# Annual Report

2023

NAXS AB (publ)

*(This text is an in-house translation of the original Annual Report 2023 in Swedish)*

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The Annual Report for NAXS AB (publ) 556712-2972 consists of the Corporate Governance Report, the management report, the financial statements and the notes to the accounts. The Annual Report can be found in this document on pages 18-63.

The official Annual Report 2023 has been prepared in Swedish in the format for uniform electronic reporting (ESEF). See the website for the financial reports. The Annual Report is also published in a Swedish and English PDF version, which are not prepared in accordance with ESEF and thus do not constitute official versions. All versions will be submitted for publication during week 7 in February 2024.

## Financial Information 2024

- Annual General Meeting: April 4
- Interim Report (3 months): April 25
- Interim Report (6 months): July 18
- Interim Report (9 months): October 29

NAXS AB (publ)
Corp. Reg. No. 556712-2972
Nybrogatan 8
114 34 Stockholm
Sweden

# Comments by the CEO

2023 presented a unique set of challenges, ranging from geopolitical instability, inflationary pressures and related monetary policies, as well as sluggish and uneven global growth. These challenges have translated to a certain extent to the private equity industry, with tighter capital structures, lower acquisition activity and more difficult exit paths.

NAXS's NAV/share increased by 0.5% during the year (including the dividend paid in April).

The lower level of private equity activity was reflected in NAXS's portfolio, where underlying funds acquired 7 new portfolio companies and signed or closed 4 new exits during the financial year.

NAXS made 1 new commitment and 2 co-investments during 2023: a MEUR 1.5 commitment to Celero Fund (E) AB with a MSEK 5.7 co-investment alongside the fund into Reledo AB, a newly established platform within the facility management industry, and a MUSD 1.0 co-investment alongside JAB Holding in Panera Brands, a pioneer of the fast casual dining the United States.

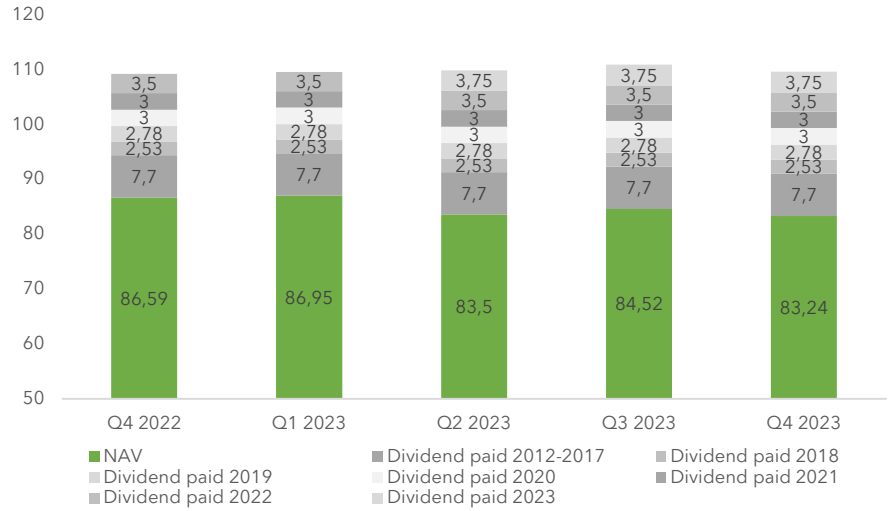
In April, NAXS paid a dividend of SEK 3.75/share for FY 2022. The Company has now distributed a cumulative SEK 19.88/share over the last 5 years to its shareholders through dividends and share repurchases.

*Gösta Lundgren*

## The highlights of 2023 for the Company were:

— An increase of 0.5% in net asset value (NAV) per share (incl. dividend paid)

*NAV per share (SEK)*

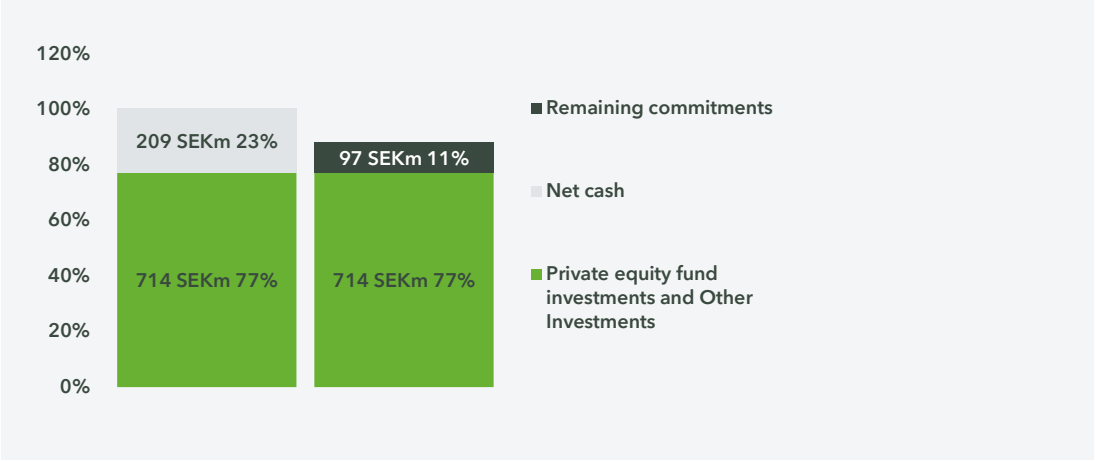


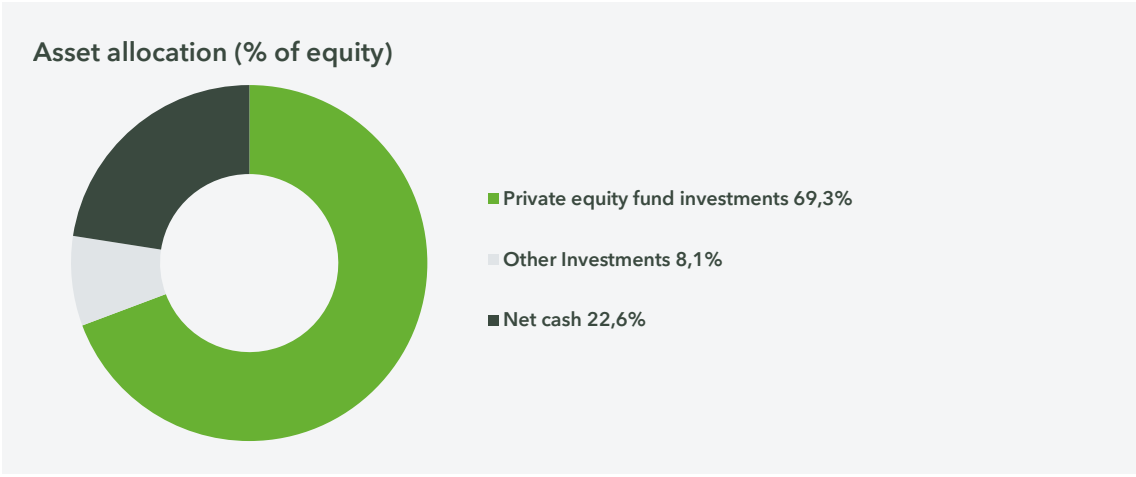

— NAXS made an investment commitment of MEUR 1.5 to the private equity fund Celero Capital Fund (E) AB.
— NAXS made 3 Other Investments, two of which were co-investments alongside Private equity funds: MSEK 5.7 was co-invested alongside Celero Fund (E) AB in Reledo AB, a newly established platform in the facility management industry, and MUSD 1.0 was co-invested alongside JAB Holding in Panera Brands, a pioneer of the fast casual dining in the United States. In addition, NAXS made an additional investment of MSEK 5.2 in Awilco Drilling Plc in connection with a directed share issue by the company.
— NAXS' underlying funds acquired 7 new portfolio companies, bringing the total number of portfolio companies acquired since NAXS's inception to 184 (including the 118 portfolio companies that have been fully divested).
— NAXS' underlying funds signed or closed 4 new divestments/exits.
— The 118 total divestments completed since NAXS's inception have generated an average IRR amounting to 17.7%.
— The 2023 Annual General Meeting resolved to pay a dividend of SEK 3.75 per share.

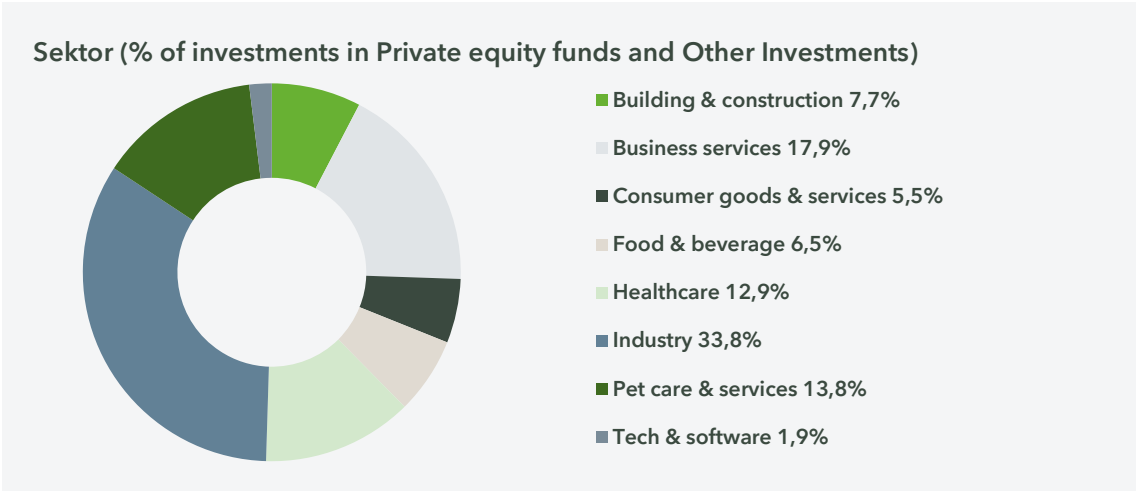
# Private equity fund investments and Other Investments

## Exposure to Private equity fund investments and Other Investments

At December 31, 2023, the total exposure to Private equity fund investments and Other Investments amounted to MSEK 811, which corresponds to 88% of the Company's equity. In the table below, the total exposure is compared to the net cash plus Private equity fund investments and Other Investments.



## The Private equity fund portfolio

### Private equity fund investments

As of December 31, 2023, NAXS had commitments to 12 active private equity funds (10 buyout funds and 2 special situations fund).

— Private equity fund investments amounted to MSEK 639, which corresponds to 69 percent of the Company's equity;
— remaining commitments amounted to MSEK 97 which corresponds to 11 percent of the Company's equity.

### The table below summarizes NAXS's Private equity fund commitments

| Fund | Commitment Year | Commitment Currency | Initial Commitment Amount in (000s) |
|---|---|---|---|
| Apax Europe VII LP | 2007 | EUR | 15 000 |
| Celero Capital I | 2023 | EUR | 1 500 |
| Equip Capital Fund I LP | 2020 | NOK | 20 000 |
| JAB Consumer fund - GCB II | 2018 | USD | 5 000 |
| JAB Consumer fund - GCB III | 2019 | EUR | 5 000 |
| JAB Consumer Partners- JCP V | 2022 | EUR | 5 000 |
| Mimir Invest AB | 2017 | SEK | 50 000 |
| Mimir Industries | 2022 | SEK | 75 000 |
| Nordic Capital CV1 | 2018 | EUR | 14 654 |
| Nordic Capital X LP | 2020 | EUR | 2 000 |
| Nordic Capital Evo Fund I LP | 2021 | EUR | 1 000 |
| Valedo Partners Fund II AB | 2011 | SEK | 65 000 |

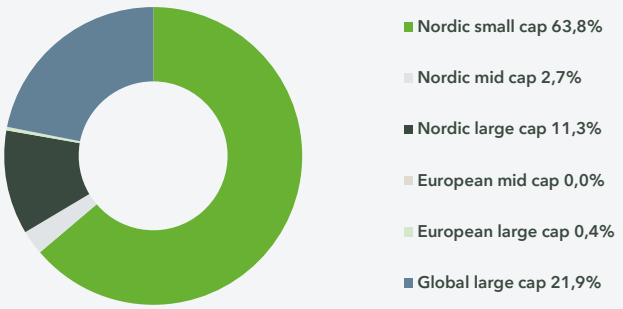
*In addition, NAXS has commitments to 4 private equity funds that are either in dissolution process or have exited all their portfolio companies (FSN Capital III, Herkules Private Equity III, Intera II and Nordic Capital VII).*

Through its mature fund portfolio, NAXS provides investors with an attractive exposure to the private equity asset class through a liquid instrument and with a good level of diversification:

— 12 private equity funds (10 buyout funds and 2 special situations fund) from 7 managers.
— an exposure to the small-, mid-, and large cap segments and to all Nordic countries and to a certain extent to Europe and the rest of the world, mainly through the commitments to Apax and JAB.

**Fund segment allocation (% of Private equity fund investments*)**

***Based on the fair value of the current portfolio companies**



— an exposure to 66 portfolio companies (remaining after 118 exits);
— the 118 exits have generated an average IRR of 17.7%.
— a diversified portfolio, where the 10 largest portfolio companies account for approx. 54% of the NAV, and the largest portfolio company account for approx. 18% of NAV.

At December 31, 2023, NAXS had commitments to 12 active private equity funds (10 buyout funds and 2 special situations funds) which are listed below:

## Apax Europe VII

Apax Europe VII is the seventh pan-European fund raised by Apax Partners, a global private equity firm headquartered in London and operating out of six offices on four continents. Apax Partners invests globally across four sectors: consumer, healthcare, services and tech & telecom.

**Fund size**: MEUR 11,000
**Segment**: large cap
**Geographic focus**: primarily Europe
**Vintage**: 2008
**Website**: www.apax.com
**NAXS initial commitment**: MEUR 15
**No. of portfolio companies/exits**: 3/33

## Celero Capital Fund (E) AB

Celero Capital Fund (E) AB is the first fund raised by Celero Capital, a Nordic lower mid- market private equity firm that is focused on the services, consumer goods and niche industrials sectors.

**Fund size**: n/a
**Segment**: lower mid cap
**Geographic focus**: Nordics
**Vintage**: 2023
**Website**: https://celerocapital.com/
**NAXS initial commitment**: MEUR 1.5
**No. of portfolio companies/exits**: 2/0

## Equip Capital I

Equip Capital I is the first fund raised by Equip Capital, an Oslo-based private equity firm focusing on investments in small and mid-sized companies in the Nordic region. The Equip Capital team has extensive investment experience across the consumer, industrials and business services sectors.

**Fund size**: MNOK 1,900
**Segment**: small/mid cap
**Geographic focus**: Norway and Nordics
**Vintage**: 2020
**Website**: www.equip.no
**NAXS initial commitment**: MNOK 20
**No. of portfolio companies/exits**: 12/0

## JAB Consumer Fund – Global Consumer Brands II

JAB Consumer Fund – Global Consumer Brands II is a private equity fund co-investing along JAB Holding, a privately held group focused on consumer goods and retail companies with premium brands, as well as pet care and services. The fund focuses on the fast casual dining sector, as well as pet care.

