerings in multimedia localization.

In the prior period the Group acquired 100% of Ortana Media Group in May 2022, a leading digital media workflow orchestration and asset management solutions provider. The purchase consideration entirely consisted of cash on hand.

The amounts in respect of the identifiable assets acquired and liabilities assumed in each acquisition are as set out in the table below.

	2023 $000	2022 $000
Book Value:		
Property, plant and equipment	17	20
Trade and other receivables - gross	175	59
Cash and Cash equivalents	42	461
Trade and other Payables	-142	-58
Book value of identifiable assets and liabilities aquired	92	482
Fair value adjustments:		
Total fair value adjustments	-	-
Net assets aquired	92	482
Goodwill from current year acquisitions	4,247	5,236
Cash	4,339	5,718
Total purchase consideration	4,339	5,718
Cash paid in the period	4,339	5,718
Less: cash and cash equivalent balances transferred	-42	-461
Net cash outflow arising on acquisition	**4,297**	**5,257**

Related to the above acquisitions $0.0m and $0.2m of transaction related costs were recognized in General and Administrative expenses in 2023 and 2022 respectively.

The main factors leading to the recognition of goodwill on the acquisition are the presence of certain intangible assets acquired, which are not valued for separate recognition. These include growing our service capabilities and streamlining our media asset management process.

27. CAPITAL COMMITMENTS AND CONTINGENCIES

The Group did not have any capital commitments or contingent liabilities at the reporting date.

28. FINANCIAL INSTRUMENTS

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments

Categories of financial instruments

	31-Dec-23 $000		
	Carrying Amount	**Fair value**	**Total**
Financial assets			
Amortized cost			
Cash and cash equivalents	42,650	42,650	42,650
Trade and other receivables	82,025	82,025	82,025
Contract assets	54,113	54,113	54,113
	178,788	**178,788**	**178,788**
Financial liabilities			
Amortized cost			
Borrowing & loans	161,348	161,348	161,348
Trade and other payables	82,947	82,947	82,947
Lease liabilities	75,323	75,323	75,323
	319,618	**319,618**	**319,618**

28. FINANCIAL INSTRUMENTS (continued)

	31-Dec-22 $000		
	Carrying Amount	Fair value	Total
Financial assets			
Amortized cost			
Cash and cash equivalents	35,447	35,447	35,447
Trade and other receivables	139,627	139,627	139,627
Contract assets	60,804	60,804	60,804
	235,879	**235,879**	**235,879**
Financial liabilities			
Amortized cost			
Borrowing & loans	171,225	171,225	171,225
Trade and other payables	109,052	109,052	109,052
Lease liabilities	60,882	60,882	60,882
	341,159	**341,159**	**341,159**

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Currency	31-Dec-23 '000	31-Dec-22 '000
Financial Assets			
Cash and cash equivalents	USD	17,806	18,127
Cash and cash equivalents	EUR	3,235	4,014
Cash and cash equivalents	DKK	36,579	17,494
Cash and cash equivalents	HKD	34,680	41,100
Cash and cash equivalents	KRW	7,627,880	5,061,235
Trade and other receivables	USD	28,472	61,912
Trade and other receivables	MXN	36,609	51,075
Trade and other receivables	GBP	1,758	6,479
Trade and other receivables	EUR	17,905	29,289
Trade and other receivables	SEK	32,553	76,347
Trade and other receivables	DKK	110,265	115,555
Trade and other receivables	HUF	118,349	378,672
Trade and other receivables	HKD	26,332	39,132
Trade and other receivables	JPY	75,438	140,499
Trade and other receivables	KRW	3,312,320	2,195,440
Trade and other receivables	PLN	4,799	4,311
Trade and other receivables	CZK	19,835	13,526

28. FINANCIAL INSTRUMENTS (continued)

	Currency	31-Dec-23	31-Dec-22
		'000	'000
Financial liabilities			
Borrowing & loans	GBP	0	-8
Borrowing & loans	EUR	81,242	143,634
Borrowing & loans	SEK	0	183,020
Borrowing & loans	USD	70,748	0
Trade and other payables	USD	17,477	31,949
Trade and other payables	MXN	21,123	25,434
Trade and other payables	GBP	1,036	1,915
Trade and other payables	EUR	28,981	37,671
Trade and other payables	SEK	25,189	46,220
Trade and other payables	DKK	73,373	67,775
Trade and other payables	NOK	9,850	10,762
Trade and other payables	PLN	7,695	9,054
Trade and other payables	HKD	48,805	51,148
Trade and other payables	JPY	235,663	265,943
Trade and other payables	KRW	5,581,293	4,187,627
Trade and other payables	CZK	22,865	18,524
Lease liabilities	USD	27,974	29,622
Lease liabilities	EUR	20,711	15,759
Lease liabilities	DKK	4,715	5,597
Lease liabilities	PLN	34,144	31,589
Lease liabilities	HKD	20,106	9,879
Lease liabilities	JPY	80,185	27,108
Lease liabilities	KRW	5,714,501	1,286,199
Lease liabilities	CNY	11,377	311
Lease liabilities	MXN	47,125	3,593

Interest rate and liquidity risks management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The Group monitors the market interest rates in comparison to its current borrowing rates and determines whether or not it believes it should take action related to the current interest rates. This includes a consideration of the current cost of borrowing, the projected future interest rates, the cost and availability of derivate financial instruments that could be used to alter the nature of the interest and the term of the debt and, if applicable, the period for which the interest rate is currently fixed.

