ank=20240701-20240702205847

Årsredovisning

för

Qinshift Sweden AB

559235-9748

Räkenskapsår

2023

Fastställeseintyg

Undertecknad styrelseledamot i Qinshift SwedenAB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årstämma 2024-06-28 Årststämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionberättelsen stämmer överens med originalen.

Stockholm 2024-06-28

Michal Tomanek

ank=20240702070205849

Årsredovisning

för

Qinshift Sweden AB

559235-9748

Räkenskapsår

2023

ank=20240701-20240702058496

Qinshift Sweden AB
Org.nr 559235-9748

Styrelsen för Qinshift Sweden AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Företagets verksamhet inbegriper primärt att äga och förvalta andelar i andra icke-börsnoterade företag. Företagets verksamhet bedrivs i huvudsak i Sverige samt i andra länder runtom i världen. Företaget genomför affärstransaktioner som hjälper till att främja dess syfte.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Efter en nedskrivningsprövning av andelar i dotterbolag har en nedskrivning av Clearcode Services S.A utförts om 118,5 MSEK, vilket påverkar resultatet för 2023 negativt.

Under 2023 omstruktureras koncernen varvid moderföretaget KKCG Technologies överlåter 100% av ägandet i Arlcoma Group AB och 100% av ägandet i Arlcoma Digital CE till Arlcoma Group International AB, ny direkt aktieägare till Arlcoma Group International a.s. AB blir Arlcoma CAD Capita a.s.

Väsentliga händelser efter räkenskapsårets slut

Den 18 mars 2024 omdöptes moderbolaget Arlcoma Group International AB till Qinshift Sweden AB.
Med undantag för ovanstående inträffade inga andra efterföljande händelser som skulle ha en väsentlig inverkan på de finansiella rapporterna per den 31 december 2023.

Flerårsöversikt (Tkr)

	2023	2022	2021 (4 mån)	2020/21 (6 mån)
Nettoomsättning	0	27,211	0	0
Resultat efter finansiella poster	-54,668	-17,724	-240	0
Balansomslutning	1,847,113	1,012,067	74,133	25
Soliditet (%)	50.1	25.7	2.4	100

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper

Förändring av eget kapital

	Aktiekapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	25,000	277,655,247	-17,724,342	259,955,905
Disposition enligt beslut av årets årsstämma:		-17,724,342	17,724,342	0
Erhållna aktieägartillskott		719,988,797		719,988,797
Årets resultat			-54,667,738	-54,667,738
Belopp vid årets utgång	**25,000**	**979,919,702**	**-54,667,738**	**925,276,964**

Villkorade, ännu ej återbetalda, aktieägartillskott uppgår per balansdagen till 1,008,594,863 SEK

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad result	979,919,702
årets förlust	-54,667,738
	925,251,964

disponeras så att	
I ny räkning överföres	925,251,964
	925,251,964

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

ank=20240701-20240705850

Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Rörelsens intäkter			
Nettoomsättning		0	27,211
Övriga rörelseintäkter		0	176,984
		0	204,195
Rörelsens kostnader			
Övriga externa kostnader		-9,260,324	-6,808,087
Övriga rörelsekostnader		0	-1,973,741
		-9,260,324	-8,781,828
Rörelseresultat		-9,260,324	-8,577,633
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	2	-21,581,041	17,000,000
Övriga ränteintäkter och liknande resultatposter	3	56,159,917	27,337,556
Räntekostnader och liknande resultatposter	4	-79,986,290	-53,484,263
		-45,407,414	-9,146,707
Resultat efter finansiella poster		-54,667,738	-17,724,340
Resultat före skatt		-54,667,738	-17,724,340
Årets resultat		-54,667,738	-17,724,340

ank=20240702058511

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5, 6, 11	1,845,621,297	1,003,528,984
Andra långfristiga fordringar	7	0	2,638
		1,845,621,297	1,003,531,622
Summa anläggningstillgångar		**1,845,621,297**	**1,003,531,622**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		0	7,149,515
Övriga fordringar		60,668	112
		60,668	7,149,627
Kassa och bank		1,430,896	1,385,960
Summa omsättningstillgångar		**1,491,564**	**8,535,587**
SUMMA TILLGÅNGAR		**1,847,112,862**	**1,012,067,209**

ank=20240701-20240702052852

Balansräkning

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital	9		
Aktiekapital		25,000	25,000
		25,000	**25,000**
Fritt eget kapital			
Balanserad vinst eller förlust		979,919,702	277,655,247
Årets resultat		-54,667,738	-17,724,342
		925,251,964	**259,930,905**
Summa eget kapital		**925,276,964**	**259,955,905**
Avsättningar			
Övriga avsättningar	10	273,782,559	210,300,131
Summa avsättningar		**273,782,559**	**210,300,131**
Långfristiga skulder			
Skulder till kreditinstitut	8	0	262,476,590
Skulder till koncernföretag		448,147,770	12,337,632
Summa långfristiga skulder		**448,147,770**	**274,814,222**
Kortfristiga skulder			
Skulder till kreditinstitut		0	55,104,935
Leverantörsskulder		246,147	60,266
Skulder till koncernföretag		197,535,784	168,300,892
Övriga skulder		7,880	40,471,650
Upplupna kostnader och förutbetalda intäkter		2,115,757	3,059,208
Summa kortfristiga skulder		**199,905,568**	**266,996,951**
SUMMA EGET KAPITAL OCH SKULDER		**1,847,112,862**	**1,012,067,209**

ank=20240702-20240702 556502070472

Noter

Not 1 Redovisningsprinciper och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Låneutgifter
De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppe och det belopp som ska återbetalas.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Fusion
Fusionen mellan dotterföretaget och moderföretaget har redovisats i enlighet med Bokföringsnämndens allmänna råd (BFNAR 2020:5) om redovisning av fusion. Värdering av övertagna tillgångar och skulder vid fusionen utgår från anskaffningsvärdet för andelarna i det överlåtande företaget och efter justering till det övertagande företagets redovisningsprinciper.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget KKCG Technologies organisationsnummer C 295710 med säte i Vinohradská 1511/230, Strasnice, 100 00 Praha 10, Tjeckien upprättar koncernredovisning.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Resultat från andelar i koncernföretag

	2023	2022
Erhållna utdelningar	96,927,359	17,000,000
Nedskrivning andelar	-118,508,400	0
	-21,581,041	17,000,000

ank=20240701-20240702205854

Not 3 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	155,790	2,957,098
kursdifferenser	54,420,451	23,648,071
Övriga ränteintäkter	1,583,676	732,387
	56,159,917	27,337,556

Not 4 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	-6,707,882	-4,895,149
Kursdifferenser	-45,597,230	-43,398,523
Övriga räntekostnader	-27,681,178	-5,190,591
	-79,986,290	-53,484,263

Not 5 Andelar i koncernföretag

	12/31/2023	12/31/2022
Ingående anskaffningsvärden	1,003,528,984	23,649,772
Förvärv	816,916,154	769,571,659
Fusion	0	-23,649,772
Förvärvade dotterbolag genom fusion	0	252,168,114
Lämnade villkorade aktieägartillskott		760,000
Nedskrivningsprövning av andelar i dotterbolag	-118,508,400	0
Transaktionsutgifter i samband med förvärv	143,684,559	1,029,211
Utgående ackumulerade anskaffningsvärden	1,845,621,297	1,023,528,984
Utgående redovisat värde	1,845,621,297	1,023,528,984

Not 6 Specifikation andelar i koncernföretag

Namn	Kapitalandel	Rösträttsandel	Bokfört värde
Arlcoma España	100%	100%	31,827
Stratiteq Sweden AB	100%	100%	141,605,846
Clearcode Services S.A.	100%	100%	12,904,648
Musala Soft AD	100%	100%	874,162,821
Qinshift Group AB	100%	100%	276,905,661
ArlcomaDigital CE	100%	100%	443,083,135
Qinshift AB	100%	100%	96,927,359
			1,845,621,297

	Org-nr	Säte	Eget kapital	Resultat
Arlcoma España	B72432248	Spanien	33,207	-822,050
Stratiteq Sweden AB	556622-2682	Malmö	633,720	-1,247,682
Clearcode Services S.A	0000871153	Polen	30,369,251	-9,248,979
Musala Soft AD	202569949	Bulgarien, Sofia	35,749,026	50,513,674
Qinshift Group AB	559239-3473	Malmö, Sweden	170,939,314	53,124,871
Qinshift CE	4771915	Prague,Czech	115,675,800	20,673,523
Qinshift AB	556588-5935	Malmö, Sweden	1,330,000	6,372,781

Not 7 Andra långfristiga fordringar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	0
Tillkommande fordringar	0	2,638
Utgående ackumulerade anskaffningsvärden	0	2,638

ank=20240701;20240702058555

Not 8 Långfristiga skulder

	2023-12-31	2022-12-31
Skulder som ska betalas mellan ett och fem år efter balansdagen	448,147,770	274,814,222
Skulder som ska betalas inom ett år	0	55,104,935
	448,147,770	**329,919,157**

Not 9 Eget kapital

	12/31/2023	12/31/2022
Aktiekapital	25,000	25,000

Not 10 Avsättningar

	12/31/2023	12/31/2022
Tilläggsköpeskilling vid förvärv	273,782,559	210,300,131

Not 11 Fusion

Javorina Management AB
Under 2022 har Javorina Management AB med organisationsnummer 559235-8393 fusionerats med företaget. Resultat- och balansräkningsposterna i Javorina Management AB per fusionsdagen 2022-10-20 framgår nedan

I samband med fusionen av Javorina Management AB har en fusionsdifferens uppkommit om - 2 209 360 SEK

	Belopp per 2022-10-20
Rörelseresultat	-9 290 174
Finansiella anläggningstillgångar	160 845 846
Kassa och bank	347 811
Summa tillgångar	**161 193 657**
Avsättningar	20 000 000
Skulder	155 292 509
Summa skulder	**175 292 509**

Radobyl Management sp.z.o.o
Under 2022 Radobyl Management sp.z.o.o med organisationsnummer 913726 fusionerats med företaget. Balansräkningsposterna i Radobyl Management sp.z.o.o per fusionsdagen 2022-10-07 framgår nedan.

I samband med fusionen av Radobyl Management sp.z.o.o har en fusionsdifferens uppkommit om -8 501 683 SEK

Fusionen av Radobyl Management sp.z.o.o är en gränsöverskridande fusion. På grund av reglering där bolaget har sin hemvist, i Polen, skall resultatet hänförligt till tiden innan fusionen redovisas i Radobyls Management sp.z.o.o resultaträkning. Av denna anledning ingår inte Radovyl Management sp.z.o.o resultat fram till fusionen i Aricoma Group International ABs resultaträkning.

Nettoomsättningen uppgick till 0 kr och rörelseresultatet till -604 850 kr i Radobyl Management sp.z.o.o fram till fusionen den 7 oktober 2022.

	Belopp per 2022-10-07
Finansiella anläggningstillgångar	91 322 268
Kassa och bank	86 114
Summa tillgångar	**91 408 382**
Långfristiga skulder	79 243 414
Kortfristiga skuler	41 878
Summa skulder	**79 285 292**

ank=20240701-20240702053856

Not 12 Väsentliga händelser efter räkenskapsårets slut

Den 18 mars 2024 omdöptes moderbolaget Aricoma Group International AB till Qinshift Sweden AB.
Med undantag för ovanstående inträffade inga andra efterföljande händelser som skulle ha en väsentlig inverkan på de finansiella rapporterna per den 31 december 2023.

Stockholm 2024-06-28

Michal Tomanek
Ordförande

David Emr

Ondrej Matustik

Vår revisionsberättelse har lämnats 2024-06-28

Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Auktoriserad revisor

ank=20240701-20240702053857

Revisionsberättelse

Till bolagsstämman i Qinshift Sweden AB, org.nr 559235-9748

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Qinshift Sweden AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Qinshift Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Qinshift Sweden AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Qinshift Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Qinshift Sweden AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Qinshift Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

ank=20240701;20240702058558

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Malmö den 28 juni 2024

Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Auktoriserad revisor

Fotokopians överensstämmelse
med originalet intygas

20240701128849

Aricoma Group International AB

(from 18 March 2024 Qinshift Sweden AB)

REPORT AND CONSOLIDATED

FINANCIAL STATEMENTS

Prepared under IFRS Accounting Standards as adopted by the European Union

31 December 2023

20240701128850

Aricoma Group International AB

CONSOLIDATED ANNUAL REPORT

For the year ended 31 December 2023

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31.12.2023	31.12.2022
Assets			
Intangible assets	4	54,160	67,038
Goodwill	4	78,866	85,649
Property, plant and equipment	3	11,153	12,888
Other long-term financial investments	5	3	3
Long-term receivables	7	327	304
Long-term derivative financial instruments	15	--	1,662
Deferred tax assets	26	226	185
Total non-current assets		**144,735**	**167,729**
Inventories	6	716	645
Short-term receivables	7	66,244	57,038
Income tax receivables		1,356	1,583
Cash and cash equivalents	8	19,697	10,021
Total current assets		**88,013**	**69,287**
Total assets		**232,748**	**237,016**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

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	Note	31.12.2023	31.12.2022
Equity			
Share capital	10	2	2
Other funds and reserves		101,930	96,829
Retained earnings		(66,406)	(44,852)
Equity attributable to equity holders of the Company		*35,526*	*51,979*
Non-controlling interest	11	3,542	3,839
Total equity		**39,068**	**55,818**
Liabilities			
Bank loans and other borrowings - non-current portion	12	75,910	65,600
Long-term lease liabilities	13	4,847	5,366
Long-term trade and other payables	14	4,762	20,499
Long-term employee benefits	16	552	486
Long-term provisions	17	247	254
Deferred tax liabilities	26	7,334	9,170
Total non-current liabilities		**93,652**	**101,375**
Bank loans and other borrowings - current portion	12	43,975	25,019
Short-term lease liabilities	13	3,395	3,906
Short-term trade and other payables	14	52,427	50,442
Short-term employee benefits	16	59	71
Income tax liabilities		172	385
Total current liabilities		**100,028**	**79,823**
Total liabilities		**193,680**	**181,198**
Total equity and liabilities		**232,748**	**237,016**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