**Fund size**: MUSD 5,000
**Segment**: large cap
**Geographic focus**: global
**Vintage**: 2018
**Website**: https://www.jabholco.com
**NAXS initial commitment**: MUSD 5
**No. of portfolio companies/exits**: 3/1

## JAB Consumer Fund – Global Consumer Brands III

JAB Consumer Fund – Global Consumer Brands III is a private equity fund co-investing along JAB Holding, a privately held group focused on consumer goods and retail companies with premium brands, as well as pet care and services. The fund focuses on pet care.

**Fund size**: MUSD 3,800
**Segment**: large cap
**Geographic focus**: global
**Vintage**: 2020
**Website**: https://www.jabholco.com
**NAXS initial commitment**: MEUR 5
**No. of portfolio companies/exits**: 2/0

## JAB Consumer Partners – JCP V

JAB Consumer Fund – Global Consumer Brands III is a private equity fund co-investing along JAB Holding, a privately held group focused on consumer goods and retail companies with premium brands, as well as pet care and services. The fund focuses on pet care and pet services.

**Fund size**: MUSD 5,000
**Segment**: large cap
**Geographic focus**: global
**Vintage**: 2022
**Website**: https://www.jabholco.com
**NAXS initial commitment**: MEUR 5
**No. of portfolio companies/exits**: 1/0

## Mimir Industries AB

Mimir Industries AB is the second investment vehicle raised by Mimir, private equity special situations manager focusing on mid-sized companies in all sectors, except real estate.

**Fund size**: >MSEK 500
**Segment**: mid cap
**Geographic focus**: global, with a focus on the Nordics
**Vintage**: 2022
**Website**: www.mimirinvest.com
**NAXS initial commitment**: MSEK 75
**No. of portfolio companies/exits**: 6/0

## Mimir Invest AB

Mimir Invest AB is the first investment vehicle raised by Mimir, private equity special situations manager focusing on mid-sized companies in all sectors, except real estate.

**Fund size**: >MSEK 500
**Segment**: small cap
**Geographic focus**: global, with a focus on the Nordics
**Vintage**: 2017
**Website**: www.mimirinvest.com
**NAXS initial commitment**: MSEK 50
**No. of portfolio companies/exits**: 6/3

## Nordic Capital CV1 LP

Nordic Capital Fund CV1 is a continuation vehicle holding certain assets from Nordic Capital Fund VII. Established in 1989, Nordic Capital is one of the largest buyout managers in Northern Europe. The firm focuses on selected sectors where it has deep experience and a proven track record. Core sectors are Healthcare, Technology & Payments, Financial Services and selectively, Industrial Goods & Services.

**Fund size**: MEUR 2,500
**Segment**: large cap
**Geographic focus**: primarily the Nordics
**Vintage**: 2018
**Webbplats**: https://www.nordiccapital.com/
**NAXS initial commitment**: MEUR 14.65
**No. of portfolio companies/exits**: 3/7

## Nordic Capital Evolution

Nordic Capital Evolution has been raised by Nordic Capital to replicate in the mid-market the firm's established investment strategy. Established in 1989, Nordic Capital is one of the largest buyout managers in Northern Europe. The firm focuses on selected sectors where it has deep experience and a proven track record. Core sectors are Healthcare, Technology & Payments, Financial Services and selectively, Industrial Goods & Services.

**Fund size**: MEUR 1,200
**Segment**: mid cap
**Geographic focus**: Northern Europe
**Vintage**: 2021
**Webbplats**: https://www.nordiccapital.com/
**NAXS initial commitment**: MEUR 1
**No. of portfolio companies/exits**: 8/0

## Nordic Capital Fund X LP

Nordic Capital Fund X is the tenth fund raised by Nordic Capital. Established in 1989, Nordic Capital is one of the largest buyout managers in Northern Europe. The firm focuses on selected sectors where it has deep experience and a proven track record. Core sectors are Healthcare, Technology & Payments, Financial Services and selectively, Industrial Goods & Services.

**Fund size**: MEUR 6,100
**Segment**: large cap
**Geographic focus**: Europe and selected global healthcare and technology & payments investments
**Vintage**: 2020
**Website**: https://www.nordiccapital.com/
**NAXS initial commitment**: MEUR 2
**No. of portfolio companies/exits**: 16/0

## Valedo Partners Fund II

Valedo Fund II is the second fund of Valedo, a growth oriented Swedish small cap manager established in 2006 by a spin-off team from EQT. The fund focuses on the Swedish small cap segment.

**Fund size**: MSEK 2,000
**Segment**: small cap
**Geographic focus**: Sweden and the Nordics
**Vintage**: 2011
**Website**: https://www.valedopartners.com/
**NAXS initial commitment**: MSEK 65
**No. of portfolio companies/exits**: 4/7

In addition, NAXS has commitments to 4 private equity funds that are either in dissolution process or have exited all their portfolio companies (FSN Capital III, Herkules PE III, Intera II and Nordic Capital VII).

## Acquisitions and divestments by underlying private equity funds

During 2023, NAXS' underlying funds made 7 new acquisitions and 4 full exits.

As of December 31, 2023, NAXS's underlying funds had acquired a total of 184 companies, 118 of which had been fully divested.

### 2023 acquisitions

| Portfolio Company | Sector | Geography | Fund |
|---|---|---|---|
| Corteco | Building & Construction | Sweden | Celero Capital |
| Reledo | Facility management | Sweden | Celero Capital |
| Trillora (formerly Billerud Managed Packaging) | Industry | Sweden | Mimir Industries |
| Autocirc | Automotive | Sweden/Europe | Nordic Capital Evo |
| Helmsauer Group | Financial & Business Services | Germany | Nordic Capital Evo |
| Hjo Installation | Business Services | Sweden | Nordic Capital Evo |
| Macrobond | Business Services | Sweden | Nordic Capital Evo |

### 2023 exits (by fund and in alphabetical order)

| Portfolio Company | Sector | Entry year | Fund |
|---|---|---|---|
| Skamol | Industry | 2013 | FSN III |
| Terraroc | Industry | 2019 | Mimir Invest |
| Bladt Industries | Industry | 2018 | Nordic Capital CV1 |
| Joe & the Juice | Consumer goods & services | 2013 | Valedo II |

## Portfolio companies from underlying private equity funds at December 31, 2023

(by fund and in alphabetical order)

### APAX EUROPE VII

| Portfolio Company | Sector | Country |
|---|---|---|
| Cengage Learning II | Business services | USA |
| Takko | Consumer goods & services | Germany |
| Tivit | Tech & software | Brazil |

### CELERO CAPITAL FUND I

| Portfolio Company | Sector | Country |
|---|---|---|
| Corteco | Building & construction | Sweden |
| Reledo | Business services | Sweden |

### EQUIP CAPITAL FUND I

| Portfolio company | Sector | Country |
|---|---|---|
| Bastard Burgers | Food & beverage | Sweden |
| Busfabriken | Business services | Sweden |
| Cautus Geo | Business services | Sweden |
| Cure Media | Business services | Norway |
| Gatusmak | Food & beverage | Sweden |
| Holy Greens | Food & beverage | Sweden |
| Makeup Mekka | Consumer goods & services | Norway |
| Miles | Business services | Norway |
| Mimir Bidco | Business services | Norway |
| Parc Invest | Consumer goods & services | Norway |
| Riggtech | Building & construction | Norway |
| Ryde | Consumer goods & services | Norway |
| Ökonomibestånd | Business services | Norway |

### JAB GLOBAL CONSUMER BRANDS II

| Portfolio Company | Sector | Country |
|---|---|---|
| Drinx | Food & beverage | Global |
| Pret Panera | Food & beverage | Global |
| Petcare platform | Pet care & services | Global |

### JAB Global Consumer Brands III

| Portfolio company | Sector | Country |
|---|---|---|
| Petcare platform | Pet care & services | Global |
| Pet services platform | Pet care & services | Global |

### JAB Consumer Partners – JCP V

| Portfolio company | Sector | Country |
|---|---|---|
| Pet services platform | Pet care & services | Global |

### MIMIR INVEST AB

| Portfolio Company | Sector | Country |
|---|---|---|
| Emmaboda | Industry | Sweden |
| Parken Zoo | Consumer goods & services | Sweden |
| Puumerkki | Building & construction | Finland |
| Recion | Industry | Finland |
| SI-Glass | Industry | Norway |

### MIMIR INDUSTRIES AB

| Portfolio Company | Sector | Country |
|---|---|---|
| Euroatlas | Industry | Sverige |
| Hulåns (former part of Modus) | Industry | Sverige |
| Lindemann | Industry | Europe |
| Modus | Business services | Sweden |
| Svenska Kompressor | Industry | Nordic |
| Thermion | Industry | Sweden |
| Trillora (formerly Billerud Managed Packaging) | Business services | Sweden |

### NORDIC CAPITAL CV I

| Portfolio Company | Sector | Country |
|---|---|---|
| Ellos & Jotex | Consumer goods & services | Sweden |
| Sunrise | Healthcare | Germany |
| Unisport | Consumer goods & services | Denmark |

## NORDIC CAPITAL X

| Portfolio company | Sector | Country |
|---|---|---|
| Advanz Pharma | Healthcare | Europe/UK |
| ArisGlobal | Business services | USA |
| Ascof Lloyd | Business services | Europe |
| Bilthouse | Business services | Europe |
| Cytel | Tech & software | USA |
| Duco | Tech & software | Europe |
| Inovalon | Tech & software | USA |
| LEO Pharma | Healthcare | Denmark |
| Proglove | Tech & software | Europe |
| Regnology | Tech & software | Europe |
| RLDatix | Tech & software | Europe |
| Sambla | Consumer goods & services | Norway |
| Site Improve | Tech & software | Denmark |
| Sortera | Business services | Nordic |
| United Veterinary Care | Pet care & services | USA |
| Vizrt | Tech & software | Norway |

## NORDIC CAPITAL Evo

| Portfolio company | Sector | Country |
|---|---|---|
| Autocirc | Business services | Sweden |
| Boost.al | Tech & software | Europe |
| Care Fertility | Healthcare | Europe |
| Equipe Zorgbedrijven | Healthcare | Netherlands |
| Qred Holding | Business services | Sweden |
| Helmsauer | Business services | Germany |
| Hjo Installation | Business services | Sweden |
| Macrobond | Business services | Sweden |

## VALEDO PARTNERS FUND II

| Portfolio company | Sector | Country |
|---|---|---|
| Lakrids | Consumer goods & services | Denmark |
| Norva 24 | Building & construction | Norway |
| Origo Group | Business services | Sweden |
| Rapunzel | Consumer goods & services | Sweden |

## Other Investments

As of December 31, 2023, there were 9 holdings in Other Investments. The Jacktel bond holding was redeemed during the financial year.

| Company | Sector | Type of instrument | Date of initial investment | Reported value, 2023.12.31 MSEK | Reported value, 2022.12.31 MSEK |
|---|---|---|---|---|---|
| Scout Gaming Group | iGaming | listed share (Nasdaq First North) | Q4 2017 | 0.1 | 0.1 |
| Awilco Drilling | Energy | listed share (Euronext Growth Oslo) | Q1 2018 | 13.4 | 7.7 |
| Jacktel | Energy | senior secured bond | Q4 2018 | - | 12.9 |
| Keurig Dr Pepper | Consumer goods & services | listed share Nasdaq (NY) | Q3 2020 | 21.9 | 24.4 |
| Pret Panera | Fast food casual | unlisted share | Q4 2020 | 2.6 | 2.3 |
| Krispy Kreme Doughnuts | Fast food casual | listed share (Nasdaq NY) | Q1 2021 | 6.5 | 4.6 |
| Jacktel | Energy | unlisted share (registered on Euronext NOTC) | Q1 2022 | 11.9 | 6.4 |
| Chr. Hansen Holding A/S | Bioscience | listed share (Nasdaq Copenhagen) | Q4 2022 | 2.8 | 2.5 |
| Releda | Business Services | unlisted share | Q2 2023 | 5.7 | - |
| Panera Brands | Fast food casual | Unlisted share | Q2 2023 | 10.2 | - |
| **Total** | | | | **75.0** | **60.8** |

# Financial summary

## Income statement in brief

| Amounts in KSEK | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Change in value | 13 841 | 194 317 | 192 788 | 32 657 | 52 702 |
| Operating expenses | -16 812 | -15 323 | -14 979 | -13 558 | -14 228 |
| **Operating result** | **-2 971** | **178 994** | **177 809** | **19 099** | **38 474** |
| Net financial items | 7 334 | 1 094 | -396 | 5 019 | -1 344 |
| **Result before tax** | **4 363** | **180 088** | **177 413** | **24 118** | **37 130** |
| Tax | -9 | -7 | - | - | - |
| **Net result for the year** | **4 354** | **180 081** | **177 413** | **24 118** | **37 130** |

## Balance sheet in brief

| Amounts in KSEK | Dec 31, 2023 | Dec 31, 2022 | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2019 |
|---|---|---|---|---|---|
| Private equity fund investments | 639 030 | 687 989 | 513 925 | 428 651 | 439 638 |
| Other long-term holdings of securities | 75 001 | 60 801 | 44 693 | 31 695 | 40 824 |
| Other current receivables | 503 | 214 | 272 | 256 | 166 |
| Cash and cash equivalents | 209 226 | 211 668 | 265 523 | 219 127 | 229 748 |
| **Total assets** | **923 760** | **960 672** | **824 413** | **679 729** | **710 376** |
| Equity | 922 065 | 959 252 | 822 855 | 678 900 | 709 659 |
| Other current liabilities and accrued expenses | 1 695 | 1 420 | 1 558 | 829 | 717 |
| **Total equity and liabilities** | **923 760** | **960 672** | **824 413** | **679 729** | **710 376** |

## Cash flow in brief

| Amounts in KSEK | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Cash flow from/used in in operating activities | -9 515 | -14 299 | -10 239 | -12 335 | 30 254 |
| Cash flow in investing activities | 48 600 | 4 145 | 89 920 | 35 574 | 7 551 |
| Cash flow in/from financing activities | -41 541 | -43 684 | -33 458 | -33 458 | -70 331 |
| **Cash flow for the year** | **-2 456** | **-53 838** | **46 223** | **-10 219** | **-32 526** |
| Cash and cash equivalents at the beginning of the year | 211 668 | 265 523 | 219 127 | 229 748 | 261 444 |
| Exchange rate differences in cash and cash equivalents | 14 | -17 | 173 | -402 | 830 |
| **Cash and cash equivalents at the end of the year** | **209 226** | **211 668** | **265 523** | **219 127** | **229 748** |

# Alternative performance measures and definitions

NAXS applies the guidelines issued by the European Securities and Markets Authority (ESMA) for alternative key ratios. Alternative key figures are financial measures of historical or future earnings trend, financial position, financial results or cash flows that are not defined or specified in the applicable rules for financial reporting.

Alternative key ratios are stated when, in their context, they provide clearer or more in-depth information than the measures defined in applicable financial reporting rules. The alternative key figures are derived from the consolidated financial statements. Alternative key ratios are stated when, in their context, they supplement the measures defined in IFRS. The starting point for the provided alternative key figures is that they are used by management to assess the financial development and are thus considered to provide valuable information to analysts and other stakeholders. NAXS regularly uses alternative key ratios as a complement to those key ratios that generally constitute good accounting practice.