28. FINANCIAL INSTRUMENTS (continued)

Interest rate and liquidity risks management (continued)
Sensitivity analysis performed on the existing debt shows that if SOFR and EURIBOR interest rates are higher by 2%, based on the next repricing event in May 24, and all other variables were held constant, the interest expense for the period to end of December 2024 will be $2.7m higher. This impact is attributable to the Group's exposure to interest rates on its variable rate borrowings.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows:

31-Dec-23 Details	Interest rate %	Within one year $000	One year to five years $000	Over five years $000	Total $000
Trade and other payables	Interest free	82,947	-	-	**82,947**
Borrowings	Average 7.3%	6,173	155,175	-	**161,348**
Lease liabilities	Average 6.8%	13,577	44,955	38,121	**96,653**
		102,697	**200,130**	**38,121**	**340,948**

31-Dec-22 Details	Interest rate %	Within one year $000	One year to five years $000	Over five years $000	Total $000
Trade and other payables	Interest free	109,052	-	-	**109,052**
Borrowings		44,749	126,475	-	**171,224**
Lease liabilities	Average 4.7%	12,353	31,904	30,652	**74,909**
		166,154	**158,379**	**30,652**	**355,185**

***** Trade and other payables exclude deferred revenue and advances from customers

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Potential concentrations of credit risk consist principally of trade receivables, amounts due from a related party and short-term cash investments. Details of how credit risk relating to trade receivables is managed are disclosed in note 17. The amounts due from a related party are monitored and provision is made, where necessary, for any irrecoverable amounts.

29 CAPITAL MANAGEMENT

Risk management

The Group's objectives when managing capital are to:

- secure its ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to maximize company value and reduce the cost of capital
- maintain its highly cash generative nature to fund additional acquisitions and expand some existing facilities to meet customer demands.

The Group received contributed capital from new shareholders for the acquisition of SDI Media Group, Inc. to strategically expand the business and realize the benefits of economies of scale. There were no dividend distributions to the Group's shareholders, instead profits were invested back into the business. The Group complied with all capital requirements from its shareholders and lenders.
Consistent with others in the industry, the Group monitors its capital structure on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests). The gearing ratios at 31 December 2023 and 31 December 2022 were as follows:

	31-Dec-23 $000	31-Dec-22 $000
Net debt	118,698	135,777
Total equity	388,597	388,219
Net debt to equity ratio	31%	35%

The net debt to equity ratio decreased from 36% to 32% as a result of debt principal repayments and the increase cash held by the Group at the end of the year.

Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Net debt to Last Twelve Months (LTM) EBITDA ratio must not exceed 3.75x
- LTM EBITDA to LTM Interest ratio must stay above 3.00x

The group has complied with these covenants throughout the reporting period. As at 31 December 2023, the Net Debt to LTM EBITDA, and the LTM EBITDA to LTM Interest ratios were 2.71x and 3.49x respectively (1.65x and 9.22x respectively as at 31 December 2022)

30 EVENTS SUBSEQUENT TO THE REPORTING DATE

In January 2024, Iyuno completed the acquisition of Unidub Brazil, a premier provider of dubbing and localization services, marking a strategic expansion into the South American Market to further fortify the Iyuno global footprint.

In March 2024, Iyuno completed the divestiture of SDI Media Russia B.V.

Iyuno Sweden Holding I AB

Corp. Reg. No. 559120-8680

Annual Report and Accounts
for the 2023-01-01 – 2023-12-31 Financial Year

PARENT COMPANY INCOME STATEMENT

For the year ending December 31

(in thousands of EUR)

	Notes	2023	2022
		€000	€000
Operating expenses			
Other external costs		-0	-1
Total operating expenses		**-0**	**-1**
Operating results		**-0**	**-1**
Result of financial investments			
Finance income	3	9	-
Finance expenses	3	-17	-
Finance expenses – net		-8	-
Profit/ (Loss) before income tax		-8	-1
Income tax expense	4	-	-620
Profit/ (Loss) for the year		**-8**	**-621**

The Parent Company has no items that are recognized as other comprehensive income. Total comprehensive income for the period equals profit / (loss) for the year.

PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

PARENT COMPANY BALANCE SHEET

As at	**Notes**	**31-Dec-23**	**31-Dec-22**
(in thousands of EUR)		€000	€000
ASSETS			
Non-current assets			
Financial Assets			
Participation in Group Companies	6	269,794	269,794
Inter-company loans	7	2,787	3,415
Total Financial Assets		**272,581**	**273,209**
Total non-current assets		**272,581**	**273,209**
Current assets			
Other current receivables		0	-
Cash and cash equivalents	8	147	135
Total current assets		**147**	**135**
TOTAL ASSETS		**272,728**	**273,344**
Equity			
Restricted equity			
Share capital		44	44
Unrestricted equity			
Non-restricted reserves		272,680	273,301
Net loss for the period		-8	-621
Total equity		**272,716**	**272,724**
Liabilities			
Current liabilities			
Inter-company payables		12	-
Current tax liabilities		-	620
Total current liabilities		**12**	**620**
TOTAL EQUITY AND LIABILITIES		**272,728**	**273,344**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

		Restricted equity	Non-restricted equity			
(in thousands of EUR)	**Notes**	**Share Capital**	**Share Premium Reserve**	**Other Contributed Capital**	**Retained earnings (incl. profit for the year)**	**Total equity**
		€000	€000	€000	€000	€000
January 1, 2022		**43**	**118,642**	**127,337**	**417**	**246,439**
New issue of shares		1	26,905			26,906
Profit/(loss) for the year					-621	-621
Balance at December 31, 2022		**44**	**145,547**	**127,337**	**-204**	**272,724**
January 1, 2023		**44**	**145,547**	**127,337**	**-204**	**272,724**
New issue of shares						-
Profit/(loss) for the year					-8	-8
Balance at December 31, 2023		**44**	**145,547**	**127,337**	**-212**	**272,716**

PARENT COMPANY STATEMENT OF CASH FLOWS

For the year ended December 31 (in thousands of EUR)	**Notes**	**2023** €000	**2022** €000
Cash flows from operating activities			
Net profit or (loss) for the year		-8	-621
Interest paid	3	9	-
Interest received	3	-9	-
Income tax expense	4	-	620
Cash flow from operating activities before working capital change		**-9**	**-1**
Changes in working capital:			
(Decrease)/increase in trade and other payables		12	-
Cash generated from operations			
Income tax paid (received)		-620	-
Net Cash generated from operating activities		**-617**	**-1**
Cash flows from investing activities			
Investments made in subsidiaries		-	-26,906
Loans repaid by subsidiaries		628	
Net cash provided by (used in) investing activities		**628**	**-26,906**
Financing activities			
Finance costs/interest paid	3	-9	-
Finance income/interest received	3	9	-
New paid in capital		-	26,906
Cash flows from financing activities		**1**	**26,906**
Net increase/(decrease) in cash and cash equivalents		**12**	**-1**
Cash and cash equivalents at January 1		135	136
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at December 31	8	**147**	**135**

1. Parent Company accounting policies

The principal accounting policies used in the preparation of these consolidated accounts are set out below. These policies have been consistently applied unless otherwise stated. All amounts are in thousands of EUR unless otherwise stated.

Basis for preparation

The Parent Company's accounting and valuation policies comply with the Swedish Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 Notes requires that the Parent Company as legal entity shall apply all IFRS adopted by the EU and statements to the extent that this is possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and with consideration to the relationship between accounting and taxation.

The Parent Company applies other accounting policies than the Group in the cases stated below:

Presentation formats

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

Participations in subsidiaries

Participations in subsidiaries are recognized using the cost method, which means that the investments are recognized in the balance sheet at cost less any impairment. The cost includes acquisition-related costs and any contingent consideration. The recoverable amount is calculated if there is an indication of impairment of participations in subsidiaries. If this value is lower than the carrying amount, an impairment loss is recognized. Impairment is recognized under Profit from participations in Group companies.

Provision for contingent consideration

In the Parent Company, a provision for contingent consideration is recognized as part of the cost if it is likely that it will be realized. If in subsequent periods it turns out that the original assessment needs to be revised, the provision is adjusted as a part of the cost.

Shareholders' contributions

Shareholders' contributions paid are recognized in the Parent Company as an increase in the carrying amount of the holding and in the receiving company as an increase in equity.

Group contributions

Group contributions are recognized in accordance with the alternate rules in RFR 2, which mean that Group contributions made and received are recognized as appropriations in profit or loss.

Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the items set out in RFR 2 (IFRS 9 Financial instruments, p. 3-10). Financial instruments are measured based on cost. Financial assets acquired with the intention of holding them on a short-term basis will be recognized in subsequent periods in accordance with the lower value principle at the lower of cost and market value. Derivative instruments with negative fair value are measured at this value.

