EurAsia Fintech

Financial Statements for the Year ended
31 December 2022 and 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

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STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 32 DECEMBER 2022 AND 2021

	NOTES	For year ended 31/12/2022 SEK	For year ended 31/12/2021 SEK
Revenue	5	176,505,442	110,404,094
Cost of sales		(119,107,053)	(76,331,311)
Gross profit		57,398,389	34,072,783
Selling expenses		(4,922,760)	(6,911,785)
Administrative expenses		(17,838,772)	(4,132,048)
Other income		634,718	22,253
Other expenses		-	(539)
Finance costs		149,793	(7,608)
Profit before tax		35,421,368	23,043,056
Income tax expense		(8,855,428)	(5,760,764)
Profit for the year		26,565,940	17,282,292
Other comprehensive income			
Exchange differences arising on translation of foreign operations		5,276,490	9,402,004
Other comprehensive income for the year, net of tax		5,276,490	9,402,004
Total comprehensive income for the year		31,842,430	26,684,296

The accompanying notes form part of the financial statements

STATEMENTS OF FINANCIAL POSITION AT OF 31 DECEMBER 2022

	NOTES	31/12/2022 SEK	31/12/2021 SEK
NON-CURRENT ASSETS			
Property, plant and equipment	6	11,163,492	11,311,444
Total non-current assets		11, 163,492	11,311,444
CURRENT ASSETS			
Trade receivables	7	61,463,686	51,792,151
Other current assets	8	78,251,480	49,015,285
Cash and bank balances		27,382,387	42,335,363
Total current assets		167,097,553	143,142,799
CURRENT LIABILITIES			
Trade and notes payables	9	33,369,036	61,208,925
Other payables	9	22,481,759	2,677,499
Total current liabilities		55,850,795	63,886,424
Net current assets		111,246,758	79,256,375
Total assets less current liabilities		122,410,249	90,567,819
EQUITY			
Share capital		67,120,000	67,120,000
Reserves		55,290,249	23,447,819
Total equity		122,410,249	90,567,819

The accompanying notes form part of the financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

	Share capital SEK	Retained earnings SEK	Translation reserve SEK	Total SEK
At 1 January 2021	67,120,000	1,161,288	(4,397,765)	63,883,523
Profit for the year	-	17,282,292	-	17,282,292
Other comprehensive income for the year:				
Exchange differences arising on translation of foreign operations	-	-	9,402,004	9,402,004
Total comprehensive income for the year	-	17,282,292	9,402,004	26,684,296
At 31 December 2021	67,120,000	18,443,580	5,004,239	90,567,829
At 1 January 2022	67,120,000	18,443,580	5,004,239	90,567,819
Profit for the year	-	26,565,940	-	26,565,940
Other comprehensive income for the year:				
Exchange differences arising on translation of foreign operations	-	-	5,276,490	5,276,490
Total comprehensive income for the year	-	26,565,940	5,276,490	31,842,430
At 31 December 2022	67,120,000	45,009,520	10,280,729	122,410,249

The accompanying notes form part of the financial statements

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

	NOTES	For nine months ended 31/12/2022 SEK	31/12/2021 SEK
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		35,421,368	23,043,056
Adjustments for:			
Depreciation of property, plant and equipment		813,550	778,260
Interest income		(160,357)	(3,803)
		36,074,561	23,817,513
Increase in trade receivables		(6,640,474)	(48,597,299)
Decrease in other current assets		(26,399,742)	11,094,752
Increase (decrease) in trade payables		(31,484,814)	57,433,189
Increase (decrease) in tax payables		8,068,725	370,571
Decrease in other current liabilities		11,609,690	(2,143,887)
Cash generated from operations		(8,772,054)	41,974,839
Interest received		160,357	3,803
Net cash flows from (used in) operating activities		(8,611,696)	41,978,642
NET INCREASE IN CASH AND BANK BALANCES		(8,611,696)	41,978,642
Cash and cash equivalents at beginning of the year		42,335,363	3,308,400
Effect of foreign exchange rate changes, net		(6,341,280)	(2,951,680)
CASH AND BANK BALANCES AT END OF YEAR		27,382,387	42,335,363

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 32 DECEMBER 2022 AND 2021

1. GENERAL INFORMATION

EurAsia Fintech (“Fintech” or the "Company") is a limited liability company incorporated in the Cayman Islands on February 18, 2022. Its controlling shareholder is Mr. Yan Zhonghai. The address of its registered office is Room 1002, Building 7, Shihui Garden, Suzhou Industrial Park, Jiangsu Province, the People’s Republic of China. The Company is a holding company whose primary purpose is to develop business opportunities in the People’s Republic of China (the “PRC” or “China”).

On March 28, 2022, EurAsia Fintech established Wisdom Polaris (Hong Kong) Technology Limited (the “Wisdom”) with registered capital of HKD 1.00. Wisdom became wholly-owned subsidiary of Fintech.

On August 5, 2022, Wisdom established Suzhou Mr. Zhi Digital Technology Co., LTD (the “Suzhou Mr. Zhi”) with registered capital of RMB 50 million. Suzhou Mr. Zhi became wholly-owned subsidiary of Fintech.

Mr. Zhi Digital Technology (Shanghai) Co., Ltd. (the " Mr. Zhi ") is a limited company incorporated in Shanghai, the PRC on 12 March 2013. Its controlling shareholder is Mr. Yan Zhonghai.

In September 2022, the entire share capital of Mr. Zhi were transferred to Suzhou Mr. Zhi according to the variable interest entities (the "VIE") agreement. Suzhou Mr. Zhi became the holding company of Mr. Zhi. Since Fintech owns 100% of Suzhou Mr. Zhi. Therefore, Fintech, Suzhou Mr. Zhi and Mr. Zhi VIE are considered under common control.

The principal activities of the Company are proprietary developing and owning apps, connecting automotive borrowers and lenders in China.

The currency of the primary economic environment in which the Company operate is Renminbi (“RMB”), the consolidated financial statements of the Company are presented in Swedish Krona (“SEK”), which is the Company’s presentation currency.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”). They have been prepared under the historical cost convention. These financial statements are presented in Swedish Krona and all values are rounded to the nearest Swedish Krona except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company are prepared in accordance with international accounting standards based on historical cost, excluding financial instruments measured at fair value as described in the accounting policy. Historical cost is generally the fair value considered at the time of exchange of goods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using valuation techniques.

When measuring the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes is determined according to the principles described above, except for (a) share-based payment transactions within the scope of IFRS 2 Share-based Payment; (b) leasing transactions accounted for in accordance with IFRS 16 Leases; and (c) measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the entire fair value measurement, which are described as follows:

3. SIGNIFICANT ACCOUNTING POLICES - continued

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The preparation of financial statements in accordance with international financial reporting standards requires the use of critical estimates and assumptions. In addition, it is required to use management's judgment in the process of applying accounting standards.

A. Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in the entity operates (the "functional currency") which is the Chinese currency CNY. The financial statements of the Company are presented in Swedish Krona ("SEK"), which is the Company's presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate on the dates of the transactions. Monetary items denominated in foreign currencies are translated using the exchange rate at the reporting period, the gains and losses resulting from the settlement of such transactions are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on non-monetary financial assets and liabilities such as equity instruments at fair value through profit or loss and equity instruments at fair value through other comprehensive income are recognized in profit or loss and other comprehensive income, respectively, as part of the fair value gain or loss.

(3) Translation into the presentation currency

The assets and liabilities of all the foreign entities that have a functional currency different from the presentation currency of the Company are translated into the presentation currency using the exchange rates at the end of reporting period. The income and expense items from those entities are translated at the average exchange rate for the period, unless this average is not reasonable since the exchange rate during the period has significantly fluctuated, in which case income and expenses are translated at the rate on the dates of the transactions pursuant to IFRS guidelines. All resulting exchange differences are recognized in other comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

B. Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost includes any cost directly attributable to acquiring the assets and to bringing the assets to the location and condition necessary for it to be capable of operating. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The repairs and maintenance expenses are recognized in profit or loss in the period they are incurred. The costs or revalued amounts of an asset less its estimated residual value are depreciated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, the estimated useful lives of each category of property, plant and equipment are as follows:

Category	Estimated useful lives
Buildings	20 years
Office equipment	3-5 years

The Company reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate. Construction-in-progress are recorded at cost less accumulated impairment losses. Items of property, plant and equipment are depreciated from the date they are available for use.

C. Impairment for non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The assets required to annual impairments tests, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Management estimates the recoverable amount of an individual asset. If it is impossible to measure the individual recoverable amount of an asset, then management estimates the recoverable amount of cash-generating unit ("CGU").

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. The value-in-use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

C. Impairment for non-financial assets - continued

Except for impairment losses in respect of goodwill which are never reversed, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

D. Financial assets

(1) Classification

According to IFRS 9 - Financial Instruments, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).

- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of the investments in equity instruments that are not elected to be accounted for as other comprehensive income are recognized in profit or loss.

(2) Measurement

At initial recognition, the Company measures a financial asset, in the case of a financial asset not at fair value through profit or loss, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or the issuance of the financial liabilities. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Hybrid (combined) contracts with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into one of the following three measurement categories:

3. SIGNIFICANT ACCOUNTING POLICIES - continued

D. Financial assets - continued

(2) Measurement - continued

a) Debt Instruments - continued

① Financial assets measured at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in ‘financial income’ using the effective interest rate method.

② Financial assets measured at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in “financial income” using the effective interest rate method. Foreign exchange gains and losses are presented in ‘financial income’ or ‘financial expenses’ and impairment losses are presented in “other non-operating expenses.”

③ Financial assets measured at fair value through profit or loss

Assets that do not meet the criteria for 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 investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the consolidated statement of profit or loss within ‘other non-operating income’ or ‘other non-operating expenses’ in the year in which it arises.

b) Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained earnings. Dividend income from such investments continue to be recognized in profit or loss as ‘other non-operating income’ when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in ‘other non-operating income’ or ‘other non-operating expenses’ in the consolidated statement of profit or loss as applicable.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

D. Financial assets - continued

(3) Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term investments in highly liquid securities that are readily convertible to known amounts of cash with maturities of three months or less from the acquisition date and which are subject to an insignificant risk of changes in value.

F. Financial liabilities

(1) Classification and Measurement

The Company classifies all financial liabilities as financial liabilities measured subsequently at amortized cost, except for the following:

- Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Such financial liabilities are measured based on the methodology described in Note 4. F. Financial assets.
- Financial guarantee contracts. After initial recognition, an issuer of such a contract shall subsequently measure it at the higher of:
(a) The amount of the loss allowance determined on lifetime expected credit losses.
(b) The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.
- Commitments to provide a loan at a below-market interest rate. An issuer of such a commitment shall subsequently measure it at the higher of:
(a) The amount of the loss allowance determined on lifetime expected credit losses.
(b) The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.
- Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies. Such contingent consideration shall subsequently be measured at fair value with changes recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

F. Financial liabilities - continued

(2) Derecognition

Financial liabilities are removed from the consolidated statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit

G. Revenue recognition

The Company applied IFRS 15 Revenue from Contracts with Customers. The Company recognizes revenue in accordance with IFRS 15 Revenue from Contracts with Customers by applying the following 5 steps: ① Identify the contracts with the customers, ② Identify the separate performance obligations, ③ Determine the transaction price of the contract, ④ Allocate the transaction price to each of the separate performance obligations, and ⑤ Recognize the revenue as each performance obligation is satisfied.

The Company owns one of the leading Chinese digital marketplaces for financial products, focusing on both consumer-related financing and business financial products. The marketplace providing services in China connecting lenders and leasing companies with customers online. The company recognizes 90% of the total services charge of each customers as services fee. Revenue recognition upon monthly system data confirmed by all parties involved.

H. Employee benefits

(1) Paid leave for employees

Compensations for employees' annual leave and long-term service leave are recognized as they occur. The estimated liabilities for compensation for annual leave and long-term leave are calculated based on the results of the services provided by employees up to the end of the reporting period. The right to sick leave or parental leave is recognized only when it actually occurs.

(2) Retirement pension

All employees are eligible for the central pension managed by the local government. The company accumulates a certain percentage of workers' wages in the central pension according to a certain percentage set by relevant laws. It is recognized as an expense when it is necessary to accumulate reserves corresponding to the company's contribution.

(3) Termination benefits

Termination benefits are recognized when the company makes clear termination of employment or has a formal detailed plan for dismissal and provides dismissal benefits as a result of voluntary dismissal that is unlikely to be withdrawn in reality.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

I. Income taxes

Income tax expense comprises current and deferred tax. Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets shall be generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities shall not be recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except when the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that taxable profit will be available against which the temporary difference can be utilized and they are expected to be reversed in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax ates that are expected to be applied in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority. Also, they are offset when different taxable entities that intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. SIGNIFICANT ACCOUNTING POLICIES - continued
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J. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

When it is probable that an outflow of economic benefits will occur due to a present obligation resulting from a past event, and the amount is reasonably estimable, a corresponding provision is recognized in the consolidated financial statements. However, when such outflow is dependent upon a future event that is not certain to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the consolidated financial statements. Contingent liabilities whose existence is confirmed by the possibility of outflow of economic resources, the possibility of estimating the amount, and the occurrence of uncertain events in the future are not disclosed in notes when the probability is very low.