Below are definitions and all the alternative key figures used. Reconciliation with the financial statements is provided on page 20 of NAXS Year-end Report 2023 for the alternative key

ratios for the Group that are not directly identifiable from the financial statements, and which are deemed essential to specify.

## Alternative Performance Measures

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Equity ratio, percent | 99,82 | 99,85 | 99,81 | 99,88 | 99,90 |
| Gross IRR, percent | 17,67 | 17,49 | 17,98 | 18,62 | 19,22 |
| Net cash, MSEK | 209,2 | 211,7 | 265,5 | 219,1 | 229,7 |
| Net Asset value (NAV), MSEK | 922,1 | 959,3 | 822,9 | 678,9 | 709,7 |

## Share data

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Earnings per share, SEK * | 0,39 | 16,22 | 14,70 | 2,16 | 3,24 |
| Dividend per share, SEK | 3,75 | 3,50 | 3,00 | 3,00 | 2,78 |
| Repurchase of own shares per share, SEK | - | - | - | - | 3,43 |
| Net cash per share | 18,89 | 19,11 | 23,81 | 19,65 | 20,60 |
| Equity ratio, SEK | 83,24 | 86,59 | 73,78 | 60,87 | 63,63 |
| Net asset value (NAV) per share, SEK | 83,24 | 86,59 | 73,78 | 60,87 | 63,63 |
| Number of shares outstanding at year end | 11 077 585 | 11 077 585 | 11 152 585 | 11 152 585 | 11 152 585 |
| Weighted average number of shares outstanding * | 11 077 585 | 11 105 710 | 11 152 585 | 11 152 585 | 11 446 292 |

** Basic and diluted*

## Definitions

**Buyout fund**
A private equity fund, whose strategy is to acquire a controlling interest in the targeted companies

**Cash & cash equivalents**
Cash, bank and short-term investments

**Cash per share***
Cash & cash equivalents in relation to the number of outstanding shares at the end of the period

**Commitment**
The maximum amount that a limited partner agrees to invest in a fund

**Current commitments**
Acquisition cost for Private equity fund investments, plus remaining commitments to private equity funds

**Equity ratio***
Equity in relation to total assets.

**IRR**
The internal rate of return generated annually from cash flows between NAXS and the underlying private equity funds relating directly to investments in portfolio companies after deduction of the funds' carried interest but without deduction of the funds' management fees.

**Net asset value (NAV)***
The fair value of total assets, less net debt (corresponds to equity)

**Net asset value (NAV) per share***
The fair value of total assets, less net debt (corresponds to shareholders' equity attributable to the Parent Company's shareholders) in relation to the number of outstanding shares at the end of the period.

**Net cash***
Cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables, less interest-bearing current and long-term liabilities

**Other Investments/Other long-term holdings of securities**
Investments in financial instruments other than private equity funds

**Private equity fund investments**
Fair value of investments in private equity funds

**Profit per share**
Profit for the year attributable to the Parent Company's shareholders divided by the average number of shares.

**Special situations fund**
A private equity fund, whose strategy is to acquire companies, where an active ownership is required, such as under-performing companies, and/or imply complex transactions, such as carve-outs from larger conglomerates.

**Total assets***
All assets and liabilities not included in net cash.

**Total exposure to Private equity fund investments**
Private equity funds investments and remaining commitments to private equity funds.

**Total exposure to Private equity fund investments and Other Investments**
Total exposure to Private equity funds investments increased with Other Investments.

** Refers to alternative key figures according to the European Securities and Markets Authority (ESMA).*

## The Share

The NAXS share was initially listed on First North on May 14, 2007. Since June 8, 2010, the share is traded on Nasdaq Stockholm. The share trades under the designation "NAXS".

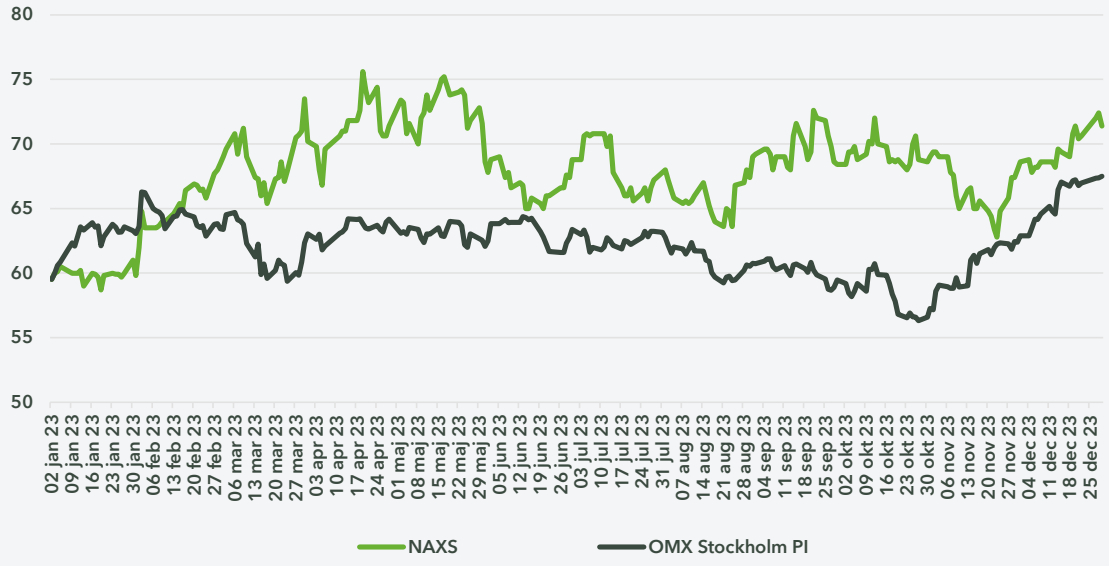
The number of outstanding shares in the Company at the beginning and at the end of the financial year was 11,077,585.

In April, the company made a share cancellation of 75,000 repurchased shares. Prior to the cancellation of the repurchased shares, the total number of shares and voting rights in NAXS was 11,152,585. The number of shares and voting rights decreased by 75,000 through the share cancellation. Following completion of the share cancellation, the total number of shares and voting rights in NAXS is 11,077,585.

At the end of the year, the NAXS share price was SEK 71.40 and the total shareholders' equity per share was SEK 83.24. The Company's market capitalization was MSEK 791, and the number of shareholders was 5,247.

Larger shareholders are set forth in the Corporate Governance Report.

**Evolution of the share price during 2023**



# Corporate Governance Report

Governance, management and control of the Company are split between the shareholders at the AGM, the Board of Directors and the Chief Executive Officer (CEO) under the Swedish Code of Corporate Governance and statutes.

NAXS AB (publ) is a Swedish public company, whose shares are traded on Nasdaq Stockholm. The Company conducts its business based on Swedish legislation, primarily the Swedish Companies Act, the Nasdaq Stockholm rules for issuers – which also include the Swedish Code of Corporate Governance – and other relevant regulations and guidelines.

Since the Company's shares are traded on Nasdaq Stockholm and the Company must follow the securities market practice in force in the securities market, it applies the Swedish Code of Corporate Governance ("Code"). The text of the Code is available at www.bolagsstyrning.se.

This corporate governance report has been prepared in accordance with the Annual Account Act and the Code to describe how the company applied the Code during the fiscal year 2023. The corporate governance report is reviewed by the auditors in accordance with the Annual Accounts Act.

## Articles of association

The Company's name is NAXS AB (publ) and it has its registered office in the municipality of Stockholm.

The Company shall directly or indirectly engage in investment activities and in connection therewith, acquire, own, manage and market the investments, shares and other securities and acquire rights and assume obligations related to these investments, or joint investments with companies or funds and related business. The articles of association also contain information on the share capital, number of directors and auditors, as well as provisions regarding the notice and agenda of the AGM. The articles of association are available in their entirety on the Company’s website, www.naxs.se.

## Board

The Board of Directors is responsible for, amongst others, establishing business and investment plans, budgets, policy goals, financial statements, as well as for appointing the CEO.

## Ownership structure

The share capital of the Company amounted as of December 31, 2023 to SEK 750,000 divided into 11,077,585 shares.

The number of outstanding shares in the Company at the beginning and at the end of the year was 11,077,585.

In April, the company made a share cancellation of 75,000 repurchased shares. Prior to the cancellation of the repurchased shares, the total number of shares and voting rights in NAXS was 11,152,585. The number of shares and voting rights decreased by 75,000 through the share cancellation. Following completion of the share cancellation, the total number of shares and voting rights in NAXS is 11,077,585.

Each share has one vote. The Company's shares are registered with Euroclear Sweden AB. The quota value per share is SEK 0,068. The shares are traded on Nasdaq Stockholm. The number of shareholder's was 5,257.

*Largest shareholders at 31 December 2023, according to Euroclear Sweden AB*

| Owner | No of shares | Votes and equity in % |
|---|---|---|
| Tompkins Square Park SARL | 7 607 711 | 68.7 |
| UBS Switzerland AG | 600 135 | 5.4 |
| Eccenovo AB | 125 000 | 1.1 |
| Didrik Hamilton | 100 000 | 0.9 |
| Others | 2 644 739 | 23.9 |
| **Total outstanding shares** | **11 077 585** | **100.0** |

## AGM 2023

At the AGM on March 30, 2023, 5 shareholders were registered, representing 69.57 percent of the total number of issued shares. The AGM was duly established and resolved, among other things:

- to approve the balance sheets and income statements of the Group for 2022 and to grant the Board and CEO relief from liability in respect of the 2022 management;
- in accordance with the board's proposal that, the funds at the meeting's disposal shall be allocated as dividends to the shareholders of SEK 3,75 per share and that the company's remaining unrestricted equity shall be carried forward;
- to re-elect Dan Gold, Meg Eisner, Nikolai Jebsen, Børge Johansen and Synne Syrrist as Board members, and re-elect Dan Gold as Chairman of the Board;
- that remuneration for the board, for the time until the end of the next annual general meeting, shall be paid in a total amount of SEK 918,750, whereof Synne Syrrist, Nikolai Jebsen and Børge Johansen, receives a fee of SEK 306,250 each;
- in accordance with the nomination committee's proposal, elect Meg Eisner (representing QVT Financial LP), Didrik Hamilton (representing himself) and Amaury de Poret (representing himself) were elected members of the nomination committee. Amaury de Poret was elected chairman of the nomination committee;
- to adopt guidelines for remuneration of senior executives;
- to adopt the Board's proposal to approve the authorization for the repurchase of shares. Shares may be acquired to the extent that the Company's holding of its own shares, on any occasion, does not exceed 10% of all shares in the Company:
- in accordance with the board of directors' proposal, of reduction of the share capital by SEK 5,043.67 by cancellation of shares held by the company on the date of the notice of the annual general meeting and of a bonus issue of SEK 5,043.67 without issuing of shares;
- in accordance with the board of directors' proposal, to amend the articles of association.

## Nomination Committee

At the AGM 2023, in accordance with the nomination committee's proposal, Meg Eisner (representing QVT Financial LP), Didrik Hamilton (representing himself) and Amaury de Poret (representing himself) were elected members of the nomination committee. Amaury de Poret

was elected chairman of the nomination committee The Nomination Committee can be contacted via e-mail to: adp@naccess.se.

### Principles for appointing the Nomination Committee

The annual general meeting shall elect members of the nomination committee. A proposal for members and the chairman of the nomination committee shall be put forward by the current nomination committee. The nomination committee shall consist of three members. One member of the nomination committee shall be the chairman of the board of directors. However, the chairman of the board of directors of the Company shall not be chairman of the nomination committee. In its proposal for a new committee, the nomination committee shall take into account the shareholder base and the expressed willingness of the largest shareholders in the Company to participate in the nomination committee.

The nomination committee's mandate shall be for the period until a new nomination committee has been elected at a subsequent annual general meeting. However, the nomination committee may change the composition of the nomination committee during its mandate period if it deems it appropriate and practical or if it is motivated based on any material changes in the shareholder base (and/or if there has been an expressed interest from a large shareholder to appoint a member to the committee). In such cases, or if a member otherwise leaves the nomination committee for some other reason, the nomination committee shall offer the largest shareholder in turn, as applicable, based on votes, the possibility to appoint a member of the nomination committee for the remainder of that term, provided that there is nothing preventing such representation. However, no shareholder shall have the right to appoint more than one member to the nomination committee. The nomination committee shall vote on the proposed revised composition.

No fees shall be paid to the members of the nomination committee. The nomination committee shall pursue the tasks that, according to the Swedish Code of Corporate Governance, are of the responsibility of a nomination committee.

## AGM

NAXS's highest body is the general meeting, where all shareholders are entitled to participate either in person or by proxy. The AGM elects the Board and Chairman of the Board, approve the Company's and the consolidated balance sheets and income statements decide on the disposition of the profits and decides to discharge the Board and CEO. The AGM also appoints the Company's auditors. The AGM also decides on the Board remuneration and approves the principles for remuneration and other terms of employment for senior management. At the AGM, each shareholder has as a general rule the right to vote for all of its shares. AGM decisions are taken by a simple majority of the votes cast. To protect the smaller shareholders, certain decisions taken by qualified majority of the votes cast and the shares represented. In addition, as a general rule the shareholders' meeting must not take decisions which may give an unfair advantage to certain shareholders or be detrimental to the Company or other shareholders.

### AGM 2024

The next Annual General Meeting of shareholders in the Company will be held on April 4, 2023, in Stockholm. This Annual General Meeting will be held in accordance with the Company's by-laws and comply with the requirements of Swedish law.

## The Board

### Directors' responsibilities

According to the Swedish Companies Act and the Company's by-laws, the Board of Directors is responsible for establishing comprehensive, long-term strategies and objectives, setting budgets and business plans, review and approve financial statements and make decisions regarding investments and significant changes in the Company's organization and operations. The Board also appoints the CEO and sets his/her salary and other compensation.

### Board composition

NAXS's Board of Directors shall consist of not less than 3 and not more than 8 members, with up to 5 substitutes. During 2023, the board has consisted of five regular members (no deputies). During the financial year, the board consisted of Daniel Gold (chairman of the board), Meg Eisner, Nikolai Jebsen, Børge Johansen and Synne Syrrist.

Further information regarding the directors is set forth below:

*Dan Gold, Chairman of the Board*

Mr. Gold (born 1968) has built and managed QVT Financial LP ("QVT") since its inception, starting with a proprietary trading group at Deutsche Bank A.G. He is QVT's Chief Executive Officer and Chief Investment Officer and a Managing Member of the general partner of QVT. Mr. Gold previously served as a Managing Director of DB Advisors L.L.C. He founded the QVT Group at Deutsche Bank shortly after joining Deutsche Bank in 1992, having previously worked as a proprietary trader at Daiwa Securities America and at Bear, Stearns & Co. Mr. Gold earned an A.B. in Physics from Harvard College. Mr. Gold has an indirect economic interest in NAXS through the shares held by the Majority Shareholder. Mr. Gold is an American citizen and resident.

- Shareholding in the Company: 0
- Attendance at board meetings: 6 of 7
- Dan Gold is independent of the Company. He is a nominee of the Company's largest shareholder.