As the Parent Company is a holding company and does not have trade receivable balances with external parties, calculating the net realizable value of receivables and the policies for impairment testing and loss risk provision in IFRS 9 is not applicable. Otherwise, a receivable recognized at amortized cost at the Group level, would mean that the loss risk provision recognized in the Group in accordance with IFRS 9 would also be recognized in the Parent Company.

Leased assets

The Parent Company has chosen not to apply IFRS 16 Leases but has instead chosen to apply RFR 2. This choice means that no right-of-use assets and lease liabilities are recognized in the balance sheet, but lease payments are recognized as a cost on a straight-line basis over the lease term.

2. Remuneration to the auditors

For remuneration to the auditors, refer to Group Note 7.

3. Finance income and expenses

For the year ending December 31	**2023**	**2022**
	€000	€000
Interest income	9	-
Total other interest income and similar profit/loss items	9	-
Other interest expenses	-9	-
Exchange-rate differences	-8	-
Total interest expenses and similar profit/loss items	-17	-
Grand Total	-8	-

4. Tax on net profit / (loss) for the year

For the year ending December 31	**2023**	**2022**
	€000	€000
Total reported tax	**-**	**620**

Reconciliation of tax expenses and loss in the accounts, multiplied by current corporate tax rate:

For the year ending December 31	**2023**	**2022**
	€000	€000
Loss after financial items	-8	-1
Estimated Swedish income tax, 20.6 %	-2	-0
Non-taxable income	-2	-
Tax losses and other temporary differences for which deferred tax assets are not recognized	2	1
Other non-deductible expenses	2	-
Adjustment in respect of prior year	-	620
Total reported tax	**-**	**620**

Deferred tax assets are recognized on tax loss carry-forwards or other deficits to the extent that it is probable that these can be used against future taxable profits. No deferred tax assets have been recognized, since the Parent Company does not believe that the criteria in IAS 12 for recognizing deferred tax have been met.

5. Employee benefits

There are no staff employed directly by the Parent Company. Details of CEO and other senior management team employment costs are disclosed in the consolidated group accounts.

Average number of employees of the Group by geographic location

	2023			2022		
	TOTAL	**MEN**	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**
Sweden	53	25	28	53	24	29
Rest of World	2,783	1,256	1,527	2,818	1,249	1,569
Total Subsidiaries	**2,836**	**1,281**	**1,555**	**2,871**	**1,273**	**1,598**
Total Group	2,836	1,281	1,555	2,871	1,273	1,598

Gender distribution of management of the Group

	2023			2022		
	TOTAL	**MEN**	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**
Board members	9	8	1	9	8	1
CEO and other senior executives	10	7	3	11	9	2

6. Participations in Group companies

	31-Dec-23	**31-Dec-22**
	€000	€000
Opening balance	269,794	242,888
Equity contribution increase Iyuno Sweden Holding II AB	-	26,906
Closing balance	**269,794**	**269,794**

7. Non-current receivables from Group companies

	31-Dec-23	31-Dec-22
	€000	€000
Opening balance	**3,415**	**3,415**
Repayments	**(628)**	**-**
Closing balance	**2,787**	**3,415**

8. Cash and bank balances

	31-Dec-23	31-Dec-22
	€000	€000
Bank deposits	**147**	**135**

9. Pledged assets and contingent liabilities

The Parent Company has pledged investments in subsidiaries to fulfil collateral requirements for liabilities to credit institutions located in subsidiaries.

	31-Dec-23	31-Dec-22
	€000	€000
Shares in subsidiaries	**269,794**	**269,794**

10. Related party disclosures

For related-party transactions and information on loans issued to related parties, refer to Group Note 24.

11. Significant events after the financial year

For significant events after the financial year, refer to Group Note 30.

12. Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting	€000
Share premium fund	145,547
Retained earnings	127,133
Net profit / (loss) for the year	-8
	272,672
The Board of Directors propose that profits be appropriated so the following amount is carried forward	272,672

13. Effect of Parent Company's transition to RFR 2 Financial Reporting for Legal Entities

Iyuno Sweden Holding II as a Swedish parent company must apply RFR 2 when the group applies IFRS. Also, Iyuno Sweden Holding II AB holds the characteristics of a holding company, currently, with mainly interests in subsidiaries and internal balances. No differences have affected the Parent Company's transition to RFR2 Financial Reporting for Legal Entities

The income statement and balance sheet will be presented for approval by the Annual General Meeting on __/__/____.

Stockholm __/__/____.

Hyonmoo Lee
member of the board and CEO

Klas Johansson
member of the board and Chairman

Michael LaSalle
member of the board

Knut Henrik Borelius
member of the board

Jason Brenek
member of the board

Joanne Kwon
member of the board

Joon Ho Suh
member of the board

Chi Haeng Lee
member of the board

Jeffrey Miller
member of the board

Our auditor's report was submitted on __/__/____.

PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant