

The Board of Directors and the Chief Executive Officer of IOPSYS Software Solutions AB hereby submit the following Annual Report for the 2022 fiscal year.

## **Management Report**

### **Information about the Company's business activities**

The Company is headquartered in Stockholm and conducts development and sales of IOWRT, an open source based operating system for equipment for the digital home.

### **Significant events during the fiscal year**

Over the course of the year, the Company has increased its net sales to a total of SEK 68.9 million in 2022 from SEK 44.9 million in 2021, corresponding to an increase of 53 percent. Operationally, work has continued to further develop IOWRT, support existing customers and work to win additional customers. In 2021, the Seliro acquisition was included in IOPSYS' sales for two months. In 2022, all of the former Seliro AB's business activities have been conducted in IOPSYS.

In 2022, IOPSYS has received a shareholder contribution of 70,907 thousands.

In September 2022, M2J sold its minority stake in IOPSYS and the Company is now 100% owned by Inteno Group AB. In the same month, 100% of the shares in IOPSYS Poland Sp. z o.o. were acquired from the subsidiary Seliro AB.

### **Expected future development and significant risks and uncertainties**

The Company is expected to show revenue growth in 2023 and is working in a structured way to develop the IOWRT software and further develop the organisation in the product area and in sales and marketing.

With a structured and process-driven approach, the development-related risks are deemed to be limited. The major focus in 2023 is on delivering to existing customers, and to winning new customers and thereby driving the Company's growth.

The goal is for the impact of inflation on costs to be compensated by increased sales prices. The weakness of the Swedish kronor affects purchases in foreign currency, but at the same time the majority of all invoicing takes place in USD, EUR or GBP. This compensates for cost increases due to the weak kronor when purchases are made in currencies other than SEK.

### **Research and development**

The Company is actively developing the IOWRT software and will in 2023 continue to invest significant amounts in research and development related to IOWRT.

### Group relationship (ownership)

The Company is 100% owned by Inteno Group AB (company, reg. no. 559058-0634), and is headquartered in Stockholm, where the consolidated financial statements are prepared.

### Multi-year Overview (SEK thousands)

	2022	2021	2020	2019	2017/18 (15 months)
Net sales	68,917	44,893	47,761	16,707	9,317
Balance sheet total	300,103	297,906	74,818	61,431	50,040
Equity ratio (%)	50.0	29.8	44.1	41.8	78.7
Return on equity (%)	neg	neg	29.9	neg	neg
Return on total capital (%)	neg	neg	17.0	neg	neg

### Proposal for the appropriation of profits

The Board of Directors proposes that the available profits (SEK) be appropriated:

Retained earnings	81,587,601
Loss for the year	-9,457,106
	<b>72,130,495</b>

will be allocated as follows  
to be carried over to the following year.

72,130,495

The Company's financial performance and financial position in general are shown in the following Profit & Loss Statement and Balance Sheet with accompanying explanatory Notes.

<b>Profit &amp; Loss Statement</b>	<b>Note</b>	<b>01/01/2022 -12/31/2022</b>	<b>01/01/2021 -12/31/2021</b>
Net sales		68,917,452	44,892,886
Own work capitalized		46,273,540	32,485,906
Other operating income		3,078,915	909,558
		<b>118,269,907</b>	<b>78,288,350</b>
<b>Operating expenses</b>			
Goods for resale		0	-205
Other external costs	2	-44,758,723	-30,140,198
Employees and personnel costs	3	-40,411,854	-25,399,369
Depreciation, amortization and impairment loss on tangible and intangible fixed assets		-40,092,147	-23,255,941
Other operating expenses		-2,083,219	-478,629
		<b>-127,345,943</b>	<b>-79,274,342</b>
<b>Earnings before interest and taxes</b>		<b>-9,076,036</b>	<b>-985,992</b>
<b>Net gains from financial items</b>			
Interest income and similar income items	4	510,550	139,379
Interest expense and similar expense items	5	-2,569,977	-3,698,536
		<b>-2,059,427</b>	<b>-3,559,157</b>
<b>Net profit after gains/losses from financial items</b>		<b>-11,135,463</b>	<b>-4,545,149</b>
<b>Pre-tax profit or loss for the year</b>		<b>-11,135,463</b>	<b>-4,545,149</b>
Income tax on profit for the year	6	1,741,540	405,027
Other taxes		-63,183	0
<b>Net profit/loss for the year</b>		<b>-9,457,106</b>	<b>-4,140,122</b>