*Meg Eisner, director*

Ms. Eisner (born 1986) is a partner at QVT and acts as its Chief Compliance Officer. Prior to joining QVT in 2007, Ms. Eisner earned an A.B. in International Political Economy, summa cum laude, from Fordham University. Ms. Eisner has an indirect economic interest in NAXS through the shares held by the Majority Shareholder. Ms. Eisner has been Chairman of the Company's Nomination Committee, acting as the representative of QVT and the Majority Shareholder, since 2019. Ms. Eisner is an American citizen and resident.

- Shareholding in the Company: 0
- Attendance at board meetings: 7 of 7
- Meg Eisner is independent of the Company. She is a nominee of the Company's largest shareholder.

*Nikolai Jebsen, director*

Mr. Jebsen (born 1984) is an independent consultant and investor. He was previously the Chief Financial Officer of Aurora LPG, a publicly traded provider of liquid petroleum gas transportation services, from its inception until its acquisition in 2017. Mr. Jebsen has extensive experience within the equity and debt capital markets from his time with Carnegie, Pareto and SEB, as well as in producing official financial reporting. He holds a BSc in Finance

from BI Norwegian Business School. Mr. Jebsen holds dual Norwegian and American citizenship and is a Norwegian resident.

— Shareholding in the Company: 0
— Attendance at board meetings: 6 of 7
— Nikolai Jebsen is independent of the Company. He is a nominee of the Company's largest shareholder.

*Børge Johansen, director*
Mr. Johansen (born 1974) is an independent investor and a board member of Sector Alarm. He was also the Chief Executive Officer of Aurora LPG. Prior to Aurora, Mr. Johansen held research and investment management positions covering the maritime sector at Oslo Asset Management AS and Carnegie Investment Bank. He also brings several years of experience in M&A and corporate finance from engagements at Creo Advisors and Andersen Consulting. He holds an MSc from the Norwegian University of Science and Technology. Mr. Johansen is a Norwegian citizen and resident.

— Shareholding in the Company: 0
— Attendance at board meetings: 7 of 7
— Børge Johansen is independent of the Company. He is a nominee of the Company's largest shareholder.

*Synne Syrrist, director*
Ms. Syrrist (born 1972) is an independent business consultant and has extensive experience as a non-executive director of both private and public companies. Ms. Syrrist was previously a partner and financial analyst at First Securities AS. She currently serves on the board of several public companies, including Awilco LNG ASA, Awilco Drilling Ltd. and Aqualisbraemar LOC ASA. She holds an MSc from the Norwegian University of Science and Technology and qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms. Syrrist is a Norwegian citizen and resident.

— Shareholding in the Company: 0
— Attendance at board meetings: 7 of 7
— Synne Syrrist is independent of the Company. She is a nominee of the Company's largest shareholder.

The CEO is not a board member but participates in the board meetings and provides any required information and conducts presentations.

NAXS meets the Nasdaq Stockholm stock exchange regulations and the Code's requirements that a majority of the elected board members are independent of the company and the Group management and that at least two of its members are also independent of the company's shareholders.

**Board Rules**
The Board's work is governed by the Rules of Proceedings governing the Board's work, decision-making, signatories and meeting schedule, which are adopted annually. The Board follows as a guiding principle a set of proceedings designed that the requirement for a satisfactory information and division of work between the Board and CEO are met. The Board has established specific CEO's instructions set forth in the Board's Rules. The Board monitors the CEO's activities, is responsible for establishing guidelines for the management of the Company and ensures that the Company's liquid assets are appropriately invested. The Board is also responsible for developing and monitoring the Company's strategies, plans and

objectives, taking decisions on acquisitions and disposals of businesses, major investments, appointments and remuneration of the management and ongoing monitoring of operations during the year.

### Chairman

The Chairman is responsible for the Board members receiving regularly the information required to monitor the Company's financial position, earnings, liquidity, economic planning and development, to verify that the Board's decisions are implemented in an efficient manner and that the Board's work is duly evaluated. Furthermore, the Chairman is responsible for the organization of the Nomination Committee and participates in its work.

### The Board's work in 2023

During the fiscal year 2023, the Board of NAXS held 7 meetings. All of the meetings were held by telephone and video conferencing. Under the current rules, the Board shall hold at least 5 regular meetings per calendar year. All the regular Board meetings follow a pre-defined agenda, which includes a report from the CEO as well as financial reports, updates on investments, financing issues and strategic issues. Key issues discussed during the fiscal year 2023 included financing issues, investment issues, share repurchase issues and distribution issues.

### Audit Committee

The Company has decided that the entire Board shall be included in the Audit Committee. The Audit Committee's tasks are described in the Board's Rules. The Audit Committee shall inter alia monitor the Company's financial reporting, the effectiveness of the Company's internal controls, risk management on financial reporting, keep itself informed about the audit of annual and consolidated accounts, review and monitor the auditors' impartiality and independence, as well as assist the Nomination Committee in relation to the proposal for the appointment of the auditors.

### Compensation Committee

The Company has decided that the entire Board shall be included in the Compensation Committee. The Remuneration Committee's tasks are described in the Board's Rules. The Remuneration Committee shall, inter alia, examine whether the compensation paid to senior executives (i.e. the CEO) is on market terms.

### Evaluation of the Board’s work

The Chairman of the Board evaluates annually the quality of the Board’s work and what areas of improvements should be targeted to develop the quality and efficiency of the Board's work. The evaluation results are reported to the Nomination Committee.

### Company Management

During 2023, NAXS's group management has consisted of Gösta Lundgren as interim CEO.

Gösta Lundgren has extensive experience as a consultant with a focus on interim CFO assignments and on group accounting for mainly listed companies. Prior to that, Lundgren has worked as CFO of Korbe Fastigheter KB and Max Matthiessen AB and as auditor of Osborne Johnson Revisionsbyrå AB. Lundgren has been CFO of NAXS AB (publ) since 2007 when the company was formed. Lundgren holds a bachelor's degree in business administration and a law degree from Uppsala University. Gösta Lundgren is a Swedish citizen. Shareholding in NAXS: 12,500 via endowment insurance in own company.

*The company's CEO*

The CEO is responsible for the Company's operational management in accordance with the guidelines and instructions of the Board of Directors and shall ensure that the Board receives the information required for decision-making regarding the Company's and Group's financial position, earnings, liquidity and development. The CEO attends the board meetings, where he provides the required reporting.

**Auditors**

NAXS's auditors are appointed by the AGM for a period of one year. The current period runs out in 2023, and the next election is thus to take place at the 2024 AGM. The Company's registered accounting firm is Ernst & Young, and its chief auditor is authorized auditor Mona Alfredsson. Until the 2023 annual general meeting, Jesper Nilsson was the auditor in charge. Jesper Nilsson has been the company's auditor since the 2016 annual general meeting. Mona Alfredsson was elected chief auditor at the 2023 annual general meeting. The external auditor's role is to, on the shareholders' behalf and in accordance with applicable laws and regulations, review the Company's accounts, consolidated accounts, annual report, the Board of Directors and Corporate Governance Report. In addition, the Company's interim report for the third quarter of 2023 was reviewed by the auditors. The chief auditor also submits an audit report to the AGM.

**Remunerations**

*Board fees*

In accordance with the decisions of the AGM 2022, the Board of Directors receive annual fees amounting to a total of 918,750, whereof Synne Syrrist, Nikolai Jebsen and Børge Johansen, receives a fee of SEK 306,250 each. For more information on remuneration paid to the Board and senior executives, see Note 7, Employees and staff costs.

*Guidelines for remuneration and other benefits for executives' remuneration*

Before each AGM, the Board shall develop guidelines regarding salaries and other compensation for the CEO and other senior executives of the Company. The 2023 AGM adopted the proposal submitted by the Board regarding the guidelines for remuneration to the CEO and senior executives.

*Current guidelines for executive compensation*

The executive management of NAXS AB (publ) ("NAXS" or the "Company") fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2023. These guidelines do not apply to any remuneration decided or approved by the general meeting.

*The guidelines' promotion of the Company's business strategy, long-term interests and sustainability*

In short, the Company's business strategy is the following. NAXS primarily in private equity funds with a Nordic focus. NAXS may also make direct investments or co-investments alongside private equity or other alternative assets funds. In addition, NAXS may, to a limited extent, make other types of investments. For further information on the Company's business strategy, see https://www.naxs.se/om-naxs/.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers

competitive remuneration. These guidelines enable the Company to offer the executive management a competitive total remuneration.

No long-term share-related incentive plans have been implemented by the Company. If the Company would implement any long-term share-related incentive plans it would be resolved by the general meeting and any such plans are therefore excluded from these guidelines.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

*Types of remuneration, etc.*
The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 50 per cent of the fixed annual cash salary.

For the CEO and other executives, pension benefits, if applicable, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall not qualify for pension benefits unless required for the executive in question by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and Company cars. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

*Termination of employment*
The notice period may not exceed six months without any right to severance pay if notice of termination of employment is made by the Company. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

*Criteria for awarding variable cash remuneration, etc.*
The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The board of directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

*Salary and employment conditions for employees*
In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the

remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

*The decision-making process to determine, review and implement the guidelines*
The board of directors shall prepare a proposal for new guidelines for executive remuneration at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The board of directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Derogation from the guidelines*
The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

**Financial reporting**
The Board should document how it ensures the quality of financial reporting and communicating with the auditors. The Board is responsible for the quality of financial reporting in each quarterly report. The Board reviews critically the accounting and financial reports issued by the Company, compliance, and any significant uncertainty in the reporting. The auditors attended two regular meetings of the Board during 2023, which were held digitally via Zoom. The entire Board reviews the interim reports before they are published. The Company's auditors attend the Board meeting in connection with the approval of the Company's annual report.

**Internal control of financial reporting**
*Internal control*
The Board is responsible for the internal controls under the Swedish Companies Act and the Code. The following description of internal control and risk management of financial reporting has been prepared in accordance with the Code.

NAXS has a centralized organization in the group with a CEO and CFO hired on a consulting basis. The other professionals being engaged on a consultancy basis. The Group has a clear division of responsibilities and internal controls, which is the reason why the need for a separate internal audit function does not exist. Internal control and performance monitoring are conducted at several levels within the Group, both at the subsidiaries' level and at Group level.

*Control environment*
Internal control covers all companies within the Group and includes controlling the accuracy and reliability of reporting and ensuring that the adopted practices and policies are followed. NAXS has established policies and procedures, including rules of proceedings for the Board, instructions for the CEO, instructions for financial reporting, financial and investment policy and authorization rules. Guidelines are also for decisions regarding the costs, private equity fund investments and more. Reporting Instructions are designed to support a relevant reporting that follows the organization's structure.

NAXS accounting policies and principles follow IFRS, which ensures a consistent and rigorous financial reporting.

*Risk assessment*

NAXS is exposed to a variety of risks, both externally and internally. The basis for risk management and risk assessment is to identify and analyse the Company's risks. Risk management is an integral part of the funds evaluation process to ensure that its policies are followed. Comprehensive risk assessments are carried out and where appropriate lead to specific measures to address existing risks.

*Control Activities*

Control activities consist of routines and procedures that ensure management directives are carried out and that control objectives for the management of significant risks are reached. Control activities are implemented within the organization. Activities include, among others, approval, verification, reconciliation, performance monitoring and allocation of tasks. NAXS assesses quarterly the valuation reports from underlying funds. The Group management makes regular controls, the results of which are reported to the Board.

*Information and communication*

Appropriate information and communication are essential for the internal control systems to function appropriately. NAXS receives quarterly or semi-annual reports from underlying funds relating the development of each fund. The Company's CFO and interim CEO then compiles a report on the Company's stake in the private equity fund investments and the value of such investments, which is presented to the Board. NAXS is a small organization, which facilitates effective communication and information between the Company’s management and the Board.

*Follow-up*

Monitoring is conducted in the ordinary course of business and forms part of the management's regular activities when carrying out their duties. Any weaknesses in internal controls should be reported to the Board.

# Board of Directors' Report

The Board of Directors and the CEO of NAXS AB (publ) (" NAXS"," the Company", or the "Parent Company"), Swedish corporate identification number 556712-2972, are hereby presenting the annual report for the Group and the Parent Company for the financial year 2023. The financial statements are subject to their adoption by the Annual General Meeting of the shareholders to be held on April 4, 2024.

## Group

### General operations

NAXS is listed on Nasdaq Stockholm. NAXS primarily invests in private equity funds with a Nordic focus. NAXS may also make direct investments or co-investments alongside private equity or other alternative assets funds and may invest up to forty percent of its net asset value in any securities or assets in any jurisdiction.

Operations commenced on April 17, 2007, and the Company was listed on First North on May 14, 2007, where it traded until its change of listing to Nasdaq Stockholm on June 8, 2010. The share trades under the designation "NAXS".

NAXS AB, corporate ID 556712-2972 is the Group's parent company. NAXS AB has its registered office in Stockholm. QVT Financial LP with org.no 156508, with registered office in New York, USA, controls, via Tompkins Square Park SARL, 68.7% of the outstanding shares in NAXS AB.

In addition to the parent company, the group consists of the subsidiaries NAXS A/S, registered in Copenhagen, NAXS Nordic Access Buyout AB, registered in Stockholm, and NAXS Nordic Access Buyout AS, registered in Oslo. The Danish and Swedish subsidiaries operate as holding companies for the Group's investments.

Naccess Partners AB is contracted as the investment advisor to the Danish subsidiary.

### Objective and investment strategy

*Overall investment strategy*

The strategy of NAXS AB (publ) (together, with its subsidiaries, "NAXS") is to seek to produce investment returns commensurate with the risk incurred in making those investments.

*Investment criteria*

NAXS may without limitation, except as set forth below, invest in private equity funds, which have one or more of the Nordic countries (Denmark, Finland, Norway and Sweden) as their investment focus.

NAXS may without limitation, except as set forth below, invest alongside private equity funds and other alternative assets funds.

Up to forty percent of NAXS's net asset value may be invested in any securities or assets in any jurisdiction.

*Investment size and diversification*

NAXS intends to hold a diversified portfolio of investments. However, NAXS may decide based on market conditions to place up to 40 percent of NAXS's net asset value at the time of the investment in a single investment.

## Financial performance

### Important events during the financial year

- Net asset value at the end of the year increased 0.5% during the year (including the dividend paid in April).
- NAXS made an investment commitment of MEUR 1.5 to the private equity fund Celero Capital Fund (E) AB.
- NAXS made 3 Other Investments, two of which were co-investments alongside private equity funds. MSEK 5.7 was co-invested alongside Celero Fund (E) AB in Reledo AB, a newly established platform in the facility management industry, and MUSD 1.0 was co-invested alongside JAB Holding in Panera Brands, a pioneer of the fast casual dining in the United States. In addition, NAXS made an additional investment of MSEK 5.2 in Awilco Drilling Plc in connection with a directed share issue by the company.
- NAXS' underlying funds acquired 7 new portfolio companies, bringing the total number of portfolio companies acquired since NAXS's inception to 184 (including the 118 portfolio companies that have been fully divested).
- NAXS' underlying funds signed or closed 4 new divestments/exits.
- The 118 total divestments completed since NAXS's inception have generated an average IRR amounting to 17.7%.
- The 2023 Annual General Meeting resolved to pay a dividend of SEK 3.75 per share.

### Net asset value (NAV)

| KSEK | 2023 | 2022 |
|---|---|---|
| Private equity fund investments | 639 030 | 687 989 |
| Other Investments | 75 001 | 60 801 |
| Other assets and liabilities | -1 192 | -1 206 |
| Net cash | 209 226 | 211 668 |
| **Net asset value (NAV)** | **922 065** | **959 252** |
| Net asset value per share | 83,24 | 86,59 |

### Changes in Net asset value (NAV)

| KSEK | 2023 | 2022 |
|---|---|---|
| Net asset value (NAV) at the beginning of the period | 959 252 | 822 855 |
| Value changes on Private equity fund investments | 3 107 | 182 379 |
| Value changes Other Investments | 10 734 | 11 938 |
| Operating costs | -16 811 | -15 323 |
| Net financial items | 7 333 | 1 094 |
| Income tax | -9 | -7 |
| Dividend to shareholders | -41 541 | -39 034 |
| Repurchase of own shares | - | -4 650 |
| **Net asset value (NAV) at the end of the period** | **922 065** | **959 252** |

### Changes in Private equity fund investments and Other Investments

| | Fund investments | | Other investments | |
|---|---|---|---|---|
| **KSEK** | **2023** | **2022** | **2023** | **2022** |
| At the beginning of the period | **687 989** | **513 925** | **60 801** | **44 693** |
| | | | | |
| Investments | 65 953 | 65 979 | 21 158 | 6 563 |
| Repayments | -118 019 | -74 294 | -17 692 | -2 393 |
| **Net investments** | -52 066 | **-8 315** | 3 466 | **4 170** |
| | | | | |
| Changes in value | 10 407 | 163 075 | 11 595 | 5 249 |
| Dividends and interest income | - | - | 1 277 | 676 |
| Unrealized exchange rate changes | -7 300 | 19 304 | -2 138 | 6 013 |
| **Reported through the income statement** | **3 107** | **182 379** | **10 734** | **11 938** |
| **Reported value at the end of the period** | **639 030** | **687 989** | **75 001** | **60 801** |

The total change in value for Fund units and Other investments amounts to KSEK 13,841 (194,317).

### Net cash

| **KSEK** | **2023** | **2022** |
|---|---|---|
| Cash, bank and short-term investments | 209 226 | 211 668 |
| | **209 226** | **211 668** |
| Net cash per share, KSEK | **18,89** | 19,11 |

During the year, cash and cash equivalents were invested in interest-bearing instruments or held on interest-bearing bank accounts, in accordance with the Company's policy.

### Changes in net cash

| **KSEK** | **2023** | **2022** |
|---|---|---|
| Net cash at the beginning of the period | 211 668 | 265 523 |
| Investments in Private equity funds | -65 953 | -65 979 |
| Distributions from Private equity funds | 118 019 | 74 294 |
| Investments in Other long-term holdings of securities | -21 158 | -6 563 |
| Distributions from Other long-term holdings of securities | 17 692 | 2 393 |
| Cash flow from operating activities | -9 501 | -14 218 |
| Cash flow from changes in working capital* | - | -98 |
| Dividend to shareholders | -41 541 | -39 034 |
| Repurchase of own shares | - | -4 650 |
| **Net cash at the end of the period** | **209 226** | **211 668** |

** Including exchange rate difference in cash and cash equivalents*

### Net financial items

| KSEK | 2023 | 2022 |
|---|---|---|
| Interest income | 7 322 | 1 359 |
| Interest expenses | -3 | -240 |
| Currency effects | 14 | -25 |
| **Net financial items** | **7 333** | **1 094** |

### Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to KSEK 922,065 (959,252) at the end of the year, corresponding to SEK 83.24 (86.59) per share and an equity/asset ratio of 99.8 (99.9) percent. Dividend to shareholders for the financial year 2022 amounted to KSEK 41,541 (39,034) corresponding to SEK 3.75 (3.50) per share.

### Results and investments

Profit after financial items amounted to KSEK 4,363 (180,088). The result is mainly attributable to changes in the value in Private equity funds of KSEK 3,107 (182,374) and in Other Investments KSEK 10,734 (11,938), as well as KSEK 6,200 (1,689) from improved net interest income. Changes in value include a currency effect of KSEK -9,438 (25,317).

During the financial year, NAXS invested KSEK 65,953 (65,979) in Private equity funds. Repayments from the funds amounted to KSEK 118,019 (74,294). KSEK 21,158 (6,563) was invested in Other Investments and repayments from Other Investments amounted to KSEK 17,692 (2,393). The smaller valuations increase experienced during the financial year is a reflection of the more difficult macro-economic environment.

### Environment

The Company does not conduct any activity that may require an environmental permit.

### Parent Company

The parent company's revenues for the financial year amounted to KSEK 591 (751). The profit/loss before and after tax amounted to KSEK 227 (76,768) ), of which KSEK 0 (80,106) refers to profit from the Danish subsidiary's repurchase of own shares. Net interest income amounted to KSEK 4,131 (279) and exchange rate profit/loss amounted to KSEK 0 (536).

## Proposal for appropriation of earnings

At the disposal of the Annual General Meeting are the following amounts in SEK:

| | |
|---|---|
| Share premium reserve | 577 705 947 |
| Retained earnings | -48 561 665 |
| Net profit for the year | 226 278 |
| **Total** | **529 370 560** |

The Board of Directors and the CEO proposes that available earnings to be appropriated as follows:

| | |
|---|---|
| Dividend, SEK 4.25 per share | 47 079 736 |
| To be carried forward | 482 290 824 |
| **Total** | **529 370 560** |

In addition, the Board of Directors proposes to the Annual General Meeting to vote on a continued share repurchase mandate to repurchase own shares to the extent that the Company's holding of its own shares, on any occasion, does not exceed 10% of all shares in the Company.

# Consolidated income statement

| KSEK | Not | 2023 | 2022 |
|---|---|---|---|
| Change in value | 4 | 13 841 | 194 317 |
| Operating costs | 6 | -15 893 | -14 176 |
| Cost for personnel | 7 | -919 | -1 147 |
| **Operating profit** | | **-2 971** | **178 994** |
| | | | |
| **Financial items** | | | |
| Financial income ** | 9 | 7 337 | 1 359 |
| Financial expenses** | 10 | -3 | -265 |
| **Net Financial items** | | 7 334 | **1 094** |
| | | | |
| **Profit after financial items** | | **4 363** | **180 088** |
| | | | |
| Income taxes | 14 | -9 | -7 |
| **Net profit** | | **4 354** | **180 081** |
| | | | |
| **Attributable to:** | | | |
| Equity holders of the parent company | | 4 354 | 180 081 |
| | | | |
| **Earnings per share, SEK*** | | **0,39** | **16,22** |

** Basic and diluted.*
*** Includes interest calculated in accordance with the effective interest rate method.*

The groups comprehensive income is consistent with the net profit.

# Consolidated balance sheet

| Amounts in KSEK | Not | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| **Assets** | | | |
| Private equity fund investments | 12 | 639 030 | 687 989 |
| Other long-term holdings of securities | 13 | 75 001 | 60 801 |
| **Total non-current assets** | | **714 031** | **748 790** |
| | | | |
| Other current receivables | 15 | 325 | 157 |
| Prepaid expenses and accrued income | 16 | 178 | 57 |
| Cash and cash equivalents | | 209 226 | 211 668 |
| **Total current assets** | | 209 729 | **211 882** |
| **Total assets** | | **923 760** | **960 672** |
| | | | |
| **Equity** | 17 | | |
| Share capital | | 750 | 750 |
| Other capital contribution | | 577 706 | 577 706 |
| Retained earnings | | 343 609 | 380 796 |
| **Equity attributable to equity holders of the parent company** | | 922 065 | **959 252** |
| **Total equity** | | **922 065** | **959 252** |
| | | | |
| **Liabilities** | | | |
| Accounts payable | | 659 | 418 |
| Other current liabilities | | 25 | 59 |
| Accrued expenses and deferred income | 18 | 1 011 | 943 |
| **Total current liabilities** | | 1 695 | **1 420** |
| **Total liabilities** | | 1 695 | **1 420** |
| **Total equity and liabilities** | | **923 760** | **960 672** |

# Consolidated statement of changes in equity

| Amounts in KSEK | Equity attributable to shareholders of the Parent Company | | | |
|---|---|---|---|---|
| | Share capital | Other contributed capital | Retained earnings, incl. profit/ loss for the year | Total equity |
| **Opening equity 2023-01-01** | **750** | **577 706** | **380 796** | **959 252** |
| **Total comprehensive income** | | | | |
| Net profit for the year | | | 4 354 | 4 354 |
| Other comprehensive income for the year | | | - | - |
| **Total comprehensive income for the year** | - | - | **4 354** | **4 354** |
| **Value transfers to owners** | | | | |
| Dividend | | | -41 541 | -41 541 |
| **Total value transfers to owners** | **-** | **-** | **-41 541** | **-41 541** |
| **Total transactions with the Group's owners for the year** | **-** | **-** | **-41 541** | **-41 541** |
| **Closing equity 2023-12-31** | **750** | **577 706** | **343 609** | **922 065** |

| Amounts in KSEK | Equity attributable to shareholders of the Parent Company | | | |
|---|---|---|---|---|
| | Share capital | Other contributed capital | Retained earnings, incl. profit/ loss for the year | Total equity |
| **Opening equity 2022-01-01** | **750** | **577 706** | **244 399** | **822 855** |
| **Total comprehensive income** | | | | |
| Net profit for the year | | | 180 081 | 180 081 |
| Other comprehensive income for the year | | | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **180 081** | **180 081** |
| **Value transfers to owners** | | | | |
| Dividend | | | -39 034 | -39 034 |
| Repurchases of own shares | | | -4 650 | -4 650 |
| **Total value transfers to owners** | **-** | **-** | **-43 684** | **-43 684** |
| **Total transactions with the Group's owners for the year** | **-** | **-** | **-43 684** | **-43 684** |
| **Closing equity 2022-12-31** | **750** | **577 706** | **380 796** | **959 252** |

# Consolidated statement of cash flows

| Amounts in KSEK | Note 20 | 2023 | 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after financial items | | 4 363 | 180 088 |
| Adjustment for non-cash items, etc. | | -13 855 | -194 299 |
| | | -9 492 | -14 211 |
| Income tax, paid | | -9 | -7 |
| Cash flow from operating activities before changes in working capital | | **-9 501** | -14 218 |
| Increase (-)/decrease (+) in operating receivables | | -289 | 57 |
| Increase (-)/decrease (+) in operating liabilities | | 275 | -138 |
| **Cash flow from operating activities** | | **-9 515** | **-14 299** |
| | | | |
| **Investing activities** | | | |
| Acquisitions of private equity fund investments | | -65 953 | -65 979 |
| Repayments of private equity fund investments | | 118 019 | 74 294 |
| Sale of other long-term holdings of securities | | -21 223 | -6 563 |
| Acquisitions of other long-term holdings of securities | | 17 757 | 2 393 |
| **Cash flow from investing activities** | | **48 600** | **4 145** |
| | | | |
| **Financing activities** | | | |
| Repurchase of own shares | | - | -4 650 |
| Dividend | | -41 541 | -39 034 |
| **Cash flow from financing activities** | | **-41 541** | **-43 684** |
| | | | |
| **Cash flow during the year** | | **-2 456** | **-53 838** |
| Cash and cash equivalents, beginning of the year | | 211 668 | 265 523 |
| Exchange-rate differences in cash and cash equivalents | | 14 | -17 |
| **Cash and cash equivalents at the end of the year** | | **209 226** | **211 668** |

# Parent company income statement

| Amounts in KSEK | Note | 2023 | 2022 |
|---|---|---|---|
| Other operating income | 5 | 591 | 751 |
| Operating costs | 6 | -3 795 | -3 757 |
| Cost for personnel | 7 | -919 | -1 147 |
| **Operating loss** | | **-4 123** | **-4 153** |
| | | | |
| Financial items | | | |
| Profit from shares in group companies | 8 | 219 | 80 106 |
| Financial income | 9 | 4 134 | 893 |
| Financial expenses | 10 | -3 | -78 |
| **Profit/loss after financial items** | | **227** | **76 768** |
| | | | |
| Income taxes | 14 | - | - |
| **Net profit/loss for the year** | | **227** | **76 768** |

The result for the year corresponds to the total result for the year.

# Parent company balance sheet

| Amounts in KSEK | Note | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Financial assets | | | |
| Shares in group companies | 11 | 422 008 | 382 008 |
| Total financial assets | | 422 008 | 382 008 |
| **Total non-current assets** | | **422 008** | **382 008** |
| | | | |
| **Current assets** | | | |
| Receivables from group companies | | 219 | - |
| Other current receivables | 15 | 327 | 158 |
| Prepaid expenses and accrued income | 16 | 178 | 57 |
| Total current assets | | 724 | 215 |
| Cash and cash equivalents | | 108 916 | 190 507 |
| **Total current assets** | | **109 640** | **190 722** |
| **Total assets** | | **531 648** | **572 730** |
| | | | |
| **Shareholder's equity and liabilities** | | | |
| **Equity** | 17 | | |
| Restricted | | | |
| Share capital | | 750 | 750 |
| Total restricted equity | | 750 | 750 |
| Non-restricted | | | |
| Share premium reserve | | 577 706 | 577 706 |
| Retained earnings | | -48 562 | -83 789 |
| Earnings for the year | | 227 | 76 768 |
| Total non-restricted equity | | 529 371 | 570 685 |
| **Total equity** | | **530 121** | **571 435** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | | 659 | 418 |
| Accrued expenses and deferred income | 18 | 868 | 877 |
| **Total current liabilities** | | 1 527 | **1 295** |
| **Total equity and liabilities** | | **531 648** | **572 730** |

# Parent company statement of changes in equity

| Amounts in KSEK | Restricted equity | Unrestricted equity | | | |
|---|---|---|---|---|---|
| | Share capital | Share premium reserve | Retained earnings | Profit/loss for the year | Total equity |
| **Opening equity 2023-01-01** | **750** | **577 706** | **-83 789** | **76 768** | **571 435** |
| | | | | | |
| **Total comprehensive income** | | | | | |
| Profit for the year | | | | 227 | 227 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **227** | **227** |
| | | | | | |
| Appropriations of profits | | | 76 768 | -76 768 | 0 |
| Dividend | | | -41 541 | | -41 541 |
| **Closing equity 2023-12-31** | **750** | **577 706** | **-48 562** | **227** | **530 121** |

| Amounts in KSEK | Restricted equity | Unrestricted equity | | | |
|---|---|---|---|---|---|
| | Share capital | Share premium reserve | Retained earnings | Profit/loss for the year | Total equity |
| **Opening equity 2022-01-01** | **750** | **577 706** | **-36 240** | **-3 865** | **538 351** |
| | | | | | |
| **Total comprehensive income** | | | | | |
| Profit for the year | | | | 76 768 | 76 768 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **76 768** | **76 768** |
| | | | | | |
| Appropriations of profits | | | -3 865 | 3 865 | - |
| Dividend | | | -39 034 | | -39 034 |
| Repurchase of own shares | | | -4 650 | | -4 649 |
| **Closing equity 2022-12-31** | **750** | **577 706** | **-83 789** | **76 768** | **571 435** |

# Parent company statement of cash flows

| Amounts in KSEK | Note 20 | 2023 | 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after financial items | | 227 | 76 768 |
| Adjustment for non-cash items, etc. | | - | -80 106 |
| **Cash flow from operating activities before changes in working capital** | | **227** | **-3 338** |
| Increase (-)/decrease (+) in operating receivables | | -509 | 44 |
| Increase (-)/decrease (+) in operating liabilities | | 232 | -470 |
| **Cash flow from operating activities** | | **-50** | **-3 764** |
| | | | |
| **Investing activities** | | | |
| Investments in financial assets | | -40 000 | -20 175 |
| Divestment / reduction of financial assets | | - | 200 075 |
| **Cash flow from investing activities** | | **-40 000** | **179 900** |
| | | | |
| **Financing activities** | | | |
| Repurchase of own shares | | - | -4 650 |
| Dividend | | -41 541 | -39 034 |
| **Cash flow from financing activities** | | **-41 541** | **-43 684** |
| | | | |
| **Cash flow during the year** | | -81 591 | 132 452 |
| Cash and cash equivalents, beginning of the year | | 190 507 | 58 055 |
| **Cash and cash equivalents, end of the year** | | **108 916** | **190 507** |

# Notes to the financial statements

## Note 1. Accounting policies

### Corporate information

The consolidated financial statements of NAXS AB (publ) ("NAXS", the "Group" or the "Company") for 2023 have been prepared by the Board of Directors and the CEO. The financial statements are subject to the approval of the Annual Meeting of the shareholders to be held on April 4, 2024. The Parent Company is a Swedish limited company (publ) incorporated and domiciled in Stockholm, with address Nybrogatan 8, SE-11434 Stockholm, Sweden, whose shares are publicly traded on Nasdaq Stockholm. NAXS focuses on investments in Nordic buyout funds. The objective is to make the Nordic private equity market accessible for a broader range of investors, while offering liquidity through the Company's publicly traded shares.