K. Subsequent events after the reporting period

Adjusting events after the reporting period, as events after the end of the reporting period that provide additional information on the situation of the entity to be consolidated as of the end of the reporting period, or events after the end of the reporting period that indicate that the going concern assumption is no longer appropriate, are reflected in the financial statements. Non-adjusting events after the reporting period are material are made in the notes to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

L. Consolidation of Variable Interest Entities

VIEs are generally entities that lack sufficient equity to finance their activities without additional financial support from other parties or whose equity holders lack adequate decision-making ability. All VIEs and their subsidiaries with which the Company is involved must be evaluated to determine the primary beneficiary of the risks and rewards of the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and items to be disclosed in the notes on contingent liabilities, these estimation and assumptions are based on historical experience and other factors that are considered to be relevant. The assumptions and estimation uncertainties have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year

There are no judgments made by the Company in the process of applying accounting policies apart from the estimates, that have had a material impact on the amounts recognized in the financial statements. The other major sources about significant assumptions and estimation uncertainties for the future at 31 December 2021 and 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows:

A. Property, plant, and equipment, and depreciation

The Company determines the estimated useful life, residual value and depreciation method. These estimates are based on historical experience of the actual useful lives and residual values of property, plant, and equipment with similar properties and functions. The Company corrects the useful life and residual value for assets whose estimated useful lives and residual values differ from actual ones, those under mechanical obsolescence, or those discarded involuntarily.

B. Credit loss allowance

The Company sets credit loss allowance based on the estimated bad debt loss estimates in consideration of the customer's ability to pay. If the financial situation of the customer deteriorates and the solvency is impaired, an additional credit loss allowance is set.

When evaluating the adequacy of credit loss allowance, the management considers individual analysis of trade receivables, the past history of rate for actual credit losses, customer concentrations, customer credit quality, existing economy conditions and changes in payment date, etc. Actual results may differ from the initial estimates, and such differences affect the book value of trade receivables, etc. to adjust the credit loss allowance.

5. REVENUE

	Year ended 31/12/2022 SEK	Year ended 31/12/2021 SEK
Service	176,505,442	110,404,094

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings SEK	Office Equipment SEK	Total SEK
Cost:			
Balance at 1 January 2021	11,212,371	5,681,683	16,894,054
Additions	-	-	-
Disposal	-	-	-
Exchange Difference	1,450,761	735,149	2,185,910
Balance at 31 December 2021	12,663,132	6,416,832	19,079,964
Additions	-	-	-
Disposal	-	-	-
Exchange Difference	743,682	376,849	1,120,531
Balance at 31 September 2022	13,406,814	6,793,681	20,200,495
Accumulated depreciation:			
Balance at 1 January 2021	(1,161,227)	(4,982,886)	(6,144,113)
Depreciation charge	(563,962)	(214,299)	(778,260)
Exchange Difference	(187,326)	(658,820)	(846,146)
Balance at 31 December 2021	(1,912,515)	(5,856,005)	(7,768,520)
Depreciation charge	(636,335)	(175,917)	(812,252)
Exchange Difference	(112,318)	(343,912)	(456,231)
Balance at 31 September 2022	(2,611,169)	(6,375,835)	(9,037,003)
Carrying amounts:			
Balance at 31 December 2021	10,750,617	560,827	11,311,444
Balance at 31 September 2022	10,745,646	417,846	11,163,492

7. TRADE RECEIVABLES

	31/12/2022 SEK	31/12/2021 SEK
Trade receivables	61,463,686	51,792,151

All balances are not due nor impaired as at 31 December, 2022 and 31 December, 2021.

8. OTHER CURRENT ASSETS

	31/12/2022 SEK	31/12/2021 SEK
Other receivables	77,500,630	45,833,243
Advance payments	750,850	1,418,400
Other current assets	-	1,763,642
Total	78,251,480	49,015,285

9. TRADE AND OTHER PAYABLES

	31/12/2022 SEK	31/12/2021 SEK
Trade accounts	33,369,036	61,208,925
Trade accounts	526,745	-
Other payables	13,478,018	2,279,714
Other tax payable	8,476,996	397,785
Total	55,850,795	63,886,424