20240701128853

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	31.12.2023	31.12.2022
Revenues	18	219,799	164,266
Other operating income	19	990	324
Materials and consumables	20	(2,329)	(2,056)
Services	20	(85,703)	(65,907)
Employee benefits	21	(115,083)	(73,598)
Other operating expenses	23	(5,088)	(3,549)
Other gains and losses	25	5,294	(35)
Depreciation, amortization and impairment	22	(28,683)	(16,049)
(Loss)/profit from operating activities		**(10,803)**	**3,396**
Interest income	24	196	201
Finance income	24	119	1,817
Finance costs	24	(11,270)	(13,529)
Net finance costs		**(10,955)**	**(11,511)**
Loss before income tax		**(21,758)**	**(8,115)**
Income tax	26	**(17)**	(876)
Loss for the period		**(21,775)**	**(8,991)**
Other comprehensive income			
Items that are or may be subsequently reclassified to profit or loss:			
Foreign currency translation of foreign operations		(453)	6,701
Items that will not be reclassified to profit or loss:			
Actuarial gain		(6)	43
Other comprehensive (loss)/ income for the period	27	**(459)**	**6,744**
Total comprehensive (loss)/income for the period		**(22,334)**	**(2,247)**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

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	Note	31.12.2023	31.12.2022
Loss attributable to:			
Equity holders of the Company		(21,554)	(9,083)
Non-controlling interests		(221)	92
Total (loss)/profit for the period		**(21,775)**	**(8,991)**
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(21,937)	(2,437)
Non-controlling interests		(297)	190
Total comprehensive (loss)/income for the period		**(22,234)**	**(2,247)**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2023	2022
Operating activity			
(Loss) / profit for the period		(21,775)	(8,991)
Adjustments for:			
Interest expense (net of income)	24	8,429	5,194
Income tax expense	26	17	876
Foreign exchange ((gains) / losses)	24	749	7,922
Depreciation of tangible fixed assets and right-of-use assets	3	6,500	4,869
Amortization of intangible fixed assets	4	12,464	6,320
Impairment of tangible and intangible fixed assets	22	9,719	4,860
Gain on sale of property, plant and equipment	25	(154)	(6)
Gain on sale of subsidiaries		--	1
Non-monetary change in financial derivatives	15	1,662	(1,731)
Other non-cash transactions		(108)	190
Operating result before changes in working capital and provisions		**17,503**	**19,504**
Increase/(decrease) in provisions		(7)	8
Increase in inventories		(72)	(309)
Increase in receivables		(15,478)	(10,197)
Increase in short-term liabilities		3,775	9,922
Cash flow from operating activities		**5,721**	**18,928**
Interest paid		(6,962)	(3,627)
Income tax paid		(1,902)	(3,185)
Net cash from operating activities		**(3,143)**	**12,116**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

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	Note	2023	2022
Net cash generated from / (consumed in) operating activities		**(3,143)**	**12,116**
Investing activities			
Proceeds from sale of plant and equipment		200	410
Proceeds from sale of investments, net of cash disposed		--	(1)
Interests received		187	17
Acquisition of subsidiaries, net of cash acquired		--	(47,284)
Payments of contingent liabilities from the acquisition of subsidiaries	9	(10,133)	--
Acquisition of property, plant and equipment and intangible assets	3, 4	(3,426)	(2,877)
Net cash used in investing activities		**(13,172)**	**(49,735)**
Financing activities			
Loans and borrowings received	12	138,201	27,053
Repayment of loans and borrowings	12	(101,537)	(17,963)
Payments of deferred liabilities from the acquisition of subsidiaries	9	(6,091)	--
Loans provided to related parties		--	(3,706)
Acquisition of non-controlling interest		--	(2,833)
Monetary contribution to other funds		--	34,064
Payments of lease liabilities	13	(4,584)	(3,714)
Net cash generated from financing activities		**25,989**	**32,901**
Net (decrease)/increase in cash and cash equivalents		**9,674**	**(4,718)**
Effect of currency exchange conversions		2	(46)
Cash and cash equivalents as at the beginning of the year	8	**10,021**	**14,785**
Cash and cash equivalents at end of the year		**19,697**	**10,021**

The notes on pages 11 to 68 form an integral part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. GENERAL INFORMATION ABOUT THE GROUP

1.1. Description

Aricoma Group International AB (hereinafter also referred to as "the Company") was incorporated on 9 January 2020 under the Laws of Sweden as a private limited company. The registered office of the Company is Lilla Nygaten 7, 211 38 Malmö, Sweden, registration number is 559235-9748.

1.2. Principal activities

Aricoma Group International developed its business within its principal activities, which are:

- Software development;
- E-commerce solutions;
- Delivery of business applications and services;
- IT consultancy and management;
- Creating ICT architecture designs and its implementation;

1.3. The consolidation group and main changes within the Group

a) Group entities

The following table lists the subsidiaries that form the consolidation group of Aricoma Group International AB. The table shows the effective shares of the parent company Aricoma Group International AB on the equity of these companies.

This consolidation group is hereinafter referred to as "the Group" or "Aricoma Group".

Company name	Country of incorporation	Ownership at the level of Aricoma Group International AB		Consolidation method
		31.12.2023	31.12.2022	
Parent company:				
Aricoma Group International AB	Sweden			
Subsidiaries:				
Aricoma Digital s.r.o. (former Komix s.r.o.)	Czechia	78%	--	full
Clearcode LLC	United States of America	100%	100%	full
Clearcode Services sp.z o.o.	Poland	100%	100%	full
Qinshift Germany GmbH (former Cleverlance Deutschland GmbHú	Germany	78%	--	full
Cleverlance Enterprise Solutions a.s.	Czechia	78%	--	full
Cleverlance H2B s.r.o.	Czechia	78%	--	full
Cleverlance Slovakia s.r.o.	Slovakia	78%	--	full
Komix Digital s.r.o.	Czechia	78%	--	full
Komix SK s.r.o.	Slovakia	78%	--	full
Musala Services EOOD	Bulgaria	100%	100%	full
Musala Soft AD	Bulgaria	100%	100%	full
Musala Soft DOOEL Skopje	North Macedonia	100%	100%	full

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Musala Soft Kosovo LLC	Kosovo	100%	100%	full
Musala Soft LLC	Egypt	100%	100%	full
Qinshift AB (former Seavus AB)	Sweden	100%	--	full
Qinshift Academy DOOEL (former Seavus Education & Development Center DOOEL)	North Macedonia	100%	--	full
Qinshift CE a.s. (former Aricoma Digital CE a.s.)	Czechia	78%	--	full
Qinshift d.o.o. Banja Luka (former Seavus DOO)	Bosnia and Herzegovina	100%	--	full
Qinshift DOO (former Seavus DOO)	Serbia	100%	--	full
Qinshift Espana SL (former Aricoma Espana SL)	Spain	100%	100%	full
Qinshift Group AB (former Aricoma Group AB)	Sweden	100%	--	full
Qinshift SRL (former Seavus SRL)	Moldova	100%	--	full
Qinshift USA Inc. (former Seavus USA Inc.)	United States of America	100%	--	full
Qinshift DOOEL (former Seavus DOOEL(	North Macedonia	100%	--	full
Qinshift Academy DOO (former Seavus Education & Development Center DOO)	Serbia	100%	--	full
Qinshift LLC (former Seavus FLLC)	Belarus	100%	--	full
Qinshift Switzerland GmbH (former Seavus GmbH)	Switzerland	100%	--	full
Qinshift Software Technologies J.S.C. (former Seavus Software Technologies J.S.C.)	Turkey	100%	--	full
Seavus sp. z o. o. (former NAG Poland sp. z o.o.)	Poland	100%	--	full
Stratiteq Sweden AB	Sweden	100%	100%	full

(a) On 24 August 2022, a new subsidiary, Aricoma Espana SL, was established in Spain.

(b) On 3 January 2022, a 100% interest was acquired in Clearcode Services sp. z o.o. and Clearcode LLC (see note 9).

(c) On 1 November 2022, a 100% interest was acquired in Musala Soft AD, Musala Services EOOD, Musala Soft DOOEL Skopje and Musala Soft LLC (see note 9)

(d) On 2 January 2023, 78% interest in the Qinshift CE subgroup was purchased and 100% interest in the Qinshift Group AB subgroup was acquired through in-kind contribution by the parent company KKCG Technologies s.r.o.

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b) Changes within the Group

Reorganization

In 2023 the group Aricoma was reorganized and Aricoma Group International has become a direct parent company of the subgroup Qinshift CE and subgroup Qinshift Group AB. The reorganization was carried out in the form of in-kind contribution of shares by parent company KKCG Technologies s.r.o., All the involved companies were part of the same group with the ultimate parent company KKCG AG before the transaction thus the transactions were classified as common control transactions.

Assets and liabilities taken over as a part of the reorganization into the consolidated statement of financial position include the assets and liabilities of the respective companies after excluding mutual relations and goodwill related to these companies, in values taken from the consolidated financial statements of the controlling entity. In the course of the reorganization, no assets and liabilities are revalued, and no new goodwill or bargain benefit is recognized from this transaction. Any differences between the value of the parent's investments and the net assets of the subsidiaries, including the goodwill taken over, are recognized against equity.

The retrospective presentation method is applied, i.e. comparative period is restated as if the combination had taken place at the beginning of the earliest comparative period presented.

Change of legal names of certain companies within the Group

The legal name of certain companies were changed in connection with the introduction of the Group´s new brand "Qinshift".

In 2023 there were no other changes except the above mentioned.

In 2022 the Group acquired interest in the following companies (the percentage stated below represents the interest acquired during the period):

Company name	2022	Type of transaction	Date of transaction
Clearcode Services sp. z o.o.	100%	purchase	03.01.2022
Clearcode LLC	100%	purchase	03.01.2022
Musala Soft AD	100%	purchase	01.11.2022
Musala Soft DOOEL Skopje	100%	purchase	01.11.2022
Musala Soft Kosovo LLC	100%	purchase	01.11.2022
Musala Soft LLC	100%	purchase	01.11.2022
Musala Services EOOD	100%	purchase	01.11.2022

The above interest in the Group represent a direct share acquired by their parent company.

In 2022, the Group established a new subsidiary (the percentage stated bellow represents the interest acquired during the period):

Company name	2022	Type of transaction	Date of transaction
Aricoma Espana SL	100%	establishment	24.08.2022

In 2022 there were no other changes within the Group.

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1.4. Statutory Body and Supervisory Board of the Company

Composition of the Board of Directors as at 31 December 2023

Chairman of the Board:	Michal Tománek
Member of the Board:	David Emr
Member of the Board:	Ondřej Matuštík

1.5. The sole shareholder of the Company as of 31 December 2023

QINSHIFT CAPITAL a.s.	100%

Registered office:

Vinohradská 1511/230

100 00 Praha 10, Strašnice

Czech Republic

Aricoma Group International AB together with its direct parent company Qinshift Capital a.s. is a part of the consolidation group of KKCG Technologies s.r.o., which is also part of the consolidation group of KKCG AG. The ultimate owner of the Group is VALEA FOUNDATION registered in Liechtenstein. Mr. Karel Komárek is the designated beneficiary of VALEA FOUNDATION. Consolidated financial statements prepared by KKCG Technologies s.r.o. and KKCG AG are available at the registered offices of these companies.

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2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU).

Material accounting policies are described within the relevant notes and applied consistently in preparing the consolidated financial statements for the year ended 31 December 2023 and 31 December 2022.

New standards and amendments applicable from 1 January 2023 or later:

The preparation of these consolidated financial statements involved the use of the following new or amended standards and interpretations, whose initial application is required for annual periods beginning on 1 January 2023.

These new standards and amendments did not have a material impact on the Company's consolidated financial statements, , with the exception of amendment to IAS 1, which led to reduction of disclosures related to accounting policies.

- IFRS 17 *Insurance Contracts* – the standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance contracts. The Group has contracts that meet the definition of an insurance contract under IFRS 17 but these are specifically excluded from the IFRS 17 scope and other accounting standards are applied.

- Amendments to IAS 1 *Presentation of Financial Statements* – the amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting *policy information'. Accounting policy is material if it can reasonably be expected to influence* decisions that the primary users of financial statements make on the basis of those statements.

- Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transactions – The amendments introduce a further exception from the initial recognition exemption. The initial recognition exemption is not applied for transactions that give rise to equal taxable and deductible temporary differences.

- Amendments to IAS 12 *Income Taxes* – International Tax Reform – Pillar Two Model Rules – the amendments introduce a temporary mandatory exception from accounting for deferred tax related to top-up tax.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.

Standards adopted by the European Union, but not yet effective

The following standards, amendments and interpretations are not expected to have a material impact on the Group's consolidated financial statements except if indicated below:

Effective from 1 January 2024:

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as current or non-current – the amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations of the entity about the exercising the right to defer settlement of a liability, introduce a definition of 'settlement'. The amendments may have an impact on the consolidated financial statements in future periods.

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- Amendments to IAS 1 *Presentation of Financial Statements* – Non-current Liabilities with Covenants – The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of liability for at least twelve months after the reporting date. Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenants is assessed only after the reporting date. The application of these amendments may have an impact on the consolidated financial statements in future periods.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – Supplier Arrangements – In accordance with the amendments an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.
- Amendment to IFRS 16 *Leases* – Lease Liability in a Sale and Leaseback – the amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Standards and amendments issued before 31 December 2023 but not endorsed by EU

The following standards, amendments and interpretations are not yet effective for period ended 31 December 2023 and are not expected to have a significant impact on the Group's consolidated financial statements.

Effective date not specified:

- Amendments to IFRS 10 Consolidated financial statements and IAS 28 Investment in associates – sale or contribution of assets between an investor and its associate or joint venture

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using the historical cost method, if not stated otherwise in the accounting policies.

(c) Functional and presentation currency

The functional currency of the Company is the Swedish Krona (SEK).

The consolidated financial statements are presented in the Euro (EUR). This is to enable better comparability of the financial position and results with other companies by the users of these financial statements. All financial information reported in the consolidated financial statements has been rounded to the nearest thousand ("EUR thousand"), unless otherwise stated.

Functional currencies of the companies within the Group are presented below:

Company name	Functional currency
Aricoma Digital s.r.o. (former Komix s.r.o.)	CZK
Clearcode LLC	USD
Clearcode Services sp. z o.o.	PLN
Qinshift Germany GmbH	EUR
Cleverlance Enterprise Solutions a.s.	CZK
Cleverlance H2B s.r.o.	CZK
Qinshift Slovakia s.r.o.	EUR
Komix Digital s.r.o.	CZK
Komix SK s.r.o.	EUR
Musala Services EOOD	BGN
Musala Soft EAD	GBN
Musala Soft DOOEL Skopje	MKD

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Musala Soft Kosovo LLC	EUR
Musala Soft LLC	EGP
Qinshift AB (former Seavus AB)	SEK
Qinshift Academy DOOEL	MKD
Qinshift CE a.s.	CZK
Qinshift d.o.o. Banja Luka	BAM
Qinshift DOO	RSD
Qinshift Espana SL	EUR
Qinshift Group AB	SEK
Qinshift SRL	MDL
Qinshift USA Inc.	USD
Qinshift DOOEL	MKD
Qinshift Academy DOO	RSD
Seavus FLLC	BYN
Seavus GmbH	CHF
Seavus Software Technologies J.S.C.	TRY
Seavus sp. z o. o.	PLN
Stratiteq Sweden AB	SEK

The results and financial position of companies whose functional currency differs from presentation currency are translated into a presentation currency using exchange rates prevailing on the reporting rate for assets and liabilities. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in a translation reserve.

(d) Critical estimates and judgments

Preparing the consolidated financial statements under IFRS Accounting Standards requires the use of estimates that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires management to exercise its judgment in applying accounting policies. As a result, the actual results often differ from these judgments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The use of estimates and assumptions applies in particular to the following areas:

- Impairment of goodwill – note 5
- Long-term liabilities from the acquisition of investments
- Options for the acquisition of non-controlling interests

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(e) Measurement of fair values

A number of the Group´s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is defined as 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 under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Fair values are obtained, as appropriate, from quoted market prices, discounted cash flow projections and other valuation models.

Fair values were determined for valuation and / or disclosure purposes using the methods set out below. Further information about the assumptions used in determining fair value is provided, where appropriate, in the notes that specifically relate to the asset or liability.

Fair value hierarchy

The Group uses the following hierarchy to determine and report the fair value of financial instruments in accordance with valuation procedures:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: other inputs that have a significant impact on the reported fair value and that can be identified, either directly or indirectly
- Level 3: inputs that have a significant impact on the reported fair value and are not based on observable market data

Potential transfers between individual levels are described in note 29 Financial risk management, paragraph e).

(f) Restatement of comparative financial information

Due to a reorganisation in 2023 the Company acquired shares in Qinshift CE a.s. subgroup and Qinshift Group Ab subgroup. The transaction was classified as a common control transaction and was accounted for by using predecessor method with retrospective presentation of financial information (see Note 1.3 b). The comparative Consolidated statement of financial position and Consolidated statement of comprehensive income has been re-presented to show the financial information as if the combination took place as at the beginning of the earliest period presented.

The adjustments to the 2022 consolidated financial statements are presented in following tables.

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Consolidated statement of financial position	**Restated**	**Previously published**	**Effect of reorganization**
Assets			
Intangible assets	67,038	41,200	25,838
Goodwill	85,649	39,267	46,382
Property, plant and equipment	12,888	4,156	8,732
Other long-term financial investments	3	--	3
Long-term receivables and other non-current assets	304	210	94
Long-term derivative financial instruments	1,662	644	1,018
Deferred tax assets	185	72	113
Total non-current assets	**167,729**	**85,549**	**82,180**
Inventories	645	251	394
Short-term trade and other receivables	57,038	11,834	45,204
Income tax receivables	1,583	328	1,255
Cash and cash equivalents	10,021	4,817	5,204
Total current assets	**69,287**	**17,230**	**52,057**
Total assets	**237,016**	**102,779**	**134,237**
Equity			
Share capital	2	2	--
Other funds and reserves	96,829	28,621	68,208
Retained earnings	(44,852)	(10,382)	(34,470)
Equity attributable to equity holders of the Company	*51,979*	*18,241*	*33,738*
Non-controlling interest	*3,839*	--	*3,839*
Total equity	**55,818**	**18,241**	**37,577**
Liabilities			
Bank loans and other borrowings - non-current portion	65,600	24,655	40,945
Long-term lease liabilities	5,366	1,979	3,387
Long-term trade and toher payables	20,499	10,766	9,733
Long-term derivative financial instruments	486	--	486
Long-term employee benefits	254	--	254
Deferred tax liabilities	9,170	4,411	4,759
Total non-current liabilities	**101,375**	**41,811**	**59,564**
Bank loans and other borrowings - current portion	25,019	12,672	12,347
Short-term lease liabilities	3,906	1,350	2,556
Short-term trade and other payables	50,442	28,697	21,745
Income tax liabilities	71	8	63
Short-term employee benefits	385	--	385
Total current liabilities	**79,823**	**42,727**	**37,096**
Total liabilities	**181,198**	**84,538**	**96,660**
Total equity and liabilities	**237,016**	**102,779**	**134,237**

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Consolidated statement of comprehensive income	**Restated**	**Previously published**	**Effect of reorganization**
Continuing operations			
Revenues	164,266	28,733	135,533
Other operating income	324	135	189
Materials, consumables and services	(2,056)	(209)	(1,847)
Services	(65,907)	(12,269)	(53,638)
Personnel expenses	(73,598)	(13,320)	(60,278)
Other operating expenses	(3,549)	(2,149)	(1,400)
Other gains and losses	(35)	(93)	58
Depreciation, amortization and impairment	(16,049)	(7,068)	(8,981)
Profit from operating activities	**3,396**	**(6,240)**	**9,636**
Interest income	201	1	200
Finance income	1,817	776	1,041
Finance costs	(13,529)	(4,775)	(8,754)
Net finance income / (costs)	**(11,511)**	**(3,998)**	**(7,513)**
Profit before income tax	**(8,115)**	**(10,238)**	**2,123**
Income tax	(876)	(237)	(639)
Profit for the period from the continuing operations	**(8,991)**	**(10,475)**	**1,484**
Profit for the period	**(8,991)**	**(10,475)**	**1,484**
Other comprehensive income / (loss) from continuing operations			
Items that are or may be subsequently reclassified to profit or loss:			
Foreign currency translation of foreign operations	6,701	2,211	4,490
Items that will not be reclassified to profit or loss:			
Actuarial gain/loss	43	--	43
Other comprehensive income / (loss) for the period from continuing operations	**6,744**	**2,211**	**4,533**
Total comprehensive income / (loss) for the period	**(2,247)**	**(8,264)**	**6,017**
Profit / (loss) attributable to			
Equity holders of the Company	(9,083)	(10,475)	1,392
Non-controlling interests	92	--	92
Úplný výsledek hospodaření za účetní období celkem	**(8,991)**	**(10,475)**	**1,484**
Total comprehensive income / (loss) attributable to			
Equity holders of the Company	(2,437)	(8,264)	5,827
	190	--	190
Total comprehensive income / (loss) for the period	**(2,247)**	**(8,264)**	**6,017**

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3. PROPERTY, PLANT AND EQUIPMENT ("PPE")

PPE and leased assets consist of buildings and halls, computer technology, vehicles, and equipment and other tangible assets. They are measured at acquisition cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis. Leased assets (right-of-use assets) are depreciated over the term of the lease.

Right-of-use assets and lease liability are not recognized in the case of short-term leases (lease duration 12 months or less) and in the case of leases with a low value of the leased asset (asset value up to CZK 120,000 or EUR 4,500). Payments from these leases are charged to profit or loss on a straight-line basis over the term of the lease.

Expected useful life of individual classes of PPE is as follows:

	Useful life
Buildings and structures - owned	20 – 60 years
Buildings and structures – right of use	1 – 7 years
Machines, devices and equipment - owned	2 - 20 years
Vehicles	4 years
Computer technology	2 – 20 years
Furniture and fittings	3 – 20 years
Machines, devices and equipment – right of use	1 – 5 years
Other tangible assets – owned	4 -10 years

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2023	Buildins and hall owned	Right of use of buildings and halls	Machinery, tools and equipment owned	Right of use of machinery, tools and equipment	Tangible assets under construction	Other tangible assets	Total
Note		*13, 22*		*13, 22*			
Acquisition cost	**112**	**14,290**	**5,639**	**2,993**	**50**	**9**	**23,093**
Accumulated depreciation and impairment	**(23)**	**(6,017)**	**(2,078)**	**(2,082)**	**--**	**(5)**	**(10 205)**
Balances as at 1 January 2023	**89**	**8,273**	**3,561**	**911**	**50**	**4**	**12,888**
Additions	221	3,076	2,198	329	340	2	6,166
Transfers	--	14	62	(13)	(63)	--	--
Revaluation of lease contracts	--	178	(17)	(53)	--	--	108
Effect of currency translation	--	52	(57)	(13)	(6)	--	(24)
Disposals	(6)	74	(160)	102	(50)	--	(40)
Depreciation expense and impairment	(23)	(5,635)	(1,626)	(660)	--	(1)	(7,945)
Acquisition cost	**348**	**16,561**	**8,430**	**2,499**	**271**	**11**	**28,120**
Accumulated depreciation and impairment	**(67)**	**(10,529)**	**(4,469)**	**(1,896)**	**--**	**(6)**	**(16,967)**
Balances as at 31 December 2023	**281**	**6,032**	**3,961**	**603**	**271**	**5**	**11,153**

2022	Buildins and hall owned	Right of use of buildings and halls	Machinery, tools and equipment owned	Right of use of machinery, tools and equipment	Tangible assets under construction	Other tangible assets	Total
Note		*13, 22*		*13, 22*			
Acquisition cost	**20**	**7,936**	**2,745**	**2,085**	**--**	**6**	**12,792**
Accumulated depreciation and impairment	**(9)**	**(3,225)**	**(1,209)**	**(944)**	**--**	**(4)**	**(5,391)**
Balances as at 1 January 2023	**11**	**4,711**	**1,536**	**1,141**	**--**	**2**	**7,401**
Effect of new acquisitions	--	3,419	743	--	--	--	4,162
Additions	92	3,345	2,420	841	50	3	6,751
Disposals	--	(283)	(121)	--	--	--	(404)
Depreciation	(14)	(2,761)	(1,013)	(1,080)	--	(1)	(4,869)
Lease reasessment	--	(170)	(7)	(13)	--	--	(190)
Effect of currency translation	--	12	3	22	--	--	37
Acquisition cost	**112**	**14,290**	**5,639**	**2,993**	**50**	**9**	**23,093**
Accumulated depreciation	**(23)**	**(6,017)**	**(2,078)**	**(2,082)**	**--**	**(5)**	**(10,205)**
Balances as at 31 December 2023	**89**	**8,273**	**3,561**	**911**	**50**	**4**	**12,888**

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4. INTANGIBLE FIXED ASSETS

Intangible assets except for goodwill and other intangible assets with indefinite useful lives, are amortised on a straight-line basis over their estimated useful life from the date they are available for use.

Software and other intangible assets acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- *it is technically feasible to complete the software so that it will be available for use,*
- *management intends to complete the software and use or sell it,*
- *there is an ability to use or sell the software,*
- *it can be demonstrated how the software will generate probable future economic benefits,*
- *adequate technical, financial and other resources to complete the development and to use or sell the software are available, and*
- *the expenditure attributable to the software during its development can be reliably measured.*

Directly attributable costs that are capitalised as part of the software include employee costs.

Brands and significant customer relationships are recognized in business combinations. The value of these intangible assets is determined on the basis of an expert opinion prepared as of the date of acquisition. Brands and customer relationships have a finite useful life and are measured at cost less accumulated amortization and impairment losses.

Expected useful life of individual classes of intangible assets are as follows:

	Useful life
Software	*2 – 7 years*
Brands	*5 -10 years*
Customer relationships	*5 - 10 years*
Appreciable rights and licences	*For the period for which they were issued*
Other intangible assets	*3 – 10 years*

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2023	Appreci-able rights, licenses	Brands and trade-marks	Customer relation-ships	Software	Intangi-ble assets under construc-tion	Other intangible assets	Goodwill	Total
Note								
Acquisition cost	**483**	**6,877**	**68,098**	**3,776**	**166**	**57**	**90,510**	**169,967**
Accumulated amortization and impairment	**(228)**	**(2,751)**	**(7,313)**	**(2,122)**	**--**	**(5)**	**(4,861)**	**(17,280)**
Balances as at 1 January 2023	**255**	**4,126**	**60,785**	**1,654**	**166**	**52**	**85,649**	**152,687**
Additions	218	--	--	351	37	59	--	665
Transfers	--	--	--	--	-1	2	--	1
Effect of currency translation	(2)	11	14	--	1	--	393	417
Disposals	(5)	--	--	--	--	--	--	(5)
Amortization expense and impairment	(171)	(4,137)	(8,579)	(587)	(36)	(53)	(7,176)	(20,739)
Acquisition cost	**714**	**--**	**68,030**	**3,306**	**203**	**258**	**90,880**	**163,391**
Accumulated amortization and impairment	**(419)**	**--**	**(15,810)**	**(1,888)**	**(36)**	**(198)**	**(12,014)**	**(30,365)**
Balances as at 31 *December 2023*	**295**	**--**	**52,220**	**1,418**	**167**	**60**	**78,866**	**133,026**

2022	Appreci-able rights, licenses	Brands and trade-marks	Customer relation-ships	Software	Intangi-ble assets under construc-tion	Other intangible assets	Goodwill	Total
Note								
Acquisition cost	**399**	**6,761**	**27,894**	**2,902**	**491**	**--**	**57,522**	**95,969**
Accumulated amortization and impairment	**(115)**	**(1,352)**	**(3,025)**	**(1,514)**	**--**	**--**	**--**	**(6,006)**
Balances as at 1 January 2023	**284**	**5,409**	**24,869**	**1,388**	**491**	**--**	**57,522**	**89,963**
Effect of new acquisitions	--	--	40,217	280	--	57	33,823	74,377
Additions	89	--	--	105	118	--	--	312
Transfers	--	--	--	443	(443)	--	--	--
Amortisation and impairment	(119)	(1,361)	(4,264)	(570)	--	(6)	--	(6,320)
Impairment	--	--	--	--	--	--	(4,860)	(4,860)
Effect of currency translation	1	78	(37)	8	--	1	(836)	(785)
Acquisition cost	**483**	**6,877**	**68,098**	**3,776**	**166**	**57**	**90,510**	**169,967**
Accumulated amortization and impairment	**(228)**	**(2,751)**	**(7,313)**	**(2,122)**	**--**	**(5)**	**(4,861)**	**(17,280)**
Balances as at 31 December 2023	**255**	**4,126**	**60,785**	**1,654**	**166**	**52**	**85,649**	**152,687**

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Brands

In 2023 the group management decided to start with a rebranding process and unit the names of all group companies in order to strengthen the market position of the Group as an integrated entity offering clients comprehensive services under a common brand. Due to this rebranding, the original individual brands will not be used anymore and as such were disposed of. Costs of disposal are recognized in profit or loss of the reporting period.

	31.12.2023	31.12.2022
Seavus	--	1,800
Cleverlance	--	2,326
Total brands and trademarks	**--**	**4,126**

Goodwill

Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which the goodwill is monitored by management and which are not larger than a segment) as follows:

	31.12.2023	31.12.2022
Stratiteq Sweden AB	--	5 576
Clearcode	--	6 711
Musala	26,978	26 978
Seavus	45,673	40,011
Cleverlance	6,208	2,668
Komix	--	3,698
Other	7	7
Total goodwill	**78,866**	**85,649**

Reallocation of goodwill

In 2023 the group management decided to start the reorganization and reporting structure of the Group that led to a change in cash generating units, or groups of cash generating units, to which the goodwill has been allocated. As a result of this change the goodwill has been reallocated to reflect the way the performance of the group is monitored. For the impairment testing context previous CGUs Stratiteq and Seavus are considered to be one CGU, as well as previous CGUs Cleverlance and Komix as of 31 December 2023.

Impairment testing

In accordance with accounting policies, the Group performs annual impairment testing for goodwill and other intangible assets with indefinite useful lives as at 31 December. Any impairment of goodwill is determined by estimating the recoverable amount of the cash-generating unit ("CGU") to which the goodwill (or other non-depreciable asset) relates to. CGUs are defined at the level of individual companies or their groups..

Value in use is determined based on calculation based on forecasted cash flows ("DCF") in accordance with financial budgets approved by management for a five-year period.

Management determined the budgeted gross margin based on historical experience and market expectations. Cash flows over the five-year period are extrapolated using the estimated growth rates shown below. The growth rates do not exceed the long-term average growth rate for business sector of the economy in which the Group operates. The discount rates used reflect the specific risks associated with the respective CGUs.

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Assumptions used to calculate the value in use to which the recoverable amount is most sensitive were:

	2023	2022
Growth rate beyond five years	2% p.a.	2% p.a.
Discount rate	9%, resp.16% p.a.	10.61% p.a.

As of 31 December 2023, based on the above-described calculation it was determined for the cash generated unit of Clearcode that the calculated value in use in amount of EUR 1,163 is lower than its carrying value, therefore the impairment in amount of EUR 9,731 thousand was recognized in the statement of comprehensive income, in line Depreciation, Amortization and impairment.

As for the other cash generated units, the resulting recoverable amount calculated based on the DCF exceeded the carrying amount and therefore no impairment were recognized as at 31 December 2023.

As of 31 December 2022, based on the above-described calculation it was determined for the cash generated unit of Stratiteq that the calculated value in use in amount of EUR 6,954 is lower than its carrying value, therefore the impairment in amount of EUR 4,860 thousand was recognized in the statement of comprehensive income, in line Depreciation, Amortization and impairment.

As for the other cash generated units, the resulting recoverable amount calculated based on the DCF exceeded the carrying amount and therefore no impairment were recognized as at 31 December 2022.

Sensitivity analysis

The Group's management also performed a sensitivity analysis (analysis of the impact of a possible change in key assumptions and factors) affecting the calculation of recoverable amount. Management concluded that a reasonably possible change in the key assumptions would not cause recognition of additional impairment.

5. OTHER LONG-TERM FINANCIAL INVESTMENTS

	31.12.2023	31.12.2022
Long-term financial assets at fair value through profit or loss	3	3

Long-term financial investments as at 31 December 2022 consisted of three common stocks in a pharmaceutical company in North Macedonia.

These investments are held for trading and the Group classified them as financial assets at fair value through profit or loss (FVTPL).

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6. INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises the purchase costs, production or conversion costs and other costs incurred in bringing inventory to its present location and conditions. Trade discounts and rebates are deducted in determining the purchase price. Cost is calculated using FIFO method. Work-in-progress and own products are valued at cost and include the relevant share of non-production overheads, determined on the basis of normal operating capacity.

	31.12.2023	31.12.2022
Row material	22	35
Goods for resale	308	164
Own products	10	18
Work in progress and semi-finished products	376	428
Total inventories	**716**	**645**

7. RECEIVABLES AND LOANS

Trade and other receivables, loans provided are initially recognized on the date when they are originated and measured at fair value plus any directly attributable transaction costs. Subsequently, to initial recognition, they are measured at amortized cost, less any expected credit loss allowances, if they are held to collect the cash flows and not expected to be sold.

When applying amortized cost, any difference between the cost and the value upon redemption is recognized in the consolidated statement of comprehensive income over the duration of the asset or liability, using the effective interest method.

Financial receivables are classified as measured at FVTPL if the receivable is a contingent consideration. Financial receivables at FVTPL are measured at fair value, with any gain or losses arising on changes in fair value recognised in profit or loss.

The Group derecognizes trade receivables, other receivables and loans provided when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Loss allowances to receivables are recognized in the amount of expected credit losses on a financial asset and their creation is reported in other operating expenses (see note 29(a)).

	31.12.2023	31.12.2022
Long-term guarantee deposits	229	271
Long-term trade and other receivables	1	--
Total long-term receivables - financial	**230**	**271**
Long-term advances (settled)	97	33
Total long-term receivables - other	**97**	**33**
Total long-term receivables	**327**	**304**

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	31.12.2023	31.12.2022
Short-term trade receivables	61,347	45,086
Short-term loans provided	200	38
Short-term loans provided to related parties	--	3,869
Other short-term receivables	761	634
Short-term contract assets	1,083	4,459
Short-term deposits (refundable)	20	44
Total short-term receivables - financial	**63,411**	**54,130**
Receivables from other taxes	864	547
Short-term prepaid expenses	1,848	2,306
Short-term advances provided (billable)	121	55
Total other short-term receivables	**2,833**	**2,908**
Total short-term trade and other receivables	**66,244**	**57,038**

Short-term receivables overdue (net) amounted to EUR 8,290 thousand (2022: EUR 5,637 thousands). The total allowance for short-term receivables was created in the amount of EUR 703 thousand (2022: EUR 621 thousand), of which the allowance for overdue receivables amounted to EUR 703 thousand (2022: EUR 621 million). An overview of overdue receivables is provided in Note 29 (a).

Credit quality is described in Note 29 (a) Credit risk.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, cash in banks and short-term, highly liquid investments, including term deposits with original maturities not exceeding three months from the date of acquisition. Cash and cash equivalents are measured in the balance sheet at cost with subsequent revaluation at amortized cost less impairment according to IFRS 9.

	31.12.2023	31.12.2022
Cash in hand	113	114
Bank accounts	19,584	9,907
Total cash and cash equivalents	**19,697**	**10,021**

Credit quality is described in note 29 (a) Credit risk.

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9. NEW ACQUISITIONS

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group.

When all the companies involved it the combination are part of the same group with the same ultimate parent company both before and after the transaction, the transaction is classified as a common control transaction. Assets and liabilities taken over as a part of the transaction into the consolidated statement of financial position include the assets and liabilities of the respective companies after excluding mutual relations and goodwill related to these companies, in values taken from the consolidated financial statements of the controlling entity. No assets and liabilities are revalued, and no new goodwill or bargain benefit is recognized from this transaction. Any differences between the value of the parent's investments and the net assets of the subsidiaries, including the goodwill taken over, are recognized against equity.

In 2023, the Group acquired a 100% interest in the subsidiary Qinshift CE a.s. and a 100% in the subsidiary Qinshift Group AB in form of in-kind contribution (see Note 1.3 b)).

The acquisition had the following effect on the Group's consolidated financial statements:

	Qinshift CE a.s. subgroup	Qinshift Group AB subgroup	Total
Total assets	46,022	76,327	122,349
Total liabilities	41,848	60,706	102,553
Net assets	**4,174**	**15,621**	**19,796**

In 2022, the Group acquired a 100% interest in the subsidiary Clearcode Services sp. z o.o. as at 3 January 2022. The company was acquired in order to gain an interesting addition to the Group portfolio in the area of designing and building advertising and marketing technology.

The acquisition of subsidiary had the following effect on the Group's consolidated financial statements:

	Clearcode Services sp. z o.o.
Property, plant and equipment	2,052
Customer relationships	1,257
Other long-term receivables	91
Short-term receivables	1,201
Cash and cash equivalents	1,521
Other current assets	
Deferred tax liability	(239)
Other long-term liabilities	(1,793)
Other short-term liabilities	(438)
Net assets	**3,652**
Goodwill	6,845
Considerations	10,497
Consideration paid	8,902
Deferred/contingent consideration	1,595
Cash and cash equivalents acquired	(1,521)
Net cash and cash equivalents outflow	7,381

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As the acquisition accounting is considered completed, the Group sets out below the significant estimates and assumptions used for each asset and liability, its recognition and measurement at fair value at the acquisition date:

- Customer relationships were newly recognized as a long-term intangible asset. The asset was valued at EUR 1 257 thousands, with an amortization period of 10 years. The income-based method was used to value the asset, namely the excess profit method.
- A deferred tax liability of EUR 239 thousand was recognized in connection with the recognition of customer relationships. The corporate income tax rate valid in Poland of 19% was used to calculate the deferred tax.
- The Group has not identified any other assets or liabilities that should be recognized at the acquisition date. The carrying amounts of the other assets and liabilities acquired were considered adequate and therefore did not need to be revalued at the acquisition date.

Goodwill recognized separately as a result of an acquisition is attributable primarily to the value of intangible assets that did not meet the recognition requirements (e.g. solid customer service, good employee relations). Goodwill from the acquisition is non-tax deductible.

From the acquisition dates till the end of 2022, Clearcode Services sp. z o.o. contributed to the Group's consolidated result with revenues of EUR 8 017 thousand and a profit of EUR 863 thousand. If the acquisition took place on 1 January 2022 the management assumes that the consolidated revenues of the Group would and the consolidated profit for 2022 would be the same.

As of 1 November the Group acquired a 100% interest in the subsidiary Musala Soft AD.

The acquisition of subsidiary had the following effect on the Group's consolidated financial statements:

	Musala Soft AD
Property, plant and equipment	2,110
Customer relationships	38,960
Other intangible assets	337
Deferred tax assets	144
Other long-term receivables	120
Short-term receivables	6,642
Cash and cash equivalents	2,916
Other current assets	2
Deferred tax liability	(3,896)
Other long-term liabilities	(729)
Other short-term liabilities	(7,108)
Net assets	**39,498**

Goodwill	26,978
Considerations	66,477
Consideration paid	42,819
Deferred/contingent consideration	23,658
Cash and cash equivalents acquired	(2,916)
Net cash and cash equivalents inflow/ outflow	39,903

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As the acquisition accounting is considered completed, the Group sets out below the significant estimates and assumptions used for each asset and liability, its recognition and measurement at fair value at the acquisition date:

- Customer relationships were newly recognized as a long-term intangible asset. The asset was valued at EUR 38 960 thousands, with an amortization period of 10 years. The income-based method was used to value the asset, namely the multi period excess method.
- A deferred tax liability of EUR 3 896 thousand was recognized in connection with the recognition of customer relationships. The corporate income tax rate valid in Bulgaria of 10% was used to calculate the deferred tax.
- The Group has not identified any other assets or liabilities that should be recognized at the acquisition date. The carrying amounts of the other assets and liabilities acquired were considered adequate and therefore did not need to be revalued at the acquisition date.

Goodwill recognized separately as a result of an acquisition is attributable primarily to the value of intangible assets that did not meet the recognition requirements (e.g. solid customer service, good employee relations). Goodwill from the acquisition is non-tax deductible.

From the acquisition dates till the end of 2022, Musala Soft AD contributed to the Group's consolidated result with revenues of EUR 5 461 thousand and a loss of EUR 588 thousand. If the acquisition took place on 1 January 2022, the management assumes that the consolidated revenues of the Group would be higher by EUR 25 621 thousand and the consolidated profit for 2022 would be higher by EUR 3 613 thousand.

10. EQUITY

	31.12.2023	31.12.2022
Share capital	2	2

The share capital of Aricoma Group International AB consists of 25 thousand registered ordinary shares with a nominal value of EUR 2 thousand. The share capital was fully paid up.

The shares entitle the holder to participate in dividends and liquidation proceeds in proportion to the number of shares held.

The other components of equity are mainly other funds and retained earnings.

Other funds include a foreign currency translation fund of EUR 6,228 thousand (2022: EUR 6,605 thousand) and other funds of EUR 95,665 thousand (2022: EUR 90,181 thousand). Other funds include monetary and non-monetary contributions to equity other than share capital.

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11. NON-CONTROLLING INTEREST

Non-controlling interests (minority interests in results and equity) are recognized at the date of the business combination at their proportionate share of the acquiree's identifiable net assets, which are generally measured at fair value. Non-controlling interests are assessed for each business combination separately.

As at 31 December 2023 and 31 December 2022, the Group's non-controlling interest relate to the Qinshift CE a.s. subgroup.

	31.12.2023	31.12.2022
Non-current assets	14,368	16,818
Current assets	46,811	30,692
Long-term liabilities	(7,755)	(11,634)
Short-term liabilities	(37,323)	(18,424)
Net assets attributable to the Group	**16,101**	**17,452**
Percentage of non-controlling interest	22%	22%
Non-controlling interests	**3,542**	**3,839**

	2023	2022
Revenues	101,160	80,768
Profit	(1,005)	416
Other comprehensive income/(loss)	(345)	450
Total comprehensive income/(loss)	(1,350)	866
Percentage of non-controlling interest	22%	22%
Profit attributable to non-controlling interest	**(221)**	**92**
Other comprehensive income / (loss) attributable to non-controlling interests	**(76)**	**99**
Total comprehensive income / (loss) attributable to non-controlling interests	**(297)**	**191**

Aggregated statement of cash flows	**2023**	**2022**
Cash flow from operating activities	(1,870)	1,806
Cash flow from investing activities	(1,102)	(81)
Cash flow from financing activities	14,743	(3,668)
Net increase/(decrease) in cash and cash equivalents	**11,771**	**(1,943)**

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12. BANK LOANS AND OTHER BORROWINGS

Interest bearing loans and borrowings are initially recognized at the initial recognition at fair value plus any directly attributable transaction costs. Subsequently, bank loans and other borrowings are measured at amortized accrued value using the effective interest rate.

	31.12.2023	31.12.2022
Bank loans and other borrowings - non-current portion		
Long-term bank loans	195	57,129
Long-term borrowings from related parties (Note 28)	75,715	8,471
Total bank loans and other borrowings - non-current portion	**75,910**	**65,600**
Bank loans and other borrowings - current portion		
Short-term part of long-term bank loans	--	11,891
Short-term borrowings from related parties	43,975	13,128
Total bank loans and other borrowings - current portion	**43,975**	**25,019**

Bank loans

Long-term bank loans are payable as follows:

	31.12.2023	31.12.2022
Within one year	--	11,891
From one to five years	195	57,129
In more than five years	--	--
	195	**69,020**

As at 13 November 2020 the Qinshift Group AB (former Aricoma Group AB) and Aricoma a.s. (former Aricoma Group a.s.) signed a Senior multicurrency term and revolving facilities agreement with a bank syndicate to which as an additional co-borrower Aricoma Group International AB acceded in 2022. In 2023 Aricoma a.s. together with its sister company Qinshift a.s. entered into a new senior multicurrency term and revolving facilities agreement, for the purpose of refinancing the existing bank loans provided based on the agreement signed in 2020.

According to the above-mentioned agreement the Group is a co-debtor of the loans provided to borrowers. Each co-debtor has an obligation to pay as a joint and several debtor with each co-borrower to the finance parties sums payable by a borrower. The estimate of this obligation in case of Aricoma Group International AB amounts to EUR 0 thousand as at to 31 December 2023 (2022: EUR 36 thousand). There are several limitations of this joint and several liabilities (which vary depending on the relevant jurisdiction) and in relation to Sweden these limitations are: (i) unlawful distribution of assets, and (ii) prohibited loans, security, guarantees and unlawful financial assistance.

Bank loans received by the Group were secured by a balance in bank accounts of EUR 6,179 thousand as at 31 December 2023 (2022: EUR 6,013 thousand).

Bank loans received by the Group were also secured by shares of the parent company as well as by interest in subsidiaries and shares of subsidiaries (and thus by all assets of these companies): Qinshift CE a.s., Aricoma Digital s.r.o., Qinshift Czechia s.r.o., Musala Soft EAD and Clearcode Services sp. z

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o.o. as at 31 December 2023 (Stratiteq Sweden AB, Clearcode Services sp. z o.o. and Musala Soft AD as at 31 December 2022).

Based on the contractual terms, the Group companies are required to comply with the following financial indicators (covenants):

- Ratio of operating cash flow to debt-service - minimum value for meeting the indicator: 1.20
- Net debt-to-EBITDA ratio - the maximum value for meeting the indicator in the reported period: 4.00

As at 31 December 2023 and 31 December 2022, the Group companies met these indicators.

The covenants are calculated on the basis of the consolidated results of Aricoma Group Holding (indirect parent company of Aricoma Group International AB).

Loan interest rates are based on PRIBOR or EURIBOR and a margin 3,15% (2022: 2.36% to 2.80%).

Reconciliation of movements of short-term and long-term loans and borrowings to cash flow:

	2023	2022
Opening balance	**90,619**	**80,909**
Cash flows:		
Loans and borrowings received	138,201	27,053
Repayment of loans and borrowings	(101,537)	(17,963)
Interest payments	--	(18)
Non-cash movements:		
Interest accrual	376	408
Effect of currency translation	(2,868)	292
Other non-monetary transactions	(4,906)	(62)
Closing balance	**119,885**	**90,619**

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13. LEASE LIABILITIES

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date and discounted at the lease's implicit interest rate. If this rate cannot be easily determined, the Group uses the incremental borrowing rate.

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

- *fixed lease payments (including substantially fixed payments), less receivables from leasing incentives,*
- *index- or rate-dependent variable lease payments that were initially measured at the index or rate at the commencement date,*
- *the amount expected to be payable by the lessee under the residual value guarantees,*
- *the exercise price of the call option, if it is sufficiently certain that the lessee will exercise this option,*
- *payment of penalties for termination of the lease, if the duration of the lease reflects the fact that the lessee will exercise the option to terminate the lease.*

Subsequently, the lease liability is measured at amortised cost. The lease liability is revalued if:

- *the lease term has changed or the assessment of the exercise of the call option has changed*
- *lease payments have changed due to a change in the index or rate or a change in expected payments under the residual value guarantees, and or*
- *the lease agreement is modified and the lease modification is not accounted for as a separate lease.*

	31.12.2023	31.12.2022
Long-term lease liabilities	4,847	5,366
Short-term lease liabilities	3,395	3,906
Total lease liabilities	**8,242**	**9,272**

Reconciliation of movements of lease liabilities to cash flow:

	2023	2022
Opening balance	**9,272**	**5,799**
Cash flows:		
Payments of lease liabilities	(4,584)	(3,714)
Non-cash movements:		
Effect of new acquisitions	--	3,480
Recognition of lease liabilities	3,405	4,186
Leasing modifications	16	(467)
Effect of currency translation	133	(12)
Closing balance	**8,242**	**9,272**

Total cash outflow for leases in 2023 was EUR 4,994 thousands (2022: EUR 4,112 thousands) which includes payments of lease liabilities and also interest expense on lease payments (Note 24).

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The assets that are subject of the lease are mainly office space and cars. The usual contract period of lease contracts is 2 to 4 years for cars, 2 to 8 years for premises. Rent costs are paid monthly or quarterly.

The right to use buildings and structures and the right to use machinery, tools and equipment are part of Property, plant and equipment - see Note 3. Lease expenses recognized in profit or loss related to short-term leases or low-value leases are presented in Note 20. Consumption of goods, material and services. Interest expense on leases is presented in Note 24.

14. TRADE PAYABLES AND OTHER LIABILITIES

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination, held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are measured at fair value, with any gain or losses arising on changes in fair value recognised in profit or loss.

	31.12.2023	31.12.2022
Long-term payables from investments purchased	4,760	10,766
Long-term trade and other payables	2	9,733
Long-term payables - financial	**4,762**	**20,499**
Total long-term payables	**4,762**	**20,499**

Long-term liabilities from the acquisition of investments are described below.

The maturity of these liabilities is described in Note 29(c) Liquidity risk.

Short-term payables	**31.12.2023**	**31.12.2022**
Trade payables	16,747	13,648
Short-term payables from investment purchased	3,687	17,485
Other payables	15,918	2,585
Total short-term liabilities - financial	**36,352**	**33,718**
Payables to the state	5,548	4,899
Payables to employees	7,880	7,232
Short-term contract liabilities	2,463	3,637
Deferred revenues	184	956
Total short-term liabilities - other	**16,075**	**16,724**
Total short-term liabilities	**52,427**	**50,442**

Other payables include options for the acquisition of non-controlling interests by the Group. Their value is determined on the basis of the discounted expected redemption amounts, which are primarily dependent on the expected performance of a relevant company in the relevant period and the estimated amount of working capital as of the relevant date. The Group used the approved medium-term business plans of the respective companies for the purpose of calculating the expected redemption amounts.

Payables to the state include mainly VAT liabilities and liabilities arising from social and health insurance.

At 31 December 2023, the Group recognized EUR 2,463 thousand of contract liabilities in respect of the contracts with customers for software development (at 31 December 2022: EUR 3,637 thousand).

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The contract liabilities balance represents the amount of consideration received in respect of performance obligations to be satisfied in the future.

Management expects that 100% (EUR 2,463 thousand) of the transaction price allocated to the unsatisfied contracts as at 31 December 2023 will be recognized as revenue during the next reporting period. All other contracts are for periods of one year or less or are billed based on time incurred.

Liabilities due to acquisition of investments:

	31.12.2023	31.12.2022
Deferred consideration	--	5,696
Contingent consideration	8,447	22,555
	8,447	**28,251**

The payment of contingent consideration depends on the development of EBITDA indicator. On the basis of medium-term business plan (using the most probable value model), the Group assessed as of 31 December 2023 that the consideration will be paid in the amount of EUR 8,447 thousand (2022: EUR 22,555 thousand).

15. DERIVATIVES

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest swaps, currency swaps and currency forwards. Derivatives that do not qualify for hedge accounting are reported as trading derivatives. They are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of trading derivatives are recognized immediately in profit or loss for the period.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in financial statements. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months.

	31.12.2023	31.12.2022
Long-term receivables from trading derivatives	--	1,662
Total long-term derivatives financial instruments	**--**	**1,662**

The loss on revaluation of derivatives held for trading in the amount of EUR 1,665 thousand and the gain in amount of EUR 101 thousand (2022: gain of EUR 1,813 thousand, loss of EUR 32 thousand) were recognized in the financial result (Note 24).

As at 31 December 2023, the Group held no financial derivatives for trading.

As at 31 December 2022, the Group held the following financial derivatives for trading:

	Year of maturity	Nominal value as at 31.12.2022	Fair value as at 31.12.2022
Interest rate swaps	2027	24,484	1,662
Total receivables from derivatives held for trading			**1,662**
Total derivatives held for trading			**1,662**

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As at 31 December 2023 and 31 December 2022 the Group did not classify any derivatives as hedging.

16. EMPLOYEE BENEFITS LIABILITIES

Some Group companies provide compensation right for retirement and jubilee anniversary awards. There are no plan assets for the plans, nor a qualified insurance policy, consequently, the plans are classified as unfunded.

The value of the liability is equal to the present value of the defined benefit payable at the balance sheet date. The defined benefit liability and the related expense are estimated annually by independent actuaries using the projected credit unit method. The present value of the liability is estimated as a discounted value of the previously projected expected cash outflow.

The current service cost, past service cost and any gain or loss on settlement are recognized in the profit or loss in line "Personal expenses". Net interest is recognized in line "Finance costs, net".

Remeasurement of net defined liability is to be recognized in other comprehensive income, being actuarial gains and losses.

	31.12.2023	31.12.2022
Defined Benefit Plan - long-term part	552	486
Defined Benefit Plan - short-term part	59	71
	611	**557**

The movement in the defined benefit liabilities over the year is as follows:

	2023	2022
Balance as of 1 January	557	538
Interest cost	22	15
Current service cost	90	98
Past service cost	4	(3)
Total amount recognized in profit/loss	116	110
Actuarial gain/loss	6	(43)
Total amount recognized in other comprehensive income	6	(43)
Contributions	--	4
Payments	(68)	(52)
Balance as of 31 December	**611**	**557**

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The significant actuarial assumptions in 2023 were as follows:

	Qinshift DOOEL	Qinshift DOO (Serbia)
Discount rate (in %)	6.00%	6.75%
Rate of increase in salaries (in %)	4.60%	7.80%
Average service in the company	5.0	4.0

The significant actuarial assumptions in 2022 were as follows:

	Qinshift DOOEL	Qinshift DOO (Serbia)
Discount rate (in %)	3.30%	6.77%
Rate of increase in salaries (in %)	3.00%	7.20%
Average service in the company	3.0	4.0

The discount rate was derived from the yields of the government bonds issued in Republic of Serbia and Republic of North Macedonia and classified by maturity.

The sensitivity analysis for change in the assumptions as of 31 December 2023 is as shown below:

		Discount rate		Expected wage increase	
		0,5% increase	0,5% decrease	0,5% increase	0,5% decrease
Qinshift DOOEL	Actuarial liability	396	454	436	412
	Percentage change	7.00%	5.00%	5.60%	3.60%
Qinshift DOO (Serbia)	Actuarial liability	(1,906)	2,276	1,576	(1,262)
	Percentage change	(8.70%)	10.30%	7.20%	(5.70%)

The sensitivity analysis for change in the assumptions as of 31 December 2022 is as shown below:

		Discount rate		Expected wage increase	
		0,5% increase	0,5% decrease	0,5% increase	0,5% decrease
Qinshift DOOEL	Actuarial liability	380	439	420	397
	Percentage change	- 6,70%	7,80%	3,10%	-2,50%
Qinshift DOO (Serbia)	Actuarial liability	138	163	158	143
	Percentage change	- 7,80%	9,20%	5,80%	- 4,60%

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17. PROVISIONS

Provisions are recognised when the Group has a present obligation as result of a past event, it is probable that the Group will be required to settle this obligation and a reliable estimate can be made. Additions to provisions are charged to the relevant expense accounts corresponding to the nature of the provision. The use and release of provisions are recognized as a decrease in the relevant expense accounts. Discounting of provisions is charged to financial expenses as interest expense.

	Provision for litigation	Total
Balance as at 1 January 2023	254	254
Effect of currency translation	(7)	(7)
Balance as at 31 December 2023	**247**	**247**
Of which		
Long-term provisions	**247**	**247**
Short-term provisions	--	--

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18. REVENUES

Revenues of the Group include mainly revenues from the provision of IT services in the field of information technologies, software development, rendering the services in the development of information systems, applications and IT consulting.

Revenue is recognized when control of the delivered goods or services is transferred to the customer in the amount of the estimated consideration that the Group should receive under the contract with the customer for those goods or services. To determine the amount, time and manner of recognition of sales, the Group companies apply a five-level model defined in IFRS 15. The amount of consideration that the Group is entitled to under the contract is the transaction price. The following factors are considered in determining it: an estimate of the variable part of the consideration (discounts, reimbursements, bonuses, penalties and other similar items), time value of money if the contract contains a significant financing element.

If the contract with a customer contains several performance obligations to be performed, then the total transaction price is allocated to individual performance obligations based on their relative separate selling prices.

The method and timing of recognition of revenue depends on the method of transfer of control: one-off transactions are recognized at the time of transfer of control of goods or services, ongoing performances are recognized as long as the Group provides the service. The Group measures revenues recognized over time using the input method, i.e. on the basis of the costs incurred to meet the performance obligation in relation to the total expected costs necessary to meet that obligation. If the costs incurred include costs that do not contribute to the progress of the performance obligation (e.g. significant inefficient costs that have not been reflected in the contract price), these costs are excluded from the calculation of the progress rate. If the outcome of the contract cannot be estimated reliably or if the costs incurred are not proportionate to the progress made in discharging the performance obligation, revenue is recognized only to the extent of the costs incurred (with zero profit).

Revenues from fixed-bid contracts (software development)

These contracts include the provision of services for the development and implementation of software solutions according to specific customer assignments. Revenues from fixed bid contracts are recognized over time based on the progress of the software development project because the software is developed according to the client's order, there is no alternative use for the developed software, and the Group has an enforceable right to payment for services performed on a certain date.

The group values revenues from ongoing performance using the input method, i.e. based on the costs incurred to fulfill the performance obligation in relation to the total expected costs necessary to fulfill the given obligation. If the costs incurred include costs that do not contribute to the progress of the performance obligation (e.g. significant inefficient expenditure that was not reflected in the contract price), these costs are excluded from the calculation of the progress rate. If the outcome of the contract cannot be reliably estimated or if the costs incurred are not proportionate to the progress in fulfilling the performance obligation, revenue is recognized only to the extent of the costs incurred (with zero profit).

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-bid contracts, the customer pays a fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Invoices are issued on a monthly basis and are usually payable within 30 to 90 days.

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Revenues from contracts with a price determined on the basis of the time and material used (software development)

Revenues from this type of contract are recognized on the basis of actual time spent for the relevant period upon acceptance of the work by the customer. Revenue is recognized over time according to contractual terms because the software is developed according to the client's order, there is no alternative use for the developed software, and the Group has an enforceable right to payment for services performed on a certain date.

Maintenance, cloud and other services

Revenues from maintenance, cloud and other services provided to customers are recognised over time in which these services are provided. The Group recognises revenue from ongoing performance using the input method as described above.

Sale of Licences

The Group is selling licences and annual subscriptions of software which to the customers are provided by a software developer. The Group's performance obligation is to arrange for the provision of goods or services that are provided by the third party. The Group is an agent in this arrangement because the customer views the software provider as primarily responsible for fulfilling the contract, the Group has no risk before the specified right has been transferred to a customer or after the transfer of control to the customer and the Group has discretion in establishing the price for the specified good or service.

Revenues from sales of licenses are recognized at a point in time at which the Group satisfies a performance obligation.

Invoices are issued on a monthly basis and are usually payable within 30 to 90 days.

	2023	2022
Sales of goods	1,183	987
Revenues from IT services	214,146	161,980
Revenues from other services	4,470	1,299
Total revenue	**219,799**	**164,266**

The following table presents the distribution of sales according to the timing of revenue recognition:

Timing of revenue recognition	**2023**	**2022**
At a point in time	68,340	30,241
Over time	151,459	134,025
Total revenue	**219,799**	**164,266**

At 31 December 2023 the Group recognized EUR 3,573 thousand of contract liabilities in respect of the contracts with customers for software development (at 31 December 2022: EUR 9,263 thousand). *This amount represented the aggregate amount of the transaction price allocated to long-*term contracts that are partially unsatisfied at period end.

Management expects that 100% (EUR 3,573 thousand) of the transaction price allocated to the unsatisfied contracts as at 31 December 2023 will be recognized as revenue during the next reporting period.

All other contracts are for periods of one year or less or are billed based on time incurred.

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The following table presents information on unsatisfied performance obligations resulting from long-term contracts with customers.

As at 31 December 2023	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
Transaction price for outstanding performance obligations	3,573	3,573	--	--	--

As at 31 December 2022	Total	Up to 1 year	1-2 years	2-5 let	More than 5 years
Transaction price for outstanding performance obligations	9,263	9,263	--	--	--

Contracts with customers do not contain a significant financing element, therefore transaction prices are not adjusted for the time value of money.

19. OTHER OPERATING INCOME

	2023	2022
Income from government grants	22	233
Lease income	5	13
Remaining operating income	836	73
Penalties and default interests	127	5
Total other operating income	**990**	**324**

Lease income is related to the sublease of premisses to Seavus AB which is entity controlled by the same parent company. The assets that are subject of the sublease are mainly office space and cars. The contract period of lease contracts is 2 to 4 years.

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20. CONSUMPTION OF GOODS, MATERIAL AND SERVICES

	2023	2022
Cost of goods sold	1,090	923
Materials and energy used	1,239	1,133
Total materials and consumables	**2,329**	**2,056**
Consumed services related to sales	24,500	10,207
IT equipment and SW related costs	46,091	39,483
Leases expenses	2,067	1,554
Professional fees and expenses	8,231	7,912
Advertising, promotion and other related costs	828	658
Telecommunication costs	313	222
Other services	3,673	5,871
Total services	**85,703**	**65,907**
Total consumption of goods, material and services	**88,032**	**67,963**

Other services include the costs of audit services provided by the statutory auditor in the amount of EUR 103 thousand (2022: 103 thousand).

Lease expenses relate to leases that have not been recognized as a Right-of-use. The following table presents a detailed breakdown of lease costs.

	2023	2022
Short-term lease expenses	1,698	1,000
The cost of low-value assets lease	5	196
Costs related to variable lease payments	142	137
Intragroup leases not activated	222	221
Total lease costs	**2,067**	**1,554**

21. EMPLOYEE BENEFITS EXPENSES

	2023	2022
Wages and salaries	87,673	51,263
Social insurance – pension insurance contributions	15,591	11,764
Social insurance – other contributions	1,519	1,480
Health insurance	5,223	3,958
Other social costs	5,077	5,133
Total personnel expenses	**115,083**	**73,598**

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22. DEPRECIATION, AMORTISATION AND IMPAIRMENT

	2023	2022
Depreciation of tangible fixed assets	1,600	1,028
Amortization of intangible fixed assets	12,464	6,320
Depreciation of right of use assets	4,900	3,841
Total depreciation and amortisation	**18,964**	**11,189**
Impairment of tangible fixed assets	1,445	--
Impairment of goodwill	7,176	4,860
Impairment of other intangible assets	1,098	--
Total impairment	**9,719**	**4,860**
Total depreciation, amortisation and impairment	**28,683**	**16,049**

The amount of Amortization of intangible assets charge in 2023 includes the full amortization of brands due to the change in useful live in relation to rebranding (see Note 1.3 (b) and Note 4)

23. OTHER OPERATING EXPENSES

	2023	2022
Repairs and maintenance	133	116
Travelling expenses	1,321	789
Premiums	401	209
Fees	112	82
Other taxes	417	390
Sponsorships and donations	65	31
Creation and release of allowances for receivables	22	181
Write off trade receivables	416	271
Remaining operating expenses	2,201	1,480
Total other operating expenses	**5,088**	**3,549**

24. FINANCE INCOME AND COSTS

Interest income and interest expense are recorded applying the effective interest rate method.

Interest expense comprises interest expense on loans and other borrowings and unwinding of discount of non-current liabilities.

Foreign exchange gains and losses are reported compensated.

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	2023	2022
Interest income	196	201
Gain from derivatives held for trading	101	1,813
Other finance income	18	4
Total finance income	**315**	**2,018**
Interest expense on borrowings	(8,216)	(4,997)
Interest expense on leases	(409)	(398)
Loss from exchange rate operations	(749)	(7,922)
Loss from derivatives held for trading	(1,665)	(32)
Other finance expenses	(231)	(180)
Total finance costs	**(11,270)**	**(13,529)**
Net financial cost	**(10,955)**	**(11,511)**

25. OTHER GAINS AND LOSSES

	2023	2022
Gain from disposals of fixed assets	154	6
Profit from sale of materials	68	53
Loss from dissolution of subsidiary	---	(1)
Gain/(Loss) from revaluation of contingent liabilities (Note 13)	5,072	(93)
	5,294	**(35)**

26. TAXATION

Current income tax is calculated based on the tax laws enacted, or substantively enacted, at the balance date in the countries where the company and its subsidiaries operate and generate taxable income.

Income tax expense

	2023	2022
Current income tax	1,903	1,674
Deferred income tax	(1,886)	(798)
Income tax expense	**17**	**876**

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Effective tax rate

	2023		2022	
(Loss)/Profit before income tax	**(21,758)**		**(8,115)**	
Income tax determined using current tax rates	(4,482)	20.60%*	(1,672)	20.60%*
Effect of non-deductible expenses	3,293	(15.13)	2,167	(26.71%)
Effect of non-taxable income	(30)	0.14%	--	--
Effect of an unrecognized deferred tax asset from the current period 's tax loss	746	(3.43%)	506	(6.24%)
Effect of different tax rate of companies within the Group	(713)	3.28%	(394)	4.86%
Tax relating to prior periods	108	(0.50%)	(13)	0.16%
Effect of accumul.tax loss claimed in the current period	(92)	0.42%	47	(0.58%)
Effect from IFRS adjustments that do not result in deferred tax	1,195	(5.49%)	244	(3.01%)
Other effects	(8)	(0.04%)	(9)	(0.11%)
Total income tax / Effective tax rate	**17**	**(0.08%)**	**876**	**(10.79%)**

*) Tax rate valid in Sweden.

Corporate income tax rates by country where the Group's companies mainly operate:

	Tax rate	
	2023	**2022**
Belarus	18.00%	18.00%
Bosna i Hercegovina	10.00%	10.00%
Bulgaria	10.00%	10.00%
Czech Republic	19.00%	19.00%
Germany	22.80%	22.80%
Egypt	22.50%	22.50%
North Macedonia	10.00%	10.00%
Kosovo	10.00%	10.00%
Poland	19.00%	19.00%
Serbia	15.00%	15.00%
Slovakia	21.00%	21.00%
Spain	15.00%	15.00%
Sweden	20.60%	20.60%
Switzerland	24.30%	24.30%
Poland	19.00%	19.00%
Turkey	23.00%	23.00%
United States of America	20,90%	20,90%

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Deferred tax

	31.12.2023	31.12.2022
Deferred tax asset recognised	226	185
Deferred tax liability recognised	(7,334)	(9,170)
Net deferred tax	**(7,108)**	**(8,985)**

Deferred tax is calculated using the enacted and substantively enacted tax rates that are also expected to be applicable when the asset is realized or liability settled. The tax rates are country dependent and follow local legislation.

For consolidation purposes, deferred tax assets and liabilities that are recorded with one tax office are offset against each other at the level of the individual companies of the Group.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference or tax loss carried forward can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Change in the deferred tax

	Balance as at 01.01.2023	Movements during the reporting period		Balance as at 31.12.2023
	Deferred tax liability(-) /asset(+)	Recognised in profit or (loss)	Other changes	Deferred tax liability(-) /asset(+)
Deferred tax asset (+) /liability (-)	**(8,985)**	**1,886**	**(9)**	**(7,108)**
Property, plant and equipment	(1,341)	(113)	76	(1,378)
Intangible assets	(9,194)	1,876	--	(7,318)
Inventories	--	(40)	(1)	(41)
Total receivables	4	(64)	(5)	(65)
Lease liabilities	1,336	131	(79)	1,388
Tax losses carried forward	(195)	--	(1)	(196)
Provisions	(16)	93	(1)	76
Other liabilities	421	3	2	426

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	Balance as at 01.01.2022	Movements during the reporting period			Balance as at 31.12.2022
	Deferred tax liability(-) /asset(+)	Recognised in profit or (loss)	Effect of new acquisitions	Other changes	Deferred tax liability(-) /asset(+)
Deferred tax asset (+) /liability (-)	**(5,808)**	**798**	**(3,991)**	**16**	**(8,985)**
Property, plant and equipment	(1,120)	173	(389)	(5)	(1,341)
Intangible assets	(6,111)	1,058	(4,135)	(6)	(9,194)
Total receivables	(44)	2	49	(3)	4
Lease liabilities	1,096	(155)	390	5	1,336
Tax losses carried forward	(212)	--	--	17	(195)
Provisions	23	(38)	--	(1)	(16)
Other liabilities	560	(242)	94	9	421

Based on the financial outlook, the Group expects that recognized deferred tax asset will be utilised against future taxable profit.

Tax losses carried forward

Tax losses carried forward for which no deferred tax asset was recognized expire as follows:

	31.12.2023	31.12.2022
To be utilised in the period:		
1 year	--	850
unlimited	--	1,614
Total tax losses carried forward	**--**	**2,464**

27. OTHER COMPREHENSIVE INCOME / (LOSS)

	2023	2022
Items that are or may be subsequently reclassified to profit or loss:		
Foreign currency translation of foreign operations	(453)	6,701
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain	(6)	43
Total other comprehensive income / (loss)	**(459)**	**6,744**

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2023	Currency translation reserve	Actuarial reserve	OCI attributable to owners of the Company	OCI attributable to non-controlling interest	Total OCI for the period
Exchange differences on translation to presentation currency	(377)	--	(377)	(76)	**(453)**
Actuarial gain/loss	--	(6)	(6)	--	**(6)**
Total other comprehensive income/(loss) for the period	**(377)**	**(6)**	**(383)**	(76)	**(459)**

2022	Currency translation reserve	Actuarial reserve	OCI attributable to owners of the Company	OCI attributable to non-controlling interest	Total OCI for the period
Exchange differences on translation to presentation currency	6,603	--	6,603	98	**6,701**
Actuarial gain/loss	--	43	43	--	**43**
Total other comprehensive income/(loss) for the period	**6,603**	**43**	**6,646**	98	**6,744**

28. RELATED PARTIES

Related party transactions are transfers of resources, services and obligations between the reporting entity and a related party. Relations between the Group and its related parties include relations with companies related through common shareholders or directors and key management of the Company.

All transactions with related parties are carried out under standard market conditions.

Wages and salaries, emoluments and other costs of the members of the Board of Directors, the Supervisory Board, Statutory Representatives and executive management of the consolidated companies of the Group are listed in the following table:

	2023		2022	
	Members of the Board of Directors / Statutory Body	Executive management (including Statutory Representatives)	Members of the Board of Directors / Statutory Body	Executive management (including Statutory Representatives)
Wages and salaries	--	8,489	--	6,545
Social security and health insurance	--	2,329	--	1,837
Other social expenses	--	580	--	203
Defined benefit plan expenses	--	21	--	102
Total personnel expenses	**--**	**11,419**	**--**	**8,687**

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The Group forms a part of the consolidation group of KKCG AG with the registered office at Switzerland.

Overview of balances and transactions with related parties as at 31 December 2023 and 31 December 2022:

There were no transactions with immediate parent in 2023 and 2022.

Other related parties:

All other related parties include entities that are that are controlled by the same ultimate controlling party.

	31.12.2023	31.12.2022
Short-term loans	--	3,869
Short-term trade and other receivables	8,680	4,143
Total receivables	**8,680**	**8,012**
Long-term part of loans	75,715	8,471
Shor-term part of loans	43,975	13,128
Short-term trade and other payables	2,211	1,614
Total liabilities	**121,901**	**23,213**

Long-term and short-term part of loans represent loans provided by Qinshift a.s., Aricoma a.s. and KKCG Technologies s.r.o.

	2023	2022
Revenues	22,573	8,586
Other operating income	36	15
Finance income	54	184
Total income	**22,663**	**8,785**
Material and consumables	7,912	259
Services	--	3,849
Other operating expenses	27	15
Finance costs	4,264	994
Total expenses	**12,203**	**5,117**

All other related parties include entities that are part of the same consolidation group.

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29. FINANCIAL RISK MANAGEMENT

This note describes in detail the financial risks to which the Group is exposed, and the ways in which these risks are managed. Risk management is an essential part of the Group. The main focus is on the quantification of the risk exposure in the areas of market risk (exchange rate and interest rate) and credit risk. The aim of the Group´s risk management system focuses on minimizing potential adverse effects on the Group's financial results.

For all risks major steps in the Group's risk management process are – risk identification, set up of risk measurement methodology and calculation of risk exposure. With regard to the diversity of activities and the corresponding risks, the management of each company of the Group is responsible for the implementation and monitoring of risk management policies.

The main financial instruments used by the Group are bank loans and borrowings from non-bank providers. The main task of these financial instruments is to obtain the necessary funds to finance the activities of the Group's companies.

The most significant financial risks to which the Group is exposed include market risk (currency risk and interest rate risk), credit risk, where a major business partner or the customer fails to meet its contractual obligations and liquidity risk. The principles for managing the above risks are approved and monitored by top management of each Group company.

(a) Credit risk

Credit risk represents the risk of loss that the Group companies would incur if a business customer or trading counterparty is unable to fulfil its obligation resulting from payment obligation, obligation to off-take service at a certain price and non-delivery of contracted goods, material or service.

The Group is exposed to credit risk primarily as a result of its operating activities (in relation to trade receivables) and financial activities (in relation to deposits with banks and other financial institutions, loans and financial assets).

Credit risk in ordinary business activities is reduced by the fact that the Group trades with reliable business partners. The Group applies the rule that all customers who wish to take advantage of credit facilities are subject to an individual creditworthiness analysis. The balances of receivables are continuously monitored on individual and aggregated level by the Group.

The Group's bank accounts are with reputable local and international banks and the risk from financial activities is minimized by diversification.

The maximum exposure to credit risk for financial assets is their carrying amount (if counterparties fail to meet all their contractual obligations and at the same time any guarantees and pledges provided are found to be worthless).

Credit risk by counterparty

As at 31 December 2023	**Companies (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Total**
Assets					
Long-term receivables and loans - financial	230	--	--	--	230
Short-term receivables and loans - financial	40,974	289	21,639	509	63,411
Cash and cash equivalents	37	--	19,660	--	19,697
Total	**41,241**	**289**	**41,299**	**509**	**83,338**

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As at 31 December 2022	Companies (non-financial institutions)	State, government	Financial institutions	Individuals	Total
Assets					
Long-term receivables and loans - financial	270	--	--	1	271
Long-term receivables from derivative instruments	--	--	1,662	--	1,662
Short-term receivables and loans - financial	43,540	5,488	5,019	83	54,130
Cash and cash equivalents	2,516	--	7,505	--	10,021
Total	**46,326**	**5,488**	**14,186**	**84**	**66,084**

Ageing structure of financial assets

As at 31 December 2023	In due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than 1 year	ECL allowance	Total
Long-term receivables and loans	***230***	**--**	**--**	**--**	**--**	**--**	***230***
Long-term advances	229	--	--	--	--	--	229
Other long-term receivables	1	--	--	--	--	--	1
Short-term receivables and loans	***55,472***	**6,491**	**1,082**	**311**	**758**	**(703)**	***63,411***
Short-term trade receivables	53,408	6,491	1,082	311	749	(694)	61,347
Short-term loans provided	200	--	--	--	--	--	200
Contract assets	1,083	--	--	--	--	--	1,083
Short-term advances	20	--	--	--	--	--	20
Other short-term receivables	761	--	--	--	9	(9)	761
Cash and cash equivalents	***19,697***	**--**	**--**	**--**	**--**	**--**	***19,697***
Cash in hand	113	--	--	--	--	--	113
Bank accounts	19,584	--	--	--	--	--	19,584
Total	**75,399**	**6,491**	**1,082**	**311**	**758**	**(703)**	**83,338**

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As at 31 December 2022	In due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than 1 year	ECL allowance	Total
Long-term receivables and loans	***271***	**--**	**--**	**--**	**--**	**--**	***271***
Long-term advances	271	--	--	--	--	--	271
Short-term receivables and loans	***49,114***	**4,381**	**363**	**298**	**595**	**(621)**	***54,130***
Short-term trade receivables	40,023	4,374	358	295	594	(558)	45,086
Short-term loans provided to 3rd parties	100	--	--	--	--	(62)	38
Short-term loans to related parties	3,869	--	--	--	--	--	3,869
Contract assets	4,459	--	--	--	--	--	4,459
Short-term advances	41	--	--	3	--	--	44
Other short-term receivables	622	7	5	--	1	(1)	634
Cash and cash equivalents	***10,021***	**--**	**--**	**--**	**--**	**--**	***10,021***
Cash in hand	114	--	--	--	--	--	114
Bank accounts	9,907	--	--	--	--	--	9,907
Total	**59,406**	**4,381**	**363**	**298**	**595**	**(621)**	**64,422**

The Group tests the amount of financial assets held and recognizes allowances for financial assets in compliance with the accounting policy.

For current trade and other receivables, the Group generally uses the provision matrix approach. In the provision matrix approach, impairment is calculated using the historical loss rate and adjusted for forward-looking information. Provision matrix means that the corresponding ratio of expected credit losses is applied to the outstanding balance of financial short-term receivables. Determination of the corresponding ratio is based on historical development of receivables write-off and historical development of year-to-year change in gross domestic product (GDP) in the country the entity is registered.

Significant receivables are assessed individually using the expected discounted cash-flow method and an expert-based approach.

The Group assesses, on a forward-looking basis, the ECL for exposures arising from loan commitments and for other financial assets subject to the Standard ECL model (co-called Stage model)

The measurement of ECL reflects:

- *an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,*
- *the time value of money and*

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- *all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions, and forecasts of future conditions.*

Long-term receivables and other receivables from contracts with state institutions, short-term financial assets, cash and cash equivalents and term deposits, which are placed in strong and stable credit institutions meeting all capital and liquidity requirements set out in Basel III, are considered The Group for "low credit risk" assets. In these cases, the Group applies the "low credit risk" exception to the standard ECL model and therefore does not consider a significant increase in credit risk on these financial assets.

Changes in ECL provisions (additions and reversals) are recorded net within other operating expenses.

The following tables disclose the credit quality of financial assets at amortized cost. Long-term and short-term derivative financial instruments are not included in the table because they are measured at fair value through profit or loss.

Credit quality of financial assets at amortized cost

The Group classifies the financial assets into the credit quality classes. Class 1 consists of high-quality financial assets that do not have any indicators of impairment and fulfills the definition for "low credit risk" simplification and own cash in hand. In Class 2 the Group classifies all other financial assets.

Quantitative disclosure related to this classification to Class 1 and Class 2 is presented in the table below:

As at 31 December 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Provision matrix**	**ECL allowance**	**Net carrying amount**
Class 1						
Cash and cash equivalents	**19,697**	**--**	**--**	**--**	**--**	**19,697**
Cash in hand	113	--	--	--	--	113
Bank accounts	19,584	--	--	--	--	19,584
Class 2						
Short-term receivables and loans	**8,881**	**--**	**--**	**55,233**	**(703)**	**63,411**
Short-term trade receivables	8,681	--	--	53,360	(694)	61,347
Short-term loans to 3rd parties	200	--	--	--	--	200
Contract assets	--	--	--	1,083	--	1,083
Short-term deposits (refundable)	--	--	--	20	--	20
Other short-term receivables	--	--	--	770	(9)	761
Long-term receivables and loans	**166**	**--**	**64**	**--**	**--**	**230**
Long-term advances	166	--	63	--	--	229
Other long term receivables	--	--	1	--	--	1
Total	**28,744**	**--**	**64**	**55,233**	**(703)**	**83,338**

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As at 31 December 2022	Stage 1	Stage 2	Stage 3	Provision matrix	ECL allowance	Net carrying amount
Class 1						
Cash and cash equivalents	**10,021**	--	--	--	--	**10,021**
Cash in hand	114	--	--	--	--	114
Bank accounts	9,907	--	--	--	--	9,907
Short-term and long-term receivables from public contracts	**228**	--	--	--	--	**228**
Class 2						
Short-term receivables and loans	**8,140**	--	**100**	**46,283**	**(621)**	**53,902**
Short-term trade receivables	4,263	--	--	41,153	(558)	44,858
Short-term loans to 3rd parties	--	--	100	--	(62)	38
Short-term loans provided to related parties	3,869	--	--	--	--	3,869
Contract assets	--	--	--	4,459	--	4,459
Short-term deposits (refundable)	--	--	--	44	--	44
Other short-term receivables	8	--	--	627	(1)	634
Long-term receivables and loans	**212**	--	**59**	--	--	**271**
Long-term advances	212	--	59	--	--	271
Total	**18,601**	--	**159**	**46,283**	**(621)**	**64,422**

Movements of expected credit loss allowances created were as follows:

	Stage 1	Stage 2	Stage 3	Provision matrix	Total
Balance at 1 January 2022	--	--	--	**(432)**	**(432)**
Effect of new acquisitions	--	--	--	(2)	(2)
Additions – increase in allowance recognized in profit or loss during the year	--	--	(62)	(350)	(412)
Reversals – amounts unused	--	--	--	(22)	(22)
Write-offs – receivables written off during the year as uncollectible	--	--	--	251	251
Effect of currency translation	--	--	--	(4)	(4)
Balance as at 31 December 2022	--	--	**(62)**	**(559)**	**(621)**
Creation of an allowance	--	--	--	(130)	(130)
Reversal – amounts unused	--	--	--	42	42
Release due to receivables write-off	--	--	66	--	66
Effect of currency translation	--	--	(4)	(56)	(60)
Balance as at 31 December 2023	--	--	--	**(703)**	**(703)**

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The following table presents the gross carrying amount and the amount of an allowance calculated using the provision matrix for short-term receivables as at 31 December 2023:

	Gross carrying amount	Expected credit loss rate	ECL allowance	Net carrying amount
Due	**46,934**	**0.00%**	**--**	**46,934**
Short-term trade receivables	45,070	0.00%	--	45,070
Contract assets	1,083	0.00%	--	1,083
Short-term advances	20	0.00%	--	20
Other short-term receivables	761	0.00%	--	761
Past due < 90 days	**6,148**	**0.02%**	**(1)**	**6,147**
Short-term trade receivables	6,148	0.02%	(1)	6,147
Past due 91-180 days	**1,082**	**3.23%**	**(35)**	**1,047**
Short-term trade receivables	1,082	3.23%	(35)	1,047
Past due 181-365 days	**311**	**37.30%**	**(116)**	**195**
Short-term trade receivables	311	37.30%	(116)	195
Past due >365 days	**758**	**72.69%**	**(551)**	**207**
Short-term trade receivables	749	72.36%	(542)	207
Other short-term receivables	9	100.00%	(9)	--
Total	**55,233**	**1,27%**	**(703)**	**54,530**

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The following table presents the gross carrying amount and the amount of an allowance calculated using the provision matrix for short-term receivables as at 31 December 2022:

	Gross carrying amount	Expected credit loss rate	ECL allowance	Net carrying amount
Due	**40,683**	**0.00%**	**--**	**40,683**
Short-term trade receivables	35,569	0.00%	--	35,569
Contract assets	4,459	0.00%	--	4,459
Short-term advances	41	0.00%	--	41
Other short-term receivables	614	0.00%	--	614
Past due < 90 days	**4,353**	**0.02%**	**(1)**	**4,352**
Short-term trade receivables	4,346	0.02%	(1)	4,345
Other short-term receivables	7	0.00%	--	7
Past due 91-180 days	**363**	**2.48%**	**(9)**	**354**
Short-term trade receivables	358	2.51%	(9)	349
Other short-term receivables	5	0.00%	--	5
Past due 181-365 days	**298**	**6.38%**	**(19)**	**279**
Short-term trade receivables	295	6.44%	(19)	276
Short-term advances	3	0.00%	--	3
Past due >365 days	**586**	**90.44%**	**(530)**	**56**
Short-term trade receivables	585	90.43%	(529)	56
Other short-term receivables	1	100%	(1)	--
Total	**46,283**	**1.21%**	**(559)**	**45,724**

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Risk analysis by country/region (by a seat of the counterparty)

The following table shows the value of long-term and short-term financial assets, long-term and short-term receivables and loans - financial and cash and cash equivalents according to the seat of the counterparty:

	31/12/2023	31/12/2022
Austria	165	--
Belgium	276	--
Bulgaria	6,428	--
Czech Republic	35,032	30,238
Cyprus	--	61
Germany	16,012	5,454
Denmark	417	--
France	46	--
Hungary	579	--
Ireland	2,006	--
Italy	151	--
Malta	31	--
Netherlands	1,169	447
Poland	658	844
Portugal	152	--
Sweden	4,803	5,761
Slovakia	1,756	2,733
United Arab Emirates	66	--
Bosna and Hercegovina	98	--
Canada	200	--
Switzerland	6,619	4,904
United Kingdom	1,743	1,264
Indonesia	727	--
Israel	25	--
Kuwait	197	--
Moldova	80	--
Macedonia	1,173	2,896
Serbia	666	142
United States of America	1,549	817
Other foreign countries (outside EU)	514	10,523
Total	**83,338**	**66,084**

Credit risk - offsetting receivables and payables

In 2023 and 2022, there were no actual or potential offsets of receivables and payables in the Group.

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(b) Market risk

Market risk arises from the possible changes in the value of assets, liabilities and cash flows due to changes in interest rates and the risk of changes in the value of assets, liabilities and cash flows denominated in foreign currency due to changes in exchange rates. The Group has implemented policies and methods for monitoring and hedging of risk exposures.

(i) Currency risk

The Group is exposed to currency risk due to its foreign currency transactions. These risks arise from sales or purchases in currencies other than the functional currency of the individual companies of the Group.

Companies in the Group continuously monitor currency risks and evaluate the potential impact of fluctuations in the currency exchange rates on the Group's operations. The Group's companies are exposed to currency risk when generating sales in euros (EUR) and the US dollar (USD). Thanks to a similar currency structure of costs, this risk is naturally hedged. The Group's companies are also exposed to currency risk from long-term loans denominated in EUR. The companies expect to repay these loans from sales in EUR or from cash flows from loans provided to related parties, which are also in EUR.

Currency risk analysis (in thousands of EUR)

As at 31 December 2023 and 31 December 2022, the Group is exposed to foreign exchange risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are excluded from the consolidated statement of financial position, but their impact on the result is not completely ruled out. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated statement of financial position. Financial assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

At 31 December 2023	EUR	CZK	USD	Other
Long-term trade receivables and other current assets	26	--	--	--
Short-term trade receivables and other current assets	53,939	--	7,605	--
Cash and cash equivalents	3,156	6	840	28
Total assets	**57,121**	**6**	**8,445**	**28**
Bank loans and other borrowings – non-current portion	(32,840)	--	--	--
Other long-term liabilities	(1)	--	--	--
Bank loans and other borrowings – current portion	(18,155)	--	(1,428)	--
Short-term lease liabilities	--	--	(6)	--
Short-term payables from financial liabilities	(31,052)	(2,120)	(4,512)	--
Short-term trade and other payables	--	--	--	--
Total liabilities	**(82,048)**	**(2,120)**	**(5,946)**	**--**
Total	**(24,927)**	**(2,114)**	**2,499**	**28**

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At 31. December 2022	EUR	CZK	USD	Other
Long-term trade receivables and other non-current assets	121	1	--	149
Long-term derivative financial instruments	644	1 018	--	--
Long-term financial investments	--	--	--	3
Short-term financial assets	--	--	--	--
Short-term trade receivables and other current assets	9,145	27,242	3,254	14,489
Short-term derivative financial instruments	--	--	--	--
Cash and cash equivalents	4,685	877	796	3,663
Total assets	**14,595**	**29,138**	**4,050**	**18,304**
Bank loans and other borrowings – non-current portion	(60,605)	(4,995)	--	--
Long-term lease liabilities	(11)	(1,815)	--	(3,540)
Long-term liabilities from financial instruments	--	--	--	--
Other long-term payables	(10,765)	--	--	(1)
Short-term loans and interest-bearing borrowings	(22,709)	(1,259)	--	(1,051)
Short-term lease liabilities	(103)	(1,579)	--	(2,224)
Short-term trade and other payables - financial	(17,061)	(7,270)	(296)	(9,091)
Short-term derivative financial instruments	--	--	--	--
Total liabilities	**(111,254)**	**(16,918)**	**(296)**	**(15,907)**
Total	**(96,659)**	**12,220**	**3,754**	**2,397**

Currency risk sensitivity analysis

A reasonably possible strengthening /weakening of EUR, USD and CZK against all other currencies as at 31 December 2023 and as at 31 December 2022, would have affected the measurement of financial instruments denominated in a foreign currency as well as the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect reported in EUR thousand:

As at 31 December 2023	**Effect on profit/ (loss) for the period**	
	10% foreign currency appreciation	10% foreign currency depreciation
	Profit (+) / loss (-) before tax	Profit (+) / loss (-) before tax
EUR	(2,493)	2,493
CZK	(211)	211
USD	250	(250)

As at 31 December 2022	**Effect on profit/ (loss) for the period**	
	10% appreciation	10% depreciation
	Profit (+) / loss (-) before tax	Profit (+) / loss (-) before tax
EUR	(9,870)	9,870
CZK	455	(455)
USD	578	(578)

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(j) *Interest rate risk*

The Group is exposed to the risk of interest rate fluctuations mainly due to bank loans with a floating interest rate. The Group continuously monitors developments in the financial markets and, based on the current situation, decides whether loans will be drawn at a floating or fixed interest rate. The risk of increase of interest rates is monitored on an ongoing basis and, if necessary, the use of standard risk elimination instruments (interest rate swaps) is considered.

As at 31 December 2022, the Group used interest rate swaps to hedge interest rate risk, these derivatives are listed in Note 15. These derivatives were not assigned as hedging instruments in hedge accounting and are reported as derivatives held for trading.

The Group has performed an interest rate risk sensitivity analysis using a standardized interest rate shock, which means that an immediate increase / decrease in interest rates by 100 base points is applied to the interest rate positions of the portfolio. As at the balance sheet date, increase in rates by 100 base points would mean an increase of loss before tax by EUR 890 thousand (2022: increase of profit by 690 thousand) and a decrease; in rates by 100 base points would mean a decrease of loss before tax by EUR 890 thousand (2022: decrease of profit 690 thousand).

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(c) Liquidity risk

Liquidity risk represents the possibility that the Group might not be able to fulfil its payment obligations, in particular concerning the amounts due to providers of bank loans and borrowings.

The Group monitors the risk of having insufficient funds by continuously monitoring the liquidity and maturity of investments, other financial assets and projected cash flows from its.

The Group maintains free liquidity sources that consist of cash and equivalents in currencies in which future cash needs are expected. The Group uses overdrafts, bank loans and leases to maintain its liquidity.

The table below presents an analysis of Group's financial assets and liabilities classified by maturity:

As at 31 December 2023	Carrying amount	Contractual cash flows	Within 1 year	From 1 to 5 years	In more than 5 years	Due on demand/ Undefined
Assets						
Long-term receivables and loans - financial	230	230	--	230	--	--
Long-term invesments	3	3	--	--	--	3
Short-term receivables and loans- financial	63,411	63,411	63,411	--	--	--
Total assets	**63,644**	**63,644**	**63,644**	**230**	**--**	**3**
Cash and cash equivalents	**19,697**	**19,697**	**--**	**--**	**--**	**19,697**
Liabilities						
Bank loans and interest bearing borrowings	(119,885)	(120,496)	(44,586)	(4,146)	(71,764)	--
Long-term lease liabilities	(4,847)	(5,373)	--	(4,416)	(957)	--
Long-term payables - financial	(4,762)	(5,377)	--	(5,377)	--	--
Short-term lease liabilities	(3,395)	(3,714)	(3,714)	--	--	--
Trade and other payables - financial	(36,352)	(36,352)	(36,352)	--	--	--
Total liabilities	**(169,241)**	**(171,312)**	**(84,652)**	**(13,939)**	**(72,721)**	**--**
Net assets - for liquidity risk	**(85,900)**	**(87,971)**	**(21,241)**	**(13,709)**	**(72,721)**	**19,700**

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As at 31 December 2022	Carrying amount	Contractual cash flows	Within 1 year	From 1 to 5 years	In more than 5 years	Due on demand/ undefined maturity
Assets						
Long-term investments	3	3	--	--	--	3
Long-term receivables - financial	271	271	--	199	72	--
Long term derivative financial instruments	1,662	1,662	--	1,662	--	--
Short-term trade and other receivables - financial	54,130	54,610	54,610	--	--	--
Total	**56,066**	**56,546**	**54,610**	**1,861**	**72**	**3**
Cash and Cash equivalents	10,021	10,021	--	--	--	10,021
Liabilities						
Bank loans and other borrowings	(90,619)	(97,459)	(27,547)	(69,912)	--	--
Long-term lease liabilities	(5,366)	(5,715)	--	(4,803)	(912)	--
Long-term payables - financial	(10,766)	(12,229)	--	(12,229)	--	--
Short-term lease liabilities	(3,906)	(4,178)	(4,178)	--	--	--
Short-term payables - financial	(33,718)	(33,718)	(33,718)	--	--	--
Total	**(144,375)**	**(153 299)**	**(65,443)**	**(86,944)**	**(912)**	**--**
Net balance – liquidity risk	**(78,288)**	**(86,732)**	**(10,833)**	**(85,083)**	**(840)**	**10,024**

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(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group aims to maintain a strong capital base in order to keep the confidence of its creditors and markets and to manage the future development of its own business activities.

The Group companies are responsible for managing their capital structure and adjust it in the light of changes in financial market conditions. In order to secure or adjust the capital structure, the Group companies may adjust the dividends paid and other distributions made to shareholders.

The Group monitors capital on the basis of the debt ratio which is calculated as net debt divided by total capital under management. The Group aims to ensure an appropriate ratio of net debt to equity which is acceptable by the financing banks and which is common in the IT sector. Also it maintaines the credit rating to make the best use of its creditworthiness and to obtain low-cost external funds.

	31.12.2023	31.12.2022
Total bank loans and interest bearing borrowings	119,885	90,619
Reductions by cash and cash equivalents and other Short-term financial assets	19,697	10,021
Net debt	**100,188**	**80,598**
Total equity	39,068	55,818
Debt ratio	**2.564**	**1.444**

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(e) Fair value

Fair values and carrying amounts of financial assets and liabilities	Carrying amount 31.12.2023	Fair value 31.12.2023
Assets		
Financial assets at amortized cost	**83,338**	**83,338**
Long-term trade receivables and other non-current assets - financial	230	230
Short-term trade receivables and other current assets - financial	63,411	63,411
Cash and cash equivalents	19,697	19,697
Financial assets at fair value through profit or loss (FVTPL)	**3**	**3**
Other long-term financial assets	3	3
Total	**83,341**	**83,341**
Liabilities		
Financial liabilities at amortized cost	**160,794**	**160,794**
Bank loans and other borrowings - non-current portion	75,910	75,910
Other long-term payables	2	2
Long-term lease liabilities	4,847	4,847
Bank loans and other borrowings - current portion	43,975	43,975
Short-term trade and other payables - financial	32,665	32,665
Short-term lease liabilities	3,395	3,395
Financial liabilities at fair value through profit or loss (FVTPL)	**8,447**	**8,447**
Long-term trade and other payables - financial	4,760	4,760
Short-term trade and other payables - financial	3,687	3,687
Total	**169,241**	**169,241**

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Fair values and carrying amounts of financial assets and liabilities	Carrying amount 31.12.2022	Fair value 31.12.2022
Assets		
Financial assets at amortised cost	**64,422**	**64,422**
Long-term trade receivables and other non-current assets - financial	271	271
Short-term trade receivables and other current assets - financial	54,130	54,130
Cash and cash equivalents	10,021	10,021
Financial assets at fair value through profit or loss (FVTPL)	**1,665**	**1,665**
Other long-term financial assets	3	3
Long-term derivative financial instruments	1,662	1,662
Total	**66,087**	**66,087**
Liabilities		
Financial liabilities at amortised cost	**131,554**	**121,820**
Bank loans and other borrowings - non-current portion	65,600	65,600
Long-term trade and other payables – financial	9,734	--
Long-term lease liabilities	5,366	5,366
Bank loans and other borrowings - current portion	25,019	25,019
Short-term trade and other payables - financial	21,929	21,929
Short-term lease liabilities	3,906	3,906
Financial liabilities at fair value through profit or loss (FVTPL)	**22,555**	**22,555**
Long-term trade and other payables - financial	10,766	10,766
Short-term trade and other payables - financial	11,789	11,789
Total	**154,109**	**144,375**

For the above financial assets and liabilities, the carrying amounts approximate the fair value.

The fair values of financial derivatives meet the Level 2 criteria in accordance with the hierarchy of IFRS 13 (fair values are derived from market quotations of forward exchange rates, commodity prices and yield curves, although financial derivatives are not directly traded in active financial markets).

The fair values of other financial liabilities at fair value through profit or loss meet the Level 3 criteria in accordance with the hierarchy of IFRS 13 (fair values measurement using unobservable inputs). Valuation inputs used in determining the fair values are described in note 14.

The fair values of most loans do not differ significantly from their carrying amount (interest payable is close to current market rates, or these are short-term loans).

In 2023 and 2022, there were no transfers between levels of the fair value hierarchy.

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30. CONTINGENCIES AND COMMITMENTS

As disclosed in Note 12, the Group is also a co-debtor of the loans provided to Aricoma a.s. and Qinshift a.s. as co-borrowers.

The Group has guaranteed the following obligations:

In thousands of EUR	2023	2022
Aricoma as	62,845	40,586
Qinshift as	74,361	52,030
Total guarantees at 31 December	137,206	92,616

The fair value of guarantees was EUR 143 thousand at 31 December 2023 (2022: EUR 60 thousand).

31. EVENTS AFTER THE REPORTING PERIOD

As at 18 March 2024 the parent company Aricoma Group International AB was renamed to Qinshift Sweden AB.

On 18 June 2024 the Group received a letter of support from parent company KKCG Technologies s.r.o. On the basis of this letter of support, KKCG Technologies a.s.o. is ready to provide Aricoma Group (as a whole and to individual companies within the Group) financial assistance in covering all external obligations, if necessary. This letter of support is valid until the end of June 2025.

With the exception of the above, no other subsequent events occurred that would have a material impact on the financial statements as at 31 December 2023.

Date	Signature of the statutory body:	
26 June 2024	Ondřej Matuštík Member of the Board	Michal Tománek Chairman of the Board

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Independent Auditor's Report

To the Shareholders of Qinshift Sweden AB:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Qinshift Sweden AB (the 'Company') and its subsidiaries (together 'the Group') as at 31 December 2023 and their consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRS) as adopted by the European Union (EU).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our audit procedures also included the procedures required by Standards on auditing applicable in the Republic of North Macedonia (all together "Audit regulations"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and with the Audit Law applicable in the Republic of North Macedonia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the Audit Law applicable in the Republic of North Macedonia.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Audit regulations 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. 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 internal control relevant to the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dragan Daviktov
General Manager

Dragan Daviktov
Certified auditor

PricewaterhouseCoopers Revizija DOO Skopje

26 June 2024
Skopje, Republic of North Macedonia

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