### General accounting principles

These financial statements are prepared in accordance with GAAP follows.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. Furthermore, the Council for financial reporting and recommendation RFR 1 Supplementary Accounting apply.

The annual report for the parent company has been prepared according to the Annual Council for financial reporting RFR 2 Accounting for Legal Entities. Differences in Parent accounting policies are due to limitations in the ability to apply IFRS as a result of the Annual Accounts Act and, in some cases, because of the tax rules. The main differences are described below under "Differences between the Group and Parent Company".

### Application of new and revised accounting rules

The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) has issued and it has adopted new and revised standards with effect from financial year 2023. The Group has estimated that the new standards, amendments and interpretations that have entered into force will not have any material effect on the financial performance and position.

### Standards, amendments and interpretations that have not yet entered into force or approved by the EU and which have not been early adopted by the Group.

A number of new standards and amendments, as well as interpretations of existing standards have been published but have not yet come into force. The Group has estimated that the new standards, amendments and interpretations that have not yet entered into force will not have any material effect on the financial performance and position.

### Basis for establishing the parent company and consolidated financial statements

The Parent Company's functional currency is the Swedish krona, the reporting currency of the Parent Group. This means that the financial statements are presented in Swedish kronor. All figures, unless otherwise indicated, rounded to the nearest thousand. Rounding differences may occur.

Valuation of assets and liabilities is based on historical cost. The following assets and liabilities are valued in other ways:

Private equity fund investments other long-term holdings of securities are valued at fair value
— Valuation of deferred tax assets and liabilities based on how the carrying values of assets or liabilities are realized or settled.
— Deferred tax is calculated using the current tax rate.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

The following accounting policies for the Group and parent company have been applied consistently to all periods presented in the consolidated and Parent Company financial statements.

**Basis of consolidation**
The consolidated accounts comprise the Parent Company and subsidiaries:

Subsidiaries are companies that are under a controlling influence from NAXS AB. When assessing whether controlling influence exists, consideration is given to both influence and influence on returns and partly whether de facto control exists. Subsidiaries are reported according to the acquisition method. For more information, see Note 11, Shares in Group companies.

When preparing the consolidated financial statements, intra-group transactions and transactions are eliminated.

**Financial instruments**
Financial instruments is reported according to IFRS 9 Financial Instruments. Financial instruments that NAXS reports in the balance sheet include, on the asset side, cash and cash equivalents, private equity fund investments and other financial investments. Liabilities include accounts payable. Only the categories that are relevant to the group are described below.

**Financial assets**
The Group classifies its financial assets in the following categories: Amortized cost (Hold to collect) and Fair value through the income statement. Classification and valuation of financial assets based on debt instruments is based on the business model applied for the management of the financial asset and the instrument's contractual cash flows.

*Accrued acquisition value*
Assets classified as in this category are financial assets that are held for the purpose of collecting contractual cash flows and where these cash flows consist solely of capital amounts and interest. This category includes cash and cash equivalents.

*Fair value via the income statement, mandatory*
A financial asset must be valued at fair value through profit or loss if it does not meet the criteria for valuation at amortized cost or at fair value through other comprehensive income. Financial assets that are managed and evaluated based on fair values are always classified at fair value via the income statement. This category includes investments in fund units (so-called Private equity funds) and other financial investments.

### Accounting and removal from the balance sheet

Purchases and sales of financial assets are reported on the business day, the date on which the Group commits to buy or sell the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred virtually all risks and benefits associated with ownership.

### Valuation

Financial assets are initially measured at fair value plus, in cases where the asset is not recognized at fair value through the income statement, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets recognized at fair value through profit or loss are expensed directly in the income statement.

Financial assets with embedded derivatives are regarded as a unit when an assessment is to be made if the cash flows from the asset consist solely of principal amounts and interest.

### Investments in debt instruments

Subsequent valuation of investments in debt instruments depends on the Group's business model for managing the asset and what kind of cash flows the asset gives rise to. The Group classifies its investments in debt instruments in two valuation categories:

Amortized cost: Assets held for the purpose of collecting contractual cash flows and where these cash flows consist solely of capital amounts and interest, are reported at amortized cost. Interest income from such financial assets is reported as financial income by applying the effective interest method. Gains and losses arising from derecognition from the balance sheet are recognized directly in profit or loss within other gains and losses together with the exchange rate result. Impairment losses are reported on a separate line in the income statement.

Fair value through the income statement: Assets that do not meet the requirements for being recognized at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt instrument that is reported at fair value through the income statement, and which is not included in a hedging relationship is reported net in the income statement in the period when the gain or loss arises.

### Financial liabilities valued at amortized cost

Accounts payable have a short-expected duration and are valued at face value. In addition, the Group has no significant financial liabilities.

### Transactions, receivables, and liabilities in foreign currency

Transactions in foreign currencies are translated at the exchange rate prevailing on the transaction date. Monetary assets and liabilities are translated at the closing date balance sheet date. Exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities are recorded at historical rates, i.e. the rates prevailing at each transaction date except for holdings in Private equity funds which is valuated at fair value through the income statement.

### Foreign operations

The consolidated financial statements are presented in Swedish kronor, the Group's reporting currency. The Company has assessed that the functional currency of the Danish and Norwegian subsidiaries is SEK, i.e. the same as the Parent Company's in accordance with

IAS 21.11(a). This means that the functional currency of the subsidiaries is considered to be the same as that of the parent company and effects of exchange rates reported in the income statement under changes in value.

**Provisions**
A provision is recognized when as a result of a past event there is a legal or informal obligation and it is likely that it must be met, and the amount can be reliably estimated. Where the effects of when in time the payment is made is material, the provision should be made at the present value of the expenditure which is expected to be required to settle the obligation.

**Contingent liabilities**
A contingent liability exists if there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events, and when there is a commitment that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required, or the liability cannot be measured with sufficient reliability. The disclosure is made unless the possibility of an outflow of resources is remote.

**Income tax**
Income tax comprises current and deferred tax. Income tax is recognized in the income tax relates to items recognized in the income statement. Income tax is recognized directly in equity when the tax relates to items recognized directly in equity.

Current tax comprises tax based on taxable income for the current year and any adjustments relating to prior years.

Deferred tax is calculated on the differences (temporary differences) between assets and liabilities and taxable values on the other hand, their carrying values. The deferred tax is calculated on the basis of the tax rates that are deemed applicable to the tax regulation. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only when it is probable that the deductible temporary differences can be utilized and lead to a reduction in future tax payments.

**The cash flow statement**
In preparing the cash flow analysis, the indirect method is used. In the application of the indirect method the net change in receipts and disbursements in operating activities is calculated by adjusting the net income for the change in operating assets and liabilities, items not included in cash and items included in cash flow for investing and financing activities. Cash equivalents in the cash flow statement is included in cash when the placements are short term only and is subject to an insignificant risk of changes in value.

**Reporting by operating segment**
Operating segments are reported in a manner consistent with the internal reporting provided to the CEO. The CEO is responsible for allocating resources and assessing the operating segments. The group has been identified this function as the CEO. The investment strategy is oriented towards a diversified fund portfolio so that the holdings in the funds be evaluated as a whole, the Group has only one operating segment.

**Alternative performance measures**
The definitions for Alternative performance measure such as equity ratio, net asset value, net cash/net debt and gross IRR performance measures are provided on page 14. These

alternative performance measures are essential for the understanding and evaluation of NAXS's business.

**Differences between the Group and Parent Company**
The Parent Company follows the same accounting principles as the Group with the following exceptions.

*Formats*
The balance sheet and income statement of the Parent Company are established in accordance with what is stated in the Annual Accounting Act.

*Shares in subsidiaries*
Shares in subsidiaries are accounted for under the cost method.

*Group contributions and shareholder contributions*
Group contributions are reported in accordance with the main rule. Group contributions that the parent company receives from a subsidiary are recognized as financial income. Group contributions made by the parent company to a subsidiary are reported as an increase in participations in group companies. Group contributions that a subsidiary receives from the parent company are recognized in the subsidiary in equity. Group contributions made by a subsidiary to the parent company are also recognised in equity.

Shareholder contributions made by the parent company are transferred directly to the equity of the recipient and capitalized in shares and participations with the donor, to the extent that impairment is not required.

## Note 2. Important estimates and assessments

In the application of valuation principles, assumptions and estimates are made in relation to factors that are uncertain at the time the valuation. Changes in assumptions could have a significant effect on the financial statements of the periods when the assumptions change.

Private equity fund investments are valued at fair value. The Group applies its methods on a consistent basis between periods, but the fair value measurement always requires a significant degree of assessments. Private equity fund investments are valued at fair value according to the methods described on page 42. Private equity fund investments are valued under the fair value method at fair value through the profit and loss statement. All Private equity fund investments are unlisted. Private equity fund investments are valued based on the Company's portion of the value that the fund manager attributes to the fund's total holdings and is normally updated when the new valuation obtained. The funds follow the IPEV Valuation Guidelines when valuing their holdings. The International Private Equity and Venture Capital Valuation (IPEV) Guidelines set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments. If NAXS estimates that the fund administrator has not sufficiently taken into account factors affecting the value of the underlying holdings, or if the valuation has been considered to differ materially from IFRS rules, NAXS proceeds to a valuation adjustment. Public holdings held by underlying funds are valued based on the holdings' share price at closing. At the end of the financial year, the Company did not adjust the fund managers' valuations to a significant extent.
The unlisted fund holdings are shown in Note 12 and amount to KSEK 639,030 (687,989).

The unlisted shares in other financial investments are shown in Note 13 and amount to KSEK 18,468 (2,269). These unlisted holdings have been valued according to the same principles as the unlisted fund holdings.

The expected outcome of uncertainty and the range of reasonably possible outcomes in the coming financial year with respect to the carrying amounts of the assets and liabilities concerned are presented in sensitivity analyses in Note 3 and Note 23. Changes in exchange rates by 10 percent affect the result by KSEK +/- 30,392 (+/-30,755) and changes in unobservable data by 10 percent affect the result by KSEK +/- 65,750 (+/-68,799).

Based on the controls that it applies, NAXS believes that the actual figures reported in the balance sheet and changes in fair value recognized in the income statement are thorough and balanced and reflect the underlying economic values.

## Note 3. Risk exposure and risk management

The Company's business, financial condition and results could be impacted by a number of risk factors.

NAXS may without limitation, except as set forth below, invest in Private equity funds, which have one or more of the Nordic countries (Denmark, Finland, Norway and Sweden) as their investment focus.

NAXS may without limitation, except as set forth below, invest alongside Private equity funds and other alternative assets fund.

Up to forty percent of NAXS's net asset value may be invested in any securities or assets in any jurisdiction.

As the interest and therefore the competition for investment in private equity as an asset class increases, the number of investment opportunities with reasonable risk/return profile may decline.

Much of the Company's return on invested capital will depend on the respective underlying Private equity funds' ability and success to generate returns, which in turn is partly due to how skilful the fund managers and their portfolio companies' management teams are in implementing value-enhancing improvements in the portfolio companies. Furthermore, the returns largely depend on the valuation of portfolio companies at the time of the investment and divestment, respectively.

Private equity funds generally use leverage to finance their investments. In a situation where a portfolio company's profits do not reach an adequate level and where market interest rates rise, this may result in decreased and even negative returns for Private equity funds. Furthermore, market conditions that make it more difficult or expensive for Private equity funds to obtain loans to finance acquisitions may result in reduced returns compared with historical ones.

Private equity funds are dependent on their investors having money available when the funds request drawn downs for investments. Under turbulent market conditions, there is a risk that some investors cannot meet their obligations. This could affect the Company's ability to pursue its investment strategy and affect the underlying funds' and NAXS's returns.

The Investment Manager has been contracted by the NAXS Group to advise on the Group's investment activities, under an advisory agreement. If the principals of the Investment Manager cease to work for the Investment Manager, this could have negative consequences for the Company's development, performance and financial position.

NAXS is exposed to currency risks in the investments made in Private equity funds denominated in foreign currencies. No hedging is made on the Private equity fund investments.

NAXS is also exposed to the risks related to the general macro-economic environment. The armed conflict between Russia and Ukraine and between Israel and Palestinian territories, rising inflation and rising interest rates have led to significant macro- and geopolitical risks arising during the financial year, which may affect the valuation of NAXS investments. However, it should be noted that NAXS's current portfolio has no material exposure to Russia or Ukraine, nor to Israel or the Palestinian territories.

Below is a description of financial risk exposure and risk management.

### Financial risks

The main factors that help to limit the risks of NAXS activities are described below:

- Careful due diligence for new investments in Private equity funds
- Diversified portfolio
- Active management and monitoring and relying on the Investment Adviser's recommendations are the prerequisite for transparency in corporate development and thereby to identify risks.

The main financial risks that NAXS is exposed to are market risks, including interest rate risk and currency risk.

### Price risks

In a large extent, the Company's return on invested capital will depend on the respective underlying Private equity fund's performance. NAXS has an investment strategy that results in a diversified portfolio of interests in ten Private equity funds and one special situations fund. Moreover, the returns depend on the valuation of the portfolio companies at investment and divestment.

In addition to Private equity fund investments, NAXS owned at year-end listed shares in Scout Gaming Group (publ), Awilco Drilling Plc, Keurig Dr Pepper, Krispy Kreme Doughnuts and Chr. Hansen Holding A/S as well as unlisted shares in Jacktel, Pret Panera, Panera Brands and Relodo AB.

At the end of 2023, NAXS had allocated SEK 639 (688) million, which corresponds to 69 (72) percent of NAXS's equity. The capital is invested in 12 different active private equity funds whereof 2 are special situation funds, as well as in Other Investments in the form of listed shares and in three unlisted co-investments with funds and one unlisted share registered on an alternative list.