<b>Balance Sheet</b>	<b>Note</b>	<b>12/31/2022</b>	<b>12/31/2021</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized development costs and for similar work	7	109,419,820	98,234,433
Concessions, patents, licenses, trademarks and similar intellectual property rights	8	32,690,733	36,447,508
Goodwill	9	5,318,970	12,131,776
		<b>147,429,523</b>	<b>146,813,717</b>
<i>Tangible fixed assets</i>			
Equipment, tools and installations	10	2,028,170	2,511,908
		<b>2,028,170</b>	<b>2,511,908</b>
<i>Financial fixed assets</i>			
Shares and participations in Group companies	11, 12, 13	129,419,680	123,200,000
Deferred tax assets	14	4,364,086	2,622,546
		<b>133,783,766</b>	<b>125,822,546</b>
<b>Total fixed assets</b>		<b>283,241,459</b>	<b>275,148,171</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Accounts receivable		9,600,528	12,185,523
Receivables from Group companies		378,178	7,629,316
Current tax assets		318,868	249,414
Other receivables		2,635,461	1,529
Prepaid expenses and accrued income	15	1,137,686	1,119,439
		<b>14,070,721</b>	<b>21,185,221</b>
<i>Cash equivalents and bank balances</i>		2,791,044	1,572,166
<b>Total current assets</b>		<b>16,861,765</b>	<b>22,757,387</b>
<b>TOTAL ASSETS</b>		<b>300,103,224</b>	<b>297,905,558</b>

## Balance Sheet

Note

12/31/2022

12/31/2021

### SHAREHOLDER EQUITY AND LIABILITIES

#### Shareholder equity

##### *Restricted equity*

Share capital

62,500

62,500

Fund for Research and Development expenditures

77,911,480

55,804,558

**77,973,980**

**55,867,058**

##### *Unrestricted equity*

Unrestricted share premium reserve (capital surplus)

1,572,877

1,572,877

Retained earnings (or losses)

80,014,724

35,354,817

Net profit/loss for the year

-9,457,106

-4,140,122

**72,130,495**

**32,787,572**

**Total shareholder's equity**

**150,104,475**

**88,654,630**

#### Provisions

Other provisions

16

1,468,973

2,393,033

**Total provisions**

**1,468,973**

**2,393,033**

#### Long-term liabilities

17

Other liabilities

0

28,744,862

**Total long-term liabilities**

**0**

**28,744,862**

#### Short-term liabilities

Short term lines of credit

18

0

18,664,659

Accounts payable to suppliers

5,365,257

2,306,609

Liabilities to Group companies

127,753,242

141,059,349

Current tax liabilities

241,436

182,821

Other liabilities

721,617

3,663,986

Accrued expenses and deferred income

19

14,448,224

12,235,609

**Total short-term liabilities**

**148,529,776**

**178,113,033**

**TOTAL SHAREHOLDER EQUITY AND  
 LIABILITIES**

**300,103,224**

**297,905,558**

## Statement of Changes in Shareholder Equity

	Share- capital	Fund for development expenditure	Retained earnings	Loss for the year	Total shareholder equity
<b>Opening shareholder's equity - January 1, 2022</b>	<b>62,500</b>	<b>55,804,558</b>	<b>36,927,694</b>	<b>-4,140,122</b>	<b>88,654,630</b>
Disposition			-4,140,122	4,140,122	0
Net loss for the year				-9,457,106	-9,457,106
Shareholder contributions			70,906,951		70,906,951
Fund for Research and Development expenditures		22,106,922	-22,106,922		0
<b>Closing shareholder equity at 12/31/2022</b>	<b>62,500</b>	<b>77,911,480</b>	<b>81,587,601</b>	<b>-9,457,106</b>	<b>150,104,475</b>

## Notes and Supplementary Information

### Note 1 Accounting and valuation policies

#### General information

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's BFNAR 2012:1.

The accounting policies are unchanged compared to the previous year.

#### Foreign currencies

Receivables and liabilities in foreign currencies have been valued at the prevailing rate at the close of the reporting period. Gains and losses on changes in exchange rates related to operating receivables and liabilities are recognized in operating profit or loss, while gains/losses on changes in exchange rates related to financial receivables and liabilities are recognized as gains/losses financial items.

#### Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

#### Fixed assets

Tangible and intangible fixed assets are recognized at historical cost less accumulated depreciation according to plan and any impairment losses.

Expenditures relating to development projects are capitalized in the Company as intangible fixed assets to the extent that these expenditures are expected to generate future financial benefits.

Amortization begins in the year in which the investments are made. Development costs are amortized on a straight-line basis over 5 years from the date on which revenues are expected to be received.

Own work capitalized is recognized as an expenditure for the Fund for Research and Development in shareholder equity and reduces retained earnings. This Fund is gradually released as the capitalized development expenditures are amortized.

Concessions, patents, licenses, trademarks and similar intellectual property rights and goodwill are amortized over a period of 10 years.

#### Financial instruments

Financial instruments are valued at historical cost. The instrument is recognized in the Balance Sheet when the Company becomes a party to the contractual terms of the instrument. Financial assets are derecognized when the rights to receive cash flows from the instrument have been extinguished or transferred and the entity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognized when the obligations have been settled or otherwise extinguished.

#### *Accounts receivable/short-term receivables*

Accounts receivable and other short-term receivables are recognized as current assets at the amount expected to be received less a provision for individually assessed doubtful debts.

#### *Loans and accounts payable*

Loan liabilities and accounts payable are initially recognized at historical cost less transaction costs. If the amount recognized differs from the amount to be repaid at maturity, the difference is amortized as an interest expense over the life of the loan using the instrument's effective interest rate. As a result, the amount recognized and the amount to be repaid at maturity are the same.

Government financial instruments are measured and recognized at fair value in accordance with the rules in Chapter 12 of BFNAR 2012:1 (K3).

### **Lease agreements**

The Company recognises all leases, both financial and operating, as operating leases. Operating leases are recognized as an expense on a straight-line basis over the lease term.

### **Income taxes**

Total tax consists of current tax and deferred income tax. Taxes are recognized in the Profit & Loss Statement, except when the underlying transaction is recognized directly in shareholder equity, in which case the related tax effects are recognized in shareholder equity.

#### ***Current taxes***

Current taxes refer to income tax for the current fiscal year and the portion of income tax for the previous fiscal year that has not yet been recognized. Current tax is calculated using the tax rate applicable at the close of the reporting period.

#### ***Deferred taxes***

Deferred taxes are income taxes relating to future fiscal years as a result of past events. It is recognized using the balance sheet method. Under this method, deferred tax liabilities and deferred tax assets are recognized for temporary differences arising between the carrying amounts and tax bases of assets and liabilities and for other tax deductions or losses.

Deferred tax assets are offset against deferred tax liabilities only if they can be settled net. Deferred tax is calculated using the tax rate applicable at the close of the reporting period. The effects of changes in current tax rates are recognized in the period in which the change is enacted. Deferred tax assets are recognized as financial assets and deferred tax liabilities as provisions.

Deferred tax assets relating to tax losses or other future tax deductions are recognized to the extent that it is probable that the deductions can be offset against future taxable profits.

Because of the link between accounting and taxation, the deferred tax liability relating to untaxed reserves is not recognized separately.

### **Compensation to employees**

Compensation to employees includes all forms of compensation provided by the Company to its employees. Current compensation to employees includes salaries and other employee benefits, such as paid annual leave, paid leaves of absence, bonuses and post-employment benefits (pensions). Current compensation to employees is recognized as an expense and a liability when there is a legal or constructive obligation to pay an employee compensation as a consequence of a past event and a reliable estimate of the amount can be made.

### **Definitions of key figures**

Net sales

The principal revenues from the business activities, invoiced expenses, ancillary income and corrections to reported income.

Equity ratio (%)

Adjusted shareholder equity (shareholder equity and untaxed reserves less deferred tax) as a percentage of total assets.

Return on equity (%)

Profit after gains/losses from financial items as a percentage of adjusted shareholder equity (shareholder equity and untaxed reserves less deferred tax).

Return on total capital (%)

Earnings before interest and taxes plus net financial income as a percentage of total assets.

**Estimates and assumptions**

The preparation of financial statements and the application of accounting policies are often based on management's assessments, estimates, and assumptions that are believed to be reasonable at the time the assessment is made. Estimates and assumptions are based on historical experience plus a number of other factors that are believed to be reasonable under the prevailing circumstances. The results of these are used to assess the carrying amounts of assets and liabilities that are not otherwise readily apparent from other sources. Actual outcomes may differ from these estimates and assumptions. Estimates and assumptions are reviewed regularly.

Software development is generally a complex and risky activity and many projects will never lead to a product actually reaching introduction to the market. Expenditures on product development should be capitalized when it is probable that the project will be successful. The date for capitalisation of expenditures is deemed to be when the Company believes that the product can be completed and will be saleable and provide future financial benefits.

**Note 2 Auditors' fees**

The term "audit engagement" refers to the examination of the Annual Report along with the accompanying financial statements as well as the accounting records and the administration of the Board of Directors and the Chief Executive Officer, other tasks that are incumbent on the company's auditor to perform and providing advice or other assistance resulting from findings made during such examination or the performance of such other tasks.

	<b>2022</b>	<b>2021</b>
<b>PwC</b>		
Audit engagement	78,700	45,000
Auditing activities other than the audit engagement	55,875	20,000
	<b>134,575</b>	<b>65,000</b>

**Note 3 Employees and personnel costs**

	<b>2022</b>	<b>2021</b>
<b>Number of employees (annualised average)</b>		
Women	9	6
Men	25	20
	<b>34</b>	<b>26</b>
Salaries and other remuneration	27,086,571	16,717,639
Pension costs (employer's share)	3,461,889	2,102,621
	<b>30,548,460</b>	<b>18,820,260</b>

**Payment for social insurance contributions**

Other social insurance contributions	9,273,076	5,996,046
	<b>9,273,076</b>	<b>5,996,046</b>

**Total salaries, other compensation including employee benefits, social insurance contributions and pension costs**

	<b>39,821,536</b>	<b>24,816,306</b>
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**Not 4 Other interest income and similar income items**

	2022	2021
Interest income from Group companies	503,832	139,379
Other interest income	6,718	0
	<b>510,550</b>	<b>139,379</b>

**Note 5 Other interest expense and expense items**

	2022	2021
Interest paid to Group companies	577,430	257,427
Other interest expenses	2,632,368	3,381,279
Unrealised foreign exchange gains and losses	-639,821	59,830
	<b>2,569,977</b>	<b>3,698,536</b>

**Note 6 Current taxes and deferred tax liability**

**Reconciliation of effective taxes**

	2022		2021	
	Percent	Amount	Percent	Amount
Reported pre-tax profit/loss		-11,135,462		-4,545,149
Income tax at the current tax rate	20.60	-2,293,905	20.60	-936,301
Non-deductible expenses	4.20	467,933	11.69	531,274
Non-taxable income	-0.13	-14,681		
Adjustment of taxes for the previous year	0.89	99,113		
<b>Reported effective taxes</b>	<b>-15.64</b>	<b>-1,741,540</b>	<b>-8.91</b>	<b>-405,027</b>

**Note 7 Capitalized development costs and for similar work**

	12/31/2022	12/31/2021
Opening historical cost	154,249,367	91,472,079
Purchases	23,242,360	15,845,063
Own work capitalized for the year	23,031,180	16,640,843
Acquisition of assets	0	30,291,382
<b>Closing accumulated historical cost</b>	<b>200,522,907</b>	<b>154,249,367</b>

Opening depreciation and amortization	-56,014,932	-33,972,159
Depreciation and amortization for the year	-35,088,155	-22,042,773
<b>Accumulated depreciation and amortization at year end</b>	<b>-91,103,087</b>	<b>-56,014,932</b>
<b>Closing book value</b>	<b>109,419,820</b>	<b>98,234,435</b>

**Note 8 Concessions, patents, licenses, trademarks and similar intellectual property rights.**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Opening historical cost	37,125,914	84,000
Acquisition of assets, Seliro	0	37,041,914
<b>Closing accumulated historical cost</b>	<b>37,125,914</b>	<b>37,125,914</b>
Opening depreciation and amortization	-678,408	-44,800
Depreciation and amortization for the year	-3,756,775	-633,608
<b>Accumulated depreciation and amortization at year end</b>	<b>-4,435,183</b>	<b>-678,408</b>
<b>Closing book value</b>	<b>32,690,731</b>	<b>36,447,506</b>

**Note 9 Goodwill**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Opening historical cost	12,359,552	0
Purchases	0	12,359,552
Sales and disposals	-6,313,422	0
<b>Closing accumulated historical cost</b>	<b>6,046,130</b>	<b>12,359,552</b>
Opening depreciation and amortization	-227,776	0
Sales and disposals	105,224	0
Depreciation for the year	-604,608	-227,776
<b>Accumulated depreciation and amortization at year end</b>	<b>-727,160</b>	<b>-227,776</b>
<b>Closing book value</b>	<b>5,318,970</b>	<b>12,131,776</b>

**Note 10 Equipment, tools and installations**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Opening historical cost	3,202,667	1,231,780
Purchases	264,098	1,412,853
Sales and disposals	0	-30,466
Acquisition of assets	0	588,500
<b>Closing accumulated historical cost</b>	<b>3,466,765</b>	<b>3,202,667</b>
Opening depreciation and amortization	-690,760	-334,912
Sales and disposals	0	4,062
Depreciation and amortization for the year	-747,835	-359,910
<b>Accumulated depreciation and amortization at year end</b>	<b>-1,438,595</b>	<b>-690,760</b>
<b>Closing book value</b>	<b>2,028,170</b>	<b>2,511,907</b>

**Note 11 Itemisation of shares in Group companies**

<b>Company</b>	<b>Share of ownershi p</b>	<b>Company registration number</b>	<b>Domicile</b>
Seliro AB	100%	556537-5812	Stockholm
IOPSYS Poland sp. z o. o.	100%	0000976872	Warsaw

**Note 12 Shares of the Group company Seliro AB**

Acquisition of 100% of the shares of Seliro AB 2021-06-10

	<b>12/31/2022</b>	<b>12/31/2021</b>
Opening historical cost	123,200,000	
Historical cost		123,200,000
<b>Closing accumulated historical cost</b>	<b>123,200,000</b>	<b>123,200,000</b>
<b>Closing book value</b>	<b>123,200,000</b>	<b>123,200,000</b>

**Note 13 Shares of the Group company IOPSYS Poland sp. z o.o.**

Acquisition of 100% of the shares of IOPSYS Poland sp. z o.o.

	<b>12/31/2022</b>	<b>12/31/2021</b>
Historical cost	6,219,680	0
<b>Closing accumulated historical cost</b>	<b>6,219,680</b>	<b>0</b>
<b>Closing book value</b>	<b>6,219,680</b>	<b>0</b>

**Note 14 Deferred tax assets**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Accrued tax asset	4,364,086	2,622,546
	<b>4,364,086</b>	<b>2,622,546</b>

**Note 15 Prepaid expenses and accrued income**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Prepaid rental costs	864,878	766,650
Prepaid insurance costs	44,080	79,697
Prepaid other expenses	228,728	273,092
	<b>1,137,686</b>	<b>1,119,439</b>

**Note 16 Other provisions**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Provision for loss agreement, Kista office	1,468,973	2,393,033
	<b>1,468,973</b>	<b>2,393,033</b>

**Note 17 Long-term liabilities**

	<b>12/31/2022</b>	<b>12/31/2021</b>
<b>Maturing between one year and five years after the close of the reporting period</b>		
Shareholder loans	0	28,744,862
	<b>0</b>	<b>28,744,862</b>

**Note 18 Short term line of credit**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Granted amount of Short term line of credit amounts to	0	30,000,000
Utilised credit amounts to	0	18,664,659

**Note 19 Accrued expenses and deferred income**

	<b>12/31/2022</b>	<b>12/31/2021</b>
Accrued personnel-related costs	8,654,795	6,523,504
Accrued other expenses	621,300	374,963
Deferred income	5,052,129	5,189,641
Accrued fees due to the auditors	120,000	147,500
	<b>14,448,224</b>	<b>12,235,608</b>

## **Note 20 Information about the parent company**

The parent company of the largest group of companies in which the Company is included and which prepares consolidated financial statements is Genexis Group AB, company registration number 559364-6002, which is headquartered in Stockholm.

Stockholm

Conny Franzén  
Board Chair,

Chief Executive Officer

Gerard van den Hoven

Magnus Björnum

Our Auditor's Report was submitted on the date indicated by my electronic signature.

PricewaterhouseCoopers AB

Tobias Strähle  
Auktoriserad Revisor/Authorised Auditor