The total exposure to Private equity fund investments and Other Investments is shown below.

| Amounts in KSEK | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Private equity fund investments | 639 030 | 687 989 |
| Other long-term holdings of securities | 75 001 | 60 801 |

Below are what the effect on the results of a currency change of 10% based on the investments at year-end.

| Amounts in KSEK | 2023 | 2022 |
|---|---|---|
| Investments in Private equity funds | +/- 63 903 | +/- 68 799 |
| Other long-term holdings of securities | +/- 7 500 | +/- 5 342 |

### Interest rate risks

Private equity funds typically use high leverage to finance the investments in their target companies. In a situation where the target companies do not perform well and where market interest rates rise, this may lead to decreasing and even negative returns for Private equity funds.

Regarding excess liquidity, which is exposed to interest rate risk, the goal is to maximize returns within NAXS's established policy. In addition, a high flexibility is targeted in order to meet potential new needs for liquidity. The investments are made in interest-bearing securities with short maturity, which means that the interest rate duration is less than 12 months.

### Currency exchange rate risks

NAXS's operations are exposed to currency risk in the investments denominated in foreign currencies. No currency hedging is made because of the long-term investment horizon.

The total currency exposure of the Private equity fund investments is shown below.

| Total investments in foreign currency translated to SEK<br>Amounts in KSEK | 2023 | 2022 |
|---|---|---|
| EUR | 250 688 | 251 418 |
| NOK | 25 308 | 27 105 |
| USD | 27 922 | 29 022 |
| | **303 918** | **307 545** |

Below are what the effect on the results of a currency change of 10% based on the investments at year-end.

| Amounts in KSEK | 2023 | 2022 |
|---|---|---|
| EUR | +/- 25 069 | +/- 25 142 |
| NOK | +/- 2 531 | +/- 2 711 |
| USD | +/- 2 792 | +/- 2 902 |

As cash and cash equivalents in foreign currencies are exchanged into SEK when they are received, there is no currency risk in cash and cash equivalents.

### Credit risk

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to NAXS. NAXS is exposed to credit risk primarily through the placement of excess liquidity in interest-bearing securities. In order to minimize credit risk excess liquidity is invested in treasury bills and bank accounts with banks with high credit ratings.

**Commitment Risk**

NAXS can make commitments up to 130 percent of equity. NAXS may without limitation, except as set forth below, invest in Private equity funds, which have one or more of the Nordic countries (Denmark, Finland, Norway and Sweden) as their investment focus.

NAXS may without limitation, except as set forth below, invest alongside Private equity funds and other alternative assets funds.

Up to forty percent of NAXS's net asset value may be invested in any securities or assets in any jurisdiction.

The total commitments at the end of 2023 amounted to 79 (88) percent of the equity. The remaining fund commitment at the year-end amounts to MSEK 97 (158).

## Note 4. Changes in value

| | Group | |
|---|---|---|
| KSEK | 2023 | 2022 |
| **Value change on Private equity-fund investments** | 10 407 | 163 075 |
| Unrealized exchange rate fluctuations | -7 300 | 19 304 |
| | **3 107** | **182 379** |
| Of which changes in value determined through valuation techniques | 10 407 | 163 075 |
| Of which changes in value caused by exchange rate changes | -7 300 | 19 304 |
| | | |
| **Changes in value in other long-term holdings of securities** | | |
| Dividends | 584 | 481 |
| Interest income | 693 | 195 |
| Value changes | 11 595 | 5 249 |
| Unrealized exchange rate fluctuations | -2 138 | 6 013 |
| | **10 734** | **11 938** |
| Of which changes in value determined on an active market | 11 337 | 4 940 |
| Of which changes in value determined through valuation techniques | 258 | 309 |
| Of which changes in value caused by exchange rate changes | -2 138 | 6 013 |
| **Total reported changes in value** | **13 841** | **194 317** |

Changes in value caused by changes in exchange rates are calculated by comparing the exchange rate at the date of acquisition/beginning of the year and end of the year. It is the relevant fund's reporting currency that is the basis for calculation.

## Note 5. Other operating income

| | Parent Company | |
|---|---|---|
| KSEK | 2023 | 2022 |
| Management fees | 591 | 751 |
| **Total** | **591** | **751** |

## Note 6. Other external expenses

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Remuneration to the investment advisor | 9 052 | 8 313 | - | - |
| Carried interest to the investment advisor | 2 518 | 1 120 | - | - |
| Other consulting fees | 3 486 | 3 993 | 3 137 | 3 179 |
| Other expenses | 837 | 750 | 658 | 578 |
| **Total** | **15 893** | **14 176** | **3 795** | **3 757** |

Auditors' fees are included in other professional fees in amounts as follows:

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Ernst & Young AB | | | | |
| Auditing | 770 | 724 | 567 | 561 |
| Auditing in addition to the audit assignment | - | 130 | - | - |
| Tax Advice | - | 13 | - | - |
| Other Services | - | - | - | - |
| **Total remuneration to auditors** | **770** | **867** | **567** | **561** |

Auditing assignments involve the review of the accounting and annual financial statements, of the Board of Directors and the CEO. Audit outside of the auditing assignment relates to the costs of quality audits, such as review of interim reports and prospectuses. Other expenses relate to costs that are not classified as Audit, Accounting Operations, or tax advice.

## Note 7. Employees and personnel expenses

The CEO and CFO are employed on a consultancy basis, as well as for other administrative functions.

| Salaries and remuneration to the Board and CEO | 2023 | | 2022 | |
|---|---|---|---|---|
| | Board and CEO | Variable remuneration | Board and CEO | Variable remuneration |
| Sweden | | | | |
| Parent Company | 919 | - | 1 127 | - |
| Denmark | - | - | - | - |
| Norway | - | - | - | - |
| **Total** | **919** | **-** | **1 127** | **-** |

| Salaries, remuneration and social security costs | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Salaries and other remuneration | 919 | 1 127 | 919 | 1 127 |
| Contractual pensions for the Board and CEO | - | - | - | - |
| Contractual pensions to others | - | - | - | - |
| Other social security costs | - | 20 | - | 20 |
| **Total** | **919** | **1 147** | **919** | **1 147** |

| Proportion of men | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Board of Directors | 60% | 60% | 60% | 60% |
| Group Management | 100% | 100% | 100% | 100% |

| Remuneration and other benefits during the year | Parent Company | |
|---|---|---|
| | 2023 | 2022 |
| | Base salary/ board remuneration | Base salary/ board remuneration |
| Dan Gold | - | - |
| Meg Eisner | - | - |
| Nikolai Jebsen | 306 | 306 |
| Börge Johansen | 306 | 306 |
| Synne Syrrist | 306 | 306 |
| Lennart Svantesson | - | 208 |
| Other senior executives (0 people) | - | - |
| **Total** | **919** | **1 127** |

The board fee for the period up to the 2023 Annual General Meeting amounted to SEK 918,750. According to a resolution at the AGM, it was decided that the board fee would be the same for the period up to the 2024 AGM. Remuneration in the form of consultancy fees to Lundgren for his work as CEO and CFO amounted to SEK 1,740,000 (1,505,344) excluding VAT. The fee has been paid to a company owned by Lundgren. There are no agreements on severance pay. The notice period for the assignment as CEO is 1 month.

## Note 8. Results from shares in group companies

| | Parent Company | |
|---|---|---|
| KSEK | 2023 | 2022 |
| Profit from sale of shares in NAXS A/S | - | 80 106 |
| Received group contribution | 219 | - |
| **Total** | **219** | **80 106** |

## Note 9. Interest income and similar items

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Interest income | | | | |
| Interest revenue from liquid assets | 7 323 | 1 359 | 4 134 | 356 |
| Net exchange-rate changes | 14 | - | - | 537 |
| **Total** | **7 337** | **1 359** | **4 134** | **893** |

## Note 10. Financial expenses

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Interest expenses | | | | |
| Group companies | - | - | - | -77 |
| Others * | -3 | -240 | -3 | -1 |
| Net exchange-rate changes | - | -25 | - | - |
| **Total** | **-3** | **-265** | **-3** | **-78** |

** Where of KSEK 0 (238) negative interest on bank deposits.*

## Note 11. Participation in Group companies

| | Parent Company | |
|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 |
| Accumulated acquisition value | | |
| At the beginning of the year | 382 008 | 481 802 |
| Shareholder's contribution | 40 000 | 20 175 |
| Repurchase of shares in NAXS A/S | - | -119 969 |
| **At the end of the year** | **422 008** | **382 008** |

### Specification of participations in Group companies

| Group companies, Corp. Reg. No., registered office | Number of shares | % of share capital and voting rights | Bokfört värde 2023-12-31 |
|---|---|---|---|
| NAXS Nordic Access Buyout AS, 990 796 114, Oslo | 100 | 100 | 8 172 |
| NAXS A/S, 34801525, Copenhagen | 1 502 818 | 100 | 353 561 |
| NAXS Nordic Access Buyout AB, 556735-9947, Stockholm | 1000 | 100 | 60 275 |
| **Total** | | | **422 008** |

## Note 12. Private equity fund investments

| | Group | |
|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 |
| Unlisted holdings measured at fair value | 639 030 | 687 989 |
| **Total** | **639 030** | **687 989** |

| **Participations in Private equity funds** | **2023** | **2022** |
|---|---|---|
| Opening balance | 687 989 | 513 925 |
| Investments | 65 953 | 65 979 |
| Distributions | -118 019 | -74 294 |
| Reported profit through profit and loss | 3 107 | 182 379 |
| **Reported valuation at year end** | **639 030** | **687 989** |

The table below summarizes NAXS's commitments to private equity funds.

| **Fund** | **Commitment Year** | **Commitment Currency** | **Initial Commitment Amount in (000s)** |
|---|---|---|---|
| Apax Europe VII LP | 2007 | EUR | 15 000 |
| Celero Capital I | 2023 | EUR | 1 500 |
| Equip Capital Fund I LP | 2020 | NOK | 20 000 |
| JAB Consumer fund - GCB II | 2018 | USD | 5 000 |
| JAB Consumer fund - GCB III | 2019 | EUR | 5 000 |
| JAB Consumer Partners - JCP V | 2022 | EUR | 5 000 |
| Mimir Invest AB | 2017 | SEK | 50 000 |
| Mimir Industries | 2022 | SEK | 75 000 |
| Nordic Capital CV1 | 2018 | EUR | 14 654 |
| Nordic Capital X LP | 2020 | EUR | 2 000 |
| Nordic Capital Evo Fund I LP | 2021 | EUR | 1 000 |
| Valedo Partners Fund II AB | 2011 | SEK | 65 000 |

In addition, NAXS has commitments to 4 private equity funds that are either in dissolution process or have exited all their portfolio companies (FSN Capital III, Herkules Private Equity III, Intera II and Nordic Capital VII).

At the end of 2023, NAXS's total exposure to Private equity fund investments amounted to MSEK 736, of which Private equity fund investments amounted to MSEK 639 and remaining commitments to MSEK 97.

Via the fund holdings, NAXS has an exposure to 66 companies, where the 10 largest portfolio companies account for approximately 54% of the NAXS's net asset value, and no single portfolio company account for more than 18% of NAXS's net asset value.

## Note 13. Other long-term holdings of securities

| | Group | |
|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 |
| Listed holdings measured at fair value | 56 533 | 58 532 |
| Unlisted holdings measured at fair value | 18 468 | 2 269 |
| **Total** | **75 001** | **60 801** |

| **Other long-term holdings of securities** | **2023** | **2022** |
|---|---|---|
| Opening balance | 60 801 | 44 693 |
| Investments | 21 223 | 6 563 |
| Repayments | -17 757 | -2 393 |
| Value changes | 10 734 | 11 938 |
| **Reported value at year end** | **75 001** | **60 801** |

See description of other financial investments in Note 23

The table below describes NAXS 'holdings of other financial investments.

| **Company** | **Sector** | **Type of instrument** | **Date of initial investment** | **Reported value, 2023.12.31 MSEK** | **Reported value, 2022.12.31 MSEK** |
|---|---|---|---|---|---|
| Scout Gaming Group | iGaming | listed share (Nasdaq First North) | Q4 2017 | 0.1 | 0.1 |
| Awilco Drilling | Energy | listed share (Euronext Growth Oslo) | Q1 2018 | 13.4 | 7.7 |
| Jacktel | Energy | senior secured bond | Q4 2018 | - | 12.9 |
| Keurig Dr Pepper | Consumer goods & services | listed share Nasdaq (NY) | Q3 2020 | 21.9 | 24.4 |
| Pret Panera | Fast food casual | unlisted share | Q4 2020 | 2.6 | 2.3 |
| Krispy Kreme Doughnuts | Fast food casual | listed share (Nasdaq NY) | Q1 2021 | 6.5 | 4.6 |
| Jacktel | Energy | unlisted share (registered on Euronext NOTC) | Q1 2022 | 11.9 | 6.4 |
| Chr. Hansen Holding A/S | Bioscience | listed share (Nasdaq Copenhagen) | Q4 2022 | 2.8 | 2.5 |
| Reledo | Business Services | unlisted share | Q2 2023 | 5.7 | - |
| Panera Brands | Fast food casual | Unlisted share | Q2 2023 | 10.2 | - |
| **Total** | | | | **75.0** | **60.8** |

## Note 14. Taxes

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023 | 2022 | 2023 | 2022 |
| Current tax | | | | |
| Tax expenses for the year | -9 | -7 | - | - |
| | **-9** | **-7** | - | - |
| Deferred tax | - | - | | |
| **Total reported tax** | **-9** | **-7** | **-** | **-** |

| **Reconciliation of actual tax** | **Group** | | **Parent Company** | |
|---|---|---|---|---|
| | Tax-rate % | 2023 | Tax-rate % | 2023 |
| Profit before tax | | 4 362 | | 227 |
| Tax according to applicable tax rate | 20,6 | -899 | 20,6 | -47 |
| Effect of other tax rates for foreign subsidiaries | 25,2 | -1 100 | 0,0 | - |
| Tax effect of non-taxable income | -36,2 | 1 581 | -0,4 | 1 |
| Loss that cannot be utilized | -9,6 | 419 | -20,3 | 46 |
| Other taxes | 0,2 | -9 | 0,0 | - |
| **Reported tax** | **0,2** | **-8** | **0** | **0** |

Non-taxable income consists mainly of received dividends and non-deductible expenses consists mainly of reversed value changes from the funds exited portfolio companies during the year.

| **Reconciliation of actual tax** | **Group** | | **Parent Company** | |
|---|---|---|---|---|
| | Tax-rate % | 2022 | Tax-rate % | 2022 |
| Profit before tax | | 180 088 | | 76 767 |
| Tax according to applicable tax rate | 20,6% | -37 098 | 20,6% | -15 814 |
| Effect of other tax rates for foreign subsidiaries | 0,0% | 52 | 0,0% | - |
| Tax effect of non-taxable income | -26,7% | 44 300 | -21,5% | 16 502 |
| Tax effect of non-deductible expenses | 0,9% | -1 009 | 0,0% | - |
| Loss that cannot be utilized | 5,3% | -6 245 | 0,9% | -688 |
| Other taxes | 0,0% | -7 | 0,0% | - |
| **Reported tax** | **0,0%** | **-7** | **0%** | **-** |

| **Unrecognized deferred tax assets** | **2023-12-31** | **2022-12-31** | **2023-12-31** | **2022-12-31** |
|---|---|---|---|---|
| Attributable to tax losses | 10 554 | 10 180 | 7 031 | 6 304 |
| | **10 554** | **10 180** | **7 031** | **6 304** |

The tax losses are attributable to the Swedish and Norwegian operations which are not expected to be utilized in the future. The deficits have no time limit.

## Note 15. Other current receivables

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| | 130 | - | 130 | |
| Other current receivables | 49 | 157 | 49 | 158 |
| | 146 | - | 148 | |
| **Total** | **325** | **157** | **327** | **158** |

## Note 16. Prepaid expenses and accrued income

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| Accrued income | 8 | - | 8 | - |
| Prepaid insurances | 23 | 22 | 23 | 22 |
| Other prepaid expenses | 147 | 35 | 147 | 35 |
| **Total** | **178** | **57** | **178** | **57** |

## Note 17. Equity

### Group

*Share capital in the Parent Company*

The share capital amounted as of December 31, 2023 to SEK 750,000 divided into 11,077,585 shares. Each share has one vote. The quota is SEK 0,068 per share.

The number of outstanding shares in the company at the beginning and at the end of the financial year was 11,077,585.

*Other contributed equity*

Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

*Retained earnings, including income for the year*

Retained earnings, including income for the year, consist of accumulated income in the Parent Company and its subsidiaries.

### Parent Company

*Restricted equity*

Restricted equity may not be reduced through profit distribution.

*Unrestricted equity*

*Share premium reserve*

When shares are issued at a premium, that is, when the price to be paid for the shares exceeds the nominal value of the shares, an amount equivalent to the amount above the nominal value of the shares will be transferred out of the share premium reserve. The share premium reserve is recognized as unrestricted equity.

*Unrestricted equity*

*Retained earnings*

Retained earnings consist of the preceding year's unrestricted equity after any transfer to statutory reserve and after any dividend payment. Retained earnings, together with net income for year, comprise the total unrestricted equity in the Company, i.e. the funds available for the dividend to shareholders.

*Distributions*

NAXS's distribution policy is to proceed over time to distributions amounting to a percentage of proceeds received from underlying Private equity funds. The Board of Directors proposes to the Annual General Meeting a dividend for the fiscal year 2023, see the proposal for appropriation of earnings in note 24. In addition, the Board of Directors proposes to the Annual General Meeting to vote on a continued share repurchase mandate.

| **Earnings per share** | **Group** | |
|---|---|---|
| | 2023 | 2022 |
| Net profit attributable to equity holders in the parent company | 4 354 | 180 081 |
| Weighted average number of shares outstanding during the year, thousands | 11 078 | 11 106 |
| **Profit per share (basic and diluted), SEK** | **0,39** | **16,22** |

*Capital management*

NAXS is financed with equity.

## Note 18. Accrued expenses and prepaid revenues

| | **Group** | | **Parent Company** | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| Accrued Board fee | 695 | 695 | 695 | 695 |
| Other accrued expenses | 316 | 249 | 173 | 182 |
| **Total** | **1 011** | **944** | **868** | **877** |

Other accrued expenses pertain primarily to accrued overheads.

## Note 19. Pledged assets and contingent liabilities

| | **Group** | | **Parent Company** | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| Pledged assets | Inga | Inga | Inga | Inga |
| Contingent liabilities | Inga | Inga | Inga | Inga |

The Group has made investment commitments, see Note 23.

## Note 20. Notes to cash flow statement

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| *Adjustment for non-cash items* | | | | |
| Change in value | -13 841 | -194 316 | - | - |
| Unrealized exchange-rate differences | -14 | 17 | - | - |
| **Total** | **-13 855** | **-194 299** | **-** | **-** |

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| Interest received | 7 331 | 1 359 | 4 134 | 356 |
| Interest paid | 3 | 239 | 3 | 77 |

## Note 21. Transactions with related parties

In addition to the remuneration of directors and board as described in Note 7 has as previous year no transactions with related parties occurred during the fiscal year. Other related parties are QVT Financial LP which holds 68.7% of the capital. Of the dividend decided by the Annual General Meeting, QVT Financial LP received KSEK 28,529 (26,627) in dividend.

## Note 22. Cash and cash equivalents

| | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| *Cash and cash equivalents in cash flow statements* | | | | |
| Short-term investments equivalent to cash | - | - | - | - |
| Cash on hand and balances with banks | 209 226 | 211 668 | 108 916 | 190 507 |
| **Total** | **209 226** | **211 668** | **108 916** | **190 507** |

| **Reconciliation with balance sheet** | Group | | Parent Company | |
|---|---|---|---|---|
| KSEK | 2023-12-31 | 2022-12-31 | 2023-12-31 | 2022-12-31 |
| Cash and cash equivalents | 209 226 | 211 668 | 108 916 | 190 507 |
| **Total** | **209 226** | **211 668** | **108 916** | **190 507** |

## Note 23. Financial assets and liabilities

| KSEK | | Group 2023 | |
|---|---|---|---|
| Category | Amortized cost | Mandatory at fair value through the income statement | Total reported value |
| *Valuation* | | | |
| Private equity fund investments | | 639 030 | 639 030 |
| Other long-term holdings of securities | | 75 001 | 75 001 |
| Other short-term receivables | 325 | | 325 |
| Accrued income | 8 | | 8 |
| Cash and cash equivalents | 209 226 | | 209 226 |
| **Total financial assets** | **209 559** | **714 031** | **923 590** |
| Accounts payable | 659 | | 659 |
| Other current liabilities | 25 | | 25 |
| Accrued expenses | 1 011 | | 1 011 |
| **Total financial liabilities** | **1 695** | **-** | **1 695** |

| KSEK | | Group 2022 | |
|---|---|---|---|
| Category | Amortized cost | Mandatory at fair value through the income statement | Total reported value |
| *Valuation* | | | |
| Private equity fund investments | | 687 989 | 687 989 |
| Other long-term holdings of securities | | 60 801 | 60 801 |
| Other short-term receivables | 157 | | 157 |
| Cash and cash equivalents | 211 668 | | 211 668 |
| **Total financial assets** | **211 825** | **748 790** | **960 615** |
| Accounts payable | 418 | | 418 |
| Other current liabilities | 59 | | 59 |
| Accrued expenses | 944 | | 944 |
| **Total financial liabilities** | **1 420** | **-** | **1 420** |

*Disclosures for measurement at fair values in accordance with the fair value hierarchy*

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 – Techniques which use inputs that are not based on observable data.

As of December 31, 2023, the Group held the following financial assets and liabilities measure at fair value:

| Assets | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| *Financial assets at fair value through profit or loss* | | | | |
| Private equity fund investments | - | - | 639 030 | 639 030 |
| Other long-term holdings of securities | 56 533 | - | 18 468 | 75 001 |
| | **56 533** | **-** | **657 498** | **714 031** |

As of December 31, 2022, the Group held the following financial assets and liabilities measure at fair value:

| Assets | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| *Financial assets at fair value through profit or loss* | | | | |
| Private equity fund investments | - | - | 687 989 | 687 989 |
| Other long-term holdings of securities | 58 532 | - | 2 269 | 60 801 |
| | **58 532** | **-** | **690 258** | **748 790** |

There are no significant liabilities measured at fair value. Fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. A market is considered active if quoted prices from an exchange, broker, industry group, pricing service or supervisory body is readily and regularly available and those prices represent actual and regularly occurring market transactions on arm's length. The quoted market price used for the Group's financial assets is the current bid price. These instruments can be found in level 1.

Fair value of financial instruments not traded in an active market is determined using valuation techniques. In this respect, public market information is used as much as possible when this is available while the company-specific information is used as little as possible. If all of the significant inputs needed for fair value measurement of an instrument are observable, the instrument is classified in level 2.

In cases where one or more of the significant inputs are not based on observable market data, the instrument is classified in level 3. NAXS's Private equity fund investments and three of the investments in Other investments are classified in Level 3. The Company's specific valuation techniques and critical estimates are reported under accounting policies.

For those instruments in the balance sheet that are not measured at fair value, NAXS believe that the carrying amount is a reasonable approximation to fair value for these instruments.

**Valuation techniques and significant unobservable input data for holdings belonging to level 3**

In level 3, unlisted units in investment funds and in Other investments are reported. The company's holdings in unlisted investment funds (so-called private equity funds). The funds are valued using an alternative valuation method for which observable input data is not available. For private equity funds, valuation is based on rates and unit values received from the fund manager. The funds follow the IPEV Valuation Guidelines when valuing their

holdings. The valuation follows accepted valuation principles for calculating fair values. The fair value is calculated by the underlying assets being market-valued and priced by the fund administrator. If NAXS assesses that the fund administrator's valuation has not sufficiently taken into account factors that affect the value of the underlying holdings or if the valuation made is deemed to deviate significantly from the accounting principles for valuation at fair value, an adjustment is made to the value.

Unobservable data in other long-term holdings (Other Investments) consists of three co-investments in unlisted companies made together with funds. The fund administrators manage these and value these holdings in the same way as described above for shares in Private equity funds.

The sensitivity table below shows the effect on profit before tax in SEK m in the event of changes in non-observable data, defined as the fund unit value (NAV exchange rate), in the event of a change of 10 percent.

| **Amounts in KSEK** | **Fair value** | **+/- 10 %** |
|---|---|---|
| Shares in private equity funds | 639 030 | +/- 63 903 |
| Other financial investments | 18 468 | +/- 1 847 |
| | **657 498** | **+/- 65 750** |

Because of the Company's diversified Private equity fund portfolio (different geographical areas, different industries and different vintages) and the fact that each Private equity fund has a number of holdings in various companies (the total number of individual investments amounted to 66 (62) at year-end) a change in the input to the possible fair value alternative assumptions would not involve significant changes in the fair value of the fund units in addition to changes in exchange rates. Note 3 presents a sensitivity analysis of the Company's foreign exchange risk.

The following table shows the changes of instruments at level 3 in 2023.

| **Valued at fair value** | **Funds** | **Other Investments** | **Summa** |
|---|---|---|---|
| Opening balance | 687 989 | 2 269 | 690 258 |
| Investments | 65 953 | 16 118 | 82 071 |
| Distributions | -118 019 | -177 | -118 196 |
| Gains and losses recognized in profit or loss | 3 107 | 258 | 3 365 |
| **Closing balance** | **639 030** | **18 468** | **657 498** |

The following table shows the changes of instruments at level 3 in 2022.

| **Valued at fair value** | **Funds** | **Other Investments** | **Summa** |
|---|---|---|---|
| Opening balance | 513 925 | 2 867 | 516 792 |
| Investments | 65 979 | - | 65 979 |
| Distributions | -74 294 | -907 | -75 201 |
| Gains and losses recognized in profit or loss | 182 379 | 309 | 182 688 |
| **Closing balance** | **687 989** | **2 269** | **690 258** |

## Note 24. Proposal for appropriation of earnings

At the disposal of the Annual General Meeting are the following amounts in SEK:

| | |
|---|---|
| Share premium reserve | 577 705 947 |
| Retained earnings | -48 561 665 |
| Net profit for the year | 226 278 |
| **Total** | **529 370 560** |

The Board of Directors and the CEO proposes that available earnings to be appropriated as follows:

| | |
|---|---|
| Dividend* | 47 079 736 |
| To be carried forward | 482 290 824 |
| **Total** | **529 370 560** |

* SEK 4.25 per share

In addition, the Board of Directors proposes to the Annual General Meeting to vote on a continued share repurchase mandate to repurchase own shares to the extent that the Company's holding of its own shares, on any occasion, does not exceed 10% of all shares in the Company.

## Note 25. Events after the year-end

No significant events have occurred after the end of the fiscal year.

## The Board of Directors' certification

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position, results of operations and cash flow. The Parent Company's annual accounts have been prepared in accordance with the Annual Accounts Act and generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position, results of operations and cash flow. The Board of Directors' Report gives a true and fair view of the development of the Group's and the Parent Company's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Signed electronically. Dating according to our electronic signatures

NAXS AB (publ), Corp. Reg. No. 556712-2972

| | | |
|---|---|---|
| Daniel Gold<br>Chairman | Margaret (Meg) Eisner<br>Director | Nikolai Jebsen<br>Director |
| Børge Johansen<br>Director | Synne Syrrist<br>Director | Gösta Lundgren<br>Chief Executive Officer |

Our Auditor's Report was submitted on the date which appears according to our electronic signature

Ernst & Young AB

Mona Alfredsson
Authorized/Approved Public Accountant

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

# Auditor's report

To the general meeting of the shareholders of NAXS AB (publ), corporate identity number 556712-2972

## Report on the annual accounts and consolidated accounts

### *Opinions*

We have audited the annual accounts and consolidated accounts of NAXS AB (publ) except for the corporate governance statement on pages 18-27 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 18-63 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 18-27. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### *Basis for Opinions*

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### *Key Audit Matters*

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

*Valuation of fund units and other financial investments at fair value in level 3*

*Description of the area*

Fund units measured at fair value in level 3 amount to SEK 639 million in the consolidated balance sheet and other financial investments measured at fair value in level 3 amount to SEK 18 million in the consolidated balance sheet.

The company's valuation of fund units at fair value in level 3 has been considered to be a particularly significant area due to the fact that the amounts are material for the financial reporting as a whole and that the valuation is associated with assessments. In accordance with the applicable accounting framework, financial instruments at fair value shall be divided into fair value hierarchies (levels 1, 2 and 3). Level 3 consists of assets where there is no directly or indirectly observable input. The company's fund units are reported in level 3.

For level 3 fund units, fair values are determined using reporting by external managers. If the company deems that the fund administrator's valuation has not sufficiently taken into account factors that affect the value of the underlying or if the valuation made is deemed to deviate significantly from fair value, an adjustment is made to the value.

The accounting principles are presented in Note 1, estimates and assessments are presented in Note 2 and Note 12 "Fund units in private equity funds" provide information on revaluations, and in Note 23 "Financial assets and liabilities" the principles for fair value and the classification in levels and principles for this are stated.

*How this area was taken into account in the audit*

I vår revision har vi utvärderat NAXS:s processer för värdering av fondandelar. Vi har vidare granskat upptagna värden mot fondadministratörernas värdering och eventuella justeringar gjorda av bolaget. Vi har även granskat lämnade upplysningar i de finansiella rapporterna angående fondandelar.

## *Other Information than the annual accounts and consolidated accounts*

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-17. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

## *Auditor's responsibility*

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### *Report on the audit of the administration and the proposed appropriations of the company's profit or loss*

*Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of NAXS AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

*Basis for opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

*Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

*Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## *The auditor's examination of the ESEF report*

*Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for NAXS AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

*Basis for opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of NAXS AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## *The auditor's examination of the corporate governance statement*

The Board of Directors is responsible for that the corporate governance statement on pages 18-27 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 *The auditor´s examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB was appointed auditor of NAXS AB (publ) by the general meeting of the shareholders on 30 March 2023 and has been the company's auditor since 28 February 2010.

Stockholm on the day shown in our electronic signature

Ernst & Young AB

Mona Alfredsson
Authorized Public Accountant